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POSITIVE EQUILIBRIUM IN U.S.-CHINA RELATIONS: DURABLE OR NOT? A TIME OF "TESTING" IN SINO-AMERICAN RELATIONS

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I. INTRODUCTION: CONTEMPORARY AMERICAN ENGAGEMENT WITH CHINA

The year 2009 showed the strengths and the weaknesses of contemporary American engagement with China. President Barack Obama had entered into office to face a host of major international

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and domestic problems. However, China policy was not one of them. The president's campaign was unusual as China policy was absent as a significant issue of debate. Expert opinion urged the incoming U.S. government to pursue the positive equilibrium seen in closer U.S. – China engagement which was developed during the latter years of the George W. Bush administration.¹

Prominent Americans saw cooperation between China and the United States as the most important relationship in 21st century international politics. They argued for a “G-2” condominium between Washington and Beijing in order to direct major international issues including the global economic recession, climate change, conflicts in Afghanistan and Pakistan, and nuclear weapons development in North Korea and Iran.²

The Obama administration was more realistic about what could be expected in cooperation with China. It sought China's assistance, as well as the assistance of other important powers, in dealing with complicated international issues. It tried to reassure Chinese leaders that the U.S. government would not seriously challenge China in dealing with sensitive issues regarding trade protectionism, human rights, meeting with Tibet's Dalai Lama, and arms sales to Taiwan. It followed the pattern developed during the Bush administration of dealing with the many differences in U.S.-China relations through various bilateral dialogues. There are over sixty such dialogues, including an annual meeting led by the U.S. Secretaries of State and Treasury—where American and Chinese leaders endeavor to manage their differences and broaden cooperation—out of the limelight of media scrutiny. As a result, the carefully managed public discourse between the U.S. and Chinese governments tends to emphasize the positives in the relationship. Differences are dealt with in private meetings.³


Nevertheless, many significant differences became vividly clear as the year wore on, underlining the limits of positive U.S.-Chinese engagement. Chinese officials criticized the Obama government’s strategy in Southwest Asia and eschewed significant involvement against the Taliban. Chinese leaders complained frequently about U.S. stewardship in the global economy and made repeated references to diversifying from the U.S. market, investment in U.S. government securities, and use of the U.S. dollar. Americans who complained about restricted access to the Chinese market amid the massive trade deficit with China saw some moves to restrict Chinese imports and other actions which China greeted with trade retaliation and loud charges of protectionism.4

Chinese and American officials endeavored to develop common ground on climate change, but progress was limited and public acrimony between the U.S. and Chinese delegations highlighted the December international meeting in Copenhagen. President Obama undertook extraordinary last minute efforts to get China, India, Brazil and South Africa to join in support of the limited accord that was agreed to.5

Sino-American cooperation was better in dealing with North Korea’s second nuclear weapons test and other provocations, but the powers remained at odds regarding the utility of using international pressure to compel North Korean cooperation. Beijing was even more reluctant to apply pressure against Iran’s nuclear development.6

Military relations remained tense. The Chinese government ships confronted and harassed U.S. Navy surveillance ships patrolling in international waters that China claimed as a special zone in the South China Sea. China blocked military exchanges for months because of a U.S. arms transfer to Taiwan late in the Bush administration. The renewed military exchanges in 2009 had featured many strong Chinese warnings against the U.S. arms sales to Taiwan.7

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Against this background, expectations for U.S.-China relations were guarded. Deep mutual suspicion reportedly characterized official U.S.-China interchange. Non-government demonstrations of antipathy showed, especially on the American side. The media in the U.S. was very critical of President Obama’s “weak” stance on various human rights, trade and other issues sensitive to Americans during his November trip to China. A majority of Americans were unimpressed by the purported benefits of engagement as they continued to disapprove of the Chinese government and increasingly saw China as a threat to the United States.8

Despite their salience, disputes and differences in U.S.-China relations in 2009 did not appear sufficient to substantially upset enduring patterns of pragmatic decision making among the Chinese and American leaders focused on continued engagement with one another. The Obama administration remained preoccupied with a wide range of important domestic and foreign policy questions. In this context, a significant dispute with China appeared among the last things the preoccupied U.S. government would want; on the contrary, the incentive to continue at least a semblance of cooperation and to avoid conflict with China seemed strong.

The Chinese administration of President HU Jintao set a central foreign and domestic policy goal for the next decade which focused on China fostering a continuation of the prevailing international situation seen generally advantageous for China in order to allow for expeditious modernization in China. Exploiting this period of perceived “strategic opportunity” in international affairs seemed to require keeping U.S.-China relations moving in positive directions.9 The HU Jintao administration worked hard in fostering business-like and constructive relations with the George W. Bush administration.

In the year of 2009, the Chinese administration ensured that its initiatives and probes did not seriously disrupt the advantages for China in sustaining generally positive relations with the United States. Thus, Chinese probes against U.S. military surveillance in the South China Sea subsided. Despite public complaints and threats, Chinese investment in U.S. securities continued and Chinese reliance on the U.S. dollar remained. While Chinese officials planned for an eventual reliance on the Chinese consumer to drive

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economic growth, Chinese entrepreneurs seemed determined to sustain and expand their shares of the reviving U.S. market. China also acceded to varying degrees U.S. arguments on North Korea, Iran, and climate change. It resumed active military contacts cut off because of U.S. arm sales to Taiwan in 2008.10

Unfortunately for those seeking to strengthen the image of positive cooperation and engagement between the two world powers, 2010 got off to an acrimonious start. February was a particularly bad month. Chinese officials and authoritative commentary took the unusual step of escalating criticism and threats against reports of planned U.S. arms sales to Taiwan. The Chinese administration knew well that the sales were expected and had probably been delayed in order to avoid controversy prior to President Obama’s visit to China in November 2009. Nonetheless, official Chinese media were full of warnings in early 2010 against the sales. When the U.S. package of $6.4 billion of weapons systems was announced in early February, the Chinese reaction was publicly strong. Concrete retaliation included halting some defense talks, while threatened retaliation was directed against U.S. firms selling military equipment to Taiwan and included warnings that China would be less cooperative with U.S. officials in dealing with such salient international problems as Iran’s suspected nuclear weapons program.11

The Obama government made no secret of the fact that in deference to China and concern over the president’s trip to Beijing in November, the U.S. government had postponed the U.S. president’s meeting with the Dalai Lama rather than meet with the Tibetan leader during his visit to Washington in October 2009. Thus, when news of the rescheduled Obama-Dalai Lama meeting surfaced in February 2010, Chinese officials and media once again appeared to be trying to intimidate the Americans by warning against the meeting and its consequences for U.S.-China relations.12

II. THE DEBATE CONCERNING U.S.-CHINA RELATIONS

Coming after the sometimes acrimonious Sino-American interaction at the international climate change meeting in Copenhagen and following limited U.S. success in eliciting greater Chinese sup-

10. See quarterly reviews of US-China relations in Comparative Connections www.csis.org/pacfor
port for key U.S. international objectives regarding climate change, Iran's nuclear program, and international currency and trade issues, the tougher public posture of China prompted a range of speculation by media observers and international affairs specialists in the United States, China, other parts of Asia and the West. While there were often widely varying views and perspectives, the debate focused on two general groups.

A. Group One

The more prominent group warned of a potential or actual turning point in China-U.S. relations. The specialists and media commentators in this group tended to see rising China as having reached a point of greater power and influence in world affairs, and this rise was now prompting China to press the United States for concessions on key issues of longstanding disputelike Taiwan and Tibet. China's greater “confidence” and “assertiveness” also were prompting Beijing to take a tough stance in disputes with the United States on currency and trade issues, human rights practices, and cyber attacks, and to do less in support of U.S.-backed international efforts regarding Iran, North Korea, and climate change. Some saw China taking the lead and setting the agenda in U.S.-China relations, with the United States placed in a weaker and reactive position. It was common among these commentators for the Americans and others in Asia and the West among them to argue for a tougher U.S. stance against China, a so-called American “push-back” against perceived Chinese assertiveness. However, some specialists in this group judged that the Obama government, with its many preoccupations, was not up to the task of managing the newly assertive China; they saw as a shift in international power in Asian and world affairs away from U.S. leadership and toward China developing greater momentum.

The specific points made by these commentators and specialists included the following:

- China emerged from the global economic crisis of 2008-2009 stronger than the other major powers, including the United States, which remained stuck in a slow recovery with large unemployment. Commentators in China and abroad commonly saw economics as the prime cause for the power shift away from U.S. leadership and toward China that they perceived was well underway in Asian and world affairs. Indeed, it was judged by some that the international economic system was undergoing a significant change, away from Western-led norms and institutions and toward international regimes where rising China would play an ever greater role seen at odds with the liberal Western order fostered by the United States.

- In his visit to China in November 2009 and other U.S.-China interchange, President Obama and his administration signaled a strong need for U.S. cooperation with China on a wide variety of international as well as bilateral issues. The U.S. policy agenda was seen to underline the necessity of the U.S. government working closely with China. Under these circumstances, Chinese leaders were portrayed by Chinese and foreign experts to have discerned that America needed China more than China needed the United States. In the past, such calculations were seen behind upsurges in Chinese pressure on the U.S. government regarding Taiwan and other issues. In the current case, President Obama was viewed as "weak" and needing to accommodate China, which could afford to make stronger demands and to do less to accommodate its American partner.

- One line of analysis in this group said that the incentive for senior Chinese leaders to adopt tougher and less cooperative policies toward the United States had less to do with their confidence in international affairs and more to do with their concerns about managing domestic Chinese pressures. Chinese elites and popular opinion reportedly were influenced by international and Chinese commentary highlighting China's rise from the economic crisis while the United States lagged behind. These segments of Chinese opinion joined with those officials in China representing military, domestic economic and other stakeholders in China's ever growing international profile who were not associated with the more
experienced and generally diplomatic approach of the professional Chinese foreign policy establishment. The domestic, military and other officials joined with popular and elite opinion in pushing for greater attention to Chinese interests and greater resistance to U.S. requests or pressures. In order to preserve domestic stability and the continued smooth rule of the communist party in China, President HU Jintao and other leaders were seen to have little choice but to accommodate domestic forces pushing for a harder position against America.\textsuperscript{17}

B. Group Two

The second group of Chinese international observers was much less prominent than those of Group One during the early weeks of 2010. The specialists and commentators of the second group duly acknowledged China’s more publicly assertive stance on Taiwan and Tibet; the limited Chinese cooperation with the United States on issues ranging from currency and trade issues to climate change and Iran’s nuclear program also was noted. These observers often anticipated a difficult year ahead for Sino-American relations, especially as the Obama government was pressed by domestic economic and political forces in the United States to adopt a firmer stance against China on sensitive issues like human rights, trade disputes, and Iran.

However, these specialists and commentators tended to see more continuity than change in Sino-American relations.\textsuperscript{18} They disagreed with idea that China had now reached a point where it was prepared to confront America on key issues and or where it was prepared to risk substantial deterioration in Sino-American relations. Some of these observers tended to see the Chinese pressure on Taiwan and Tibet as “probes” or “tests” of U.S. resolve, not unlike the probes China appeared to carry out in the South China Sea in 2009. Also, that year was threatened to move away substantially from the U.S. dollar and to move away from focus on the U.S. mar-


ket for Chinese exports. As noted earlier, China was viewed to have pulled back from those 2009 initiatives once it was clear that their consequences would be adverse to broad Chinese interests.¹⁹

Among specific reasons for judging continuation of Chinese efforts to avoid substantial conflict and to sustain positive engagement in the United States were:

- China's dependence on the U.S. economy and its reliance on the international order led by the United States remained enormous. The ability of an aroused United States to complicate and undermine Chinese interests in sustaining the “strategic opportunity” of an advantageous international environment in the first two decades of the twenty-first century also remained enormous.

- China was compelled in the previous decade to reverse its strong opposition to U.S. hegemonism in the interests of a policy to reassure the United States and its associates that China's rise would be peaceful. It did so in major part to avoid U.S. balancing that would impede China's growth and so complicate China's rise that it might lead to the end of the Chinese Communist Party regime.²⁰ Reversing such a policy approach would be a very difficult undertaking for a Hu Jintao administration entering in its last years with a focus on smooth succession from one leadership generation to the next. Thus, the incentive for the Hu Jintao administration to sustain generally positive Sino-U.S. relations was reinforced by the pending generational leadership succession due to take place at the 18th Chinese Communist Party Congress in 2012. Preparations for this decennial event involve widespread behind-the-scenes bargaining over policy, power, and appointment issues that are best carried out in an atmosphere where Chinese leaders are not diverted by serious controversy among the many issues they face at home and abroad, notably Sino-American relations.

- If China were to choose to confront the United States, it would presumably be inclined to follow the past pattern China has used in dealing with international initiatives

¹⁹. These points and those in the bullets paragraphs below benefited from off-the-record consultations and meetings the author had with two dozen American specialists and five Chinese officials in Washington DC during February 2010.

against potential or real adversaries. That pattern involves “united front” tactics where China is sensitive to and endeavors to build closer ties with other powers as it prepares to confront the adversary, the “main” target. However, prevailing conditions in Chinese foreign relations did not show particularly good Chinese relations with many important world power centers as China faced the United States in 2010. China’s relations with India, Japan, Western Europe, South Korea, Australia, and arguably Russia were very mixed and often troubled. With the exception of Japan, they were more troubled and less cooperative than they were earlier in the decade.

It is likely that only time will tell whether Group One or Group Two has the correct assessment of contemporary Sino-American relations. This writer tends to support the view seen in Group Two. The reasons stem from a book length assessment he has completed on the past and present status of Sino-American relations. The events chronicled there, some of which are highlighted in this monograph, show a Sino-American relationship with many problems as well as strengths. They demonstrate that the positive equilibrium prevailing in recent interaction between the U.S. and Chinese governments is likely to endure the current episodes of friction. In the context of a continuing, albeit fragile, positive equilibrium between the U.S. and Chinese governments, this monograph offers some recommendations for American policy on how to sustain and improve U.S. relations with China.

III. LESSONS IN HISTORY

The historical record of Sino-American relations gives more emphasis to the differences than to the common ground between the two countries. Some American and Chinese politicians and commentators have chosen to focus on the positive aspects of those many years of interaction. They focus on longstanding U.S. support for the “open door” to China and the territorial integrity of the country in the face of imperialist threats from other powers in the 19th and 20th centuries. The United States did not join Western...
powers using military force to attack China in order to gain greater diplomatic, economic, or other advantage in 19th century China. U.S.-Chinese military cooperation against Japanese aggression in World War II represented perhaps the most important example of Sino-American cooperation. The role of U.S. businesses and missionaries in helping to advance the Chinese economy, educate Chinese students, and improve conditions in the country also receive prominent play.

On the other hand, a comprehensive review of the record demonstrates that such accounts of Sino-American cooperation are partial and probably misleading. Developments show a much more mixed and on the whole negative assessment of Sino-American relations, underlying reasons for distrust and wariness that continue to characterize the relationship up to the present.23

In particular, key features of diverging U.S. and Chinese interests and values are reflected in the events dealing with this historical experience in Sino-American relations. They appear to have had a lasting and, on the whole, a negative impact of Sino-American relations.

U.S. policy and practice demonstrate the strong rationale to seek change in China in directions favored by the United States. This usually values-based American approach often clashes with the realities in U.S.-China relations arguing for greater U.S. policy pragmatism. U.S. government and non-government opinion shows wariness and non-acceptance of China until and unless China is able to accommodate satisfactorily to the U.S.'s values and norms.

As U.S. policymakers, backed by broader American opinion, often see their actions in morally correct terms, they have a tendency to play down or ignore the negative implications of their actions for China, Chinese values, and Chinese interests. Non-government actors play a strong role in influencing American policy, reinforcing the need for U.S. government policy to deal with

domestic U.S. determinants in relations with China as well as the international aspects of those relations. These non-government actors tend to reinforce the above noted elements of a U.S. values-based approach to China, which is less accommodating to Chinese policies and practices at odds with U.S. norms.

The longstanding U.S. strategic interest in China featured, over many decades, a prolonged reluctance to undertake the risks, costs and commitments of leadership in relations with China until forced to do so by the Japanese attack on Pearl Harbor. This period prior to 1941 saw developments that repeatedly disappointed those in China seeking help from the United States. Since then, U.S. leadership and resolve generally have continued amid often great American sacrifice and trauma—negative experiences seen caused in particular by repeated, sometimes very costly, and often unpredicted shifts in China. The result is distrust and wariness in Sino-U.S. relations which remains strong in recent decades.

The impact of historical experiences on the Chinese side of the equation has also been mixed, with an emphasis on the negatives. Repeated and often acutely negative experiences at the hands of foreign powers, including the United States, in the 19th and 20th centuries resulted in a dark and negative Chinese view of the intentions and actions of foreign powers. Fear of foreign pressure, exploitation, and attack has driven China to sustain and advance national power and independence in order to protect its interests in the face of what often have been seen as acquisitive and duplicitous world powers, notably the United States.

China shows particular worry about the leading world power (usually the United States) and how it will use its presence and influence along China’s periphery, in exerting broader international influence, and involvement in Chinese internal affairs, in order to enhance its own power and influence at the expense of Chinese interests and influence. As China rises in international power and influence in recent years, the leading power (the United States) is seen to be inclined to constrain and thwart the rise in order to preserve its dominant position.

Chinese suspicions and wariness toward the United States and toward foreign affairs also generally are reinforced by strong currents of nationalism and Chinese domestic politics sensitive to perceived foreign pressures or impositions.\(^{24}\)

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IV. U.S.-CHINA COOPERATION AND DIFFERENCES IN RECENT DECADES

The determinants of cooperation in Sino-American relations in recent decades have been circumstances that have prompted leaders on both sides to put aside historical and more contemporary differences for pragmatic reasons, allowing both to benefit from closer Sino-American cooperation. Without the circumstances favoring pragmatic cooperation, the record in recent decades shows that strong and often deeply rooted differences between the two governments and the broader societies are likely to emerge. Even in the best of times, these differences tend to obstruct progress and improvement in Sino-American relations.25

President Richard Nixon (1969-74) and Chairman MAO Zedong carried out the most dramatic turn in Sino-American relations. The Sino-American opening surprised even some of the most sophisticated international observers because the U.S. and Chinese administrations, and the broader American and Chinese societies, had spent much of the Cold War in overt confrontation and conflict regarding a wide range of issues concerning security, economics and politics. The interests and values of both governments and societies were very different and usually in conflict. Despite all of these divergences, both Nixon and Mao pragmatically pursued better relations with one another on account of their respective acute crises and weaknesses brought on by international and domestic pressures and circumstances. The expanding power of the Soviet Union loomed large in the calculus of both countries. Common U.S.-China opposition to “hegemonism,” a code word used at the time to denote the Soviet Union, provided one of the few common points in the Shanghai Communiqué at the end of Nixon’s landmark visit to China in 1972. The rest of the communiqué was full of differences registered by the two governments over salient issues in Asian and world affairs. More broadly, free market and democratic America

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contrasted markedly with Maoist China slowly emerging from its most xenophobic, rigidly ideological, and brutally totalitarian phase. Nonetheless, the leaders of both governments managed to put aside their enormous differences for pragmatic reasons of realpolitik.

Since the Nixon-Mao opening, the pattern of the U.S. and Chinese leaders pragmatically seeking cooperation for practical reasons having to do with international and domestic circumstances has been the key determinant in developing cooperative Sino-American relations. Common opposition to the threat and expansion of Soviet power in the latter decades of the Cold War was the foundation of Sino-American cooperation in the 1970s and 1980s. Post-Mao China shifted economic policy and integrated China increasingly with the countries of the developed world, building a new, predominantly economic, foundation for Sino-American cooperation. The ideological rigidity and autarchy of Mao's later years were replaced by political reform and openness to international engagement.

However, progress in relations came to an abrupt halt at the turn of the 1980s. The brutal crackdown on student-led demonstrations in Tiananmen Square in 1989 had a negative impact on American public opinion, the American media, the Congress, and a variety of U.S. non-government interest groups. All of these important elements in American politics remained wary of China's administration and its various policies into the 21st century and up to the present. The collapse of communism in Europe and much of the rest of the world led to the demise of the Soviet Union in 1991, ending the strategic foundation of improving Sino-American relations. Without a strategic rationale for cooperating with China and grossly offended by China's blunt use of force at Tiananmen, Americans in Congress, the media, and among a wide range of interest groups gave free rein to criticizing China over the wide range of political, security, economic, and cultural differences existing between the two governments and societies. Those differences and the conflicting interests and values that lay behind them had received infrequent and secondary attention for twenty years on account of pragmatic American pursuit of strategic and other interests through improved relations with China.

The U.S. government of President George H.W. Bush (1989-1993) endeavored, with mixed success, to sustain key economic and other ties with China amid this barrage of American criticism of China. Chinese leaders and popular opinion reacted very negatively
to the American onslaught, though Chinese leaders were more able and willing than their American counterparts to control government and public attention to Sino-American differences as they sought to sustain important economic and other ties with the United States.

In the early 1990s, U.S. threats to condition or end normal trade relations with China were turned aside as U.S. business interests sought to benefit from the newly burgeoning Chinese market and mobilized and lobbied effectively to sustain these ties important to their interests. President William Clinton bowed to congressional, media and other pressure in allowing Taiwan’s president to visit the United States in 1995. China’s reaction in the form of provocative military exercises in the Taiwan area was so strong that the Clinton government became much more attentive in seeking to manage differences with China in ways that would not cause crises and would lead to greater U.S.-China engagement. President Clinton’s pragmatic search for greater engagement with China did not still the vigorous criticism of China and Clinton’s newly moderate policy toward China on the part of many in Congress as well as U.S. media and various interest groups.

President George W. Bush (2001-2009) had an initially tougher stance toward China more in line with congressional, media, and other American critics. Chinese officials endeavored to moderate the U.S. administration’s tough stance and succeeded through various concessions in easing Sino-American tensions and building areas of cooperation. By 2003, concerns over North Korea’s nuclear weapons development and broader problems in the U.S. campaign against terrorism and the war in Iraq saw the U.S. president shift toward the emphasis on common ground with China that prevailed in the latter years of his government. President Barack Obama and his foreign policy team chose to continue the Bush administration’s emphasis on the positive in dealing with China. The Chinese administration welcomed the moderation of the U.S. presidents as it endeavored to maintain a generally positive and cooperative posture toward the United States, seen as supportive of broader Chinese goals emphasizing development and seeking national wealth and power.

Despite sometimes strenuous efforts by Chinese and American officials, especially during the latter years of the George W. Bush administration, to emphasize the positive in Sino-American relations and to relegate differences to treatment in dozens of bilateral dialogues, the differences continued to surface from time to time.
China's many disagreements with the United States can be grouped into four general categories of disputes, which have complicated U.S.-China relations for years. Chinese leaders were quite vocal about their differences with the United States in reaction to the waves of U.S. criticism of China in the 1990s. China came to moderate its public opposition to U.S. policies and practices beginning at the start of this decade, thereby reducing the salience of some of these issues, but they remained important and were reflected in Chinese policies and actions. The risk-adverse HU Jintao leadership appeared to have little incentive to accommodate the United States on these sensitive questions; a dramatic Chinese change in favor of the United States on these questions might open the leadership to attack from within the leadership and/or from segments of China's elite and public opinion.

Official Chinese statements and commentary in official Chinese media showed the four categories of differences. In priority order, they are: opposition to U.S. support for Taiwan and involvement with other sensitive sovereignty issues, notably Tibet; opposition to U.S. efforts to change China's political system; opposition to the United States playing the dominant strategic role along China's periphery in Asia; and opposition to many aspects of U.S. leadership in world affairs. Some specific issues in the latter two categories include U.S. policy in Iraq, Iran, and the broader Middle East; aspects of the U.S.-backed security presence in the Asia-Pacific; U.S. and allied ballistic missile defenses; U.S. pressure on such governments as Myanmar (Burma), North Korea, Sudan, Zimbabwe, Cuba, and Venezuela; U.S. pressure tactics in the United Nations and other international forums, and the U.S. position on global climate change.\footnote{26}

U.S. differences with China have continued to involve groupings of often contentious economic, security, political, sovereignty, foreign policy and other issues. Economic issues center on inequities in the U.S. economic relationship with China that include a massive trade deficit, Chinese currency policies and practices, U.S. dependence on Chinese financing U.S. government budget deficits, and Chinese enforcement of intellectual property rights. Security issues involve the buildup of Chinese military forces and the threat they pose to U.S. interests in Taiwan and the broader Asia-Pacific.

Political issues include China's controversial record on human rights, information control, democracy, religious freedom, and family planning practices. Sovereignty questions involve disputes over the status of Taiwan, Tibet, Xinjiang and Hong Kong. Foreign policy disputes focus on China's support for such "rouge" states as Sudan, Myanmar (Burma), Iran, Cuba, Zimbabwe, and Venezuela; and Chinese trade, investment and aid to resource rich and poorly governed states in Africa that undermines Western sanctions and other measures designed to pressure these governments to reform.27

These differences usually reflect conflicting interests and/or values.28 For example, in the security area, the United States has developed a strong strategic interest in sustaining free military access to the Pacific Rim in Asia and in fostering a favorable balance of power in the East Asian region. In contrast, China has long opposed large powers developing and sustaining military power along China's periphery. As China's military power rises in conjunction with its economic power and political influence, it is widely seen to challenge key American security interests in Asia's Pacific Rim, notably endeavoring to restrict American military access along key areas of China's periphery.

China's need for a free flow of oil and other resources from the Middle East and other developing countries puts a premium of secure lines of communication that remain heavily influenced by the global reach of the U.S. Navy. Pragmatic adjustment to U.S. dominance has been China's recent position, but debate in China foreshadows stronger Chinese efforts to control with their own forces those critically important routes once the Chinese military develops global reach of its own. This challenge to existing U.S. interests in sustaining dominance in such global commons is mirrored in Chinese efforts to improve abilities in space warfare and cyber warfare, among others.

In the area of state sovereignty, China has long regarded U.S. support for the administration in Taiwan separate from China's control as a gross violation of Chinese sovereignty. The United States judges that it has a longstanding commitment to Taiwan that, if not sustained, will undermine American credibility with Japan and other key allies. U.S. values support promotion of democracy.

abroad; Taiwan’s vibrant democracy adds to reasons for the United States to support Taiwan in the face of pressure from the authoritarian Communist Party administration of China, which is viewed negatively by a majority of the American people.

American commitment to human rights and the promotion of democratic governance prompts interventions in support for Tibetan and other ethnic groups and Chinese political dissidents who come under sometimes brutal suppression of the Chinese authorities. In contrast, Chinese nationalists influential in the communist party’s administration and broad segments of public and elite opinion in China see such American actions as thinly disguised efforts reminiscent of imperialist efforts directed at China in the past to split Tibet and other parts of China from Chinese control, and to promote political change in China that would end the communist rule in China that the current Chinese leadership sees as its key interest to preserve.

The Americans tend to have more complaints than the Chinese about economic relations as both sides seek to protect their interests in development from being undermined by perceived selfish and exploitative actions of the other. American differences focus on Chinese unfair trading practices, currency manipulation, intellectual property piracy, and other actions that are seen to grossly disadvantage the United States as China speeds toward rapid development while sustaining massive surpluses in trade with the United States and accumulating the world’s largest foreign exchange reserves. Chinese complaints center on U.S. handling of international economic regulations and the fate of China’s $1 trillion investment in U.S. government affiliated securities.

With the end of the George W. Bush administration’s stance at odds with the climate change agenda of much of the rest of the world, the United States is moving to undertake concrete commitments to reduce green house gas emissions and improve the outlook for the international environment. China’s interests in continued rapid economic growth argue against China taking concrete measures in this area that would prove costly to Chinese development. How the two sides will deal with these often conflicting interests remained a key uncertainty at the outset of the Barack Obama administration’s interaction with China. The question continues following the less than successful conclusion of the international climate change conference in Copenhagen in December of 2009.
Available scholarship also shows that contemporary differences between China and the United States have developed in tandem with a deep sense of wariness and suspicion in Sino-American relations caused in part by the practice and process of China-U.S. interchange since the Mao-Nixon opening.\textsuperscript{29} Developments in and aspects of the U.S.-China relationship over the past four decades that are shown to contribute substantially to the mutual suspicions we see today include Taiwan. Private and until recently secret Nixon administration interaction with China shows U.S. leaders at the outset giving assurances to China about Taiwan that appeared to open the way to unification on terms agreeable to China. Subsequently, Chinese leaders were repeatedly being confronted with U.S. actions at odds with the earlier U.S. promises and impeding Chinese ambitions regarding Taiwan. Chinese distrust of U.S. policy, especially regarding Taiwan, became deep and long-lasting, and continues up to the present.\textsuperscript{30}

Richard Nixon and several later presidents determined to hide U.S. concessions on Taiwan and other sensitive issues through secret diplomacy with China in order to keep Congress as well as U.S. media and other interested Americans in the dark on these sensitive questions. One result was increased suspicion and repeated backlash from these forces against U.S. administration China policy. Such backlash was seen in congressional action drafting the Taiwan Relations Act of 1979 and congressional and media reaction to the George H.W. Bush handling of the China policy after the Tiananmen incident. The perceived secrecy and related duplicity of the U.S. administration on sensitive issues of China policy has led to continuing suspicion among congressional officials, the media, and other U.S. opinion leaders regarding the purpose and implications of sensitive U.S. policies toward China. The threat of U.S. domestic backlash and suspicion in the Congress and the media poses a significant drag on U.S. administration efforts to move forward on sensitive issues in U.S.-China relations.

Respective costs and benefits drive acrimonious discussion between U.S. and Chinese officials and discussion among the policy-makers of each side. Debate in the United States and China repeatedly centers on whether one side is gaining disproportionately in the relationship while the other side defers and makes concessions. The Chinese administration, given its authoritarian

\textsuperscript{29} These differences are discussed in Sutter \textit{US-Chinese relations} chapter 1.

\textsuperscript{30} Tucker, \textit{Strait Talk}
system, has done a better job than the United States in keeping such debate from spilling over publicly to affect policy in negative ways. Nonetheless, the tendency of both sides to be wary of being taken advantage of by the other remains strong.

Non-government actors are a problem for smooth policy making, especially on the American side. Elites in the Chinese and U.S. administrations have been the key decision-makers in Sino-American relations. However, foreign policy in the United States and particularly U.S. policy toward China has a long history of American non-government forces influencing policy; this pattern continues into the recent period. These groups and individuals have been especially important when broader international and domestic circumstances do not support a particular elite-led policy toward China. Thus, they were particularly important in the years after the Tiananmen incident and the end of the Cold War. Chinese leaders for their part say they are constrained by nationalistic public opinion in China, which they aver is adverse to Chinese compromises on Taiwan or other sensitive issues in the interests of fostering better U.S.-China relations.

V. POSITIVE EQUILIBRIUM IN U.S.-CHINA RELATIONS IN THE 21ST CENTURY

Fortunately for those seeking improvement in Sino-American relations, the many differences between the United States and China more often than not were off-set in the first decade of the 21st century by circumstances that caused the two leaderships to pragmatically manage their differences while seeking to avoid trouble and where possible develop common ground. The process was not uniform or smooth, but the result was a positive equilibrium between the U.S. and Chinese administrations that appeared likely to persist into the second decade of the 21st century, despite many differences and disputes.51

During this period, both the U.S. and Chinese administrations became preoccupied with other issues; they generally seemed reluctant to exacerbate tensions with one another. Growing economic interdependence and cooperation over key issues in Asian and world affairs reinforced each government’s tendency to emphasize the positive and pursue constructive relations with one another.

51. The balance of differences and areas of cooperation in US-China relations discussed here is based on, among other sources, the discussion in Sutter US-Chinese relations, chapter 7
The emerging positive stasis in U.S.-China relations provides a basis for greater cooperation over economic, security and other interests and issues.

However, differences in strategic, economic, political and other interests also have remained strong; they represent major obstacles to further cooperation between the two countries. Policy makers in both countries also continue to harbor suspicions about each others’ intentions. They remain on alert for changing circumstances regarding Taiwan, Japan, North Korea, international economic trends, U.S. and Chinese domestic politics, and other developments that could seriously complicate the bilateral relationship.

A pattern of dualism in U.S.-China relations has arisen as part of the ostensibly positive equilibrium in this decade. The pattern involves constructive and cooperative engagement on the one hand and contingency planning or hedging on the other. It reflects the mix noted above of converging and competing interests and prevailing leadership suspicions and cooperation.

Chinese and U.S. contingency planning and hedging against one another sometimes involves actions like the respective Chinese and U.S. military buildups that are separate from and develop in tandem with the respective engagement policies the two leaderships pursue with each other. At the same time, dualism shows as each government has used engagement to build positive and cooperative ties while at the same time seeking to use these ties to build interdependencies and webs of relationships that have the effect of constraining the other power from taking actions that oppose its interests. While the analogy is not precise, the policies of engagement pursued by the United States and China toward one another have featured respective “Gulliver strategies” that are designed to tie down aggressive, assertive or other negative policy tendencies of the other power through webs of interdependence in bilateral and multilateral relationships.

The recent positive stasis in U.S.-China relations is based on an increasing convergence of these respective engagement policies and Gulliver strategies. But the fact remains that these Gulliver strategies reflect underlying suspicions and conflicting interests that feature prominently in the calculations of both the U.S. and Chinese administrations as they pursue their relations with one another.32

32. This dualism and respective Gulliver strategies are discussed in Robert Sutter, "China and US Security and Economic Interests: Opportunities and Challenges," in
Beginning in the last half of the 1990s, Chinese leaders reviewed and reassessed their previous more confrontational approach to U.S. pressures against China and longstanding Chinese opposition to U.S. dominance and so-called “hegemony” in Asian and world affairs. These U.S. pressures and dominance previously had been seen as antithetical to Chinese interests and as requiring strong opposition and resistance by China.

There was debate among foreign and Chinese specialists regarding the significance of this reassessment. According to some foreign specialists who interviewed numerous Chinese officials and foreign policy specialists, the Chinese leaders by the latter 1990s settled on a strategy that played down differences with and resistance to the United States, in favor of an approach of ever greater cooperation with the American government. This approach was said to remain sensitive to U.S. intrusions on important Chinese interests involving Taiwan, but it deemphasized past Chinese concerns regarding U.S. policies and behavior designed to solidify U.S. leadership in Asian and world affairs.\(^3\)

Against this background, some U.S. and Chinese specialists judged that the new Chinese approach of pragmatic adjustment met and would continue to meet U.S. approval and result in ever greater convergence and cooperation in U.S.-China relations. They maintained that the Chinese adjustment was based on greater maturity and confidence among Chinese leaders as they dealt with the United States and world affairs. Chinese maturity and confidence were seen as based on the Chinese leaders’ success in promoting decades of remarkable economic growth along with military modernization and social change in China. Indeed, the maturity and confidence was said to lie behind much of the “new thinking” said to be influencing greater Chinese involvement in regional and other multilateral organizations, and to off-set traditional Chinese views of having been victimized by outside powers and needing to be on guard to prevent future exploitation or oppression.\(^4\)

An opposing school of thought among the U.S. and Chinese specialists, which includes this writer, judges that the circumstances

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surrounding Chinese foreign policy and Chinese policy toward the United States have remained and continue to remain far too uncertain to posit a truly lasting Chinese strategy of cooperation and convergence with the United States. There have been remarkable twists and turns in Sino-American relations, even following the reported Chinese leadership decision in the latter 1990s to pursue a moderate policy toward the United States. The stability of what is seen as an inherently fragile relationship was challenged this decade by antipathy in the United States over Chinese policies and practices in economic, security, and other areas, and by the policies and practices of Taiwan, North Korea, Japan, and other international actors.35

This writer and other specialists in this group have remained unconvinced that Chinese leaders are confident and mature in their recent moderate approach to the United States. Rather, Chinese leaders are seen as often vulnerable and uncertain as they react and respond to policies and practices, particularly of the powerful and sometimes unpredictable United States government but also including the leaders of Taiwan, Japan, Russia, North Korea, India and others. They adjust to changing circumstances, weighing in each instance the costs and benefits of maintaining or changing policies, and thereby seek to sustain key Chinese leadership priorities and advance the development of what they call China’s comprehensive national power.

In recent years, Chinese leaders are seen by this group of analysts as hedging their bets as they endeavor to persuade the United States and other important world powers of China’s avowed determination to pursue the road of peace and development. Thus, the new thinking seen in greater Chinese international activism and positivism regarding multilateral organizations and world politics highlighted in the December 2005 Chinese White Paper entitled China’s Peaceful Development Road appears to be only one part of recent Chinese foreign policy. Such positive and cooperative new thinking seems balanced by a concurrent large-scale buildup in Chinese military forces backed by assertions in Chinese white papers on national security, other official commentary, and assertive diplomatic and military actions that make clear that Chinese leaders are quite prepared to protect their interests in strong and assertive ways.

under circumstances seen to warrant such actions. In the meantime, the new Chinese diplomatic and international activism and positivism not only fosters a positive and beneficent image for China. They are seen by these analysts as serving an important practical objective of fostering norms and practices in regional and international organizations and circumstances that create a buffer against perceived U.S. efforts to "contain" China and to impede China's rising power. Roughly consistent with the image of the "Gulliver strategy" noted earlier, they foster webs of interdependent relationships that tie down and hamper unilateral or other actions by the U.S. superpower that could intrude on important Chinese interests in Asian and world affairs.36

VI. EVOLVING U.S. POLICY—BUSH'S INITIAL APPROACH TO CHINA AND CHINA'S REACTION

George W. Bush had a reputation of toughness toward China but did not have a clearly articulated policy. The new U.S. administration's approach to the Chinese administration was based in large measure on a fundamental uncertainty—China was rising and becoming more prominent in Asia and world affairs, but U.S. leaders were unsure if this process would see China emerge as a friend or foe of the United States.37 The administration dealt with this ambiguous China situation within a broader U.S. international strategy that endeavored to maximize U.S. national power and influence in key situations, including relations with China. This involved strengthening U.S. military and economic power; bolstering U.S. relations with key allies—in Asia, Japan, South Korea, and Australia received high priority; and improving U.S. relations with other power centers—the Bush administration was successful in moving quickly, before September 11, 2001, to build closer relations with the two major flanking powers in East Asia, Russia and India.38


In 2001, the new U.S. President and his leadership team displayed a notably less solicitous approach to China than displayed by the outgoing Clinton administration. The Clinton administration during its second term adopted an engagement policy toward China that received the top priority among U.S. relations with Asia. The administration was anxious to avoid “swings”—serious downturns—in U.S.-China relations over Taiwan and other issues; and it also repeatedly sought negotiations with Beijing to develop “deliverables”—agreements and other tangible signs of forward movement in U.S.-China relations. President Clinton, senior U.S. officials and U.S. specialists repeatedly made clear that key objectives of U.S. growing engagement with China were to enmesh China in webs of interdependent relationships with the United States, international organizations, world business and others that would constrain and ultimately change Chinese policies and practices at home and abroad that were seen as offensive to or opposed to U.S. interests.

PRC bargainers used a prevailing atmosphere of strong, public Chinese criticism of U.S. policies and warnings of Chinese actions against Taiwan in order to press for U.S. concessions in areas of importance to them, notably regarding U.S. relations with Taiwan. The Chinese criticism of U.S. policy had a broad scope involving Taiwan and a wide range of issues in U.S. foreign and security policy including missile defense, NATO expansion, U.S.-Japan security cooperation, U.S. human rights policy, U.S. efforts in the United Nations to sanction Iraq, and U.S. policy toward Cuba, Iran, the Middle East and other areas in the developing world. The Clinton administration made some concessions, notably on Taiwan. Visiting China in 1998, Clinton affirmed the “three nos,” pledging that the United States would not recognize Taiwan in an official capacity. His affirmation was seen as a concession to China by Clinton’s critics in Congress and the media; the declaration and the reaction in the United States helped to fuel the white hot U.S. domestic debate over the proper direction of U.S. China policy.

By contrast, the Bush administration lowered China’s priority for U.S. decision makers, placing the PRC well behind Japan and other Asian allies and even Russia and India for foreign policy at-
tention. This kind of downgrading of China's importance in U.S. policy had last been carried out in the Reagan administration under the supervision of Secretary of State George Shultz. It appeared to be no accident that the key architects of the policy shift in 2001, notably Deputy Secretary of State Richard Armitage, were among key decision-makers in the similar U.S. shift in U.S. China policy that began in 1983. Armitage and his key aides in the State Department and close associates in the National Security Council Staff were in the lead in moving U.S. policy away from the strong emphasis on compromising with China and doing what was necessary in order to preserve good relations with China in the latter years of the Clinton administration.

Following the crash between a Chinese jet fighter and a U.S. reconnaissance plane over the South China Sea during the so-called EP-3 incident of April 2001, the Bush administration did not resort to high-level envoys or other special arrangements used by the Clinton administration to resolve difficult U.S.-China issues. It insisted on working through normal State Department and Defense Department channels that did not raise China's stature in U.S. foreign policy. In an unusual step showing that the administration was speaking firmly with one voice during the incident, U.S. officials were instructed to avoid all but the most essential contacts with Chinese officials in Washington and elsewhere.

Bush administration interest in seeking negotiations with China in order to create "deliverables" and other agreements remained low. Its reaction to the EP-3 episode, markedly increased U.S. support for Taiwan, and a new U.S. focus on China as a potential threat showed Beijing leaders that the Bush government, while seeking to broaden areas of cooperation where possible, was prepared to see U.S.-China relations worsen if necessary.

Chinese leaders by mid 2001 seemed to recognize that if U.S. China relations were to avoid deteriorating further, it was up to China to take steps to improve ties. In a period of overall ascendant U.S. influence and leverage in Asian and world affairs, Beijing saw its interests best served by a stance that muted differences and sought common ground. Chinese officials thus significantly adjusted their approach to the United States. They became more solicitous

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42. Tucker, Strait Talk 153-160
and less acrimonious in interaction with U.S. officials. Chinese officials and media toned down public Chinese rhetoric against the United States. They gave some tentative signs of public PRC support for the U.S. military presence in East Asia. The U.S. side also signaled an interest to calm the concerns of friends and allies in Asia over the state of U.S.-China relations and to pursue areas of common ground in trade and other areas with the PRC.44

The anti-terrorism campaign after September 11, 2001 saw an upswing in China-U.S. cooperation, though China was somewhat tentative and reserved in supporting the U.S. war against Afghanistan. President Bush's visits to Shanghai in October 2001 and Beijing in February 2002 underlined differences as well as common ground. The U.S. President repeatedly affirmed his strong support for Taiwan and his firm position regarding human rights issues in China. His aides made clear China's lower priority in the administration's view of U.S. interests as the Bush administration continued to focus higher priority on relations with Japan and other allies in Asia and the Pacific. In its first year, the Bush administration imposed sanctions on China over issues involving China's reported proliferation of weapons of mass destruction more times than during the eight years of the Clinton administration. The U.S. Defense Department's Quadrennial Defense Review unmistakably saw China as a potential threat in Asia. U.S. ballistic missile defense programs, opposed by China, went forward rising U.S. influence and prolonged military deployments were at odds with Chinese interest to secure China's western flank.45 The U.S. Defense Department's annual reports on the Chinese military pulled few punches in focusing on China's military threat to Taiwan and to U.S. forces that might come to Taiwan's aid in the event of a conflict with the PRC. The Bush administration's September 2002 National Security Strategy Report called for better relations with China but clearly


warned against any power seeking to challenge U.S. interests with military force.\textsuperscript{46}

It was notable that China's increased restraint and moderation toward the United States came even in the face of these new departures in U.S. policy and behavior under the Bush administration, particularly presidential pledges along with military and political support for Taiwan, strong missile defense programs, and strong support for alliance strengthening with Japan and expanded military cooperation with India. In the recent past, such U.S. actions would have prompted strong Chinese public attacks and possibly military countermeasures.

U.S. leaders showed an increased willingness to meet Chinese leaders' symbolic needs for summitry, and the U.S. president pleased his Chinese counterpart by repeatedly endorsing a "constructive, cooperative and candid" relationship with China. Amid continued Chinese moderation and concessions in 2002, and reflecting greater U.S. interest in consolidating relations and avoiding tensions with China at a time of growing U.S. preoccupation with the war on terrorism, Iraq, and North Korea, the Bush administration broadened cooperation with China and gave U.S. relations with China a higher priority as the year wore on. An October 2002 meeting between President Bush and President JIANG Zemin at the U.S. president's ranch in Crawford, Texas, highlighted this trend. Concessions and gestures, mainly from the Chinese side dealing with proliferation, Iraq, release of dissidents, U.S. agricultural imports, Tibet, and Taiwan, facilitated the positive Crawford summit.\textsuperscript{47} Meanwhile, senior U.S. leaders began to refer to China and JIANG Zemin as a "friend."\textsuperscript{48} They adhered to public positions on Taiwan that were acceptable to Beijing. They sanctioned an anti-


\textsuperscript{48} Lu Zhenya, "Jiang Zemin, Bush agree to maintain high-level strategic dialogue," \textit{Beijing Zhongguo Xinwen She}, October 26, 2002 (internet version)
PRC terrorist group active in China’s Xinjiang region. The U.S. Defense Department was slow to resume high-level contacts with China, reflecting continued wariness in the face of China’s ongoing military buildup focused on dealing with Taiwan and U.S. forces that may seek to protect Taiwan, but formal relations at various senior levels were resumed by late 2002.49

VII. U.S. MODERATION AND THE CHINESE RESPONSE

Bush administration policy and behavior toward China began to change significantly in 2003. U.S. officials sometimes continued to speak in terms of “shaping” Chinese policies and behavior through tough deterrence along with moderate engagement. However, the thrust of U.S. policy and behavior increasingly focused on positive engagement. China also received increasingly high priority in U.S. policy in Asia and the world.

The determinant of the U.S. approach appeared to center on the Bush administration’s growing preoccupations with the war in Iraq, the mixed record in other areas in the war on terror and many complications in the Middle East, and broad international and growing domestic disapproval of Bush administration policies. The North Korean nuclear program emerged as a major problem in 2003 and the U.S. government came to rely heavily on China to help to manage the issue in ways that avoided major negative fallout for the interests of the U.S. government. Though Asian policy did not figure prominently in the 2004 presidential campaign, Senator John Kerry, the Democratic candidate, used a televised presidential debate to challenge President Bush's handling of North Korea's nuclear weapons development. President Bush countered by emphasizing his reliance on China in order to manage the issue in accord with U.S. interests.50

The Bush administration's determination to avoid trouble with China at a time of major foreign policy troubles elsewhere saw the president and senior U.S. leaders strongly pressure Taiwan’s government to stop initiating policies seen as provocative by China and possible causes of confrontation and war in U.S.-China relations.51


The strong rhetorical emphasis on democracy promotion in the Bush administration’s second term notably avoided serious pressures against China’s authoritarian system.

The U.S. government’s emphasis on positive engagement with China did not hide the many continuing U.S.-Chinese differences or U.S. efforts to plan for contingencies in case rising China turned aggressive or otherwise disrupted U.S. interests. The United States endeavored to use growing interdependence, engagement, and dialogues with China to foster webs of relationships that would tie down or constrain possible Chinese policies and actions deemed negative to U.S. interests.\(^{52}\)

On the whole, the Chinese administration of President HU Jintao welcomed and supported the new directions in U.S. China policy. The Chinese leaders endeavored to build on the positives and play down the negatives in relations with the United States. This approach fit well with the Chinese leadership’s broader priorities of strengthening national development and communist party legitimacy that were said to require China to use carefully the “strategic opportunity” of prevailing international circumstances seen as generally advantageous to Chinese interests. As in the case of U.S. policy toward China, Chinese engagement with the United States did not hide Chinese contingency plans against suspected U.S. containment and the Chinese use of engagement and interdependence as a type of Gulliver strategy to constrain and tie down possible U.S. policies and actions deemed negative to Chinese interests.\(^{53}\)

**Debate Over The Challenge Of China’s Rise In Asia**

The growing military power of China along with its economic and diplomatic relations in Asian and world affairs came at a time of U.S. preoccupation with the war in Iraq and other foreign policy problems. Debate over the implications of China’s rise for China-U.S. relations was important in Bush administration deliberations for several years, and it remained strong among in the Congress, media, and non-government specialists and interest groups. Within the Bush administration, there emerged three viewpoints or schools

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of thought, though U.S. officials frequently were eclectic, holding views of the implications of China’s rise from various perspectives.\textsuperscript{54}

On one side were U.S. officials who judged that China’s rise in Asia was designed by the Chinese leadership to dominate Asia and in the process to undermine U.S. leadership in the region.\textsuperscript{55} China promoted regional efforts that excluded or opposed the United States, and efforts to undermine U.S. allies and friends, notably Japan and Taiwan. China also endeavored to widen gaps between the United States and some of its allies (e.g. Australia) over policy toward China, thereby undermining U.S. influence. China also continued a strong military buildup targeted against U.S. forces in Asia.

A more moderate view of China’s rise in Asia came from U.S. officials who judged that China’s focus in the region was to improve China’s position in Asia mainly in order to sustain regional stability, promote China’s development, reassure neighbors and prevent balancing against China, and isolate Taiwan. Officials of this school of thought judged that China’s intentions were not focused on isolating and weakening the United States in Asia. Nevertheless, the Chinese policies and behavior, even though not targeted against the United States, contrasted with perceived inattentive and maladroit U.S. policies and practices. The result was that China’s rise was having an indirect but substantial negative impact on U.S. leadership in Asia.

A third school of thought became more prominent in the second term of the Bush administration. It is identified with former U.S. Special Trade Representative and Deputy Secretary of State Robert Zoellick, who by 2005 publicly articulated a strong argument for greater U.S. cooperation with China over Asian and other issues as China rose in regional and international prominence.\textsuperscript{56} This viewpoint held that the United States has much to gain from working directly and cooperatively with China in order to encourage the PRC to use its rising influence in “responsible” ways in


accord with broad American interests in Asian and world affairs. This viewpoint seemed to take account of the fact that the Bush administration was already working closely with China in the Six Party talks to deal with North Korea’s nuclear weapons development, and that U.S. and Chinese collaboration or consultations continued on such sensitive topics as the war on terror, Afghanistan, Pakistan, Iran, Sudan, Myanmar/Burma, and even Taiwan, as well as bilateral economic, security, and other issues. Thus, this school of thought put less emphasis than the other two on competition with China, and more emphasis on cooperation with China in order to preserve and enhance U.S. leadership and interests in Asia as China rises.

Bush administration policy came to embrace the third point of view. Senior U.S. leaders reviewed in greater depth the implications of China’s rise and the strengths and weaknesses of the United States in Asia. The review showed that U.S. standing as Asia’s leading power was basically sound. U.S. military deployments and cooperation throughout the Asia-Pacific region were strong and active. The U.S. economic importance in the region was growing, not declining. Overall, it was clear that no other power or coalition of powers was even remotely able or willing to undertake the costs, risks and commitments of the United States in sustaining regional stability and development essential for the interests of the vast majority of regional governments.57 China’s rise—while increasingly important—thus came to be seen as posing less substantial and significant challenge for U.S. interests than many of the published commentaries and specialists’ assessments might have led one to believe. Against this background, the Bush administration increasingly emphasized positive engagement and dialogues with China, encouraging China to act responsibly and building ever growing webs of relationships and interdependence. This pattern fit well with Chinese priorities regarding national development in a period of advantageous international conditions while building interdependencies and relationships that constrain possible negative U.S. policies or behaviors.

VIII. BUSH’S LEGACY: POSITIVE EQUILIBRIUM IN U.S.-CHINA RELATIONS

The positive stasis in U.S.-China relations that emerged at this time met the near-term priorities of the U.S. and Chinese governments. Converging U.S. and Chinese engagement policies tried to broaden common ground while they dealt with differences through engagement policies that included respective Gulliver strategies designed to constrain each others’ possible disruptive or negative moves.

Neither the Chinese leadership nor the U.S. administration sought trouble with the other. Both were preoccupied with other issues. Heading the list of preoccupations for both governments was dealing with the massive negative consequences of the international economic crisis and deep recession begun in 2008. Other preoccupations of the outgoing Bush administration included Iraq, Afghanistan, Pakistan, Iran, broader Middle East issues, North Korea and other foreign policy problems which came on top of serious adverse economic developments.

The global economic decline added to Chinese leaders’ preoccupations in dealing with the results of the October 2007 17th Chinese Communist Party Congress and the 11th National People’s Congress in March 2008. Those meetings and subsequent developments showed a collective leadership with HU Jintao first among equals but not dominant; the leadership continued to debate appropriate ways to meet a wide variety of pressing economic, social, political and other issues at home and abroad. The leaders sought with only mixed results lines of policy and action that avoided major cost and risk to China’s ruling party leadership while endeavoring to promote Chinese development and the stability of one party rule. There remained uncertainty about the major leadership transition expected at the 18th congress in 2012—a serious matter in an authoritarian political system like China’s.58

The U.S. and Chinese administrations worked hard to use multiple formal dialogues, high-level meetings and communications, and official rhetoric emphasizing the positive in the relationship in order to off-set and manage negative implications from the many differences and issues that continued to complicate U.S.-China rela-

58. See reviews of Chinese leaders’ priorities following the major party and government meetings in the Jamestown Foundation’s weekly publication China Brief http://www.jamestown.org/index.php and the quarterly publication China Leadership Monitor http://www.hoover.org/publications/clm/
Neither leadership emphasized the major differences over key policy issues regarding economic, military and political questions.

Both administrations registered close collaboration over North Korea’s nuclear weapons program. They worked in parallel to manage the fall-out from Taiwan President CHEN Shui-bian’s repeated efforts to strengthen Taiwan’s sovereignty and standing as a country separate from China. Chen’s moves provoked China and were opposed by the United States. The U.S. and Chinese governments supported Taiwan’s new president, MA Ying-jeou, who pursued an overall easing of Taiwan-China-U.S. tensions over cross strait issues. Meanwhile, much more limited collaboration between China and the United States influenced such international hot spots as Sudan, Iran and Myanmar/Burma, with leaders on both sides speaking more about Sinó-U.S. cooperation than Sino-U.S. differences over these sensitive international questions.59

Unfortunately for those hoping for significantly greater cooperation between the United States and China, dramatic increases in cooperation seemed absent because of major conflicting interests and disputes over a wide range of issues. Cautious U.S. and Chinese leaders seeking to avoid trouble with one another had a hard time overcoming these obstacles. Some disputes proved hard to control, resulting in surprising upsurges in U.S.-China tensions.

China’s many disagreements with the United States continued to focus on the four general categories of disputes noted earlier, which have complicated U.S.-China relations for years. China’s moderation toward the United States since 2001 reduced the salience of some of these issues, but they remained important and were reflected in Chinese policies and actions. The risk-adverse HU Jintao leadership appeared to have little incentive to accommodate the United States on these sensitive questions.

The priority of the four categories remained: opposition to U.S. support for Taiwan and involvement with other sensitive sovereignty issues, notably Tibet; opposition to U.S. efforts to change China’s political system; opposition to the U.S. playing the dominant role along China’s periphery in Asia; and opposition to many aspects of U.S. leadership in world affairs. The specific issues in the latter two categories continued to include U.S. policy in Iraq, Iran,

and the broader Middle East; aspects of the U.S.-backed security presence in the Asia-Pacific; U.S. and allied ballistic missile defenses; U.S. pressure on such governments as Burma, North Korea, Sudan, Zimbabwe, Cuba, and Venezuela; U.S. pressure tactics in the United Nations and other international forums, and the U.S. position on global climate change.60

As noted earlier, U.S. differences with China continued to involve clusters of often contentious economic, security, political, sovereignty, foreign policy and other issues. Economic issues remained centered on inequities in the U.S. economic relationship with China that included a massive trade deficit, Chinese currency policies and practices, U.S. dependence on Chinese financing U.S. government budget deficits, and Chinese enforcement of intellectual property rights. Security issues continued to focus on the buildup of Chinese military forces and the threat they posed to U.S. interests in Taiwan and the broader Asia-Pacific. Political issues included China's controversial record on human rights, democracy, information control, religious freedom, and family planning practices. Sovereignty questions involved disputes over the status of Taiwan, Tibet, Xinjiang and Hong Kong. Foreign policy disputes focused on China's support for Sudan, Myanmar/Burma, Iran, Cuba, Zimbabwe, and Venezuela; and Chinese trade, investment and aid to resource rich and poorly governed states in Africa that seemed at odds with Western sanctions designed to pressure these governments to reform.61

Given the many issues they faced, the outgoing Bush administration was disinclined to take dramatic steps forward in relations with China. Such steps probably would have required compromises unacceptable to important U.S. constituencies and partners abroad. It was more advantageous to follow and reinforce the recent equilibrium along generally positive lines in U.S. policy and relations toward China.

Against this background, the outlook for U.S. relations with China at the end of the Bush administration seemed focused on sustaining the positive equilibrium developed during the Bush years. The most serious force for significant negative change


seemed to be U.S. domestic debate over China. In its last years, the Bush administration was preoccupied with many issues and appeared tired and reactive. It had a harder time in its waning days in controlling the consequences of a broad range of U.S. interest groups and commentators that were sharply critical of various Chinese administration policies and practices. Such groups and critics also became more active and prominent as they endeavored to influence the policy agenda of the new U.S. administration as it came to power. They sought to push forward their various proposals before the incoming government set its policy agenda.\(^6\)

The U.S. election in November 2008 underlined a call for change.\(^6\) The Democrats increased their majorities in both the House of Representatives and the Senate. The Democratic controlled Congress at least in theory could muster the votes needed to halt filibusters and override presidential vetoes. Reminiscent of the efforts of Speaker Newt Gingrich and his Contract with America in 1995, such a Congress might be capable of setting the agenda of U.S. policy, including key issues in China policy.

There were two important areas where this projected trend appeared to foreshadow possibly serious problems for U.S. relations with China. They were trade and economic relations and climate change.

Organized labor and other key groups affiliated with the Democratic Party have been arguing for years that the U.S. economic relationship with China hurts American workers. They assert that many thousands of good-paying manufacturing jobs are lost because of competition from China; they cite the massive U.S. trade deficit with China to underscore this point. Their arguments gain much greater political traction during a U.S. recession when overall unemployment rises.\(^4\)

Organized labor and related groups also were important politically in the close race for the Democratic Party's presidential nomination. Neither of the leading Democratic contenders, Barack


\(^6\) In addition to reviewing published sources on Congress and political projections, this author benefited from consultation with three leading political lobbyists in Washington DC during 2008.

Obama and Hillary Clinton, could have afforded to alienate these political forces; they tended to appeal for their support with pledges to pursue tougher policies than the free trade policies of the Bush administration. They sometimes sharply criticized China's economic policies as unfair to American workers. Meanwhile, many congressional incumbents and aspirants focused on adverse economic conditions and saw the very unbalanced trade relationship with China as a salient target in their campaign rhetoric.\(^{65}\)

Charges of unfair Chinese economic practices leading to the massive U.S. trade deficit with China were supported by attacks on Chinese currency policies, intellectual property rights violations, and industrial and national security espionage. There was a danger of sharp American backlash as Chinese firms moved to use some of China's massive foreign exchange reserves to invest in U.S. companies and as they began to enter sensitive U.S. markets such as autos. Japan faced a strong backlash in the 1980s, but Japanese companies reduced it by showing how their investments added good-paying manufacturing jobs in America. China has not done so and presumably it would be wise to learn from Japan in this regard.

Most economists see punitive U.S. laws and restrictions on trade and investment with China as counterproductive for U.S. national interests.\(^{66}\) Nevertheless, the likelihood of such protectionist actions increased with the Democratic gains in the Congress and a Democratic president.

Regarding climate change, the Bush administration was the main target of burgeoning criticism in the United States and the world because of its record on environmental protection and climate change. All the U.S. presidential candidates and the vast majority of congressional contenders promised to shift U.S. policy dramatically. Such a shift after January 2009 could have meant that China would become the new target of U.S. and perhaps international criticism regarding this set of sensitive issues.\(^{67}\) China's recent diplomatic activism and arguments in international forums dealing with environmental protection and climate change may not have assuaged broad American concern regarding China's massively


\(^{66}\) Morrison, China-US Trade Issues

wasteful use of energy in the production of goods and services. China became the top of green house gas producer. If the United States faced up to its responsibilities on environmental protection and climate change, American officials and public opinion may expect no less of China. The United States seemed to be prepared to help with the transfer of expertise and technology provided China would safeguard intellectual property rights and pay a fair price. Overall, American demands probably would have meant greater cost for China either in implementing meaningful efforts to curb green house gases or in bearing the consequences of being seen as an international outlier on this important issue.

Other issues in American policy toward China included Taiwan, North Korea, and recurring episodes of spikes on anti-China antipathy in the U.S. media backed by majority disapproval of China in U.S. public opinion. Regarding Taiwan, both China and the United States acknowledge that Taiwan posed the most sensitive issue in the relationship. During his eight years in office, Taiwan President CHEN Shui-bian repeatedly pushed pro-independence initiatives that were opposed by Chinese and U.S. leaders. His replacement by President MA Ying-jeou, who seeks to reach out to Beijing, helped to calm the waters in the strait and thereby reduce U.S.-China discord over Taiwan. However, it was easy to exaggerate how easily and how much progress will be achieved. In particular, Ma's national security plan advocated acquisition of over 60 advanced F-16 aircraft from the United States. 150 F-16s were sold to Taiwan by President George H.W. Bush in 1992.

The George W. Bush government was under congressional pressure to go forward with the arms sales but was reluctant to do so. At the end of its term, it went forward with a large arms sales package that did not include several weapons systems desired by Taiwan, notably F 16 aircraft. China reacted strongly to the Bush administration action. It remains opposed to all U.S. arms sales to Taiwan and how it would react to such a significant transfer in the future remained uncertain. The pressures for the sale seemed likely to build and become an issue of controversy, foreshadowing the dif-

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difficulty over Taiwan arms sales faced by the Obama government in 2010.69

Concerning North Korea, U.S. relations with the Pyongyang regime were not at the top rungs of U.S. policy concerns when the Bush administration left office. Few anticipated the scope and intensity of North Korean provocations and defiance in 2009 which prompted an Obama administration policy review and the seeking of actions from China regarding UN sanctions and trade interventions that Beijing in the past had been very reluctant to do.

Prevailing attitudes toward China among the American people, the U.S. media, and some members of Congress seemed to make episodes of contention likely in the period ahead. Observers were correct in noting that the United States and China were so interdependent economically and had so many areas of growing cooperation internationally that a significant break between the two countries was unlikely. However, this situation did not preclude episodes of friction and contention generated from the United States that posed substantial problems for China. Spikes of U.S. antagonism toward China occurred even in periods of otherwise good U.S. relations with China. When a Chinese oil company sought in 2005 to purchase the U.S. oil company UNOCAL, the outpouring of anti-China comment from the U.S. media and the Congress overwhelmed the sale. In 2007, toxic Chinese pet food, toys, health products and other consumer goods produced a storm of media controversy, congressional hearings and other investigations.70 The outpouring of media coverage on the March 2008 uprisings in Tibet underlined the continuing tendency of the U.S. media to focus on reporting about aspects of China that the American public and their officials find objectionable. Annual Gallup polls of American opinion toward various countries showed that a majority of Americans polled maintained an unfavorable view of China.71 As noted earlier, interest groups in the United States, including many with an agenda very critical of China's policies and practices, were active at the beginning of the new U.S. government.

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70. Dumbaugh, *China-US Relations*
IX. THE OBAMA ADMINISTRATION'S INITIAL APPROACH TO CHINA-U.S. RELATIONS

The momentum behind the developing positive equilibrium between the U.S. and Chinese administrations continued with the advent of the administration of President Barack Obama. President Obama came to power facing daunting domestic and foreign crises. The United States led world economies into a steep decline in 2008 and continued falling in 2009. Active efforts by U.S. and other governments to deal with the causes and effects of the global financial crisis showed little sign of substantially reversing economic fortunes. A prolonged recession—more serious than any experienced since the depression of the 1930s—seemed likely.\(^7\)

Economic calamity overshadowed what had been expected to be the new U.S. government’s most salient preoccupation—the wars in Iraq and Afghanistan and the violence and instability in the broader Middle East-Southwest Asian region. In 2009, continued progress in stabilizing security in Iraq and transitioning responsibilities to the Iraqi government opened the way to anticipated withdrawals of U.S. combat forces from the country within the next two years. However, the deteriorating security situation in Afghanistan meant that U.S. combat forces would be significantly increased in order to counter the resurgence of Taliban attacks and expanding administrative control that threatened to reverse the overthrow of the oppressive Taliban regime by U.S.-led forces in 2001.\(^7\)

Pakistan’s weakness compounded U.S. difficulties in shoring up security in Afghanistan. Pakistan’s ungoverned border region with Afghanistan harbored al Qaeda and Taliban militants working to overthrow the U.S.-backed administration in Kabul. Pakistani terrorists also threatened India. A Pakistani terrorist group was implicated in the dramatic November 2008 terrorist attacks in Mumbai. Without stronger Pakistan government efforts to suppress such groups and stop blatant attacks on India, New Delhi’s retaliation with military and other actions would raise the scepter of a

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Against this background, U.S. relations with the rest of the Asia-Pacific region seemed likely to be of generally secondary importance for U.S. policy makers. The global economic crisis put a premium on close U.S. collaboration with major international economies, notably Asian economies like China and Japan, in promoting domestic stimulus plans, supporting international interventions to rescue failing economies, and avoiding egregiously self-serving economic and trade practices that could prompt protectionist measures seen to encumber any early revival of world economic growth. How cooperative China and other Asian and world economic leaders would be in working with the United States to deal with the crisis remained open to question. On balance, it appeared from an American perspective in the first half of 2009 that no major stakeholder in the international economy, including China and the United States, had much to gain from pushing controversial policies that would further undermine international confidence in the existing economic system and thwart meaningful efforts at economic recovery.

Apart from the deeply troubled Middle East-Southwest Asian region, the other major area of U.S. security concern in Asia was North Korea. Pyongyang climbed to the top of the Obama government's policy agenda through a string of provocative actions culminating in North Korea's withdrawal from the Six Party Talks and its second nuclear weapons test in May. North Korea's first nuclear weapons test of 2006 represented a failure of the Bush administration's hard line approach in dealing with North Korea's nuclear weapons program. In response, the administration reversed policy, adopting a much more flexible approach, including frequent bilateral talks with North Korean negotiators, within the broad framework of the Six-Party talks seeking the denuclearization of the Korean peninsula. Important agreements were reached but North Korea did not fulfill obligations to disable and dismantle plutonium-based nuclear facilities.
The Obama government at first seemed poised to use the Six Party talks and bilateral discussions with North Korea in seeking progress in getting North Korea to fulfill its obligations. The escalating North Korean provocations and its strident defiance of UN Security Council resolutions and international condemnation compelled a U.S. policy review. Obama government leaders from the president on down also consulted closely with concerned powers, notably key allies Japan and South Korea, and China, in assuring a firm response from the UN Security Council in June that imposed sanctions in addition to those imposed after North Korea’s first nuclear test and called for interdiction of suspected weapons shipments to and from North Korea. The United States also planned its own unilateral sanctions in order to pressure Pyongyang to halt the provocations and return to the negotiations. Available evidence in mid-2009 showed considerable skepticism that negative and positive incentives from the United States and other concerned powers would lead to improvement in North Korea’s behavior. Few were optimistic that the crisis atmosphere would subside soon.75

Meanwhile, longstanding U.S. concern with the security situation in the Taiwan Straits declined as the newly installed government of President MA Ying-jeou reversed the pro-independence agenda of his predecessor in favor of reassuring China and building closer cross-strait exchanges. The Obama administration indicated little change from Bush administration efforts to support the more forthcoming Taiwan approach and avoid U.S. actions that would be unwelcome in Taipei and Beijing as they sought to ease tensions and facilitate communication.76

The Obama administration and the strong Democratic majorities in both Houses of the Congress also gave high priority to promoting international efforts on the environment and climate change. Such efforts appeared ineffective without the participation of Asia’s rising economies, notably China, the world’s largest emitter of greenhouse gases. An American approach of prolonged con-


76. Donald Zagoria, Cross-Strait Relations: Cautious Optimism, Report of Conference on Prospects for Relations Across the Taiwan Strait, National Committee on American Foreign Policy, New York, 13-14 January 2009.
Consultation and dialogue with China to come up with mutually acceptable approaches to these issues seemed likely.\(^7\)

The Obama government seemed intent on building on the strengths in the U.S. leadership position in relations with Asia, including China, as it sought to remedy some of the perceived shortcomings in Bush administration policies. In general, Obama administration leaders saw the United States in a generally strong position in Asia as it dealt with China and questions of more urgent concern.

Media and specialist commentary as well as popular and elite sentiment in Asia tended to emphasize the shortcomings of U.S. policy and leadership in Asia throughout much of the 21st century. Heading the list were widespread complaints with the Bush administration’s hard line policy toward North Korea, its military invasion and occupation of Iraq, and assertive and seemingly unilateral U.S. approaches on wide ranging issues including terrorism, climate change, the United Nations, and Asian regional organizations. The United States appeared alienated and isolated, and increasingly bogged down with the consequences of its invasion of Iraq and perceived excessively strong emphasis on the so-called war against terrorism.\(^8\)

By contrast, Asia’s rising powers and particularly China seemed to be advancing rapidly. China used effective diplomacy and rapidly increasing trade and investment relationships backed by China’s double digit economic growth in order to broaden influence throughout the region. China also carried out steady and significant increases in military preparations.\(^9\)

This basic equation of Chinese strengths and U.S. weaknesses became standard fare in mainstream Asian and Western media. It was the focus of findings of many books and reports of government departments, international study groups, and think tanks authored often by well respected officials and specialists. The common pre-

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77. Lieberthal and Sandalow, *Overcoming Obstacles to US-China Cooperation on Climate Change*.


diction was that Asia was adjusting to an emerging China-centered order and U.S. influence was in decline.  

Over time, developments showed the reality in the region was more complex. Japan clearly was not in China’s orbit; India’s interest in accommodation with China was very mixed and overshadowed by a remarkable upswing in strategic cooperation with the United States; Russian and Chinese interest in close alignment waxed and waned and appeared to remain secondary to their respective relationships with the West; and South Korea, arguably the area of greatest advance in Chinese influence at a time of major tensions in the U.S.-ROK relationship earlier in the decade changed markedly beginning in 2004 and evolved to a situation of often wary and suspicious South Korean relations with China seen more recently.

Former U.S. officials pushed back against prevailing assessments of U.S. decline with a variety of tracts underlining the U.S. administration’s carefully considered judgment that China’s rise actually was not having a substantial negative effect on U.S. leadership in Asia, which remained healthy and strong. Bush administration officials differed in private on how to view the implications of China’s rise in Asia, but they increasingly rallied around the public position first articulated by Robert Zoellick in 2005 arguing that China’s rise was not having substantial negative impact on U.S. interests and that the United States was best served by seeking to work together with China, encouraging China to behavior as a so-called responsible stakeholder in the international system. This line of approach was continued during the Obama administration. In their public tracts noted above, former Bush administration officials joined a growing contingent of scholars and specialists who looked beyond accounts that inventoried China’s strengths and U.S. weaknesses and carefully considered other factors including Chinese limitations and U.S. strengths before making their overall judgments.


Several commentators and think tanks that had been prominent in warning of U.S. decline as China rose in Asia revised their calculus to focus more on Chinese weaknesses and U.S. strengths. What has emerged is a more broad based and mature effort on the part of a wide range of specialists and commentators to more carefully assess China's strengths and weaknesses along with those of the United States and other powers in the region.

The basic determinants of U.S. strength and influence in Asia seen in the recent more balanced assessments of China's rise and U.S. influence in Asia involve a range of factors. Regarding security, in most of Asia, governments are strong, viable and make the decisions that determine direction in foreign affairs. Popular, elite, media and other opinion may influence government officials in policy toward the United States and other countries, but in the end the officials make decisions on the basis of their own calculus. In general, the officials see their governments' legitimacy and success resting on nation building and economic development, which require a stable and secure international environment. Unfortunately, Asia is not particularly stable and most governments privately are wary of and tend not to trust each other. As a result, they look to the United States to provide the security they need to pursue goals of development and nation building in an appropriate environment. They recognize that the U.S. security role is very expensive and involves great risk, including large scale casualties if necessary, for the sake of preserving Asian security. They also recognize that neither rising China nor any other Asian power or coalition of powers is able or willing to undertake even a fraction of these risks, costs and responsibilities.

In economic affairs, the nation-building priority of most Asian governments depends importantly on export oriented growth. Chinese officials recognize this, and officials in other Asian countries recognize the rising importance of China in their trade; but they all also recognize that half of China's trade is done by foreign invested enterprises in China, and half of the trade is processing trade—both features that make Chinese and Asian trade heavily dependent on exports to developed countries, notably the United States. In recent years, the United States has run a massive and growing trade deficit with China, and a total trade deficit with Asia valued at over $350

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billion at a time of an overall U.S. trade deficit of over $700 billion. Asian government officials recognize that China, which runs a large overall trade surplus, and other trading partners of Asia are unwilling and unable to bear even a fraction of the cost of such large trade deficits, that nonetheless are very important for Asia governments. Obviously, the 2008-2010 global economic crisis and recession are having an enormous impact of trade and investment. Some Asian officials are talking about relying more on domestic consumption but tangible progress seems slow as they appear to be focusing on an eventual revival of world trade that would restore previous levels of export oriented growth involving continued heavy reliance on the U.S. market. As noted above, how cooperative China actually will be in working with the United States to deal with the crisis remains an open question, though the evidence on balance appears to show great care on the part of the Chinese administration to avoid pushing controversial policies that would further undermine international confidence in the existing economic system and thwart meaningful efforts at economic recovery.  

Concerning U.S. government engagement in Asia and the contingency planning of Asian governments, the Obama administration inherited a U.S. position in Asia buttressed by generally effective Bush administration interaction with Asia’s powers. It is very rare for the United States to enjoy good relations with Japan and China at the same time, but the Bush administration carefully managed relations with both powers effectively. It is unprecedented for the United States to be the leading foreign power in South Asia and to sustain good relations with both India and Pakistan, but that has been the case since relatively early in the Bush administration. And it is unprecedented for the United States to have good relations with Beijing and Taipei at the same time, but that situation emerged during the Bush years and strengthened with the election of President MA Ying-jeou in March 2008.

The U.S. Pacific Command and other U.S. military command, and security and intelligence organizations have been at the edge of wide ranging and growing U.S. efforts to build and strengthen webs of military and security relationships throughout the region. In an overall Asian environment where the United States remains on good terms with major powers and most other governments, building military and security ties through education programs, on site

training, exercises, sharing information, and other means enhances U.S. influence in generally quiet but effective ways. Part of the reason for the success of these efforts has to do with active contingency planning by many Asian governments. As power relations change in the region, notably on account of China’s rise, Asian governments generally seek to work positively and pragmatically with rising China on the one hand; but on the other hand, they seek the reassurance of close security, intelligence, and other ties with the United States in case rising China shifts from its current generally benign approach to one of greater assertiveness or dominance.

Another factor showing U.S. strength in the Asia-Pacific region has to do with non-governmental American engagement with the region and the particular role of immigration in binding the United States closely to the region. For much of its history, the United States exerted influence in Asia much more through business, religious, educational and other interchange than through channels dependent on government leadership and support. Active American non-government interaction with Asia continues today, putting the United States in a unique position where the American non-government sector has such a strong and usually positive impact on the influence the United States exerts in the region. Meanwhile, over 40 years of generally color-blind U.S. immigration policy since the ending of discriminatory U.S. restrictions on Asian immigration in 1965 has resulted in the influx of millions of Asian migrants who call America home and who interact with their countries of origin in ways that undergird and reflect well on the U.S. position in Asia. No other country, with the exception of Canada, has such an active and powerfully positive channel of influence in Asia.

In sum, the findings of these assessments of U.S. strengths show that the United States is deeply integrated in Asia at the government and non-government level. U.S. security commitments and trade practices meet fundamental security and economic needs of Asian government leaders and those leaders know it. The leaders also know that no other power or coalition of powers is able or willing to meet even a small fraction of those needs. And Asian contingency planning seems to work to the advantage of the United States, while rising China has no easy way to overcome pervasive Asian wariness of Chinese longer term intentions. On balance, the

assessments show that the Obama administration can work to fix various problems in U.S. policy in Asia with confidence that U.S. leadership in the region remains broadly appreciated by Asian governments and unchallenged by regional powers or other forces. The new administrations initial interactions with Asia appeared to reflect this generally positive view.

In the case of China, the new U.S. government seemed prepared to build on what was deemed as an overall positive legacy from the Bush administration. As U.S.-China relations evolved toward a positive equilibrium during the first decade of the 21st century, the Obama government and the HU Jintao administration seemed likely to continue this evolution into the near future. Both the U.S. and Chinese administrations had become preoccupied with other issues and appeared reluctant to exacerbate tensions with one another. Growing economic interdependence and cooperation over key issues in Asian and world affairs reinforced each government's tendency to emphasize the positive and pursue constructive relations with one another. The positive stasis provided a basis for greater cooperation over economic and security interests and issues.

At the same time, differences in strategic, economic, political and other interests represented substantial obstacles to further cooperation between the two countries. Policy makers in both countries continued to harbor suspicions about each others' intentions. The pattern of dualism in U.S.-China relations continued as a central feature of the ostensibly positive equilibrium in the post Cold War period. Constructive and cooperative engagement on the one hand and contingency planning or hedging on the other remained the main features of the equilibrium. They reflected the continued mix of converging and competing interests and prevailing leadership suspicions and cooperation.

The separate visits to China of Secretary of State Hillary Clinton and Secretary of Treasury Timothy Geithner in 2009 followed the pattern in the latter years of the Bush administration in calling for deepening dialogue and development of “positive and construc-


tive” relations. This positive tone continued in other high-level U.S.-China meetings, including a meeting between Presidents Obama and Hu in April 2009. Nonetheless, the differences between the two countries were readily apparent on the U.S. side, where they were repeatedly highlighted by U.S. media and U.S. interest groups concerned about various features of Chinese governance and practice, and where the majority of Americans give an unfavorable rating to the Chinese government. They were less apparent in the more controlled media environment of China, though Chinese officials and government commentaries make clear strong opposition to U.S. efforts to support Taiwan and to foster political change in China, as well as key aspects of U.S. alliances and U.S. security presence and arrangements around China’s periphery and U.S. positions on salient international issues ranging from the military use of space to fostering democratic change.88

The positive features of the relationship tended to outweigh the negatives because:

- Both governments gained from cooperative engagement—the gains included beneficial economic ties, as well as cooperation over North Korea, the War on Terrorism, Pakistan, and even Taiwan. It also included smaller progress on Iran and even less on Sudan and Myanmar (Burma).
- Both governments recognized that, because of ever closer U.S.-China interdependence, focusing on negative aspects in U.S.-China relations would be counter productive to their interests.
- Both governments recognized that, because of other major policy preoccupations they both had, focusing on negative aspects in U.S.-China relations would be counter productive to their interests.

At bottom, it was fair to conclude at the outset of the Obama administration that the recent U.S. relationship with China rested upon a common commitment to avoid conflict, cooperate in areas of common interest, and prevent disputes from shaking the overall relationship.89 Against this background, the Obama government seemed most likely to advance relations with China in small ways. It

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probably would show sufficient resolve to avoid serious conflict with China over trade, currency, environmental, security, Taiwan, Tibet, human rights and other issues that appeared counterproductive for what seemed to be more important U.S. interests in preserving a collaborative relationship with China and avoiding frictions with such an important economy at a time when international economic cooperation seems of utmost importance.  

Those in the United States who sought to give greater prominence to differences with China seemed overwhelmed for the time being at least, particularly by the salience of the global economic crisis and the perceived U.S. need to be seen to cooperate with China in restoring international economic confidence. Events in China or U.S.-China relations could bring their issues to the fore, as they did in 2008 with the Chinese crackdown on dissent and violence in Tibet.

X. CONCLUSION AND RECOMMENDATIONS FOR U.S. POLICY

The review in this monograph of the background, evolution, strengths and limitations of Sino-American cooperation in the 21st century puts in perspective the publicized friction and perceived “testing” between China and the United States in 2009 and 2010 that was noted at the outset of this writing. The review does not resolve the debate, highlighted earlier, between those observers in Group One who see very recent China-U.S. dynamics foreshadowing China’s ascendance to primacy with the U.S. falling behind and increasingly passive in the face of an assertive China; and those in Group Two who see enduring reasons for the Chinese and U.S. governments to sustain the positive equilibrium they have developed over the past decade. However, the material in this monograph does show that the momentum in the Sino-American relationship and the circumstances faced by the U.S. and Chinese leadership argue in favor of Group Two specialists predicting continuation of generally pragmatic Sino-American efforts to avoid serious controversy while continuing efforts to seek common ground.

Against this backdrop, American policy makers seem to face three basic choices. If they agree with those commentators in

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Group One who see a power shift underway with China moving to take over leadership from the United States, they may be inclined to one of two basic choices. One path, widely discussed in U.S. and international media, stresses the need for U.S. "push-back" against perceived Chinese assertiveness. Strengthened U.S. efforts to balance against an assertive China could involve building international coalitions designed to curb Chinese military expansion around China’s periphery and to compel China to adjust its policies on international economic issues, non-proliferation policy, human rights, and other issues more in line with objectives favored by the United States.

A second path sometimes assumes that such balancing activities are too hard to do for a U.S. government tied down with various problems; or it assumes that international actors won’t cooperate in efforts to constrain China. In addition, some believe Chinese pledges that China’s rise to leadership will not be adverse for American interests and that China can be taken at its word to pursue policies of peace and development in the interests of all in world affairs, including the United States. Whatever the calculation that lies behind this path, the road ahead involves U.S. accommodation of China’s rise. In this process, seeming or real Chinese assertiveness should be accommodated by the United States. American policy should be prepared to adjust gracefully to China’s assumption of leadership; America should endeavor to preserve U.S. interests in Asian and world affairs increasingly by seeking an accommodating partnership with China.

A third path is favored among others by those in Group Two, including this writer, who do not see serious change in the generally pragmatic and positive relationship the U.S. and Chinese governments have developed in the 21st century. These observers are well aware of the many differences that continue to complicate and impede forward movement in U.S.-China relations; but they judge that circumstances affecting leaders on both sides argue for carefully managing those differences and keeping them within limits as the governments try to avoid substantial complications with one another as they deal with many other issues at home and abroad. When differences flare into public view, as they repeatedly have done in recent years, the two governments should rely, as they have in the past, on low-keyed public and private resolve along with careful private management in order to prevent these episodes from escalating into major crises. In particular, this path judges that the Obama government does not have to resort to extraordinary
efforts to show China, U.S. skeptics and others in the world that the United States is not weak in the face of China's rise. The realities noted above show tremendous U.S. strengths, notably around the periphery of China, that the Obama government is building on quietly and effectively.

Those favoring the third path acknowledge that the road ahead is going to be complicated. But the United States remains in a good position to deal with contingencies that could seriously upset U.S.-China relations. The United States also may achieve some progress in relations with a rising China that is likely to continue to eschew confrontation with the United States for clear and pragmatic reasons.
POSITIVE EQUILIBRIUM IN U.S. – CHINA RELATIONS: DURABLE OR NOT? A TIME OF “TESTING” IN SINO-AMERICAN RELATIONS

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