

**Friend or Foe?
The Bush Administration and
U.S. China Policy in Transition**

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INTRODUCTION

Almost three years into the Bush administration, America's China policy is gradually taking shape. In contrast to the Clinton administration's efforts to develop a "strategic partnership" with China, and departing from its Taiwan policy anchored in "strategic ambiguity," the Bush administration came into office establishing priority on strengthening its relationships with key allies in Asia. It has further sought to develop and implement a China policy that characterizes the rising power of East Asia, if not a "strategic competitor" across the board, then certainly a "military competitor with a formidable resource base." Bilateral relations experienced serious difficulties in the early part of 2001: Washington and Beijing clashed over the human rights issue; there was the mid-air collision between a U.S. EP-3 spy plane and a Chinese fighter aircraft, with the death of the Chinese pilot and the subsequent detention of the U.S. crew members; and the Bush administration approved the largest arms sales to Taiwan in a decade. Then came the September 11

terrorist attacks on New York and Washington, D.C.

The September 11 attacks in a way refocused the administration's attention on international terrorism and the proliferation of weapons of mass destruction (WMD), and those priorities have necessitated a more pragmatic approach to handling its relationship with China. There has been enhanced cooperation between Washington and Beijing on anti-terrorism, and the two countries consult frequently on the North Korean nuclear issue. Bilateral military-to-military exchanges have also resumed since the latter half of 2002.

This article takes stock of U.S. China policy since the Bush administration came into office and examines the opportunities and challenges facing Sino-U.S. relations in the coming years. It will discuss the issues that are most likely to divide the two countries—Taiwan, missile defenses, WMD proliferation, and regional security—and assess possible U.S. policy options and Chinese reactions. It seeks to determine whether U.S. policy is largely driven by a strategy of hedging, or one of containing China. The former evolves from the uncertainty about the future intentions of a rising China, which is amenable to enhanced strategic dialogue, understanding and mutual adjustment. The latter, however, is informed by the Realist understanding of relative gains and the balance of power and could lead to a more confrontational U.S. policy toward China.

DIVIDING ISSUES IN SINO-U.S. RELATIONS

America's China policy since President Nixon's 1972 path-breaking visit to the enigmatic kingdom and up to the end of the Cold War had been informed by broader strategic considerations and implemented through strong bipartisan support.¹⁾ The Tiananmen

1) Patrick Tyler, *A Great Wall: Six Presidents and China* (New York: Public Affairs, 2000); James H. Mann, *About Face: A History of America's Curious Relationship with*

incident of June 1989 became a turning point in the chronology of Sino-U.S. relations, which fundamentally changed the way the bilateral relationship had been managed since the early 1970s and left a number of legacies that continue to influence U.S. China policy-making today. The first legacy, in Kenneth Lieberthal's words, is that Tiananmen "jaundiced American views of China."²⁾ While Cold War strategic interests had largely overridden ideological issues such as human rights, the latter now weigh heavily, if not dominate, the bilateral agenda. Indeed, the fundamental incompatibilities between the United States and China in terms of social, political, and economic systems and values, are becoming factors of increasing salience in Washington's formulation of China policy.

A second legacy is the erosion of bipartisan support in Congress of the executive branch's China policy, with the former becoming increasingly assertive in both setting the agenda and controlling policy formulation.³⁾ The third legacy is the loss of general trust between China and the U.S. In its place are mutual suspicions of each other's intentions, and divergent perceptions and interests on a whole spectrum of issues, from post-Cold War international political order to arms control and nonproliferation; and from trade-related issues to the promotion of human rights. Complicating the matter further is the perceived rise of China and its implications for U.S. strategic interests in the Asia-Pacific region.⁴⁾

China, from Nixon to Clinton (New York: Vintage Books, 1999).

2) Kenneth Lieberthal, "A New China Strategy," in *Agenda 1996: Critical Issues in Foreign Policy* (New York: Council on Foreign Relations, 1996), p. 183.

3) Robert S. Ross (ed.), *After the Cold War: Domestic Factors and U.S.-China Relations* (Armonk, New York: M. E. Sharpe, 1998); David Skidmore and William Gates, "After Tiananmen: The Struggle Over U.S. Policy Toward China in the Bush Administration," *Presidential Studies Quarterly*, Vol. 27, No. 3 (Summer 1997), pp. 514-539; John Hickman, "Struggle Over China Policy: The Clinton Administration and the 105th Congress," *American Asian Review*, Vol. 17, No. 2 (Summer 1999), pp. 87-115.

4) Zalmay Khalilzad, et al., *The United States and a Rising China: Strategic and Military Implications* (Santa Monica: RAND, 1999); Denny Roy, "Rising China and US Interests:

The Clinton administration came into power amidst this changing dynamic, and groped for a China policy that could both advance its key policy objectives—preserving U.S. predominance, promoting democratization and marketization, and economic prosperity at home—and respond to growing domestic interests and pressure. The China policy was in disarray given the administration's tendency to placate competing interests of pressure groups and Congress. Clinton sought to link the granting of the most-favored-nation (MFN) status for China to the latter's progress in human rights, an impossible task that he later had to rescind. Midway into his second term, Clinton began to anchor U.S. China policy on a more constructive foundation and hence, the much misinterpreted term "strategic partnership." The administration recognized that it needed China's cooperation in dealing with nuclear and missile proliferation, peace and stability on the Korean peninsula, and a host of other issues at both the global and regional levels. Growing U.S. business interests in China were also an important factor in the administration's China policy. A policy of engagement therefore characterized the overall approach.⁵⁾

The Bush administration has been critical of the Clinton approaches to U.S. China policy. There are at least three areas of major policy difference. First, instead of viewing China as a "strategic partner," the Bush administration has characterized its relationship with China as more complex, where the two countries can cooperate on certain issues but are likely to compete on others. During the presidential campaigns, candidate Bush on several occasions referred to China as America's "strategic competitor."⁶⁾

Inevitable vs. Contingent Hazards," *Orbis*, Vol. 47, No. 1 (Winter 2003), pp. 125-137.

5) Ramon Hawley Myers, Michel Oksenberg, and David L. Shambaugh (eds.), *Making China Policy: Lessons from the Bush and Clinton Administrations* (New York: Rowman & Littlefield, 2001); Robert S. Ross, "Engagement in US China Policy," in Alastair Iain Johnston and Robert S. Ross (eds.), *Engaging China: the Management of an Emerging Power* (London and New York: Routledge, 1999), pp. 176-206.

6) For a review of candidate Bush's various policy positions regarding China, see

This perception is reinforced in the Quadrennial Defense Review (QDR) and the Nuclear Posture Review (NPR) reports where China is regarded as a potential military competitor in the Asia Pacific and as a target should the U.S. contemplate the use of nuclear weapons, and in the 2002 and 2003 Department of Defense Annual Report on the Military Power of the People's Republic of China.⁷⁾

Second, the Bush administration has moved away from “strategic ambiguity” regarding Taiwan. While the Clinton administration had tilted its Taiwan policy in the aftermath of the 1995-96 Taiwan Strait missile crisis toward a more explicit position on the “Three Nos”—no to Taiwan independence, no to one China, one Taiwan, and no support of Taiwan membership in international organizations where statehood is required—Bush officials have emphasized American obligations under the Taiwan Relations Act, encouragement of dialogue, and explicit opposition to the use of force in resolving the issue. In this regard, President Bush's controversial statement of “whatever it takes” to help defend Taiwan has deeper philosophical underpinnings shared by a number of high-ranking Bush administration officials, including Paul Wolfowitz and Richard Armitage, who, before joining the administration, were among a group of conservatives advocating a clear U.S. commitment to the defense of Taiwan.⁸⁾ Indeed, the past few years have seen increasing interactions between high-level Taiwanese and U.S. officials, including those between the two militaries. Transit stops for Chen

the Council on Foreign Relations' website “Campaign 2000: the Candidates, Their Supporters & Experts Debate Foreign Policy” [<http://www.foreignpolicy2000.org/library/index.html>].

7) Department of Defense, *Quadrennial Defense Review Report* (Washington, D.C.: USDOD, September 2001), p. 4; Paul Richter, “U.S. Works Up Plan for Using Nuclear Arms,” *Los Angeles Times*, March 9, 2002; William M. Arkin, “Secret Plan Outlines the Unthinkable,” *Los Angeles Times*, March 10, 2002; David Isenberg, “Pentagon Fires Off New China Report,” *Asian Times*, August 5, 2003.

8) Jane Perlez, “Bush Carries Some Baggage in Developing China Stance,” *New York Times*, August 29, 1999.

Shui-bian, Taiwan's president and Annette Lu (vice-president) are also granted more frequently than during the Clinton administration. The U.S. has also openly supported Taiwan's bid to join the World Health Organization.⁹⁾

Finally, a third difference between the current Bush and Clinton administrations is the former's de-linked approach to China policy. While Clinton either sought to link human rights progress to U.S. preferential trade treatment for China, or manage differences in specific issue areas in consideration of broader implications for the bilateral relationship, the Bush administration has adopted a decidedly segmented approach—basing specific policy on its own merit rather than being ambivalent and indecisive out of concerns over the overall bilateral relationship. In other words, the U.S. would seek cooperation with China where it can, but will be firm in dealing with China where it must. This probably explains the fact that while candidate Bush supported granting China permanent normal trade relations (PNTR) status, the Bush administration has been willing to impose sanctions (seven times so far) on China for its alleged violations of nonproliferation commitments. In addition, administration officials, including President Bush himself, have also indicated that Sino-U.S. anti-terrorism cooperation should not be used as a pretext by Beijing for religious prosecution and human rights violations.¹⁰⁾

One of the foreign policy challenges facing the Bush administration is the management of a rising China in the post-Cold War environment. It is no secret that China and the United States differ on a number of security issues in the Asia Pacific. To a significant extent, their divergent views derive from different historical and cultural experiences, and from their national interests

9) See Robert Sutter, "Bush Administration Policy Toward Beijing and Taipei," *Journal of Contemporary China*, Vol. 12, No. 36 (August 2003), pp. 477-492.

10) Rosemary Foot, "Bush, China and Human Rights," *Survival*, Vol. 45, No. 2 (Summer 2003), pp. 167-186.

and fundamental goals; these in turn affect the strategies they adopt.¹¹⁾ For the United States, its fundamental interests center on the prevention of the rise of any single power in the Asia Pacific that can challenge and even pose a threat to U.S. national security, access to the region's expanding markets, nonproliferation of weapons of mass destruction, and the promotion of marketization and democratization.¹²⁾ These interests call for continued U.S. commitment to the region's security through the presence of forward-deployed troops (to minimize the impact of the so-called "tyranny of distance"¹³⁾) and the consolidation of U.S.-Japanese and U.S.-ROK security alliances, and by support of the region's multilateral security arrangement such as the ASEAN Regional Forum (ARF).¹⁴⁾

China's post-Cold War security policy aims at maintaining a relatively stable and peaceful environment for economic development and building comprehensive national strength, protecting territorial integrity and achieving reunification with Taiwan, and upholding regional security cooperation through dialogues and consultation.¹⁵⁾ Beijing's gradual acceptance of

11) See Bates Gill, *Contrasting Visions: United States, China, and World Order* (Washington, D.C.: The Brookings Institution Press, forthcoming).

12) Office of International Security Affairs, Department of Defense, *The United States Security Strategy for the East Asia-Pacific Region 1998* (hereafter EASR-98); Douglas T. Stuart and William T. Tow, *A US Strategy for the Asia-Pacific, Adelphi Paper No. 299* (London: IISS/Oxford University Press, 1995); Jonathan D. Pollack, "Designing a New American Security Strategy for Asia," in James Shinn (ed.), *Weaving the Net: Conditional Engagement with China* (New York: Council on Foreign Relations Press, 1996), pp. 99-132.

13) William M. Steele, "Preparing the Army in the Pacific for the 21st Century," *Joint Force Quarterly* (Autumn/Winter 1997-98), pp. 62-66.

14) Joseph S. Nye, Jr., "The Case for Deep Engagement," *Foreign Affairs*, Vol. 74, No. 4 (July/August 1995), pp. 90-102; DOD, EASR-98.

15) *China's National Defense in 2002* (Beijing: Information Office of the State Council of the People's Republic of China, December 9, 2002), [<http://www.china.org.cn/e-white/20021209/index.htm>].

multilateral security and its emphasis on security cooperation partnerships stand in contrast to U.S. reliance on bilateral military alliances and forward military deployments. While China faces no imminent security threats in the form of invasion, the post-Cold War environments nevertheless have introduced additional complication and uncertainties for Chinese security planners. One is the increasing U.S. hegemony and unilateralism that threaten Chinese security interests.¹⁶⁾ Beijing and Washington hold fundamentally different visions on core international and regional security issues ranging from humanitarian intervention to military alliances.¹⁷⁾ In addition, Washington's post-Cold War interventionist policy and growing defense budgets convince Beijing that the U.S. is trying to maintain its military superiority and is seeking absolute security. According to China's 2000 Defense White Paper, "certain big powers are pursuing 'neo-interventionism,' 'neo-gunboat policy' and neo-economic colonialism, which are seriously damaging the sovereignty, independence and developmental interests of many countries, and threatening world peace and security."¹⁸⁾ There are a number of potential points of conflict between China and the United States that could lead to military confrontation if mismanaged. These include the U.S.-Japan military alliance; the Taiwan issue and the U.S. role;

16) Samantha Blum, "Chinese Views of US Hegemony," *Journal of Contemporary China*, Vol. 12, No. 35 (May 2003), pp. 239-264; Alan Tonelson, *A Necessary Evil? Current Chinese Views of America's Military Role in East Asia* (Washington, D.C.: The Stimson Center, May 2003), [<http://www.stimson.org/inchina/pdf/tonelsonfinal.pdf>].

17) Gill, *Contrasting Visions*; Bates Gill and James Reilly, "Sovereignty, Intervention and Peacekeeping: the View from Beijing," *Survival*, Vol. 42, No. 3 (Autumn 2000), pp. 41-60; Jing-dong Yuan, "Multilateral Intervention and State Sovereignty: Chinese Views on UN Peacekeeping Operations," *Political Science*, Vol. 49, No. 2 (January 1998), pp. 275-295; Evan S. Medeiros and Jing-dong Yuan, "US Military Presence in Asia: Offshore Balancer or Local Sheriff?" *Jane's Intelligence Review* (January 2001), pp. 31-35.

18) Information Office the State Council of the People's Republic of China, *China's National Defense in 2000* (Beijing: October 2000), p. 4.

theater missile defense (TMD) in the region, and WMD proliferation.

U.S.-Japan Military Alliance

For Beijing, the April 1996 U.S.-Japan Joint Declaration on Security and the new U.S.-Japanese Defense Cooperation Guidelines concluded in September 1997 were worrisome developments in East Asia that affect Chinese security interests negatively. The continued presence of U.S. military forces in the region, and a resilient U.S.-Japan security alliance at a time of much reduced security threats in the region only caused the Chinese to ponder Washington's true intentions and the implications for its own security. While in the past the alliance in Beijing's eyes served a useful purpose, keeping Tokyo from seeking re-militarization, it is now increasingly viewed as a security threat.¹⁹⁾ Three issues stand out. First, Beijing considers the revitalized U.S.-Japan military alliance as part of Washington's strategy of containing China. Second, China is extremely worried about the consequences of a more assertive Japan actively involved in the region's security affairs and seeking to be a "normal" power.²⁰⁾

Finally, Beijing is also concerned over Japan's expanded role in the post-September 11 U.S.-led campaigns against terrorism, including the overseas dispatch of Maritime Self Defense Force surface ships and SDF personnel, even though official statements remain low key. The recently released Japanese defense white paper calls for an even greater role for SDF in peacekeeping and the war on terrorism.²¹⁾ These developments are being closely watched by China. And finally, the guidelines could be interpreted as extending the

19) Thomas J. Christensen, "China, the U.S.-Japan Alliance, and the Security Dilemma in East Asia," *International Security*, Vol. 23, No. 4 (Spring 1999), pp. 49-80.

20) Lu Zhongwei, "Ribei de guojia zuoxiang yu rizhong guanxi [Japan's Course of Direction and Its Relationship With China]," *Xiandai guoji guanxi [Contemporary International Relations]*, (July 2001), pp. 2-7.

21) "Japanese Military Urged to Boost Global Presence," *Straits Times*, August 6, 2003; Chen Mingtian and Hou Zhenjie, "What Breakthroughs Has Japan's White

alliance's defense perimeter to include the Taiwan Strait; China is understandably concerned with the possible intervention of the U.S.-Japan alliance in what it regards as its internal affairs and reunification plans. Tokyo's ambiguity regarding its defense perimeter based not on geography, but on events only heightens Beijing's anxiety.²²⁾

Taiwan and U.S.-China Relations

Washington's Taiwan policy is the most serious security concern for Beijing. Three trends are particularly worrisome for the Chinese leadership. The first is U.S. deviation in recent years from the "One China" principle set forth in the three Sino-U.S. joint communiqués. One manifestation of this is the continuing U.S. military sales to Taiwan, which is seen by China as contravening the spirit of the August 17, 1982 Sino-U.S. Communiqué.²³⁾ Over the last two decades since the communiqué was issued, the U.S. has provided Taiwan with a full spectrum of military equipment, including F-16 air superiority fighters, Knox-class frigates, Kidd-class destroyers, anti-submarine S-2T, E-2T Hawkeye airborne early-warning aircraft, long-range early-warning radars, attack helicopters, Patriot-derived Modified Air Defense Systems; Hawk and Chaparral ground-based air defense systems, among others. The U.S. Department of Defense also runs exchange programs with Taiwan on C⁴I, air defense, anti-submarine warfare (ASW).²⁴⁾

Paper on Defense Effected," *Liaowang*, August 11, 2003, p. 58, FBIS-CPP20030818000117.

22) Liu Jiayang, "Xin 'rimei fangwei hezuo zhizhen' heyi lingren youlu [Why the New U.S.-Japanese Defence Cooperation Guidelines Arouse Concerns]?" *Xiandai guoji guanxi* [*Contemporary International Relations*], No.11 (November 1997), pp. 7-12.

23) Wei-Chin Lee, "US Arms Transfer Policy to Taiwan: from Carter to Clinton," *Journal of Contemporary China*, Vol. 9, No. 23 (March 2000), pp. 53-75; John P. McClaran, "U.S. Arms Sales to Taiwan: Implications for the Future of the Sino-U.S. Relationship," *Asian Survey*, Vol. 40, No. 4 (July/August 2000), pp. 622-640.

There have been incessant congressional efforts at not only enhancing the U.S.-Taiwan relationship, as is manifest in the Taiwan Relations Act (TRA) of 1979 but also expanding it to include closer security cooperation. The 1999 Taiwan Security Enhancement Act, which passed in the House by a landslide, would require even closer defense cooperation between the U.S. and Taiwan in the areas of defense planning, threat analysis, training program, and missile defense systems, all of which have been strongly opposed by Beijing.²⁵⁾ In recent years, the U.S. has steadily upgraded its supposedly unofficial ties with Taiwan. High-ranking Taiwanese officials have been granted visas to make transit stops on their way to Central and South America. Beijing was particularly upset by the March 2001 visit of Taiwan's defense minister to the U.S. and his meetings with U.S. deputy secretary of defense and assistant secretary of state for East Asian and Pacific Affairs. In China's view, this only encourages Taiwan's dream of independence.²⁶⁾

Missile Defense in East Asia

A third potential point of conflict concerns the contentious missile defense issue in East Asia.²⁷⁾ China has already voiced strong

24) East Asia Nonproliferation Program, Center for Nonproliferation Studies, "Arms Sales to Taiwan: Statements and Developments 1979-2003 [<http://www.nti.org/db/china/twnchr.htm>]. Additional information regarding US arms sales to Taiwan can also be found at [<http://taiwansecurity.org/TSR-Arms.htm>].

25) Julian Baum, "Silent Running," *Far Eastern Economic Review*, 1 July 1999, p. 28; George Gedda, "China Warns Against Sales to Taiwan," *Associate Press*, October 14, October 1999 [http://www.washingtonpost.com/wp-5...ne/19991014/aponline163839_000.htm].

26) *Reuters*, "Taiwan Defense Minister Pays Landmark Visit to US," March 11, 2002; Chris Cockel, "Beijing Envoy Meets U.S. Official, Complains About Summit," *China Post*, March 15, 2002.

27) The Atlantic Council of the United States, *Missile Defense in Asia* (June 2003); Michael D. Swaine, with Loren H. Runyon, "Ballistic Missiles and Missile Defense in Asia," *NBR Analysis*, Vol. 13, No. 3 (June 2002), pp. 1-84; Jing-dong Yuan, "Chinese

objection to the research, development and deployment of regional missile defense systems.²⁸⁾ Beijing has a number of specific concerns about the development and deployment of missile defense. First, the Chinese see it as yet another deliberate step that the United States has taken to strengthen the U.S.-Japan military alliance, hence enhancing its offensive as well as defensive capabilities. Beijing has rejected the justification of missile defense deployment based on the alleged North Korean missile threat. In addition, China contends that missile defense research and development encourage and provide a pretext for Japanese re-militarization.²⁹⁾

Third, regional missile defense systems, in particular if they cover Taiwan, could provoke the island's pro-independence elements by providing them with a false sense of security. China's strong objections to missile defense coverage of Taiwan therefore are based on the following three reasons: (1) It encourages Taiwan independence; (2) It leads to a *de facto* Taiwan-U.S. security alliance; and (3) It interferes with China's unification objectives. To quote Ambassador Sha, "China's opposition to U.S. transfers of TMD to Taiwan is also based on... its adverse impact on China's reunification. TMD in Taiwan will give the pro-independence forces

Responses to U.S. Missile Defenses: Implications for Arms Control and Regional Security," *The Nonproliferation Review*, Vol. 10, No. 1 (Spring 2003), pp. 75-96.

28) Sha Zukang, "Some Thoughts on Non-Proliferation," address given at the 7th Carnegie International Non-Proliferation Conference, 11-12 January 1999, Washington, D.C. [<http://www.ceip.org/programs/npp/sha/html>]; Howard Diamond, "China Warns U.S. on East Asian Missile Defense Cooperation," *Arms Control Today*, Vol. 29, No. 1 (January/February 1999), p. 27. For a comprehensive analysis, see Evan S. Medeiros, *Missiles, Theater Missile Defense and Regional Stability*, Conference Report, 2nd U.S.-China Conference on Arms Control, Disarmament and Nonproliferation (Monterey, CA: Center for Nonproliferation Studies, Monterey Institute of International Studies, July 1999).

29) Hong Yuan, "The Implications of a TMD System in Japan to China's Security," Nuclear Policy Project Special Report, August 1999; Sun Cheng, *Riben yu yatai—shiji zhijiao de fenxi yu zhanwang* [Japan and Asia Pacific—Analysis and Prospect at the Turn of the Century], (Beijing: Shijie zhishi chubanshe, 1997).

in Taiwan a false sense of security, which may incite them to reckless moves. This can only lead to instability across the Taiwan Strait or even in the entire Northeast Asian region.”³⁰⁾

U.S.-China Disputes over WMD Nonproliferation

While China’s approach to WMD nonproliferation has undergone significant changes over the last decade, reflecting greater acceptance of international norms and development of domestic institutions, proliferation remains a critical area of controversy in bilateral relations. Since the early 1990s, a number of positive developments have been seen including China’s accession to major international arms control and nonproliferation treaties; bilateral nonproliferation commitments given to the U.S.; and new domestic regulations governing exports of nuclear, chemical and dual-use materials and technologies.³¹⁾

However, significant problems continue to haunt Sino-U.S. relations. Beijing has different perspectives on arms control and nonproliferation and tends to interpret its commitments narrowly.³²⁾ There are continuing controversies over Chinese transfers of nuclear, chemical, and missile components and technologies to countries of proliferation concern. This discrepancy between Beijing’s policy declarations and its actual practices has presented successive U.S. administrations with serious challenges.

30) Sha Zukang, *op. cit.*

31) Jing-dong Yuan, “The Evolution of China’s Nonproliferation Policy since the 1990s: Progress, Problems, and Prospects,” *Journal of Contemporary China*, Vol. 11, No. 31 (May 2002), pp. 209-233; Jing-dong Yuan, Phillip C. Saunders, and Stephanie Lieggi, “Recent Developments in China’s Export Controls: New Regulations and New Challenges,” *The Nonproliferation Review*, Vol. 9, No. 3 (Fall-Winter 2002), pp. 153-167.

32) Assistant Secretary of State Paula A. DeSutter, “China Should Tighten Missile Controls,” testimony at the U.S.-China Economic and Security Review Commission hearing, July 24, 2004.

Over the years, U.S. administrations have sought to influence Chinese policy by applying selective sanctions against implicated Chinese companies and individuals, ranging from suspension of technology transfers and imposition of economic sanctions against selected Chinese companies implicated in violation of U.S. laws, to incentives in the forms of technology transfers to and commercial space launch contracts with China.³³⁾ In a major departure from Clinton administration practice, the Bush administration has been more willing to impose sanctions to send a clear message to Beijing.³⁴⁾ Administration officials have also on various occasions emphasized the importance of the issue in affecting overall bilateral relations. In a recent speech at the Asia Society, Secretary of State Colin Powell emphasized that the U.S. remains “deeply concerned about continued Chinese involvement in the proliferation of missile technology and equipment.” During his summit meeting with Chinese President Jiang Zemin in Beijing in February 2002, President Bush “made clear that... China’s fulfillment of its nonproliferation commitments would be crucial to determining the quality of the United States-China relationship.”³⁵⁾

33) See “U.S. nonproliferation sanctions against China.” (Monterey, CA: East Asia Nonproliferation Program database, Center for Nonproliferation Studies); Duncan L. Clarke and Robert J. Johnston, “US Dual-Use Exports to China, Chinese Behavior, and the Israel Factor: Effective Control?” *Asian Survey*, Vol. 39, No. 2 (March/April 1999), pp. 193-213; Victor Zaborovsky, “Economics vs. Nonproliferation: US Launch Quota Policy Toward Russia, Ukraine, and China,” *The Nonproliferation Review*, Vol. 7, No. 3 (Fall-Winter 2000), pp. 152-161.

34) On U.S. sanctions against China, see *China Profiles* data maintained by the Center for Nonproliferation Studies, at [<http://www.nti.org/db/china/sec1.htm>].

35) “Transcript: Powell Says Asia Can Count on Enduring Support from U.S.” June 11, 2002 [<http://usinfo.state.gov>].

**BUSH'S CHINA POLICY:
PERCEPTIONS, INTERESTS, AND APPROACHES**

The conflict between China and the U.S. on regional security and nonproliferation issues reflect fundamental differences in key areas of international relations, with Beijing and Washington holding divergent perspectives, perceptions, interests, and objectives.³⁶⁾ These differences in turn influence both the contents and management of bilateral relations. For the Bush administration, there are also deeply held convictions about what U.S. global interests are and how they can be secured and promoted; the priorities of U.S. policy; and the way to handle China, a rising competitive power in the Asia-Pacific region.

As was pointed out above, the Bush administration has adopted fundamentally different approaches to managing global affairs. During the 2000 presidential campaigns, Bush's foreign policy advisors advocated the use of American power to advance its national interests, the building and strengthening of alliances, and firmness in dealing with potential U.S. foes.³⁷⁾ Condoleezza Rice emphasized that "[n]ever again should an American president go to Beijing for nine days and refuse to stop in Tokyo and Seoul."³⁸⁾ With a few exceptions, the administration's key foreign policy makers are by and large predominantly hard-line, with many of them serving in either the previous Bush or Reagan administrations and schooled in Cold War conceptualization.³⁹⁾ They deplore the Clinton

36) Gill, *Contrasting Visions*; Susan M. Puska, *New Century, Old Thinking: The Dangers of the Perceptual Gap in U.S.-China Relations* (Carlisle, PA: Strategic Studies Institute, U.S. Army War College, April 1998).

37) Robert B. Zoellick, "A Republican Foreign Policy," *Foreign Affairs*, Vol. 79, No. 1 (January/February 2000), pp. 63-78.

38) Condoleezza Rice, "Promoting the National Interest," *Foreign Affairs*, Vol. 79, No.1 (January/February 2000), p. 54.

39) Derek Mitchell, "Implications of the New Bush Administration for East Asia:

administration's foreign policy as too soft, overly concerned with multilateralism without focus on bottom-line results, and too indecisive.

It is within this broader context that the evolution of the Bush administration's China policy must be assessed. Immediate policy issues aside, the more fundamental questions for U.S. policy makers relate to the rise of China as a major power on the international scene, and how Washington is to assess and manage the evolving Sino-U.S. relationship in strategic terms.⁴⁰ While broad consensus exists on the emerging Chinese power in both economic and military terms, there is less agreement on its extent and implications, and what security policy Beijing is likely to adopt. Debates on whether China is a *status quo* or revisionist power remain.⁴¹ The rise of China has been measured by several indicators. First and foremost is the phenomenal economic growth averaging over nine percent that has been sustained over the past two decades, quadrupling China's gross national product (GNP) during that period. A second indicator has been China's military buildup over the past decade. With double-digit increases in defense expenditures, imports of advanced Russian weaponry to enhance power project capabilities, and the restructuring of the People's Liberation Army (PLA) into an integrated, leaner, and more mobile fighting force, China is seen as a credible and serious challenge to the regional balance of power.⁴² A

U.S. View," paper presented at the Second Collaborative Workshop on East Asia Regional Security Future, Center for American Studies, Fudan University, March 3-4, 2001 [<http://www.nautilus.org/nukepolicy/workshops/shanghai-01/mitchellpaper.html>].

40) Zalmay Khalilzad, *et al.*, *The United States and a Rising China: Strategic and Military Implications* (Santa Monica: RAND, 1999); Thomas J. Christensen, "Posing Problems without Catching Up: China's Rise and Challenges for U.S. Security Policy," *International Security*, Vol. 25, No. 4 (Spring 2001), pp. 5-40.

41) Thomas J. Christensen and Richard K. Betts, "China: Getting the Questions Right," *The National Interest*, No. 62 (Winter 2000); Alastair Iain Johnston, "Is China a Status Quo Power?" *International Security*, Vol. 27, No. 4 (Spring 2003), pp. 5-56.

third indicator is more behavioral than material, which is the perceived (and occasionally demonstrated) Chinese assertiveness in handling international affairs and its growing irredentism. China's rising fortunes encourage it to pursue great-power ambitions in the Asia Pacific. It has sought to become a blue water maritime power by boosting its power projection capabilities and by extending and establishing a naval presence from Southeast Asia to the Indian Ocean.⁴³⁾

China's rise has engendered both divergent interpretations and policy diagnoses for succeeding U.S. administrations since the early 1990s. The "China threat" school predicts that a rising China, with rapid economic growth, an increasing military buildup, revived irredentist demands, and a residual authoritarian domestic political system, will be increasingly assertive and confrontational, and in due course will challenge the *status quo* and upset global/regional balances of power.⁴⁴⁾ Not explicitly stated but nevertheless clearly implied, is the structural realist thesis that states are sensitive to their relative capabilities in the international system and will seek to change the international structure in ways that better preserve and promote their national interests. When weak, they may reluctantly accept the constraints imposed upon them; but once strong enough, they tend to wield their power and seek to change the *status quo*. Indeed, according to this school of thought, the Sino-U.S.

42) Thomas J. Christensen, "China," in Richard J. Ellings and Aaron L. Friedberg, eds., *Strategic Asia: Power and Purpose 2001-02* (Seattle, WA: The National Bureau of Asian Research, 2001), pp. 27-69.

43) Carolyn W. Pumphrey (eds.), *The Rise of China in Asia: Security Implications* (Carlisle, PA: Strategic Studies Institute, U.S. Army War College, January 2002); Zalmay Khalilzad, et al., *The United States and Asia: Toward a New U.S. Strategy and Force Posture* (Santa Monica: RAND, 2001); Jonathan Pollack and Richard Yang (eds.), *In China's Shadow: Regional Perspectives on Chinese Foreign Policy and Military Development* (Santa Monica: RAND, 1998).

44) See, for example, Richard Bernstein and Ross H. Munro, *The Coming Conflict with China* (New York: Knopf, 1997).

rapprochement epitomized by the Jiang and Clinton visits in the late 1990s was largely cosmetic; the fundamental differences that underline potential future conflicts have by no means been resolved.⁴⁵⁾ The best strategy, not surprisingly, would be to contain or constrain China before it becomes too powerful and therefore too costly to do so.⁴⁶⁾

The “engagement” school, on the other hand, while fully aware of China’s inevitable ascendancy, suggests that China is not likely to challenge the international system even if it becomes stronger given its history, culture, and Confucian orthodoxy. Moreover, its growing interdependence with members of the international community, and its participation in international organizations may encourage more accommodative and cooperative behaviors from Beijing. Indeed, a strong case can be made that if anything, a policy of accommodation toward China will likely integrate this rising power into the international system thus avoiding the instability that usually comes with the rise of great powers.⁴⁷⁾ A policy of “engagement” rather than “containment” therefore would help facilitate China’s integration into the international system. The basic premise behind U.S. comprehensive engagement with Beijing is that such a strategy will facilitate an orderly entry of China, an acknowledged regional and potential global power, into international and regional affairs and prevent the global conflicts that accompanied the rise of Germany and Japan. Finally, the policy assumes that the two countries share

45) See, for example, Susan M. Puska, *New Century, Old Thinking: The Dangers of The Perceptual Gap in U.S.-China Relations* (Carlisle Barracks, PA: Strategic Studies Institute, U.S. Army War College, April 10, 1998).

46) Gideon Rachman, “Containing China,” *The Washington Quarterly*, Vol. 19, No. 1 (Winter 1996), pp. 129-140; Gerald Segal, “East Asia and the ‘Constraintment’ of China,” *International Security*, Vol. 20, No. 4 (Spring 1996), pp. 107-135.

47) William Overholt, *The Rise of China* (New York: Norton, 1993); Bruce Comings, “The World Shakes China,” *The National Interest*, No. 43 (Spring 1996), pp. 28-41; Fei-Ling Wang, “To Incorporate China: A New Policy for a New Era,” *The Washington Quarterly*, Vol. 21, No. 1 (Winter 1998), pp. 67-81.

significant strategic interests so that cooperation is both necessary and possible.⁴⁸⁾

Debate over containment and engagement has increasingly come under criticism, however, as neither policy provides carefully developed strategies and therefore could easily end up appearing either too accommodating or too confrontational, and without proper domestic and allied support.⁴⁹⁾ The cautious pragmatists, as this third school of analysts may be called, focus on capabilities, the regional balance of power as well as intentions. They suggest that notwithstanding the phenomenal growth and increases in both economic and military power in the past two decades, China's power projection capabilities remain limited and the country still faces enormous internal problems and external constraints.⁵⁰⁾ Given the gap between aspirations and capabilities, China's policy toward its neighbors must be conservative; cautious probing rather than an outright conflictual posture would be the most likely behavior.⁵¹⁾ The

48) Sheng Lijun, "China and the United States: Asymmetrical Strategic Partners," *The Washington Quarterly*, Vol. 22, No. 3 (Summer 1999), pp. 147-164.

49) Daniel Byman and Roger Cliff, with Phillip Saunders, "US policy Options Toward an Emerging China," *The Pacific Review*, Vol. 12, No. 3 (1999), pp. 421-451.

50) Andrew J. Nathan and Robert S. Ross, *The Great Wall and the Empty Fortress: China's Search for Security* (New York: Norton, 1997); Joseph S. Nye, "China's Re-emergence and the Future of the Asia-Pacific," *Survival*, Vol. 39, No. 4 (Winter 1997-98), pp. 65-79; Samuel S. Kim, "China as a Great Power," *Current History*, (September 1997), pp. 246-251; Paul H. B. Godwin, "Uncertainty, Insecurity, and China's Military Power," *ibid.*, pp. 252-257; Avery Goldstein, "Great Expectations: Interpreting China's Arrival," *International Security*, Vol. 22, No. 3 (Winter 1997/98), pp. 36-73.

51) See, for example, Robert S. Ross, "Beijing as a Conservative Power," *Foreign Affairs*, Vol. 76, No. 2 (March/April 1997); *Idem*, "Why Our Hardliners Are Wrong," *The National Interest*, Issue 49 (Fall 1997), pp. 42-51; Michael G. Gallagher, "China's Illusory Threat to the South China Sea," *International Security*, Vol. 19, No. 1 (Summer 1994), pp. 169-194; Karl W. Eikenberry, "China's Challenge to Asia-Pacific Regional Stability," in Richard J. Ellings and Sheldon W. Simon (eds.), *Southeast Asian Security in the New Millennium* (Armonk: M. E. Sharpe for the National Bureau of Asian Research, 1996), pp. 89-122; Eikenberry, "Does China

best strategy to influence Chinese policy then is to accommodate China's interests while conditioning its behaviors through the manipulation of payoff matrices for Beijing's decision makers, and "hedging" against potential non-cooperative behavior through U.S.' bilateral military alliances in the region.⁵²⁾

The Bush administration China policy so far can be described as a somewhat cautious "hedge" posture. Because of its emphasis on alliance relations, the administration largely ignored Beijing until the EP-3 crisis. Ironically, that incident raised the importance of China on the immediate policy agenda and tested the administration's ability in crisis management through diplomatic means.⁵³⁾ The resolution of the incident has pointed to the need for dialogue. Assistant Secretary of State for East Asian and Pacific Affairs James Kelly and Secretary Powell subsequently visited China in the summer of 2001, partly to prepare for President Bush's planned October 2001 trip to Shanghai for the APEC summit but more importantly to exchange views with Chinese leaders so that bilateral relations could be set on a more solid footing.⁵⁴⁾

Since the September 11 terrorist attacks on the World Trade Center and the Pentagon, the heretofore estranged relationship

Threaten Asia-Pacific Regional Stability?" *Parameters*, Vol. XXV, No. 1 (Spring 1995), pp. 82-103.

52) James Shinn (ed.), *Weaving the Net: Conditional Engagement with China* (New York: Council on Foreign Relations Press, 1996); Phillip C. Saunders, "A Virtual Alliance for Asian Security," *Orbis*, Vol. 43, No. 2 (Spring 1999), pp. 237-256; A. James Gregor, "Qualified Engagement: U.S. China Policy and Security Concerns," *Naval War College Review*, Vol. LII, No. 2 (Spring 1999), pp. 69-88; Gerald Segal, "'Enlightening' China?" in David S. G. Goodman and Gerald Segal (eds.), *China Rising* (London: Routledge, 1997), pp. 172-191; Ted Galen Carpenter, "Managing a Great Power Relationship: The United States, China and East Asian Security," *The Journal of Strategic Studies*, Vol. 21, No. 1 (March 1998), pp. 1-20.

53) Ivo H. Daalder, "Bush Succeeds by Not Playing Tough," *Newsday*, April 12, 2001.

54) See "Transcript: Secretary Powell Press Conference in Beijing (Says U.S. is 'looking for ways to cooperate' with China)," [<http://www.usinfo.state.gov/sregional/ea/uschina/pwlinbj.htm>].

between China and the U.S. has been replaced with one of a united front in the fight against terrorism. China's initial response to the terrorist attacks in New York and Washington, D.C. was one of deep shock and sympathy. Chinese President Jiang Zemin sent President Bush a telegram expressing China's condolences, and when the two presidents spoke on the evening of September 12, Jiang pledged Chinese readiness to strengthen dialogue and cooperation with the United States and the international community in joint efforts to fight against terrorist violence. After meeting with Jiang in Shanghai, President Bush declared that the Chinese government would "stand with the United States in its fight against terrorism."⁵⁵ These exchanges were followed by additional Chinese government statements reiterating Beijing's consistent stand against terrorism. In fact, some have seen the tragedy as an opportunity for China to demonstrate its credibility as a responsible rising power and to mend tattered Sino-U.S. relations.

The Bush administration's international focus is now on the war against terrorism, not on the possibility of a future challenge from China. The need to build the broadest possible coalition against international terrorism has also required closer cooperation with China. Indeed, Sino-U.S. relations since September 11, 2001 by and large conform to the administration's overall plan: cooperative, constructive and candid. There has been enhanced official interaction at both the bilateral and multilateral meetings, including four presidential summits: President Bush's two visits to China in October 2001 and February 2002, Chinese President Jiang Zemin's summit with Bush in Crawford, Texas in October 2002, and Bush's meeting with the new Chinese President Hu Jintao at the G-8 Summit in France in June 2003. Bilateral military exchanges have resumed, and U.S. and Chinese officials consult regularly on global, regional and bilateral concerns ranging from the North Korean

55) Mike Allen and Phillip P. Pan, "China Vows To Help in Terror Fight," *Washington Post*, October 19, 2001, p. A1.

nuclear crisis to the fighting against severe acute respiratory syndrome (SARS).

U.S.-China cooperation on the North Korean nuclear issue serves to illustrate how the two countries could set aside their differences in pursuit of common security interests. Beijing's initial approach to the Korean nuclear crisis was rather low-key given the stakes. Chinese statements emphasized three points as the core of the Chinese approach: (1) peace and stability on the Korean peninsula should be preserved; (2) the peninsula should remain nuclear-free; and (3) the dispute should be resolved through diplomatic and political methods. Beijing will support efforts that it believes contribute to peace and stability on the Korean peninsula, but will be reluctant to take actions that might lead to military conflict or the dissolution of the North Korean regime. At the same time, China is concerned about North Korea's reckless behavior and that a nuclear crisis might spin out of control. Beijing believes that Pyongyang's nuclear gamble stems from its acute sense of insecurity, and that any resolution must address this issue. China's continued support for North Korea is no longer driven by the need to prop up an ideological bedfellow, but rather by China's long-term strategic interests.⁵⁶⁾

Beijing worries that hard-line positions maintained by both Pyongyang and Washington will produce a stalemate that could push North Korea to take even riskier steps and possibly precipitate a devastating military confrontation. Fears of the security consequences of negative outcomes have prompted China to take a more proactive diplomatic approach to broker a solution to the nuclear crisis, an effort that included hosting the trilateral talks between China, North Korea, and the United States in Beijing in late April 2003 and the six-party talks in late August. China has been willing to apply diplomatic (and to a lesser extent economic)

56) Bates Gill and Andrew Thompson, "A Test for Beijing: China and the North Korean Nuclear Quandary," *Arms Control Today*, Vol. 33, No. 4 (May 2003), [http://www.armscontrol.org/act/2003_05/gillthompson_may03.asp].

pressure to get North Korea to come to the negotiating table in order to prevent the crisis from escalating into a military confrontation. Beijing's efforts played no small part in persuading Pyongyang to accept the six-party-talk formula. And it should be mentioned that during the entire period of crisis, Beijing and Washington have stayed in close contact, including telephone exchanges between the two presidents.⁵⁷⁾

The Bush administration's new security agenda on combating global terrorism has, to some extent, eased Chinese suspicions about Washington's intentions and has also resulted in greater bilateral cooperation on issues of common interest. However, U.S. efforts to use the terrorist attacks to push forward with missile defenses, growing U.S. military presence in both Central and South Asia, and U.S. policy toward Taiwan keep concerns alive.⁵⁸⁾

Indeed, one could argue that the Bush China policy still views China as a potential foe, witness Washington's strengthened ties with New Delhi. While both the U.S. and India declare that improved relations are not directed at any other powers, the fact that some administration officials want Beijing to factor the Indo-U.S. into its security calculations points to broader strategic considerations.⁵⁹⁾ Washington's post-September 11 policy toward South and Central Asia also worries Beijing. While acknowledging the need to combat terrorism, China is also concerned that prolonged U.S. military operations may set precedents for future interference in domestic affairs and the further erosion of the UN's authority. China wants to seize the opportunity to improve Sino-U.S. relations, but

57) *Agence France Presse*, "Bush Speaks to China's Hu on North Korean Nuclear Crisis," July 30, 2003; Willy Wo-Lap Lam, "Beijing's New Urgency over N. Korea," *CNN.com*, July 30, 2003.

58) Aaron L. Friedberg, "11 September and the Future of Sino-American Relations," *Survival*, Vol. 44, No. 1 (Spring 2002), pp. 33-50; David M. Lampton, "Small Mercies: China and America after 9/11," *The National Interest* (Winter 2001/2002).

59) Teresita Schaffer, "Building a New Partnership with India," *The Washington Quarterly*, Spring 2002, pp. 31-44.

also wants to exploit the opportunity to extract U.S. concessions on Taiwan, missile defense, and its policy toward Xinjiang and Tibetan separatists.⁶⁰ These long-term normative and practical concerns are pitted against the more immediate challenges of crafting the right policy in a volatile situation.

CONCLUSION

President Bush came into office on the campaign rhetoric of treating China as a strategic competitor, and he acted accordingly. The bilateral relationship rapidly deteriorated. There was the mid-air collusion of a U.S. EP-3 spy plane and a Chinese fighter and the subsequent detention of American crew members; the administration approved the largest arms sales ever to Taiwan in years; Bush alienated and shocked Beijing by his “whatever it takes” to defend Taiwan statement; and high-ranking Taiwanese officials were routinely granted transit visas. Then came the September 11 terrorist attacks on the World Trade Center and the Pentagon.

The September 11 terrorist attacks to some extent provided the opportunity for a fresh start for Sino-U.S. relations. However, while the September-11 terrorist attacks and enhanced bilateral cooperation may have arrested the downward trend and provided some opportunity for bilateral cooperation, the foundation of post-Cold War Sino-U.S. relations remains fragile and many divisive issues, from missile defense to WMD proliferation, to the Taiwan issue, remain unresolved. Washington continues to give mixed signals. The latest Quadrennial Defense Review (QDR), released in late September 2001, still warns about the rise of a military power that could challenge U.S. interests in East Asia. The U.S. remains wary of China’s growing military power and may very well be hedging

60) *Associated Press*, “China Hints Its Muslim Separatists Fair Targets in War on Terror,” October 10, 2001.

against future Chinese challenges.

President Bush now has the opportunity to chart a new course in Sino-U.S. relations. But he needs a vision and a well-defined, pragmatic China policy, just as President Nixon had when he visited China more than three decades ago. The global geo-strategic environment has changed and the U.S. must adapt to lead, not to conjecture or create enemies. A clear China policy must be formulated in view of explicitly articulated U.S. interests, which fall into three general categories. The first is vital U.S. interests, i.e., the security and protection of American citizens and properties at home. The second is strategic interests, which include peace and stability in East Asia, the Middle East, and Europe. Finally, there are normative interests in promoting and protecting democratic values and market economic principles.

The U.S. could help facilitate across-Strait dialogue between Mainland China and Taiwan to promote its normative interests. It could engage China in serious strategic dialogue to dispel misperception and avoid miscalculation. This would help ensure that U.S. strategic interests, including the stability of the Korean peninsula and South Asia, could be maintained. The U.S. must also seek China's cooperation and support in combating global terrorism. The need to build the broadest possible coalition against international terrorism requires the Bush administration to avoid relying on unilateral foreign policy actions. In developing China policy, the U.S. must determine where its interests lie and how best to protect them. That policy should envision a rising China preoccupied with domestic and external challenges, one receptive and amenable to international norms and rules, and most critically perhaps, with a leadership that does not seek to challenge vital U.S. interests even if it differs on interpretation of U.S. strategic and normative interests.

Maintaining policy continuity in a context of drastic changes must be the toughest challenge ahead for U.S. policy makers. With the end of the Cold War and in particular the demise of the Soviet

empire, the focus of U.S. strategic priorities has shifted to regional stability and the development of greater ability for intervention to maintain U.S. primacy. However, I would argue that the disintegration of the former Soviet Union, while greatly weakening the foundation of Sino-U.S. strategic relationship, may have shifted the Sino-U.S. strategic relationship but did not destroy it (e.g., UN, Korean peninsula, nonproliferation). In other words, the need for cooperation never disappeared, only the degree of difficulty has increased. This is a challenge too serious to be ignored, since a stable U.S.-China relationship may pave the way to East Asian peace and security. Within this context, China's importance to the U.S. remains: it is a growing power; it holds UN Security Council membership; and it has increasing influence in the Asia Pacific. Given the high stakes involved in managing the post-Cold War U.S.-China relations, a policy of engaging China without compromising fundamental U.S. interests in the region is called for. Such a policy must be based on a sound assessment of global and regional realities, realistic and obtainable objectives, available resources, and specific policy options. A key strategy would be to find ways to integrate a rising China into the international and regional security and economic frameworks so as to avoid the instability that often accompanies the arrival of a rising power.