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CHINA-U.S. RELATIONS AT A CROSSROADS

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China-U.S. relations are once again at a critical moment, given the rising mutual mistrust of their strategic intentions, nationalistic tendencies in each country, the delicacies of their domestic politics, and the increasingly thorny problem of Taiwan. Although there seems to be no imminent danger of disruption in the bilateral relationship, a failure to cultivate positive trends and creative strategic visions may lead the two countries on the road to ominous animosity.

This paper will first present Chinese perceptions of the role of the United States in Asia against the global background, with the focus on the development after the Kosovo war in 1999. The second part of the paper will examine the current state of China-U.S. relations, with a view to the changing domestic contexts in each country and their policy implications. Finally, the paper will make policy recommendations for the United States based on an evaluation of the Clinton administration China policy and the issues discussed in the first two parts.*¹

I. Chinese Perceptions of America in Global and Asian Affairs

The key notion and belief in China's conceptualization of international politics today is "multipolarization," a code word for the desired declining power and influence of the United States. It has been a consistent description and prediction since the 1980s that multiple powers or power centers, including Europe, Japan, China, ASEAN, and the developing countries as a whole, are playing an increasingly role in world affairs. Nonetheless, the articulation of this process has varied in different periods.

In the late 1990s, a number of developments posed challenges to the earlier Chinese observation that the pace of multipolarization had accelerated. First of all, the American economy enjoyed a spectacular growth rate, leaving Japan and Europe farther behind it. Considering its edge in high-tech areas and the expansion of colossal American transnational corporations all over the world, the United States may lead the world economy well into the first quarter of the 21st century.

The Asian financial crisis undermined the role of ASEAN as a player in regional security and political affairs, precipitated Indonesia into domestic instability, and cast doubt about the validity of "Asian values." Meanwhile, some Chinese analysts questioned whether an actual "multipolarization" in regional security affairs would benefit China's strategic interests. Japan, as they pointed out, had enhanced its defense capabilities and may become increasingly assertive in international economic and security matters independent of American policies. India, for another example, had been developing nuclear weapons in the excuse of the "China threat," defiant to international pressures lead by a curious U.S.-China alignment on this issue.

In Europe, NATO had recruited new members and attracted applications for membership regardless of Russia's vocal opposition. What was referred to in China as brutal and undisguised aggression of Yugoslavia provided a sobering lesson that the United States was far from being a weakened power in Eurasia. In earlier stages of the conflict, hopes were expressed in the Chinese press that Russia would intervene militarily in support of Yugoslav, that the Kosovo conflict would be protracted by a ground war at NATO's expense, or that NATO would suffer from

¹ * The views and remarks in this paper are those of the author and should not be construed as reflecting the position of any Chinese organization.

a controversy due to unbearable battlefield costs and domestic opposition in their home countries. These hopes were soon dashed by Belgrade's major concessions for U.N peacekeeping forces to move into Kosovo. The result of the conflict led many Chinese to believe that the strategic balance in the international structure had been severely shaken in favor of the United States.

In the Middle East, Africa, Latin America and other parts of the world, there were scarce signs that American influences were shrinking. The Western powers were seen as consolidating their domination of international financial institutions such as the World Bank and IMF. In the United Nations and other international forums, the notion that "human rights should precede sovereign rights" was widespread. International interventions based on humanitarian concerns were in some cases justified and endorsed by the United Nations, as shown in East Timor. The tenability of the strongly defended position of non-interference in each other's domestic affairs was threatened.

All these events and phenomena have brought about the realization by some commentators in China that world politics is not really moving into multipolarization, at least not at this moment of history. Instead, the fear has risen up that a unipolar world dominated by the United States and joined by other developed countries is taking ground. As a result, during and immediately after the Kosovo conflict some Chinese publications contended that a fundamental reassessment of China's international strategy was overdue. "Peace and development," the two key concepts upon which Deng Xiaoping's diplomatic thinking was based, would no longer be the tide of the day. Faced with the inauspicious world situation, they advocated some scenarios akin to a united front against the United States.

The same line of thinking produced the suggestion that China's domestic agenda should change accordingly in order to guard against Western political and economic penetration. It was argued consequently that China's bid for accession to WTO was at best premature politically, since integration into world economy might deprive China of its political and strategic options, and finally turn China into an appendix to the capitalist world led by the United States. Some Chinese were apprehensive about what they saw as over-dependency on economic relations with the United States and world economy as a whole. They feared that such dependency would give the United States more leverage in exerting political pressures on China, as the annual Congressional debate on China's Most Favored Nation (MFN) status had exemplified. Some less ideological, more practical analysts pointed to the risk of worsening the disparity between rich and poor and between the coast and the interior by introducing massive foreign goods, capital, and high technology.

However, since the fall of 1999 the paranoia about U.S. hegemony has somewhat subsided. There is little indication that the Chinese government is seriously considering reducing the scope of economic, technological, and educational cooperation with the United States. The decision in November 1999 to join WTO reflected the strategic vision of the leadership for integrating Chinese economy into the globalizing world economy despite the conceivable political risks. The prevailing official statements about the international situation have reemphasized political multipolarization and economic globalization, and the continuation of general relaxation in the international arena. Conceding the obvious setbacks in resisting Western aggression and intervention, these statements nonetheless point to the inevitability of a multipolar world. It is asserted that China is facing "more opportunities than challenges, more hopes than difficulties." The policy implication is clear: China's policy toward the United States, with the goal of seeking a "constructive strategic partnership" as recorded during President Jiang Zemin's

visit to the United States in 1997, should remain basically unperturbed. China's domestic agenda, accordingly, will continue to focus on economic development.

Meanwhile, one must not overlook the wounds inflicted by the events in 1999 to the Chinese hearts and minds. For more than half a century since the founding of the People's Republic of China, it has been widely believed among China's political élites that the United States, joined by other hostile external forces, is intent on efforts to conquer, divide, destabilize, and demonize China. In 1999 alone, there were four events that seem to aggravate these fears and grievances.

First, some in the American media and members of Congress charged at the beginning of 1999 that China had made political contributions to the Clinton administration, which were proved to be groundless. The Chinese anger over this issue was only reinforced by the Cox Report that accused China, based largely on fabricated information, of conducting espionage activities to steal nuclear secrets from American labs. Second, most Chinese with political consciousness see the NATO bombing of China's embassy in Yugoslavia on May 8, 1999, as an intentional attempt to humiliate China. Third, Lee Teng-hui, Taiwan's leader, made the remark in July that Taiwan's relationship with the Chinese mainland was a "special state-to-state relationship." His words provoked a new round of criticism from the mainland of the dangerous separatist tendency on the island, which is perceived as being supported by the United States. Fourth, Falun Gong, a cult led by a Chinese citizen Li Hongzhi, challenged the Chinese leadership by staging mass rallies for official recognition. Having been living in the United States, Li Hongzhi is judged as having political motivations. The American refusal to extradite him for trial and the House of Representatives' resolution to condemn Beijing's policy toward Falun Gong can only confirm the Chinese suspicion that his activities are serving the American political interest in undermining the Chinese government.

Evidently, the present negative Chinese perceptions of the United States stem mostly from bilateral issues such as Taiwan and from the sense of China being wronged and hurt.^{*2*} U.S. policy towards Asia in general is only of marginal importance compared to the Taiwan issue, the embassy bombing issue, and the WTO issue. However, the Chinese perception of America's role in Asia is circumscribed by its predominantly negative image. Unless and until the bilateral U.S.-China relationship is markedly improved, the Chinese will continue to look at the American intentions and policies with strong suspicion and unease.

The focal point of Chinese observations on the U.S. role in Asia remains the U.S.-Japan security alliance. At the bottom of the Chinese concern lies the possibility of a joint U.S.-Japanese intervention in the Taiwan Strait should there be an armed conflict there. In particular, the development and deployment of the TMD (Theater Missile Defense) system is seen in China as serving the purpose of deterring China's missile capabilities. Taiwan's effort to seek TMD umbrella is the most dangerous scenario in Chinese military planning.

Emotionally, a comparison is made by some Chinese between the American attitude toward Japanese denials of their country's war crimes during World War II and that toward the rise of pro-Nazi elements in Europe, notably in Austria recently. The differentiated American sentiments are viewed in China as reflecting not only a kind of racial discrimination, but also a strategic design to animate Japan in serving as a counterweight to China.

² ** A public opinion survey conducted by the Institute of American Studies, Chinese Academy of Social Sciences, indicates that the strongest Chinese criticism of the United States is based on the NATO bombing of China's embassy in Belgrade and the continued U.S. arms sales to Taiwan.

The strengthening of America's military and political ties with China's neighboring countries is perceived in more or less the same light. Particularly, the Chinese have noted the increased American sympathy with the Philippines over its territorial dispute with China in the South China Sea. In the aftermath of the Asian financial crisis, the Pentagon has broadened the scope of its military cooperation with Southeast Asian countries. At the same time, Washington has been taking advantage of the political problems in Indonesia and Malaysia. The Americans are cultivating goodwill from Mongolia, adjusting their posture toward North Korea, and isolating the Burmese government. Washington has shown a strong strategic as well as economic interest in developing relations with Central Asian states. U.S. pressure regarding India's nuclear development has diminished somewhat. It might be exaggerating to state that all the American endeavors in Asia are directly against China, but certainly they are seen as circumscribing China's strategic interests and constraining China's power and influence in the region.

II. The Current State of the U.S.-China relationship

1. Defining Policy objectives

There are four identifiable major objectives in China's relations with the United States as construed from Beijing's official pronouncements: (1) in terms of geopolitical and balance-of-power concerns, China continues to advocate multipolarization against America's hegemonic designs and ambitions in order to safeguard its national security and enhance its international prestige; (2) in terms of domestic concerns, China wants to prevent American influences from undermining its political order and leading ideology; (3) in the economic dimension, the objective is to further develop commercial relations with the United States and absorb developmental experiences and technological know-how from it; and (4) to achieve national reunification, China must manage U.S. relations successfully to forestall U.S. support for Taiwan independence.

In contrast, America's policy toward China in the post-Cold War years is usually defined by a balance between two notions - containment and engagement. A variety of descriptions that combine the two objectives appear in American and Chinese publications. A recent Rand report calls for a policy to "congame" (contain plus engage) China. A "hedging strategy" is another way of balancing the two ideas. It is meant to engage China into the "international community" in which the United States plays a leading role, but if China fails to "abide by the rules," the U.S. will still have the choice of containing it. Some Chinese commentators point out that Washington's China policy is one of "containment in essence, and engagement as the instrument." My personal observation since 1995 is that U.S. China policy is to restrain China's domestic and international behavior and policies by means of engaging it.

In reality, a better understanding of U.S. policy toward China has to seek the roots of American interests and ideas in a historical perspective and against the background of globalization. U.S. and Chinese interests and goals are partly conflictual and partly congruent. The insistent American rhetoric for assuming a leadership role in world affairs flatly contradicts the Chinese goal of opposing hegemonism. As the concept "leadership" in the Chinese context refers to a hierarchical order or a superior-subordinate relationship, the Chinese can never accept the American leadership. To be sure, the discourse of leadership versus anti-hegemonism is not simply a war of words

but more fundamentally reflects the reality of power balance in today's world as well as the two nations' long-term goals.

U.S. policymakers and officials do not conceal their distaste of China's political system and the intention of encouraging political changes in China for Western-type democracy. Some Americans do try to explain to the Chinese privately that political instability in China would not serve American interests and that what they want to see is a gradual process of reform, not the overthrow of the communist leadership. The persuasiveness of this argument is discredited by America's incessant accusations of human rights abuses in China and public support of Chinese political dissidents. On the Taiwan issue, continued arms sales to the island can only convince the Chinese that the United States is maintaining a "divide-and-rule" policy aimed at preventing China's national reunification and ascension as a great power.

Economic ties are the main area of convergence of interests between the United States and China. In addition, cooperation in such fields as education, science and technology, sports, medical treatment, environment protection, curbing illegal immigration, terrorism, crime, and drug trafficking also provides strong incentives for the two countries to improve their relationship.

2. Characterizing the relationship

China-U.S. relations today are characterized by four phenomena. First, each side is more realistic and disillusioned about the other side, and both sides cast few illusions about their future relationship. On the Chinese side, there is the realization that the differences in political system, ideology, and culture pose an insurmountable obstacle. People are convinced that the Americans will never welcome the rise of China, and never stop their activities in meddling with Chinese internal problems, including Taiwan. On the American side, a comparable realization is evident that the Chinese Communist leadership will persist, and that China will not change its anti-hegemonist position aimed at reducing American global and regional influences.

The mutual disillusionment makes it inevitable that the future relationship will be marked by bitter political quarrels, back-and-forth accusations, and negative mutual images. Meanwhile, both sides also realize more clearly their common interests, including the common preference to seek a peaceful solution to the Taiwan issue. A head-on confrontation would be too costly to both sides to consider.

The second phenomenon is that domestic factors will play an even larger role in the bilateral relationship. U.S. Congress, media, trade protectionists, the military-industrial complex, human rights activists, the religious right, and some other interest groups are using the China issue for their own purposes. The Clinton administration, and perhaps the next administration in Washington, will often be held hostage to domestic pressures in policymaking regarding China.

In China's case, as more and more economic sectors and government agencies are engaged in relations with the United States, policy coordination will be a daunting task facing the central leadership. At various social layers, while public sentiments become more nationalistic, dissenting political activists and some groups like Falun Gong followers may seek American encouragement and assistance, creating new political difficulties between the two governments.

The third phenomenon is a sharp contrast and incompatibility between “low politics” issues and “high politics” issues. Such “low politics” issues as trade, investment, technological transfer, environmental issues, and educational exchanges require closer linkages and cooperation. They serve as cushions against disastrous disruption. However, broadened personal contacts and more extensive engagement between the two societies in “low politics” areas do not necessarily result in deeper mutual understanding and trust in “high politics” issues like arms control, Taiwan, and human rights. Meanwhile, the crisis in 1995-96 over the Taiwan issue and the crisis in 1999 over the embassy bombing incident did not seriously damage bilateral cooperation in practical fields.

The fourth phenomenon, which may partly explain the third, is the contrast between the high political temperature inflamed by public statements and the working atmosphere sustained by practical considerations in both governments. In the past few years, working relationships at various levels of the two governments and the so-called “Track II” dialogues between policy analysts from the two countries have effectively tackled difficult problems. In this sense, the frequent exchange of verbal barrages, sensationally publicized by the media, could be somewhat confusing and misleading.

3. Domestic Trends and the Ideological Discrepancy

If domestic political factors in both the U.S. and China are indeed increasingly decisive in formulating their relationship today and in the years ahead, we should then examine what exactly are those factors that are affecting the relationship, and in what fashion.

Both the United States and China are undergoing significant social and political adjustments to the process of globalization. The domestic trends seem to have brought about a new conceptualization of political principles and norms in each society, and have made an impact on the perception of each other.

I have identified six areas or concepts in which the two countries hold different but sometimes comparable attitudes in response to globalization. A cautionary note is that in neither the United States nor China is there an identifiable consensus in any of these areas.

(1) The attitude toward religion

Religious faith and observance are far more pervasive in the United States than in any other advanced industrial country. China is by far the largest secular society in the world. In my judgment, the difference of attitude toward religion is the most fundamental ideological discrepancy between the United States and China, and is a major obstacle to their mutual understanding.

In the United States, the notion of the dignity of human life is derived from the view that man is a reflection of God and that all men are equal before their Maker. This may be the most important source of the American fervor for human rights. Faced with a variety of social problems such as drug addiction, crimes, gun violence, homelessness, and moral decay, there has been a renewed interest in religion as it may be able to provide some solutions to these problems. Various church programs ask people to keep faith and are expected to help relieve government of social service costs.

The Religious Right seems to have matured and gained strength in politics, particularly with a Republican majority in both houses of Congress. Having pursued its domestic agenda with renewed vigor and somewhat greater success, religious conservatives are seeking to widen the scope of their international agenda. One example is the

accusation of China's persecution of Christians and the public support for the Dalai Lama.

While there is a reported increase in the number of religious believers in China (the official figure of the total number of believers is about one hundred million), the vast majority of the Chinese population remains atheist or non-religious. Religion is now an increasingly sensitive issue in Chinese politics, given its challenge to the leading political ideology and multiple sources of outside connection and support. Informal Christian and Roman Catholic churches are reportedly active in some regions, especially in rural areas, and have attracted attention and possible support from the West. Separatist tendencies in Xinjiang, Tibet and some other national minority areas are complicated by religious resurgence.

Chinese political élites in general regard the resurgence of religion in China and elsewhere as a reflection of social and economic dislocation and moral crisis, rather than as the solution to these problems. In addition to political education in patriotism, socialism and collectivism, the leadership promotes education in science and technology as a counterweight to religion and a repellent to superstition. In 1999, a large-scale political campaign was launched to oppose Falun Gong, referred to as an "evil cult" by the Chinese press. The repercussions it has aroused in the United States are mostly negative. Such issues are likely to be recurrent, if not worsened, in China-U.S. relations.

(2) The concepts of diversity and unity

For a long period in American history, an informal "cultural establishment" of the beliefs and mores of white Anglo-Saxon Protestants (WASP) prevailed. Today and for the future, it is hard for such establishment to serve as the basis of national unity. Demographic changes in the United States have helped to reinforce the perception that the dominant culture and the nation itself are disintegrating. Respect for diversity is essential for keeping the American nation united.

In contrast, the concepts of unity, conformity, collectivity, and unanimity in China are far more penetrating than the novel idea of diversity. In reality, however, values, ideas and life styles are more diversified in China than ever in its history due partly to globalization. The political response to the diverse trends is to reemphasize unity and centralism to prevent the country and polity from falling apart. Since early 1999, the Communist Party has been conducting a rectification program called "three emphases" aimed at a unified ideological position and Party discipline.

(3) The concept of openness under globalization

At the very heart of the Clinton administration's approach to global strategy (if there is any) is the concept of globalization. To some extent, "globalization" in U.S. foreign affairs is comparable to "diversity" in the realm of its domestic politics. As a rationale for the role of the U.S. in world affairs, "globalization" today has become the functional equivalent of the phrase "Free World" during the 1950s and 1960s. It suggests the existence of obligations to which all countries must submit if they want to prosper. It serves a powerful instrument of persuasion, the rhetorical device of last resort, to which there is no counter.

According to many Americans, globalization points inevitably to an international order whose chief characteristic is "openness." There is more at stake here than economic interests. Enhancing openness and facilitating the free flow of information and ideas have long been central themes in the American value system -- the

whole world should be made open to American exports, investments, and ideas.

On the other hand, a great number of culturally conservative Americans feel disadvantaged by economic restructuring in the era of globalization. The debate about the impact of the global economy pits beleaguered labor unions against transnational corporations, as was dramatized by the Seattle demonstrations in December 1999 against WTO. The response to globalization will shape the governing philosophy of the United States well into the 21st century.

Interestingly enough, “openness” and “globalization” also constitute a set of concepts prevalent on China’s national agenda. “Opening and reform” remains a central aim of the nation toward modernization, though the content of the slogan is subject to reinterpretation and debate. *Economic* globalization is described in China’s official documents as an inevitable trend in today’s world. The emphasis of the economic part of globalization implies that the Chinese are not yet prepared to welcome or validate *political* or *cultural* globalization.

The scope of China’s opening to the outside world is limited by its preoccupation with political stability at home. It has constantly called for vigilance against spiritual contamination from abroad, especially from the United States. Promoting “socialist spiritual civilization” requires resistance to Western political ideas that might undermine the Communist Party’s legitimacy and authority.

A large number of Chinese officials and intellectuals have expressed their concern or reservation about China’s forthcoming accession to WTO. The upcoming tide of foreign goods, services and investments will allegedly deprive many Chinese of their job opportunities and widen the gap between rich and poor, between the coastal areas and the interior. A very popular idea is that globalization is a double-edged sword that hurts the developing countries more than the developed countries.

(4) The roles of government and market forces

While limited government is a core principle in the United States, American liberals and social democrats argue that the root of today’s problems is not the weakness, but rather the excessive strength, of market forces. What is needed, they claim, is a stronger state, capable of higher levels of public investment, economic redistribution, education, and social insurance. Environmentalists in America question not only the sustainability, but also the morality, of a society based on ever-expanding consumption and untrammelled individualism. Debates over the role of the state and market forces are bound to continue in the United States.

The case in China is less salient but no less important, as market mechanisms have been introduced into China’s state-owned enterprises and much of the public sphere previously controlled by the government. However, the Chinese political tradition emphasizes authority, coercion, hierarchy, and order. As long as the government is perceived by the population as legitimate and benevolent, the stronger and more pervasive it is, the more social good it will deliver. The market-oriented reform so far has not changed this basis tenet, though what is referred to in the West as “civil society” is burgeoning in some areas.

(5) Distrust of political leadership

The American public increasingly believes that their government is dominated by concentrations of wealth and special interests at the expense of average citizens, and public trust in government has plunged. President Bill Clinton’s sex scandal and the unprincipled partisan fight over this problem and other issues have exacerbated the

public mistrust of political leaders. Public confidence in Congress and other institutions has reached its lowest point in twenty or more years.

In present-day China, public aversion to widespread official corruption is strongly expressed. The legitimacy of the leadership is based largely on its capacity to sustain economic growth, but some cases of corruption and abuse of power are so notorious that the leadership must deal with them seriously.

(6) Nationalism

In both the United States and China, “nationalism” (or the almost synonymous concept of “patriotism” in this context) is an ethical principle that is desired to keep national cohesion and political stability in society. However, the nationalism of each country takes a different form and has different policy implications. The nationalisms of the United States and China tend to be competitive and even conflictual in the new era of globalization.

A key to understanding American nationalism today is to pay attention to the debates over national identity and multiculturalism. Central to the construction of right-wing nationalism is the effort to define national identity through an appeal to a common culture that resists the notion of basing the American identity on multiple literacies and histories. To the conservatives, national identity is structured through citizenship and patriotism that subordinates ethnic, racial and cultural differences to the assimilating logic of the “melting pot.” In other words, the current of American nationalism runs from Alexander Hamilton through Abraham Lincoln and Theodore Roosevelt, and emphasizes the unification of Americans of different regions, races and ethnic groups around a common national identity.

Advocates of multiculturalism, on the other hand, are opposed to the notion of equating cultural differences with deviance and disruption. They see bigotry and intolerance as the enemy of American democracy, and cultural differences as one of American strengths. They call for the development of a multicultural and multiracial society that reflects the richness, colors and diversity of the American people and consists with democratic principles.

Chinese nationalism, in contrast, emphasizes two things. The first is national pride, including the richness of China’s continuous civilization, its glorious ancient past, and the cohesiveness of a single, unified nation (though the unification is not yet completed with Taiwan being politically separated from the mainland). The second is the national humiliation inflicted by Western imperialism in recent history.

The first emphasis in Chinese nationalism is boosted by the impressive economic growth and social progress in China since the late 1970s and by the return of sovereignty over Hong Kong and Macau. However, the memory of national humiliation has also been recalled with some late events, the most tragic being the NATO bombing of China’s embassy. Other factors leading to China’s anxiety include the pro-independence tendency in Taiwan, which is seen as reinforced by increased American arms sales to the island, the unrepentant attitude among some Japanese toward the atrocities caused by Japan’s invasion and occupation of China during World War II, the strengthening of U.S.-Japan security alliance, and the expansion of NATO.

Thus it is hardly surprising that, based on expressed ethical principles in both domestic and foreign affairs, Chinese nationalism is clearly targeted at Western domination of the world. On the part of American nationalism, the conservatives and liberals alike find Chinese policies and practices alien to their principles. While the conservatives dislike China’s centralized political system and see China’s rising power as threatening to American

national security, the liberals express antipathy toward what they describe as intolerance of diversity under the Communist leadership.

All these trends and factors combine to present an inherent disparity between the United States and China in terms of their values, expectations, and national aspirations. This disparity takes root in their respective national traditions, reflects different stages of social and economic development, and is not to wither away with the ongoing process of globalization. Both societies are highly moralistic in their world outlook and self-consciousness. It is unrealistic for the Chinese to expect the United States to “push aside ideological differences and concentrate on common interests” in dealing with China. Similarly, the hopes expressed by many Americans are unfounded that the next generation of Chinese leadership and élites will be more “friendly” toward America when the internet, McDonald’s, and Hollywood movies become part of their way of life.

4. The Taiwan issue and the Arms Control Controversy

It is a rather ominous development that there have been increased talks and open publications, some sensational and others more serious, on both sides of the Pacific Ocean about the possibility of a China-U.S. war over the Taiwan issue. Unfortunately, it could become a self-fulfilling prophecy should Beijing, Taipei, and Washington not handle the problem with great care and restraint.

As is viewed from China, the most sinister American long-term plans to divide China’s territory are U.S. attempts to obstruct Taiwan’s reunification with the mainland. The separation of the two sides of the Taiwan Strait was a legacy of the Chinese civil war from 1946 to 1949. The Americans embarked on a number of efforts aimed at denying China’s territorial claim to the island in the 1950s. Washington and Taipei signed a mutual defense treaty in 1954, and American troops were stationed on the island for deterring the mainland’s plans to cross the Strait. After two military showdowns across the Taiwan Strait in 1954-55 and 1958 respectively and many other rounds of contest and negotiation, the bottom lines of both the PRC and the United States on the Taiwan issue were crystallized, and have been remarkably consistent since the 1950s.

China will never give up its goal of reunifying with Taiwan, and will never accept any scenarios of “two Chinas,” “one China, one Taiwan,” or Taiwan independence. At the same time, China prefers peaceful means to settle the issue. Except for extreme situations, China will try to avoid direct military conflict with the United States.

On the U.S. side, the status quo that divides the two Chinese parts serves long-term U.S. interests. *De jure* independence of Taiwan would likely trigger a war between the two sides. This might well drag the United States into a costly confrontation with China, and therefore should be prevented. On the other hand, the United States will continue to provide military assistance to Taiwan and keep its commitment to the protection of Taiwan. A military solution to the Taiwan issue is the last thing the Americans would wish to visualize.

What has really changed is Taiwan itself. The political, economic, and social changes on the island, combined with changes in the international environment, have given rise to an increasingly strong local identity and consciousness. Taiwanese are proud of their economic performance. Taiwan’s multi-party system and popular elections have been institutionalized. All these trends complicate cross-Strait talks for settling the Taiwan issue.

In March 2000, Mr. Chen Shui-bian was elected the top Taiwanese leader with less than 40 percent of the

popular vote. A politician previously committed to establishing an independence state on the island, Mr. Chen has nonetheless shown a more conciliatory stand toward the mainland, both during and after the presidential election. His obvious motivation is to maximize his popularity, since the vast majority of the Taiwanese population is in favor of maintaining the status quo. It is hard to imagine, however, that he and his pro-independence followers will repudiate their separatist agenda.

The pro-independence forces in Taiwan see the United States as potentially the largest international asset for pursuing their goal. In sharp contrast with the PRC's image in the United States, Taiwan's democratization has won American praises. The Taiwan authorities are taking advantage of this contrast as well as the political difficulties between Beijing and Washington to present their own case. As compared to the executive branch in Washington, which has been dancing on a thin line between Beijing and Taipei, the Taiwanese are working harder on U.S. Congress and media, which tend to be more sympathetic to Taiwan against the mainland's pressure for reunification dialogues. As to the mainland relationship, it is likely that the new administration in Taipei will attempt to further develop economic channels across the Strait but resist any talks based on the one China principle.

On the mainland side, the consensus is firm that military strength is by far the most crucial and credible means to deter Taiwan independence, although economic, cultural, and diplomatic instruments are also to be used. It is predictable that the next few years will witness more military preparedness on the Chinese mainland to enhance that credibility. With the separatist tendencies on the island gaining more momentum, the Taiwan issue will probably be moving closer to the top priority of Beijing's policy agenda. The more politically sensitive the problem becomes, the less tolerance Beijing would show to the separatist movement. The possibility of a substantive political dialogue between Beijing and Taipei seems remote. In the interim, the cross-Strait relations may be highly volatile, and the space for maneuvering may be limited.

China faces difficult choices in dealing with the United States over the Taiwan issue. A softened stand would give the wrong signal that Beijing might tolerate Taiwan independence and would not take forceful actions against it. On the other hand, deterioration in China-U.S. relations might give impetus to the scenario of containing China by encouraging Taiwan's separation. China's current policy seems to be aimed at persuading the Americans to realize the wisdom of constraining Taiwan's irresponsible behavior, and at the same time showing its determination to use force if Taiwan makes adventurous moves to seek statehood with international recognition.

Against the background of recurrent tensions over the Taiwan problem, the controversy between Beijing and Washington regarding arms control is certain to intensify. In the early and mid-1990s, the arm control issue was mostly related to the alleged sales of China's missiles, chemical materials, and nuclear technology. Though the Bush administration's decision to sell F-16 fighters to Taiwan did provoke emotional protests from Beijing, the relative tranquillity across the Taiwan Strait at that time allowed the Chinese to moderate their response later. Today, while less U.S. concerns are shown on China's arms sales, the Russian-Chinese military cooperation has begun to arouse U.S. attention. China will likely continue to equip its navy and air force with advanced Russian weaponry mainly to counterbalance Taiwan's procurement of U.S. arms.

In particular, the Chinese are deeply concerned about the R&D projects of America's National Missile Defense (NMD) and TMD, since China's missiles constitute the more formidable deterrence to potential enemies than its

naval, amphibious, or air capabilities. After Taiwan announced its own TMD (Taiwan Missile Defense) program with U.S. technology, the PRC military will definitely speed up the development of its countermeasures. The Chinese are increasingly suspicious that the Americans are selling their TMD technologies on piece-by-piece basis without admitting their formal transfer. Adding Japan's military advancement on the equation, the Chinese have good reason to invest more resources into its defense modernization, which in turn will put the U.S. on alert.

III. Evaluation and Recommendation

Given the heated debates over China policy in American political circles, media, think tanks, businesses, and scholarly community, the Clinton administration has managed its China relations with considerable continuity and consistency, especially in his second term since 1997. In retrospect, the two presidential visits in 1997 and 1998 highlighted and set the momentum for the improvement of U.S.-China relations, though many events afterwards have been regrettable.

There has been a learning curve in both the United States and China about each other in the last eight years. Most importantly, each side has learned a great deal of the complexities of the other side's domestic processes. For the Chinese, it has been evidently clear that the American executive branch and Congress pursue different goals and have different perspectives on foreign policy issues, particularly over China policy and the Taiwan issue. The question now is not whether or why but how to work on U.S. Congress as well as the media and other nongovernmental institutions. Another Chinese realization is that the split political factions in Taiwan, each having its own American linkages, are not "controlled" or "directed" by any forces in the United States, although the Americans are indeed able to exert a great deal of influence on Taiwan's external relations. It now becomes more convincing to argue that it would not be in the best interest of the United States to support Taiwan independence. Neither would it be realistic to assume that the U.S. would not react strongly, even by force, to any armed conflict in the Taiwan Strait.

The Americans, in turn, have accumulated immense knowledge and understanding of the diversity of Chinese interests, of the Chinese political and bureaucratic processes, of China's sensitivities over the Taiwan, Tibet, and human rights issues, and of the nationalistic sentiments in the Chinese general public. In fact, the China policy debate in the United States now seems to have shifted from "how to handle the China problem" (as if China had become a threat, etc.) to "what is the China problem" (going more deeply to look at China from both within and without).

Under the current circumstances, heightened expectations regarding U.S.-China relations for the next few years are unwarranted. The most important thing the two powers should and can do is to ensure that relations do not fall into a dangerous abyss by broadening the issue areas where common grounds are firm and managing those issues in which divergent interests and conflicting goals are identified. There will be plenty of opportunities for the next administration in Washington to seize.

1. Facilitating regional cooperation and keeping regional strategic balance

Despite America's unquestioned economic, political, and military primacy in the Asia-Pacific region, the

United States has yet to define a comprehensive strategic logic to underlie its long-term policy toward the region. Repeated pledges of commitment to security alliances with Japan and the Republic of Korea and engagement with China cannot conceal the persisting uncertainties about the balance of power between China and Japan, and about the purposes and sustainability of the alliances.

While Japan is likely to commit itself to the security arrangements with the U.S., a greater degree of independent Japanese identity in global and regional affairs is assured. For example, Japanese in general have expressed a larger degree of sympathy than Americans with Lee Teng-hui's position that a "special state-to-state relationship" exists between the Chinese mainland and Taiwan. The Japanese repugnance toward China over a number of policy issues is also widely known. China's sense of insecurity and isolation could be internalized by America's neglect of its feelings toward the U.S. alliances in the region. On the other hand, the Chinese desire to ensure better relations with the neighboring countries will make them more attentive to other Asians' views and perspectives.

It is essential, therefore, that Washington consider its China policy in ways corresponding to the rising regionalism in East Asia. Especially, Washington should reconsider its lukewarm attitude toward ASEAN Regional Forum (ARF) and other multilateral economic, political, and security mechanisms in Asia in which China participates with increased enthusiasm.

2. Institutionalizing high-level consultations with China

It is a cultural phenomenon that Americans often regard high-ranking official engagements as opportunities to "solve problems" that are otherwise difficult to discuss, whereas Chinese officials usually attach more "symbolism" to such opportunities. In Chinese eyes, high-level consultations, if they are to take place, serve as a thermometer measuring the atmosphere in which substantive issues can be discussed, and as an indication of a spirit of equality and goodwill. In the spring of 1999, the insufficient and ineffective consultation with the Chinese on the Kosovo crisis partly contributed to China's subsequent reaction with suspicion and mistrust of American intentions.

High-level visits, especially visits of Chinese leaders to America above the vice-premier level, have been far from adequate. The U.S. government should try to institutionalize and facilitate dialogues with Chinese leaders and officials across a wider range of organizations. Summit meetings are of particular significance. It is crucial for the new administration in Washington to officially reconfirm the willingness to "build toward a constructive strategic partnership" with Beijing, or to redefine the relationship in similarly positive terms.

3. Avoiding politicizing economic issues and sensationalizing human rights issues

China's long anticipated entry into WTO will be a very rare opportunity for the two governments to solidify their grounds of cooperation. Given the fact that labor unions in the United States and various elements in China are casting doubt to the possible benefits of China joining WTO, it is crucial that the two governments work closely together to prevent practical difficulties from being politicized. On the U.S. side, patience about China's economic and legal reform is needed, while quiet and sensible advice in these fields should be encouraged.

Human rights dialogues between the two sides were suspended by the embassy bombing tragedy. However, the consciousness of human rights as a principle in international affairs is in fact well recognized in China. American officials and commentators should first recognize that human rights, including political rights and freedom of

speech, have been remarkably improved in China, whereas human rights violations in the United States are serious and should be discussed as such. Their comments should not be predicated on false information or biased sentiments. More importantly, China should not be singled out as the main target for criticism simply because it is under the communist leadership.

4. Promoting and publicizing progress on cooperative fields

Too often areas of cooperation in U.S.-China relations are neglected by media and the general public. Instead, “bad news” has dominated the popular judgment. As mentioned earlier, the two societies are facing many common or similar problems, ranging from moral decay, drug addiction, high crime rates, lack of family care, the aging population, and ecological deterioration to abuses of power, official corruption, and terrorism. The U.S. government and NGOs should increase assistance to their Chinese counterparts, particularly in the fields of education, scientific research, legal reform, community building, social welfare, and environmental protection. In addition, they should keep the U.S. media well informed on the progress in these fields, and try to publicize it more extensively. Also, American institutions ought to better utilize the Chinese media, which are enthusiastically broadening their sphere of influence and effectively informing the Chinese public about the outside world.

5. Ensuring ways to keep the Taiwan crisis at bay

Mr. Chen Shui-bian’s election in Taiwan has provided both challenges and opportunities for Washington and Beijing to cope with the Taiwan problem. Under the current circumstances, the challenges could be very serious. Before and immediately after he assumes office in May 2000, Mr. Chen may be preoccupied with the internal agenda and the consolidation of his power base on the island. Therefore, the Taiwan authorities may try not to be unduly provocative about the cross-Strait relations.

It is hard to believe, however, that during his 4-year term Chen Shui-bian would not attempt to legalize or codify Taiwan’s political infrastructure as a “state” when he sees the appropriate time. Meanwhile, not too long after a new president comes into the White House, a leadership transition in Beijing will be completed in 2002-2003. The political timetable on the three sides seems to indicate that the next two to three years will be extremely critical for maintaining stability across the Taiwan Strait. Within this time frame, should the two Chinese parts fail to enter into negotiations for a long-term settlement aimed at reunification, a military showdown could be possible, or even probable.

To prevent this disastrous outcome, the healthy development of U.S.-China relations is crucial. The U.S. position must remain unequivocally committed to the principles of “three no’s” – no support for Taiwan independence, no support for “two Chinas” or “one China, one Taiwan” scenarios, and no support for Taiwan’s membership in international organizations requiring a statehood. The Taiwan Security Enhancement Act, already passed by the U.S. House of Representatives and pending a Senate resolution, would be catastrophic if enforced.

Comprehensive, intensive, and fruitful dialogues across the Taiwan Strait and across the Pacific are the best way to ensure peace and stability in the Asia Pacific region. Such dialogues should be encouraged and supplemented by various forms of regional integration in Asia, with regional powers sharing their responsibilities in a cooperative manner.