The new administration is making clear that it seeks to make China less central to America’s Asia policy, shifting increasing attention to Japan. This approach will very likely prove to be more nuanced than fundamental. Both the Japanese and Chinese relationships have long required and will continue to demand a great deal of attention. No administration can downplay either without quickly producing problems that bring that country back centrally onto America’s agenda.

Unfortunately, nearly a dozen years after the Tiananmen Square massacre, too much of the discussion in America about U.S.-China relations remains emotional, deeply enmeshed in domestic politics, and misleadingly simplistic. Many critics do not appreciate the fundamental reality that an effective approach to China vastly reduces the costs to the United States of pursuing its vital regional interests in Asia. Every country in that region looks at America’s China policy as a key test of the American wisdom and staying power in Asia.

China’s America policy is by no means wholly benign, and the United States should, therefore, adopt a hard-nosed view of its own interests. The key question is how best to pursue those interests. For nearly thirty years, Republican and Democratic administrations—despite disagreements on many particulars—have based their overall policy on six strategic judgements, or premises. The Bush administration should address those premises and, if it accepts them, develop its particular policy mix based on the imperatives of this underlying strategic framework.

**America’s China Policy: Six Premises**

America has long sought a modernizing, reform-minded China that acts cooperatively with the United States and behaves constructively both in the region and globally. The following six core premises have undergirded the effort to advance this outcome:
Premise #1: The United States and Asia benefit from the type of stability that comes from China’s meeting the needs and demands of its people. Major governmental breakdown in the People’s Republic of China (PRC) would produce tragedy at home and severe problems for the region and the United States. China has been one of the most rapidly changing societies in the world over the past two decades. Yet the country faces massive social, economic, and political challenges that genuinely threaten its overall stability. All of these problems will worsen during the next few years as China deals with the twin tasks of implementing accession to the World Trade Organization (WTO) and managing its political succession. The premise that avoiding massive Chinese political breakdown is in America’s interest is not an endorsement of the status quo in China. In fact, China must rapidly reform its political system to make it more diverse, responsive, and efficient if it is to avoid major political instability in the coming period of extraordinarily rapid change. That is why it is important for America to work with Beijing and to constantly prod China’s leaders to adopt the liberalizing reforms they have resisted and which are crucial to the future success of the country.

Premise #2: Market-based economic development—and the associated formation of a middle class and increased integration with the outside world—will, over the long run, produce liberalizing effects in China. This has demonstrably been the case over the past two decades. Anyone who visited China at the start of its economic reforms in the late 1970s and returned today would marvel at the enormous changes in lifestyle, individual choice, access to information, and growth of a non-governmental public sphere. China’s WTO entry will be the biggest influence on this ongoing process in the coming years. But the short-term effects of WTO implementation may instead be increased social unrest and political repression in order to maintain control. Premise #2, therefore, posits a long-term perspective that must be able to withstand short-term setbacks that periodically capture the headlines.

Premise #3: America has a fundamental interest in China’s accepting international norms and rules. The United States makes the greatest progress when Beijing officially adopts these norms and rules and when it works with China to achieve rigorous implementation. America has achieved considerable progress with this approach in areas such as nonproliferation. Less than full compliance on implementation should not negate this basic premise as long as the process moves substantially forward. Recent history in spheres such as human rights has provided evidence that public condemnation combined with sanctions alone too often enables Beijing to counter American criticism with complaints about foreign bullying and interference. Such patriotic rhetoric resonates among the Chinese population and transforms rejection of international norms and standards into an affirmation of national pride. The result sometimes inhibits real progress.
Engagement Is Essential

Premise #4: The United States has a strong national interest in having China believe that we are not inescapably hostile. Beijing worries a great deal about sustaining its economic growth, maintaining domestic stability, and ensuring territorial integrity, and it fears America may want to undermine all three. In sharp contrast to the 1980s, non-governmental public opinion surveys in the PRC indicate that America is now widely viewed as the country least friendly to China. On both sides, words and actions affect each country’s perceptions of the other’s attitudes and intentions. Adopting rhetoric that regards China as an enemy can help to make it one.

Premise #5: Diplomatically, the United States must pursue a “one China” policy. The diplomatic premise that there is one China and that Taiwan is a part of it is fundamental to the U.S. relationship with the PRC. This premise requires some well-known restraints on American diplomacy, but the United States has successfully pursued this approach in a way that is compatible with its interests and values. Ignoring these restraints would engender conflict that would severely harm Taiwan and undermine America’s ability to successfully pursue policies that are built on the first four premises.

Premise #6: Maintaining peace and prosperity in Asia is in America’s core economic and security interests, and active U.S. engagement in the region is vital to pursuing that goal. China is already active both economically and diplomatically throughout Asia. The United States can benefit from and should encourage China’s constructive engagement but must be fully prepared and firm if Chinese actions challenge Asian peace and prosperity or the American role in Asia.

Policy Recommendations for the New President

In its first months in office, the Bush administration will have to address such specific issues as how to handle a China-specific resolution at the United Nations Human Rights Commission meeting in Geneva. Even as it grapples with such issues, the administration should also consider fundamental initiatives that give operational substance to the above strategic policy premises. The most important of these are:

Introduce the possibility of a weaker, disorganized China into the policy debate. To date, American public discussion of China policy has focused overwhelmingly on two alternatives resulting from the inevitable rise of China: a strong, antagonistic China (the “China threat”), and a successful, cooperative China (a “constructive strategic partner”). These alternatives are too narrow because a “rising China” is not the only possibility.
Current challenges may overwhelm the capacities of the Chinese system and produce fundamental instability. This possibility looms especially large over the next four years. Instability would reduce the government’s ability to control proliferation, attack pollution, sustain economic growth, fight transnational crime, slow the spread of HIV/AIDS, and control the movement of people across the country’s borders. There is, in sum, as great a “threat” to U.S. interests from a weak and unstable China as there is from a strong and antagonistic China. Indeed, an unstable China might even be more inclined to adopt an anti-American posture in order to mobilize domestic support.

The new administration’s foreign policy officials should, therefore, explicitly address America’s interest in China successfully coping with major domestic challenges, along with its interest in China not becoming a powerful antagonist to the United States throughout Asia. Grasping the potential for a failing as well as a rising China means that America’s China policy should attempt to reduce the chances of China’s failure as well as the possibility that China will view the United States in a belligerent fashion.

Provide assistance to increase China’s capacities and willingness to manage those issues where Chinese success can have beneficial transnational consequences. There are many areas in which the United States relies on effective Chinese efforts to help address transnational issues that have a Chinese component. These include such issues as promoting environmental protection, controlling proliferation of weapons of mass destruction and their means of delivery, implementing trade regime obligations, and countering transnational crimes such as terrorism, narcotics trafficking, and illegal smuggling of people. Currently, U.S. law and politics prohibit or constrain cooperation in many of these areas.

In those areas where China’s success is fully compatible with America’s interests, the Bush administration should seek the legal and political changes necessary for America to provide appropriate technical and related assistance. Past practice strongly suggests that the most effective way to deal with China on such issues is to:

- Initiate and support discussions among U.S. and Chinese specialists to develop Chinese counterparts who appreciate the problem and understand international experience and norms in dealing with it.
- Seek agreements that commit the Chinese government to specific goals and methods.
- Bolster those agreements with offers of technical and other assistance, as appropriate. Encourage the relevant American agencies to establish cooperative ties with their Chinese counterparts to handle the issues.
- Rigorously monitor Chinese performance and provide the Chinese government, where possible, with information on compliance failures while holding it to its obligations on implementation.
- Encourage, where practicable, Chinese participation in multilateral agreements in these spheres so as to achieve desired results while taking some of the burden off the U.S.-China relationship.
This approach requires patience, persistence, strength and sensitivity. It is far more difficult domestically than simply identifying Chinese failings and applying sanctions to compel better behavior. But its potential benefits are substantial. They include:

1) improved Chinese technical abilities to deal with problems where Chinese failures affect American and other interests, recognizing that some of the problems that concern us reflect weaknesses in the Chinese system rather than insidious efforts by the Chinese government;
2) creation of constituencies in China that favor compliance with international norms and standards; 3) ongoing American and international involvement in monitoring and improving implementation; 4) increased trust and reduced threat perceptions. American assistance in addressing serious Chinese problems weakens those in China who portray the United States as an implacable enemy bent on containing and undermining China. A broad approach can thus move China’s capacities and perspectives in directions that meet American interests.

Regularize high-level consultations. Beijing and Washington should regularize both annual summit meetings and a high-level strategic dialogue. Summit meetings provide opportunities to move issues forward, to have the top leaders better understand each other, and to set the tone for the relationship. Every summit creates incentives to break bureaucratic logjams in order to achieve agreements. Presidential meetings, for example, played key roles in achieving the WTO accession agreement in 1999 and the progress on missile proliferation controls made public in November 2000. President Bush should meet with President Jiang no later than the October 2001 Asia-Pacific Economic Cooperation (APEC) Leadership Meeting in Shanghai and should be in contact with him before that.

A strategic dialogue between senior officials from both countries should focus on global and regional developments and on the policy implications of those analyses. This dialogue should force key people on both sides to think through the place of U.S.-China relations in a broader context and to articulate underlying concerns. Held regularly, this dialogue will also vastly improve communication between key individuals at high levels, and can be crucial for crisis management as well as for broader mutual understanding. If discussion of trade motivated the U.S.-China dialogue during 1999-2000, strategic dialogue should motivate relations in the new administration. This strategic dialogue can make the very real differences between both nations over issues such as national and theater missile defense, Asian regional initiatives, and policies toward South and Central Asia more manageable.

Retain the “one China” policy and take steps to reduce the prospects for a cross-Strait missile/anti-missile arms race. No issue holds greater potential danger for China, Taiwan, the United States, and East Asia than does the cross-Strait imbroglio. Yet there is little prospect of imminent political progress across the Taiwan Strait, largely because of the internal political dynamics in both Beijing and Taipei. American policy has long been based
on three pillars: “one China,” peaceful resolution, and cross-Strait dialogue. Although every American administration has sought to keep both sides from taking the fateful steps that could lead to conflict, developments over the past decade have nevertheless led to increased militarization and decreased trust in cross-Strait relations.

In view of the danger of the underlying situation, the new administration should try to reduce tensions and advance cross-Strait ties in a way that does not threaten Taiwan’s freedom, prosperity, and security. Any cross-Strait resolution will require two steps: a China-Taiwan negotiation that cannot be coerced and will likely take decades, and a final agreement to form a loose formal association on terms that fully preserve the ability of the people of Taiwan to freely determine their domestic political and economic systems. The hard reality is that, given the Mainland’s size and Taiwan’s location, Taiwan will likely never attain long-lasting security without reaching a negotiated overall formal relationship with the Mainland.

The U.S. administration cannot tell either side what to do and should not become an active mediator across the Strait. But the Bush administration should pursue an active cross-Strait policy designed to reduce tensions, increase mutual trust, and encourage the resumption of cross-Strait dialogue. An important step is to continuously explain one side’s views and concerns to the other, while always stressing America’s insistence on peaceful resolution and a “one China” policy. This type of effort proved important during the tense aftermath of the March 2000 election in Taiwan and should be intensified. Because the cross-Strait issue arouses strong emotions on all sides and has become enmeshed in domestic political battles in each capital, the administration must also take special care to explain to Congress and the American public the rationale behind its strategy to nurture a peaceful resolution.

The Arms Issue

Militarily, the Bush administration faces a fast-approaching deadline on its biggest immediate issue with regard to arms sales to Taiwan. Each year, the administration uses a meeting in April to tell the Taiwan government the items that have been approved for possible purchase by Taiwan. This year, an April deadline means that the new administration will have to determine its position on this issue almost as quickly as Congress confirms its pertinent policymakers.

Taiwan wants some weapons systems—such as Aegis destroyers and PAC-3 anti-missile batteries—that Beijing has clearly indicated would cross red lines because in Beijing’s view they are natural stepping stones to anti-missile defenses that are organically linked to U.S. systems. This would, Beijing argues, effectively reconstitute the U.S.-Taiwan defense treaty that the United States abrogated as part of the 1979 agreement to shift recognition from Taiwan to the PRC.

Should the administration sell these systems, Beijing would likely react very sharply so as to “teach” the Bush administration that it must take PRC concerns seriously. The resulting frictions could reduce the chances of cross-Strait dialogue and move U.S.-China relations
onto a more confrontational path. But simple refusal to sell any of these systems might be perceived in Taiwan as a vote of no confidence.

China currently is able to launch several hundred ground-based missiles at Taiwan. This number is grossly inadequate (if armed with conventional weapons) to significantly degrade Taiwan's military capability, especially if Taiwan adopts prudent measures of passive defense. But the PRC's missiles can cause substantial disruption and produce political shock waves. Because such missiles are less expensive to field than are offsetting anti-missile defenses, China can, with some effort, effectively retain its current capacity to strike Taiwan with missiles.

Rather than blindly march down a path of escalating missile and anti-missile capabilities on both sides, the Bush administration should, by itself or through Taiwan, approach Beijing to seek an agreement in which China stops increasing its missile threat to Taiwan (via restraints in production and/or deployment) in exchange for Taiwan's eschewing additions to its current modest anti-missile capability. Appropriate mutual verifications would have to be built into any such agreement. Necessarily, any agreement on mutual restraint would take time to negotiate. In the interim, the administration should encourage each side to have its specialists begin studying the complex issue of potential confidence-building measures in the security realm, because both sides will eventually have to address this issue. It should also carefully evaluate the wisdom of declining to authorize sales of the controversial systems to Taiwan this year with a view to promoting a verifiable cross-Strait agreement on missile and theater missile defense restraint before the April 2002 round of Taiwan arms sales. This would require a strategy to assure that Taiwan sincerely seeks such an agreement and that the PRC knows that failure to reach one would likely end the restraint on sales shown in 2001.

Adopt Asian regional policies that contribute to the outcomes America seeks regarding China. U.S. policies toward the region as a whole will have considerable bearing on relations with the PRC. It is in America's diplomatic, economic, and military interests to remain fully engaged in Asia, working with the countries in the region to confront the challenges that stem from a variety of sources, including globalization and China's activities. Moreover, America's overall posture in Asia will substantially affect China's perceptions and incentives. U.S. policies toward the region should, therefore:

- Maintain and strengthen America's existing alliances, even while making specific adjustments in the size and composition of forces to meet changing security needs.
- Increase regional capacities to address issues such as peacekeeping, disaster relief, counter-narcotics, and counter-terrorism. These capacities should be developed in a way that complements America's existing alliances, with China having appropriate opportunities to play a constructive role in the initiatives.
- Quickly renew and intensify trilateral consultation with both the Republic of Korea and Japan to address the dynamic changes occurring on the Korean peninsula. Strong U.S.-Korea-Japan coordination is critical for moving North Korea further along a path toward...
cooperation. As appropriate, consultations with Russia and China should intensify as a part of this effort.

- Strongly encourage structural economic reforms in pertinent countries to provide the basis for sustained regional economic growth in a globalized world.
- Support increased regional consultation and the development of regional institutions on the basis that these welcome full U.S. participation.

### A Strategic Approach to China

Regardless of the balance the Bush administration seeks regarding the relative focus on China versus Japan, a strategic, active China policy will be necessary to the administration’s overall success in Asia. The administration must seize the initiative early to frame the discussion of China policy if it wants to obtain the necessary political room to implement a nuanced, long-term approach. Early steps, both in articulating the policy framework and in dealing with cross-Strait issues such as arms sales, will significantly influence the record of the U.S.-China relationship throughout the Bush presidency.