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U.S.-China Relations: Revisionist History Needs Revision

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There cannot be order in the world without an orderly and minimally productive U.S.-China relationship. Neither country will be able to realize its potential if the other's opposition impedes progress. The four decades of increasingly comprehensive engagement (1978-2018) brought both countries enormous benefits. Those who contributed need not apologize for the balance sheet from those four decades of policy. Indeed, there is much to celebrate in both nations. All this notwithstanding, there are big problems that both must address.

In America, it is wrong to attribute today's challenges to the presumed naiveté of those wrongly alleged to have

Each country's leadership pursued engagement because it was in its interests. Although the power relationship has changed considerably over the last four-plus decades, Beijing and Washington should not now pursue self-defeating initiatives based on the assumption that everything has changed and that past policy

approaches to try to stabilize the situation until reform and opening impulses in both our societies reassert themselves—if they do.

Fundamentally, foreign policy has become hostage to domestic politics in both countries. It is entirely possible that one or both nations will fail to alter their domestic trajectories any time soon. Such failure will impose incalculable costs on both. The most troubling current development is the speed04 Tf1 0 00004q0.00000912 0 618.90

system with a safety record at least equal to that of the United States. As NYU's Maron Institute put it,

In the late 2000s, the fatal-accident rates of Chinese airlines were lower than

vehicles in China than in the United States.⁷ “In November [2017], GM sold 70% more vehicles in China than in the U.S.”⁸ China, rather than Washington bailouts, accounts for GM’s survival. Ask people in Dayton, Ohio what they think of the Fuyao Glass production in their city.

If critics of engagement were to retort that this is “small ball thinking,” pointing instead to the very real zones of current strategic competition and impending arms races, we also should simultaneously consider the strategic gains of comprehensive engagement. In 2007, Beijing played a constructive role in bringing some measure of peace to the South Sudan, for at least a time. Beijing also constructively contributed to the nuclear agreement with Iran (Joint Comprehensive Plan of Action, JCPOA) in 2015. And, about two years later, the PRC ratified the Paris climate change accord. Subsequently, the United States, under the Trump Administration, has withdrawn from the Paris and Iran agreements. If one believes that the management of transnational security issues requires multilateralism, then engagement with the PRC on many issues is essential.

⁷ “General Motors Company’s vehicle sales by key country in FY 2017 (in 1,000 units),” <https://www.statista.com/statistics/304367/vehicle-sales-of-general-motors...> (Accessed September 24, 2018).

⁸ Wolf Richter, Wolf Street December 6, 2017, <https://www.businessinsider.com/gms-business-is-booming-in-china-2017-12> (Accessed September 13, 2018).

In short, the balance sheet on engagement must include the last forty years'

both Washington and Beijing. Managing the U.S.-China relationship productively should be a litmus test for competence in both countries—both are grievously failing. Can it conceivably be in China's interest to be in confrontation with its single largest national trading partner and the country of the most security importance to itself? Can it conceivably be in the interests of Americans to have both China and Russia aligned against it, forcing American allies and friends to choose between Washington and Beijing? As Michael Green points out in his By More Than Providence, the core of American strategy in Asia since the Republic's earliest days has been to avoid having the Eurasian landmass and Pacific under the sway of a single hostile power or coalition.⁹ Recent very large-scale joint Russian-Chinese military exercises signal a sharp move toward deterrence thinking in

Mao, improved relations with Washington removed China from the disadvantageous position of having two superpower enemies simultaneously and exerted some deterrence on Moscow's military adventurism. As for Deng, he added the momentous consideration that improved relations with America opened the path to improved legitimacy-enhancing economic performance in China.

For Richard Nixon, the United States stood to gain by dividing Soviet capabilities across two widely separated military fronts. Moreover, rapprochement with Beijing held out prospects for a face-saving withdrawal from Vietnam and pressing Moscow on arms control. For President Carter, in addition to the strategic gains of Sino-American normalization, economics became an important consideration, with Deng's China on the cusp of a monumental change of economic strategy—opening and reform.

The insights and policies that flowed from this epiphany endured for the next forty years, lasting longer than the first Cold War itself. Over time, the relationship gradually moved from being an elite

PRC pressure on Taipei, more assertive behavior by Taipei in cultivating U.S. support for its aspirations, and tighter alignment of Washington and Taipei. With respect to the latter, most obvious is passage of the Taiwan Travel Act. Though key provisions were “sense of Congress” (not mandatory), President Trump signed it into law in March 2018, without making any signing statement expressing the intention to implement it in a way consistent with the Three Communiques and the Taiwan Relations Act.

Similarly, Beijing’s rough handling of Hong Kong has weakened the already dubious credibility of its “One Country, Two Systems” approach. It is hard to argue that Hong Kong has the promised “high degree of autonomy” when a Canadian citizen (Xiao Jianhua) is abducted from the Four Seasons Hotel there. All this, combined with Beijing’s clampdown in Xinjiang, following patterns not seen since the Cultural

responsible behavior abroad. A series of disastrous decisions created a sad trail with signposts reading Iraq War; domestic economic mismanagement and Global Financial Crisis; and, withdrawal from agreements Washington encouraged and signed. All this has simply reduced American credibility, not least in Beijing. America First, as currently implemented, is a doctrine with no attraction to anyone but a fraction of the American public.

Other signs of a deteriorating U.S.-China relationship abound. Sino-American trade frictions are inflicting pain on the global economy as well as our two peoples. Washington speaks increasingly of uniting with “like-minded countries,” by which it does not mean China. The PRC sees “hegemony” and “containment” as the ultimate aim of Washington’s policies. The alignment of Beijing and Moscow is becoming tighter as Washington seeks to construct a counter-alignment with its “Indo-Pacific Strategy,” thereby moving the relationship from the realm of mutual strategic suspicion toward strategic friction and mutual deterrence. Growing export and foreign investment controls and trade barriers in both directions repr

devoting increased attention to identifying and rooting-out spies and subversives; this was a principal purpose of the 2014 establishment of the PRC's National Security Commission¹⁰ and more recently the National Supervisory Commission. Empowered military and security players in both societies are rapidly leading us down the path

Mounting security concerns will infect, and are infecting, every other dimension of a relationship. Economic and cultural gains cannot fully compensate for perceived security losses.

From 1972 until recent years (at least until about 2010), the United States and China managed to keep the security pillar of the overall relationship in serviceable condition through a sequence of rationales. To start, common opposition to Moscow provided the initial durable rationale until the USSR's

(January 2018) reveal the trend line. Under Xi Jinping, assertive military behavior and large-scale exercises are not sim

and expansion on land features in the South China Sea has shown little regard for the interests or concerns of neighbors or the opinion of international tribunals. It was not reassuring to many to hear Beijing propose, “Let the people of Asia run the affairs of Asia, solve the problems of Asia and uphold the security of Asia.” To

contracting dramatically in 2017, as Sino-America relations soured.¹³ Perhaps the most substantial point to make is that China has been the biggest single contributor to global growth since the Global Financial Crisis.

Nonetheless, these positives have been politically overshadowed by the bilateral trade deficit. This trade deficit is not popularly understood to be the

Now, using a national security rationale, the Trump Administration has thrown-up barriers to economic intercourse ranging from stiffer export controls, to broader and tighter restrictions on Chinese inward investment, to higher tariffs. Given its own dissatisfactions with PRC policies and behavior, American business generally has stood on the sidelines, not prepared to go all-out to defend the sliding relationship. By the time American business began to more potently react in fall 2018, the momentum of a trade war had gained considerable strength. Increasing security, cultural, and diplomatic concerns have spilled over into the broad economic relationship. This brings us to the “Cultural Pillar.”

The Cultural Pillar: In China, as the security relationship has become more adversarial, the Beijing elite has become more concerned about “foreign subversion” at home. Establishment of the National Security Commission in January 2014, and the 2017 Foreign NGO Law, signaled this worry—supervision of foreign NGOs moved from the Ministry of Civil Affairs to the Ministry of Public Security. In the United States (and elsewhere including Australia, New Zealand, and some countries in Europe), recent controversies over Beijing’s so-called “influence operations,” and concern about the concentration of PRC nationals in U.S university STEM programs has mounted. The Committee of 100, an organization of prominent Chinese-Americans, released a study expressing alarm at accusations and prosecutions directed at Chinese Americans for alleged

spying.¹⁴ Confucius Institutes

Second, those in each society who would like to see a different path pursued ought not to support policies empowering the most confrontational elements in each of our societies. It has been illuminating, and disheartening, to see how many beneficiaries of internationalization in both societies have been quiet as nativism in both societies has gained steam.

Third, the degree of conflict at our respective national levels over bilateral relations is greater than the friction at lower levels in our respective administrative systems and societies. Localities in both countries are less obliged to focus on the negative. It is the local levels of each society where cultural and economic ties produce the most common interests. Localities and private sector actors in both countries should redouble their efforts to find areas of cooperation. It is worth noting that Vice President Pence, in an October 4, 2018, speech condemned such efforts by

the past, most clearly implemented in the George W. Bush Administration in December 2003.

Fifth, Beijing needs to heed American calls for progressively more reciprocity in economic relations and both nations need to reaffirm Economics 101—comparative advantage is still operative and the best principle on which to construct equitable and efficient economic relationships. Tariffs hurt everyone and the current action-reaction process of growing tariff walls in both countries is self-defeating. With respect to reciprocity more broadly, China's non-reciprocal treatment of foreign mass media needs to change if cooperation is to be improved.

Lastly, I am not arguing that the United States should establish a foreign policy objective of creating friction between Moscow and Beijing (which would be hard to do in any event). I am, however, asserting that it is not in Chinese or American interests to slide into a triangular relationship in which the United States is the strategically threatened odd-man-out. This is not in China's interests because it will drag Beijing into conflicts of Moscow's making, and it is not in Washington's interest to divert huge resources to fighting two continental-spanning powers simultaneously. The United States may end up with an adverse strategic triangle, but Washington ou

In conclusion, on this fortieth anniversary of Sino-American normalization, it is fitting that we recognize past achievements, objectively acknowledge current dangers, and rededicate ourselves to a better future. We cannot simply replicate the formulas of the past, but we forget the past at our peril. The past suggests that more will be gained from cooperation than conflict; the Taiwan problem needs to be managed carefully; driving Russia and China into an embrace born of common opposition to the United States is disastrous; and, both nations prosper when they do not try to jettison the laws of economics. The cold, hard truth is that both our societies need reform. Only when they each do so, each in their own way and on their own calendar, will we each reliably act on its own underlying interests. Until that day arrives, we need dialogue at the highest levels focused on areas of common interest, indeed common necessity.