TIME TO SHIFT GEARS ON CHINA POLICY*

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Despite some signs of thawing, US relations with China are still in deep trouble, with little sign of significant improvement on the horizon. During the late 1960s, when our rapprochement with China first began, it was taken for granted that we could not trust each other. We found one point of common ground—opposition to the Soviet Union—with little expectation of interaction elsewhere. In the 1980s, just as the original bedrock for our ties began to shake loose, the relationship blossomed in other areas, extending to trade, investment, bilateral defense cooperation, and cultural exchange. The Cold War's conclusion apparently ended China's value as a strategic balancer, but the web of other links binding us promised to provide a safety net that would not allow the relationship to collapse to the era of Communist witch hunts and talk of a yellow peril. That our expectations are that much higher makes one that much more frustrated by the current state of affairs.

Since the Spring of 1989 China has gone from being perceived as reformist, poor, and weak to being seen as totalitarian, prosperous, and strong. The primary causes for this change in attitude are: in politics, the crushing of the protest movement in 1989 and the continuation of Chinese Communist Party rule; in economics, China's most recent boom1 and our

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1 The perception that China's economy is reaching new heights was highlighted by the attention given the IMF's recalculation of its GNP according to purchasing
growing bilateral trade deficit; and in security, China’s increasingly assertive defense posture. This has led some Americans to regard China as a political pariah, an economic competitor and a potential strategic rival—the ingredients that go into making enemies. In short, the world (including China itself) has begun to see the Middle Kingdom as a rising power, and as a result, businessmen’s enthusiasm has been joined by defense planners’ worries.

Given such a paradigm shift in the perception of China in so short a span of time, it is no wonder that the US has had difficulty fashioning a policy that can gain widespread consensus. Unfortunately, the Clinton administration’s half-hearted effort at “comprehensive engagement” has had just the opposite effect.\(^2\) The administration has unwittingly achieved an ignoble goal: Beijing thinks the US is trying to contain it, and the far right and left in Congress think Clinton is trying to appease it. The truth is that a President focused on domestic affairs and politics has tried to please all sides at various times. His extension of MFN in 1993 was riddled with concessions to various groups: he conditioned MFN to please human rights and non-proliferation advocates, but did so by executive order (rather than legislation) in order to placate Beijing and the business community.\(^3\)

\(^2\) For a discussion of the problems in the administration’s Asia policy generally, see Harry Harding, “Asia Policy to the Brink,” Foreign Policy, No. 96 (Fall 1994), pp. 57-74.

\(^3\) David M. Lampton, “China Policy in Clinton’s First Year,” in James R. Lilley and Wendell L. Willkie II, eds, Beyond MFN: Trade with China and American Interests (Washington, DC: The AEI Press, 1994), pp. 9-35. The May 1994 decision to de-link MFN and human rights was a clearer break with past policy, but still contained some artful compromises. See David M. Lampton, “America’s Commerce Department sent a huge message on China’s human rights situation a few days before denying Taiwanese President Li Teng-hui entry into the Sino-US ties one day, but he also recognizes Congress’s ire another. Clinton has asked President Jiang Zemin to patch the differences), but the administration has not held a formal summit in Washington for conciliatory.

The President has tried to achieve consistent implementation and articulated, but by giving some ground on human rights, explaining his policies to different groups. Clinton tells human rights groups that China’s middle class and lead to economic links will improve her image the American public, economic ties cheaper goods. By trying to please everyone, and thus, is left with few allies, only spotty cooperation from Beijing.

The release of human rights активы at high-level meetings through the year has arrested the hemorrhaging, but US-China underlying problems that threaten degenerative, downward path. Despite there is still an opportunity to keep the frying pan and into the fire. A more should make the US concerned, but do see China through rose-colored, neither should we demonize it. China Policy in the Age of the Finance Minister, Quarterly, No. 139 (September 1994), pp.
and in security, China’s presence. This has led some to view China as a pariah, an economic and political pariah, the ingredients that go into the world (including China itself) as a rising power, and as a threat. The perception of China in so many quarters is that the US has had a gain widespread consensus.

The President’s half-hearted effort at achieving an ignoble goal: to maintain it, and the far right and the left to appease it. The truth is that affairs and politics has tried to an end. His extension of MFN in terms to various groups: human rights and non-proliferation measures (rather than legislation) business community. The Commerce Department sent a huge delegation to Beijing to sign contracts one day; the State Department issued a scathing report on China’s human rights situation another. Clinton stood firm on denying Taiwanese President Li Teng-hui’s visit to maintain Sino-US ties one day, but he agreed to Li’s visit to avoid Congress’s ire another. Clinton then agreed to meet with Chinese President Jiang Zemin to patch things up (or rather paper over differences), but the administration refused China’s request for a formal summit in Washington for fear of appearing overly conciliatory.

The President has tried to achieve a consensus, not by consistent implementation and articulation of a policy he believed in, but by giving some ground to all sides’ demands and explaining his policies to different audiences in different terms. Clinton tells human rights groups economic links will spur China’s middle class and lead to democratization; to China, economic links will improve her economy and promote stability; to the American public, economic links will provide jobs and cheaper goods. By trying to please all, Clinton has pleased no one, and thus, is left with few allies to support his policies, and only spotty cooperation from Beijing.

The release of human rights activist Harry Wu and the state of high-level meetings through the summer and fall of 1995 have arrested the hemorrhaging, but US policy has not addressed the underlying problems that threaten to lead relations on a more degenerative, downward path. Despite the pall that has set in, there is still an opportunity to keep ties from jumping out of the frying pan and into the fire. A more sober assessment of China should make the US concerned, but not alarmed. We obviously do not see China through rose-colored glasses anymore, but neither should we demonize it. China is doing many things well.

and deserves our respect and support in some areas every bit as much as our protests in others. And even those areas where serious differences of opinion occur, they are unlikely to be of such magnitude as to necessitate a rupturing of a constructive and cooperative relationship, and extremely unlikely to necessitate war. Rising powers generally do expect to augment their influence with time; so the challenge for the West is not to hold China down, a near impossible task, but to help it find ways to enjoy greater influence in a manner that is supportive of a peaceful and prosperous international order.

Our China policy, then, must find a balance between several goals: We have to defend US interests, but in a way that does not make China too insecure; at the same time, we have to reassure China, but in a way that does not embolden it and leave others in the region feeling vulnerable.

This will require making symbolic as well as substantive policy changes, more in some areas than others. In economics, our growing trade deficit is masking the expanding benefits gained by American exporters, investors and consumers. We should continue to press China to open its markets, following up on agreements in textiles, intellectual property rights and market access, but we should also make more effort to boost our own exports, including lifting restrictions on export promotion programs and admitting China to the GATT/WTO. In the areas of human rights and sustainable development, we should continue to speak out about Chinese abuses, though in a somewhat more nuanced way that takes into account progress in some areas and the relative seriousness of the violations; however, more emphasis should be given to assisting China’s good governance, which should bring more substantial improvements over the medium- to long-term. In security, we should continue to maintain an active presence in East Asia and be prepared, if necessary, to defend our allies and interests against any aggressor, including China. On the other hand, we should also expand on current initiatives in crisis control, such as more direct collaboration and joint exercises, to better reassure China, primarily as an honest broker and a question of Taiwan, we should still strive as well as continue to maintain close understanding and further encourage cross-strait confidence. If a conflict erupts, the US and others must be prepared through military means if the major powers are provoked, but at least with severe and consistent sanctions. Finally, and perhaps just as important, government must ensure that its activities are consistently and with clarity. Notwithstanding China’s undelivered or misunderstood by the Chinese leadership. Adopting these strategies may not bring countries to the nirvana of full-blown confidence, but provide the best chance to keep us moving toward greater enmity.

Sources of Recent Tensions

Such an optimistic outlook seems to be an illusion. The atmosphere has been happening on the international stage that the trust carefully constructed by the 1990s has all but vanished, replaced in animosity and presumption of ill intent. The recent public-opinion polls suggest that this heightened wariness.

4 57 percent of the American public view an arms race with China as threat to the vital interests of the US, v. 54 percent of the Chinese see the US as the most "unfriendly country in the world," according to the Gallup Poll. See "The China Impact," in the National Review, December 31, 1995; and "The China World Poll," in the China Youth News, January 22, 1996. The data suggest that this heightened wariness.

also expand on current initiatives in defense cooperation and arms control, such as more direct collaboration with China’s military in joint exercises, to better reassure China that our presence is primarily as an honest broker and not as a container. On the question of Taiwan, we should stick to a “one China” policy as well as continue to maintain close unofficial relations with Taiwan and further encourage cross-strait rapprochement. If hostilities erupt, the US and others must be prepared to respond, probably through military means if the mainland attacks Taiwan without provocation, but at least with severe bilateral and multilateral sanctions. Finally, and perhaps just as important, the American government must ensure that its policies are implemented consistently and with clarity. No policy can succeed if it is left undefined or misunderstood by the public or the Chinese leadership. Adopting these suggestions will not deliver our countries to the nirvana of full-blown partnership, but they do provide the best chance to keep us from unnecessarily moving toward greater enmity.

Sources of Recent Tensions

Such an optimistic outlook seems at odds with most of what has been happening on the international scene of late. It appears that the trust carefully constructed over the past quarter century has all but vanished, replaced in both countries by mutual animosity and presumption of ill intent. Polls in both countries suggest that this heightened wariness is widespread.\

Recent Chinese foreign policy seems aimed at maximizing China’s leverage gained through others’ assessment of its potential economic and military power. While this tactic has resulted in the establishment of ties with old adversaries and the deepening of links with long-time friends, success appears to have gone to China’s head. Its recent hubris and make-no-apologies behavior is causing a great deal of head scratching and worrying among its neighbors and the US. China’s defense modernization has not been accompanied by adequate reassurance that this power will not ever be turned on others. In fact, China’s intimidation tactics regarding the Spratly Islands and Taiwan suggest just the opposite. Its increased military contacts with Burma and Russia, reports of exports in materials used in unconventional weapons, and its continued nuclear testing despite the moratorium of other declared nuclear powers have also caused a great deal of worrying. And in October 1994 China sent out jets to meet US planes from the USS Kitty Hawk that were tracking a Chinese submarine in the Yellow Sea. Claiming the US had ventured too close to its territorial waters without permission, China reportedly threatened to shoot down any future violators.5

China is no less exercised about America’s foreign policy. The US, it has determined, is bent on preserving its position as the dominant power the world over, including East Asia.6


8 This view squares with suggestions by Asian leaders to achieve “realist” ends. See Thomas L. Friedman, The Second Civil War: The United States and China, Brookings Review, July/August 1993.
This translates into a hidden agenda of keeping China poor, weak and divided, as well as forcing its democratization on American terms. Actually, democratization has been a pillar of the administration’s foreign policy. The President and his foreign policy team have repeatedly stressed that spreading democracy in Asia is vital to guaranteeing the region’s long-term security, for in their opinion, democracies are inherently less aggressive than authoritarian regimes. Just days before his August 1995 meeting with Chinese Foreign Minister Qian Qichen, Warren Christopher said: “Open societies...make better neighbors. History shows that the greatest threats to security in the Asia-Pacific region have come from governments that flout the rule of law at home and reject it abroad.”

China has interpreted such statements as a not so subtle jab at their own regime and as evidence that the US is not interested in long-term cooperation. Despite the Clinton administration’s protestations, China sees “comprehensive engagement” as a cover for comprehensive containment. Our efforts to promote economic reform, deepen economic interdependence, and sign China onto various international agreements are meant to ensnare it in a web of constricting rules. Our public denunciations of conflict. See Wang Jisi, “An Academic Analysis of the Theory of the Clash of Civilizations,” Chinese Social Sciences Quarterly, No. 7 (Spring 1994), pp. 16-31.


their human rights abuses are not meant to improve the lives of average Chinese, but rather are aimed at embarrassing the Chinese government and subverting its legitimacy. The justification of an indefinite US forward deployment in the region despite the Soviets' demise and talk of extending it even beyond Korea's unification raises the question of who our presence is aimed at. Congress's resolution against China's Olympic bid in 1993, the search of the Yinhe vessel for chemical weapons precursors that same summer, our high price for China's admission to the WTO, and the improvement of our relations with Taiwan, India and Vietnam also fit with a strategy of containment in Beijing's eyes. Li Teng-hui's visit to Cornell in June was the straw that broke the camel's back. The trip itself was bad enough, but on top of that, President Clinton's sudden u-turn in the face of domestic political pressure reconfirmed China's doubts about his credibility.

To most bystanders, China's reaction to that visit seems out of proportion, if not nonsensical. However, from Beijing's standpoint a strong response, in addition to being consistent with their Taiwan policy (see below), also forced the US to give China the attention, and hopefully the respect, it deserves. Beijing

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probably thought that if push came to shove the administration would make concessions to forestall the potential collapse of the relationship. Precipitously from conditioning Most Favor ed Nation status on its unconditional extension, as on Bosnia, Somalia, and middle class Beijing knows Clinton is susceptible to raising the ante. Cancellation of the withdrawal of its ambassador, arrest of auto and other sectors to non-Asian convicted Chinese-born American Wu on espionage charges, and hosting Taiwan are all consistent with such home. Clinton's inconsistency and left on Capitol Hill and others and much more confrontational approach flush from victory over the Li visit China's MFN status, but has been orders the administration to more human rights and proliferation unauthorized launching of Radio Free Asia. Others in the pipeline include creating the possibility of requesting Clinton to review the Southeast Asian claimants to the South China Sea to claim asylum based on Chinese policies. Some, including House later recanted, have suggested the idea of officially recognizing Taiwan.

11 China sees these opinions as evidence of see Charles Krauthammer, "Why We Must" p. 72.
probably thought that if pushed hard enough, the Clinton administration would make concessions to forestall a complete collapse of the relationship. Precedents abound: Clinton's shift from conditioning Most Favored Nation (MFN) trading status to its unconditional extension, as well as policy flip-flops on Bosnia, Somalia, and middle class tax cuts, to name a few. Beijing knows Clinton is susceptible to pressure, and thus, has been raising the ante. Cancellation of senior military visits, withdrawal of its ambassador, awarding of lucrative contracts in autos and other sectors to non-American bidders, detaining and convicting Chinese-born American human rights activist Harry Wu on espionage charges, and holding military exercises near Taiwan are all consistent with such a strategy.

Just as worrisome are moves being contemplated here at home. Clinton's inconsistency and virtual silence has left a void that has been filled by single-issue interest groups, the far right and left on Capitol Hill and other voices that are calling for a much more confrontational approach toward China. Congress, flush from victory over the Li visit, did not block extension of China's MFN status, but has been considering legislation that orders the administration to more frequently report on China's human rights and proliferation situation and speed up the launching of Radio Free Asia. Other measures that have been in the pipeline include creating the post of special envoy to Tibet, requesting Clinton to review the defense needs of all the Southeast Asian claimants to the Spratlys, and allowing Chinese to claim asylum based on China's sterilization and abortion polices. Some, including House Speaker Gingrich (though he later recanted), have suggested the previously unspeakable idea of officially recognizing Taiwan. And within the defense


... department's most recent attempt to engage the region, raises concerns about its transparency. This has led Chinese observers to question whether the United States is truly committed to supporting Taiwan's freedom of choice. The report reveals an undervaluation of the Chinese perspective, as evidenced by one editorial; then, after the report was published, it asks, "Does this mean that Taiwan is not a free country?"...
community, there are rumblings about the need to reconsider defense priorities in light of a possible Chinese threat.\textsuperscript{12}

Reassessing Present and Future Interests

However, before the US decides to place China in the "enemy" category and pull out the stops to oppose it, we should reassess trends in China and how they impinge on US interests. If done, one can only conclude that there is reason for concern, but not for sounding the alarm just yet. A point of first order is that one should not overstate the size and power of China's economy or military simply to meet the demands of planning for worst case scenarios. China's superpower status is neither imminent nor inevitable.

While China's economy has improved dramatically since reforms began in 1978, there is good reason to be agnostic about China's future economic health. An increasingly well-educated and mobile work force, high personal saving rates, foreign investors ready to part with their money and (some of) their technology, and the increasing competitiveness of its products on the world market all bode well for China's future. These trends suggest China's influence on the world economy is substantial and will continue to grow.

On the other side of the ledger, though, there is a minefield of problems, among them: inflation that is proving difficult to tame, a widening income gap between agricultural and non-agricultural workers as well as between state and non-state workers, an inefficient state sector that is dragging central coffers deeper into debt, and poorly regulated securities markets that are rife with corruption. These problems are exacerbated by a central government that is not in obvious danger of being overthrown, but whose authority is being eroded.

Implementation has to increase these ('contradictions' in Chinese bureaucratic vernacular) in civil, military, and society, and the military and the economy's longer term, growth will face further challenges. The shrinking population, reduced arable land, and energy supplies. Talk of the "overseas gap" argument of the early 1960s.

Concern is also warranted in the case of power, but again, the building of a new and powerful defense establishment is not close to a US. One could ask how a US which exports $10 billion a year in arms, in an annual budget, maintains an active nuclear arsenal, can be so worried about a China that annually on defense, maintains a stockpile of which are deliverable over intercontinental than $1 million a year in arms, some troops stationed abroad or an aircraft carriers, subs and other technology from leave the PLA decades behind US.

Even though Chinese capability to respond to America (and will be inferior for the time being), does China appear to have any interest in initiating it with force. In fact, while China is on our side, it by all means wants to

\textsuperscript{12} Christopher Parent, "Adm. Owens Stands By Two MRC Strategy," \textit{Inside the Pentagon}, Vol. 11, No. 26 (June 29, 1995), pp. 1, 4-5.

\textsuperscript{13} Harry Harding, "On the Four Great Revolutions," \textit{Survival}, Vol. 32, No. 4 (Summer 1990).

\textsuperscript{14} Independent estimates of China's defense spending and detailed discussion, see the International \textit{Balance 1995-1996} (Oxford: Oxford Uni...
but whose authority is being eroded from the inside out. Policy implementation has to increasingly contend with tensions (‘contradictions’ in Chinese parlance) between different ministries, central and local authorities, different regions, the state and society, and the military and civilian leadership.\textsuperscript{13} Over the longer term, growth will face further constraints brought on by an aging population, reduced arable land, pollution, and insufficient domestic energy supplies. Talk that China’s economy is on the verge of overtaking ours carries as much weight as the “missile gap” argument of the early 1960s.

Concern is also warranted for China’s growing military power, but again, the building hysteria seems overdone. China’s defense establishment is not close to being a strategic threat to the US. One could ask how a US that has a $260 billion defense budget, maintains an active nuclear arsenal of 8,000 warheads, exports $10 billion a year in arms annually, and has 200,000 troops stationed abroad and 12 aircraft carrier battle groups could be so worried about a China that spends perhaps $30 billion annually on defense,\textsuperscript{14} maintains 300 warheads (less than 20 of which are deliverable over intercontinental ranges), exports less than $1 million a year in arms, and (at least as of yet) has no troops stationed abroad or an aircraft carrier. Purchases of fighter jets, subs and other technology from the former Soviet Union still leave the PLA decades behind US forces.

Even though Chinese capabilities are not on par with those of America (and will be inferior for the indefinite future), neither does China appear to have any intention of directly confronting us with force. In fact, while China may be willing to be a thorn in our side, it by all means wants to avoid falling squarely in our

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cross hairs. China's goal is not to be a world superpower, but rather seems centered around becoming "first among equals" in Asia.

In that regard, while the US still dwarfs China, China itself rivals and dwarfs most of its neighbors. On paper, China is the least satisfied territorially of all Asian states, having land or sea claims against perhaps 11 of her neighbors. At the moment, land disputes with Russia, India, and Vietnam are being managed well through bilateral confidence and security building measures (CSBMs). Possible conflicts with Mongolia (which China steadfastly denies) and Japan seem even more remote. A Japanese analyst struck the right note when he cited the proverb, "Don't cross the bridge till you come to it" to warn his compatriots against "creating an exaggerated image of a 'China' that swallows up Asia." This leaves Taiwan and the Spratlys as the two most likely areas where China might use force. But even here, the current balance of power is at least putting off the possible outbreak of full-scale hostilities. Should things change, China's behavior toward these areas would be our "canary in the mine," indicating Beijing's relative willingness to use force in time for us to react with new military deployments and alliances before general interests were threatened.

**Shifting Gears**

The above points suggest that a containment-centered strategy for managing relations with China is both unnecessary and ill-advised because of China's capabilities as well as its likely intentions. In addition, containment seems poorly suited to the task because of the growing interdependence between China and the World. China's permanent seat on the UN Security Council,

its possession of nuclear weapons, and cooperation in finding solutions to global problems, and the benefits we derive from. It strongly suggest that treating China as it should not be anything more than a last resort.

Others appear to have reached a similar conclusion. East Asians hedge their bets through trade and their own, they are for the most part cooperative solutions rather than conflict. This means that the US would have to encourage East Asians in a collective effort to find a way to persuade China and its friends and allies to put a halt to this. Both Americans and Europeans, too, are not at all inclined toward recognizing the threat China poses. All of them have their own markets, and while China is an attractive market, two need to cooperate with each other. The colonies to Chinese sovereignty (in Hong Kong, Germany's apparent case) and thousand-mile border with China are two sources of the European Commission's misgivings. Both "long-term" China strategy and "short-term" China policy will of course meet resistance in the US, where China is still seen as a threat.

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17 As such, any suggestions of reviving US relations with Vietnam based on security concerns, such as David Friedman, "Dust Off the SEATO Charter." See *N. A.

its possession of nuclear weapons, the necessity of its cooperation in finding solutions to various regional disputes and global problems, and the benefits gained through economic links strongly suggest that treating China like a pariah or rogue state should not be anything more than a last and very undesirable resort.

Others appear to have reached this very conclusion. Even as East Asians hedge their bets through force modernizations of their own, they are for the most part leaning toward finding cooperative solutions rather than taking China head on.16 This means that the US would have a difficult time marshalling East Asians in a collective effort to contain China.17 Our European friends and allies have shown that for a variety of reasons they, too, are not at all inclined toward a confrontational stance vis-a-vis China. All of them have their eyes on the potential China market, two need to cooperate with China over the return of their colonies to Chinese sovereignty, and one shares a several thousand-mile border with China. Britain’s concessions over Hong Kong, Germany’s apparent willingness to overlook human rights abuses in order to garner large investment contracts, and the European Commission’s recent adoption of a conciliatory “long-term” China strategy are three clear examples in this regard.18 Thus, unless China becomes much more aggressive

16 Speaking before the Asia Society last May, Singapore Prime Minister Goh said that instead of trying to stifle China’s growth, a “better alternative is to integrate China into the international system of trade and investments, and politics and security.” See Goh Chok Tong, “Understand China, and Give It Some Time,” Asian Wall Street Journal Weekly, May 29, 1995, p. 18.
18 “EU/China: The European Commission Launches Its Global, Longterm Strategy for Future Relations,” Europe, July 6, 1995, pp. 6-7. Western and Japan also normalized their relations with China more quickly than the US following the events of 1989. See Business as Usual...? The International Response to Human
and threatening, a US that chooses to adopt a containment strategy could ironically end up being the country most isolated.

Thus, a dual philosophy of cooperating on issues where we have obvious common ground and of seeking to constructively manage our disagreements is on the right track. The Clinton Administration sums up its China policy as “comprehensive engagement,” but the term is so vague that it is open to wide interpretation. The Chinese have varyingly translated “engagement” with connotations ranging from simple contact to a military clash. Some have interpreted the phrase in terms of the meshing of gears, such as in a watch or car. In one sense, this jives with the goal of getting China to moderate its behavior and conform to international standards. In that scenario, China’s gears make all the adjustments. On the other hand, another interpretation of this analogy would call for adjustments to be taken by both sides. While China certainly needs to make changes in its domestic and foreign policies if it is to better reassure the rest of the world that it is a force for stability and peace, China views our type of engagement as a straightjacket whose sole purpose is to limit its range of motion. Thus, our policy cannot be based on the simple notion of “bringing China into the family of nations,” but must recognize that we and the world need to “shift gears” as well in order to reassure China that cooperative interaction suits its interest and entails far fewer risks than confrontation.


19 One Chinese analyst explained the analogy in these terms: “The United States will step up the gears for making contacts with China and make sure that these gears are more tightly engaged, in an attempt to let China’s gears turn with the American gears. In this process, the area of friction will increase and a certain degree of tension will also be unavoidable. However, because of the improved atmosphere and added lubricant, this friction will be kept below a certain limit without causing a derailing or toppling.” See Wang Jisi, “The Seattle Conference and Sino-US Relations,” Wen Wei Po, December 8, 1993, p. 5, cited in FBIS-China Daily Report, December 8, 1993, pp. 3-4.

China and the US need to cooperate to a greater or lesser extent in almost all aspects of the relationship.

Economics

For a while, many thought of economic growth as security. The Japanese economy was the cornerstone of our strategic alliance, and it grew from $1.2 billion in 1978 to over $500 billion in 1993. Today, Japan is also the third largest source of demand for US exports, behind Hong Kong and Taiwan. The US benefits economic links provided by Japan and the region has been accompanied by friction at times, less so.

Shifting gears begins by rethinking the relationship. We should disabuse ourselves of the notion that the US is the world’s largest exporter simply because of our size. China’s export surpluses, for example, are not a reflection of our massive trade deficit, but rather a mask of the fact that our exports are growing at a double-digit rate (17 percent), and 18.9 percent in 1993, which suggests that its market is expanding. The increase in our trade deficit also masks the fact that our exports continue to grow at double-digit rate (17 percent), and 18.9 percent in 1993, which suggests that its market is expanding. The increase in our trade deficit also masks the fact that our exports continue to grow at

China and the US need to consider shifting gears to a greater or lesser extent in almost all of the areas that affect our relationship.

**Economics**

For a while, many thought that economics could supplant security as the cornerstone of our relations. Trade has grown from $1.2 billion in 1978 to over $48 billion in 1994. The US is also the third largest source of direct foreign investment in China, behind Hong Kong and Taiwan. But despite the many important benefits economic links provide both our countries, interaction has been accompanied by frictions, some warranted and others less so.

Shifting gears begins by recognizing two points. First, we should disabuse ourselves of the notion that China is an unfair trader simply because of our growing bilateral trade deficit. China’s high tariff and non-tariff barriers certainly keep out some of our products, but the deficit’s growth is due more to the rapid rise of other East Asian countries’ investment in China’s trade column. Producers and buyers reap economic benefits, but China is stuck with the political fallout. But even with this boost in its exports, China still does not run a chronic surplus globally, which suggests that its markets are not as closed as say Japan, which does have a chronic global surplus. The growing deficit masks the fact that our exports to China have been growing at a double-digit rate (17 percent annually since 1991.) Second, whatever growth in our exports might make us think, China is still not going to open its markets as fast as we want. Even when we argue that our initiatives are in their self-interest, China will only adopt those proposals that fit with its conception of

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19 In one sense, this is not a bad position to be in; it makes it easier to moderate its behavior and actions. In that scenario, China’s success would be defined in terms of stability and its ability to manage change. The US, on the other hand, another “comprehensive” policy as “comprehensive” in the way that it is open to wide ranging engagement. The term has been variously translated from simple contact to a broad concept in which the phrase in terms of the US would be “car” or “vehicle.”

gradualist reform. China looks at the impact of our shock therapy efforts on Russian industry and thinks twice about becoming our patient. USTR needs to aggressively negotiate on behalf of US interests, but it must have reasonable expectations of what China is willing to accept.

If we must use the deficit as a measure of openness, perhaps the US should shift its concern to the rate of the deficit’s growth as opposed to the nominal amount; and because of the growing economic integration of the mainland with Hong Kong and Taiwan, a better barometer would be the balance with “greater China.” But more to the point, the crux of the issue lies in doing more to assist US firms in exporting their products to China. Various bilateral sanctions against China currently in place ban US firms from receiving investment guarantees by the US Overseas Private Investment Corporation (OPIC) or technical assistance from the US Trade and Development Program. They also hinder financing from the US Export-Import Bank for Chinese customers of US goods. Finally, the sanctions limit the export of some types of dual-use technology available from our competitors. Lifting these sanctions, adopting broader export promotion programs, and more strongly promoting US investment there will go far in ameliorating the bilateral deficit.21

The next best way to promote US exports and ensure China’s continued path toward a more open economy is to permit China into the GATT/WTO. Having China under WTO disciplines is far more important over the long run than whether it gains some initial benefits accorded developing nations or whether it enters as a quasi-developed nation, the current sticking point. China’s accession will speed up the reduction of its tariff and non-tariff barriers and subject its trade regime to more stringent, and more enforceable standards of international trade. The US should decide what its bottom line is for China’s admission and then work with the EU, Japan and Canada for a WTO accession protocol. For its part, as a developing nation, it should undertake serious reform in the reduction of barriers to its economy, complete transparency, and serious enforcement of intellectual property rights. Nevertheless, the longer China stays out, the less likely it will be willing to submit to WTO norms.

China’s membership in the WTO will help eliminate the need for bilateral investment treaties, facilitate market and protect American financial institutions from unfair practices. The threat of sanctioning those countries that do not help us reach agreements on trade-related intellectual property rights. If necessary, the US will use Article 30 of the US Trade Act to investigate trade-related intellectual property violations. However, we should resist taking unilateral action. The habitual use of such tactics will inevitably erode trust between trading nations and set a bad precedent.

The final loose end which the US should secure through continuous and creative use of the WTO is the US’s continued ability to deny MFN status to China. In actuality, most students of China have long held that the US has met the conditions of the Chinese constitution, namely a market economy and freedom. Thus, the WTO allows denial of MFN status to China. The escape clause of this provision (Article 35) is extended.

21 Ibid., pp. 119-135.
work with the EU, Japan and China to hammer out a viable accession protocol. For its part, even if China enters as a developing nation, it should undertake a somewhat accelerated pace in the reduction of barriers to the more advanced sectors of its economy, complete transparency of its trading regulations, and serious enforcement of intellectual property rights laws. Nevertheless, the longer China stays out the more entrenched its view will be that the WTO is a front for Western interests, and the less likely it will be willing to strictly abide by WTO norms once it is a member.

China’s membership in the WTO, of course, will still not eliminate the need for bilateral initiatives to press open China’s market and protect American firms against unfair commercial practices. The threat of sanctions obviously was influential in helping us reach agreements on textiles and intellectual property rights. If necessary, the US will still be able to use Section 301 of the US Trade Act to investigate and sanction Chinese violations. However, we should be extremely cautious about taking unilateral action. The habitual reliance on such pressure tactics will inevitably erode trust between us as well as give China license for taking its own unilateral actions that violate WTO norms.

The final loose thread which threatens to unravel the benefits gained from bilateral agreements and China’s participation in the WTO is the US’s continued annual review of China’s MFN status. In actuality, most students of China would agree that China has met the conditions of the Jackson-Vanik Amendment, namely a market economy and freedom of emigration. Though the WTO allows denial of MFN to fellow members, the use of this provision (Article 35) is extremely rare. The US wants to

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22 Ibid., pp. 135-136.
23 For a history of how MFN has evolved in US policy, see Wendell L. Willkie II, "Why Does MFN Dominate America’s China Policy?" in James R. Lilley and Wendell L. Willkie II, eds, Beyond MFN, pp. 114-137.
“grandfather” China’s MFN status so that we can continue to use the annual review as leverage in our bilateral negotiations. Jackson-Vanik’s continued existence is a drag on our relations, and, as with reliance on other unilateral sanctions, undermines China’s faith in the world trading system as well as the general character of US foreign policy.

Human Rights and Sustainable Development

The Chinese government’s treatment of its populace has been the most polarizing issue facing Sino-US relations. Likewise, there are growing worries about sustainable development issues, such as China’s increasing difficulty feeding its population and the toll of industrialization on its environment and that of its neighbors. A policy of shifting gears should be based on two factors. First, it must recognize the progress China has made on these two fronts. When measured in decades, the Chinese government’s treatment of its people has improved dramatically, allowing most Chinese to enjoy a quality of life far above that of previous generations. And second, we must design the most effective policies to deal with continuing inadequacies. Putting primary emphasis on pressure has mainly brought cosmetic benefits, and may, in fact, be inhibiting more fundamental progress. The best alternative, or complement, to current policies is to promote China’s good governance.

The US must stand for human rights in our relations with China. Bilaterally, we should always feel free to convey our worries to China’s leaders about their treatment of their people. But except for the grossest violations that demand a public response, the best official bilateral posture is to work in multilateral fora, such as the UN General Assembly, in order to marshall global opinion for China’s protection of political rights. Moreover, the US should continue to encourage the internal Chinese social sphere voluntarily adopt high standards of treatment of its workers in countries where they operate.

However, in order to achieve much of the long-term, good governance that is the heart of our human rights policy. Framing human rights in the context of the Chinese commitment to justice, legal process, labor arbitration, tax collection, crowd control, and prison management will make China’s government not only more humane and responsive to the public’s needs, but also much more can be done.

Aiding China’s good governance efforts will, in the long run, promote that country’s sustainable development. It will also continue to engage China simply because of the set of demographic and environmental problems that face us. There are problems with certain elements of the Chinese government’s approach that we will continue to raise, and it is clear that some will continue to be important.

24 The US’s most recent ambassador to China, J. Stapleton Roy, suggested this, but the timing was inopportune, given that the US at the time was demanding specific Chinese concessions on human rights in order for MFN to be extended. See Patrick E. Tyler, “Rights in China Improve, Envoy Says,” The New York Times, January 1, 1994, p. 5.

25 During his recent trip to China, Canadian Foreign Minister Allan Rock emphasized that his country’s human rights policy is not based on the notion of good governance. “Foreign Investment will Suffer If China Suffers From Poor Governance,” South China Morning Post, October 21, 1995, p. 7.

26 For example, as part of a joint effort to eliminate corruption, there are property rights, police in both countries have been receiving training and have interpreted this fledgling area of Chinese law.
that we can continue to use our bilateral negotiations. If it is a drag on our relations, then we have to decide whether it is worth the cost of the sanctions, undermines the general system as well as the general development of its populace has been feeding its population and environment and that of its neighbors. China has improved dramatically, quality of life far above that of all, we must design the most daunting inadequacies. Putting mainly brought cosmetic exhibiting more fundamental to current policies and practice.

Rights in our relations with always feel free to convey our treatment of your people. Demands that demand a public.

25 During his recent trip to China, Canadian Prime Minister Jean Chrétien emphasized that his country's human rights policy falls under the concept of good governance. "Foreign Investment will Speed Up China's Reforms, Chrétien Against Imposing Sanctions," South China Morning Post International Weekly, October 21, 1995, p. 7.

26 For example, as part of a joint effort to improve protection of intellectual property rights, police in both countries have stepped up information exchange, and Chinese judges have been receiving training in US law schools about how to interpret this fledgling area of Chinese law.
policies (and there is much that is right), we must try to change Chinese policies without forcing China to weaken its well-placed commitment to family planning. Technical cooperation on agriculture, climatology, geology, and energy research is also well advised. The alternative is a China that, decades from now, may have a very hard time resisting the land to its north and west, as well as large tracts of ocean fisheries currently shared with other countries, not out of ambition run amok but simply because the alternative is widespread and chronic suffering for its people. Such conditions do not characterize the country today. But in thinking about long-term strategic trends and forces of history, the importance of the general direction of China’s demographic and economic evolution for regional and indeed global security cannot be easily overstated.

Defense

Current US security policy toward China is focused on re-establishing the ties and trust that were destroyed by the 1989 Tiananmen Incident. Bilateral exchanges, which have included a number of visits of senior-level officials, a US Navy ship’s call on a Chinese port and talk of signing an Incidents at Sea agreement, have borne some positive results. Less cooperation, though, has been achieved at the multilateral level. China is wary that the deepening legitimation of UN peacekeeping in international disputes and assistance to internally displaced persons might some day be used to justify interference in Tibet, Xinjiang, or Taiwan.27 China is also not enthusiastic about the

27 One Chinese author claims that the Clinton Administration’s basis for military intervention is premised on the views that civil wars are not internal affairs, human rights override sovereignty, and racial, religious, and ethnic minorities need to be protected from conflicts and their governments. See Wang Cunfu, “Characteristics of Military Interventions in the Contemporary World,” Jiefangjun Bao (PLA News), December 17, 1994, p. 7, cited in FBIS-China Daily Reports, December 23, 1994, pp. 6-7.

ASEAN Regional Forum (ARF), an attempt to date to discuss security.

China is worried that its smaller neighbors might use ARF to gang up on her, for example, over the South China Sea dispute on its agenda. If China can approach to multilateral activities, say, in the sense that peacekeeping and our military plans will not, be directed at them, and other countries automatically view the growth of China’s cross purposes with our own interests, it is a new era for endeavors to explain the purposes of the new defense doctrine openly, as it has at least been the case with its first defense white paper.

But this requires walking a very delicate line. If, for example, of ourself, China, and its neighbors, China would carry negative consequences as well, reversing some US global policy objectives, such as reconciliation (e.g., engagement in peace process with the Japanese, improving relations with countries with which US has economic and political interests, such as Vietnam), and withdrawing a presence in the region feeling secure enough not to have to run an arms race (e.g., maintenance of US forces in the South China Sea).

Thus, the US will not be able to determine China’s motives, but there are steps we should take to make it clear that our aims are not to affect our interests, or those of China. One level of rhetoric and diplomacy, we need to show China that our ongoing regional presence and alliances with other great many countries, and thus to be welcomed by everyone in the region. A US that is not much more welcome than a nuclear-armed Asian state. Second, we should move away from involvement in cooperative ventures...
AN AFFAIRS

US CHINA POLICY

...is right), we must try to change China to weaken its well-placed suspicions. Technical cooperation on highway, energy, and energy research is also important. China that, decades from now, sharing the land to its north and west, the fisheries currently shared with China, and the Chinese will run amok but simply because we cannot prevent the chronic suffering for its people. We must modernize the country today. But in the current trends and forces of history, the direction of China’s demographic is regional and indeed global security

ASEAN Regional Forum (ARF), East Asia’s most inclusive attempt to date to discuss security affairs at an official level. China is worried that its smaller neighbors and others will use ARF to gang up on her, for example, by putting the Spratlys dispute on its agenda. If China is to take a more sanguine approach to multilateral activities, the US needs to demonstrate that peacekeeping and our military posture in East Asia is not, and will not, be directed at them, and relatedly, that we do not automatically view the growth of Chinese power as inherently at cross purposes with our own interests—particularly when China endeavors to explain the purposes of its military programs and doctrine openly, as it has at least begun to do in recently issuing its first defense white paper.

But this requires walking a very fine line between the interests of ourselves, China, and its neighbors. Completely reassuring China would carry negative consequences, for it would mean reversing some US global policies that promote stability and reconciliation (e.g., engagement in peacekeeping), desisting from improving relations with countries that would benefit our economic and political interests (e.g., normalization with Vietnam), and withdrawing a presence that keeps some in the region feeling secure enough not to need nuclear weapons or start an arms race (e.g., maintenance of US forces in East Asia).

Thus, the US will not be able to entirely reassure China about our motives, but there are steps we can take or consider that would make China feel more secure, and would not adversely affect our interests, or those of China’s neighbors. First, at the level of rhetoric and diplomacy, we should continually remind China that our ongoing regional presence damps the insecurity of a great many countries, and thus, deters aggressive behavior by everyone in the region. A US that acts as an honest broker is far more welcome than a nuclear Japan, Korea, or Southeast Asian state. Second, we should more openly welcome the PLA’s involvement in cooperative ventures outside China’s borders.
This includes having China participate in joint or multilateral training exercises, peacekeeping, and inviting its navy to make port calls in East Asia and elsewhere, even the US. Third, we should begin to contemplate what role, if any, US forces would play in a united Korea. It may (or may not) make sense to keep some forces there, but a discussion which includes China should begin about their possible purposes and configurations. Since the state of Sino-US relations could be crucial to this debate’s outcome, China has a strong incentive to improve bilateral ties well before Korean unification unfolds.

Finally, some arms control initiatives would also help reassure China as well as promote global and regional security. Currently, China sees US policy in this area as being premised on a multitude of self-serving double standards. In many ways, China’s positions are self-serving—they require a greater reduction in US nuclear forces and weapons exports than Chinese reductions. But finding common ground with China is central to lowering the temperature on some regional disputes (e.g., South Asia, the Middle East and the Korean peninsula), and to maintaining the credibility of the various arms control regimes themselves.

Though China has pledged twice to abide by the Missile Technology Control Regime (MTCR), it views this gentleman’s agreement as inherently favoring countries that export airplanes (the US) over countries that specialize in missiles (China). It probably wonders why one type of delivery system (e.g., F-16 fighters) is perceived as less destabilizing than the other (e.g., M-11 missiles). Whether the US likes it or not, we will not get China to agree to rethink its conventional weapons sales until we do the same. Pakistan is likely to keep its M-11 components, and Taiwan is likely to receive its F-16s. But beyond that, if we are serious about stopping Chinese missile exports, we should be more aware of how China perceives our sales to its neighbors;

this may mean not going through with it.

We should also prioritize our arms control efforts first and foremost on nuclear issues, particularly nuclear-related sales to radical states. We should note that China signed on to indefinitely extend the Non-Proliferation Treaty (NPT) and expressed deep concern that the re-election of President Bush would undermine the non-proliferation of nuclear weapons in particular. China would also likely not favor a Comprehensive Test Ban Treaty (CTB). Finally, China probably would not be favorable to any arms control treaty that allowed very large states like India and Pakistan to continue to use nuclear weapons. China would also likely not favor a Chemical Weapons Convention (CWC). If we really care about stopping the use of chemical weapons, the President should not use the passage in the Senate. Once party politics freezes the arms control process, we will have a sounder platform from which to start.

Stay out and we have little leverage.

Taiwan

This may be the most vexing problem of all for it is the most difficult for either side to address directly. In essence, the US has developed a policy which is completely accepted by China. It is called the “one China” policy a pillar of US-China relations. To Chinese, an apt analogy might be a tripwire—cross it and we get a benefit, but crossing it invites termination of our trade relations and the desire to re-claim America’s military protection. The US has blustery response to the Li visit but...
participate in joint or multilateral exercises and inviting its navy to make port visits there, even the US. Third, we need to draw a line on arms sales: if, in any, US arms sales to China (even if not) make sense to keep our military equipment in the fleet, which includes China should not carry similar ship designs and configurations. Since the PRC has already dropped the demand, its consent to this debate’s conclusion is crucial to improve bilateral ties with China.

Initiatives would also help reassure China that the US is serious about regional security. Currently, China looks at US policy as being premised on a so-called deterrence and defense standards. In many ways, it is an arms race that they require a greater amount of weapons exports than Chinese companies are willing to provide. It is also a question of what regional disputes (e.g., South China Sea, Korean peninsula), and to this end, China would like to see various arms control regimes that would provide China with a broader and more effective arms control base.

In order to abide by the Missile Technology Control Regime (MTCR), it views this gentleman’s agreement as a way to avoid questions regarding the sale of arms to Taiwan (China). It is clear that such a system has been put into operation for some time. If delivery system (e.g., F-16) is superior to the other (e.g., M-2000), we will not get sales until we keep in mind that the sale of M-11 components, and the like. But beyond that, if we are to sell arms, we should be prepared to sell arms to its neighbors; this may mean not going through with some deals or not being so shocked when China goes ahead with those that concern us.

We should also address the issue of arms-control attention to focus on first and foremost on nuclear issues. China needs to rethink any nuclear-related sales to radical states. For our part, we should note that China signed on to indefinite extension of the NPT but expressed deep concern that the treaty would legitimate possession of nuclear weapons in perpetuity among a small group of countries (of which it is a member). As such, we need to continue on the path of arms reductions (this is also the best way to mitigate China’s fears that our enthusiasm for missile defenses amounts to a pursuit to regain a disarming first strike capability). China would also likely not favor a Comprehensive Test Ban (CTB) treaty that allowed very low-yield explosions. For that and other reasons, we should continue to pursue a no-exceptions CTB. Finally, China probably wonders why a US so concerned about China’s perceived production and export of chemical weapons has yet to ratify the Chemical Weapons Convention (CWC). If we really care about stopping the production, sale and use of chemical weapons, the President should campaign for its passage in the Senate. Once party to the accord, we will have a sounder platform from which to measure China’s compliance. Stay out and we have little leverage.

Taiwan

This may be the most vexing problem for Sino-US relations, for it is the most difficult for either side to “shift gears” and adopt a policy which is completely acceptable to the other. China has called the “one China” policy a pillar of Sino-US relations; a more apt analogy might be a tripwire—avoiding it brings no positive benefits, but crossing it invites terrible consequences. Apart from their desire to re-claim America’s attention, the PRC leadership’s blustery response to the Li visit kills three other birds with the
same stone. First, it reaffirms Beijing’s commitment to reunification to its own populace. While mainland Chinese studying and working in the US have a range of opinions on most issues, a scan of the Internet and discussions with colleagues suggest that they are practically unanimous in their condemnation of the Li visit. Second, overreacting deters others—in particular, Japan—from accepting a future visit from Li. Li unsuccessfully tried to attend the APEC senior leaders meeting in Osaka, but he has also made clear his desire to visit his Japanese alma mater, Kyoto University.

Third, and most importantly, a strong reaction highlights the risks of a mainland retaliation to those Taiwanese contemplating de jure independence and those Americans who might support them. Despite growing economic and cultural links, Taiwan’s democratization, economic prosperity and extended division from the mainland have given its residents a growing sense of an identity distinct from (or at least on par with) their Chinese roots. Though a plurality of Taiwanese favor maintaining the status quo, a growing number are leaning toward declaring independence. And given that Taiwan may see China growing stronger by the day, it just might believe that it has to move on independence sooner rather than later.

China also fears that the Taiwanese may interpret growing US displays of support as a blanket guarantee of Taiwan’s security. The US motive, China believes, is not based on sheer sentiment for Taiwan, but rather derives from the US’s larger strategic goal of using Taiwan as an “aircraft carrier” from which to contain China. That is likely why the PRC has recently added foreign intervention in Taiwan as another way of attacking the island.  

That central and sensible logic was described in the Taiwan Relations Act, and it seems, implicitly, to be a condition that Taiwan: the US provides some form of diplomatic recognition and will come to Taiwan’s aid if it is invaded by force only if such an attack is unprovoked (declare independence). Our warning to the PRC, and vice versa, point to Beijing that our unofficial distasteful as they may be to the mainland, are secure enough not to rely on developments to help reassure Taiwan that there is a need for seeking independence, and thereby holding out the hope that would welcome some form of unification.

Next, we should reassure Beijing that remain unofficial, even if more important and well meaning but is effectively difficult to maintain given Congress

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28 China News Digest, an electronic newsletter run by overseas Chinese, was full of articles attacking Clinton’s decision. Chinese student groups across the country roundly criticized the decision of their umbrella organization, the Independent Federation of Chinese Students and Scholars, for not sending a letter of protest over Li’s visit to President Clinton on behalf of all its members.


30 Taiwan’s opposition Democratic Progressive Party, achieving independence one of its primary goals, emphasize that if it were in power, it would demand that, in its view, Taiwan is already independent. It would refer to the 1987 referendum on the questions of whether Taiwan should change its name and flag. A vote rejection, could be seen as equivalent to a demonstration and Tien Shih Ming-te, “Interview with D. Shih Ming-te,” Wealth Magazine, No. 15, FBIS-China Daily Report, March 16, 1997.
intervention in Taiwan as another tripwire that would justify attacking the island.29

That central and sensible logic (as opposed to official policy as described in the Taiwan Relations Act) of current US policy seems, implicitly, to be a conditional security assurance to Taiwan: the US provides some military assistance to help maintain Taiwan’s defensive preparedness on an ongoing basis and will come to Taiwan’s aid if it is attacked or blockaded, but only if such an attack is unprovoked (i.e., Taiwan does not declare independence).30 Our reassurance to Taiwan is a warning to the PRC, and vice versa. The US should make the point to Beijing that our unofficial relations with Taiwan, while distasteful as they may be to the mainland, do make Taiwan feel secure enough not to rely on developing nuclear weapons. These ties also help reassure Taiwan that time is perhaps on its side, eliminating the need for seeking immediate de jure independence, and thereby holding out the hope that Taiwan may eventually welcome some form of unification.

Next, we should reassure Beijing that our ties with Taipei will remain unofficial, even if more public. The administration’s pledge that future visits by President Li will be rare and private is well meaning but is effectively a ban, a policy that may be difficult to maintain given Congress’s affinity for Taiwan. We

30 Taiwan’s opposition Democratic Progressive Party (DPP), which has made achieving independence one of its primary goals, has recently begun to emphasize that if it were in power, it would not declare independence because, in its view, Taiwan is already independent. Instead, the DPP would hold a popular referendum on the questions of whether Taiwan is not a part of China and whether it should change its name and flag. A vote in the affirmative on these questions, then, could be seen as equivalent to a declaration of independence. See Tseng Yanching and Tien Hsi-ju, “Interview with Democratic Progressive Party Chairman Shih Ming-te,” Wealth Magazine, No. 154 (January 1, 1995), pp. 70-76, cited in FBIS-China Daily Report, March 16, 1995 (Supplement), pp. 81-84.
should simultaneously reassure Taipei that the US still firmly supports Taiwan’s entry into the WTO and all other international fora that allow non-state members. In addition, the US could take the lead in encouraging both sides to consider adopting bilateral military-to-military (as opposed to political) CSBMs, such as notifications of exercises, an Incidents at Sea agreement, and pledges to re-deploy forces to less threatening positions.

Finally, in the event that these measures do not work and the PRC launches an unprovoked attack, the US will have to respond. Possibilities include bilateral and multilateral economic and political sanctions, weapons and logistics support, and/or direct use of American forces. Publicly, the US has remained ambiguous about how it would respond in any given circumstance in order to keep both sides guessing. Another reason is that America is torn between growing support for Taiwan in Congress and the American public’s decided hesitancy to support the use of our troops in situations where there is some doubt about its direct relevance to our vital national interests. Given that, if Taiwan declares independence and the PRC attacks, the international community is likely to respond with extremely stiff sanctions—far more severe than those employed after the Tiananmen massacre—and perhaps, some sort of military assistance. But Taiwan should expect to have to defend itself.

No policy the US adopts will be entirely acceptable to the PRC or Taiwan. In the end, only a full-scale cross-strait rapprochement—either some form of unification or mutual agreement to formalize their division internationally—will solve this problem. In the interim, a policy that encourages all sides to avoid crossing their respective tripwires has the best chances of keeping war from breaking out and Sino-US relations from collapsing, perhaps even into direct conflict.

Conclusion

The above should serve as the context for American policy. The next problem, then, is the ha’—path that could ultimately hurt the US. To confront to a new path of greater unity and do so, the President needs the help of Congress. At the moment, the signs of the Republican takeover of Congress look weaker than before, giving him even fewer initiatives. A President in campaign mode is sensitive to the charge of appeasement and against a full-blown summit last minute pressure on China because of the US public that the public has little patience for a President who is bashing Beijing. Even if they stop with a cooperative policy, their ongoing poisons the atmosphere and makes the administration to act strategically.

On the other side of the Pacific, primarily an outgrowth of a US perception toward China, but domestic politics and constraining China’s ability to be what it otherwise be. Just like in the US, a cooperative relationship are growing it more difficult for the many that whatever and positive ties to invest political capital. (Hence, it was a positive surprise that Clinton on less than ideal terms.) waiting for the other to demonstrate and strengthening the relationship.
Conclusion

The above should serve as the what of a new China policy. The next problem, then, is the how: how do we move from a path that could ultimately hurtle us toward a Manichean confrontation to a new path of greater trust and cooperation? To do so, the President needs the help of both China and the Congress. At the moment, the signs are not encouraging. The Republican take over of Congress has left President Clinton even weaker than before, giving him even less room for unilateral initiatives. A President in campaign mode has also shown that he is sensitive to the charge of appeasement, hence his decision against a full-blown summit last October and the increasing pressure on China because of the rising trade deficit. Sensing that the public has little patience for the PRC, the newer and more radical members of Congress see little to lose politically in bashing Beijing. Even if they stop short of substantive attacks on a cooperative policy, their ongoing “beating of the drums” poisons the atmosphere and makes it more difficult for the administration to act strategically.

On the other side of the Pacific, criticism of the US is primarily an outgrowth of a US policy perceived as hostile toward China, but domestic political factors may also be constraining China’s ability to be as cooperative as it might otherwise be. Just like in the US, the voices in China opposed to a cooperative relationship are growing louder. This trend makes it more difficult for the many that recognize the need for stable and positive ties to invest political capital in the relationship. (Hence, it was a positive surprise that Jiang Zemin agreed to meet Clinton on less than ideal terms.) The result is that each side is waiting for the other to demonstrate that it truly values preserving and strengthening the relationship. Each side is likely afraid that
the other will view its overtures as weakness, and lead to greater demands, rather than a new detente.31

Despite such a political equation, several factors suggest that hostile relations are not at all inevitable. First, behind the harsh rhetoric, most of China's civilian and military leadership believe that finding common ground where possible with the US is in China's self-interest. Successful reforms in some measure will depend on continued access to the markets, capital and other resources of an international community that is not afraid it is contributing to the creation of a potential future enemy. And though confronting Washington brings cheap applause at home now, the Chinese public will be less forgiving if such tactics threaten their livelihood.

China should also recognize that if it presses too hard, it will certainly lose out to Congress; an emboldened Congress that always sees elections on the horizon is not always inclined to think of America's long-term interests. On the other side, Congress should be careful, because it may just get its way. Then, it could be held responsible for the consequences.

Some have argued that the President keep a low profile on China policy to avoid inciting a harsh public reaction. Though such an approach may be expedient, it partly caused the current dilemma.32 Instead of trying to shape the debate over US-China relations, the administration has bowed to the wind like a pinata for anyone to hit.

The result has been to stain all US attempts to impose the charge of appeasement and moral bankruptcy on the leadership. Fortunately, recent polls show the American's view of China that at least a majority see China as a possible ally and believe the US has vital interests there.

Regardless of whether China's new Republican moves into the oval office, he should use his own energies to re-take the debate in a manner conducive to the policy outlined within these pages. He should articulate and defend his policy, and make a cooperative policy model, and for those members of Congress who approach to China. Since a policy has no chance to bring success, a President in this position should eventually get中國 policy right as well. When it comes to this promise land, the leadership must summon up everyone's court.

31 One pessimistic Chinese commentator writes that it is quite possible "Sino-US relations will turn round and round on the same spot this year and next year because of the constant emergence of misunderstandings, contradictions, and conflicts. Such a situation may continue until Clinton is reelected or until a new administration is formed." Chu Hain-Fu, "Clinton Should Make Up His Mind to Visit China—Part Two of Two," Wen Wei Po, March 5, 1995, A2, cited in FBIS-China Daily Report, March 16, 1995, pp. 4-5.

32 Anthony Lake made this very point a decade ago, when arguing for a nuanced and pragmatic foreign policy, he said: "The first requirement is an understanding that a policy of pragmatism depends on leadership in Washington that consistently elucidates and educates, thus giving itself the political room it needs for maneuver abroad." Anthony Lake, Third World Radical Regimes: US Policy Under Carter and Reagan, Headline Series, No. 272 (New York: Foreign Policy Association, 1985), p. 51.

33 Rielly, pp. 23-26.
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relations, the administration has left its policy hanging out in the
wind like a pinata for anyone to come along and knock apart. The result has been to stain all suggestions of cooperation with
the charge of appeasement and allow radical proposals to gain

Fortunately, recent polls reveal some inconsistencies in
American’s view of China that suggest this President (or a future
one) could bring the public and Congress around: very few
Americans see China policy as a high priority; yet a growing
majority see China as a possible threat; and the vast majority
believe the US has vital interests in China.33

Regardless of whether Clinton wins a second term or a
Republican moves into the oval office, the President must devote
his own energies to re-take the middle ground and shape the
debate in a manner conducive to pursuing the type of agenda
outlined within these pages. Only by forcefully and regularly
articulating and defending his position can the President hope to
make a cooperative policy more politically appealing for himself
and for those members of Congress still open to a more nuanced
approach to China. Since a policy of shifting gears has the best
chance to bring success, a President and a Congress that adopt
this position should eventually be rewarded by a public that sees
getting China policy right as vital to our national interest. But to
get to this promise land, the President, Congress, and China’s
leadership must summon up the courage to try. The ball is in
everyone’s court.

33 Rielly, pp. 23-26.