

USAWC STRATEGY RESEARCH PROJECT

CAN WE LEVERAGE CHINA TO REDUCE U.S. BURDEN IN ASIA?

by

Colonel Harvey L. Crockett
United States Army

Commander Robert L. Wohlschlegel
Project Adviser

This SRP is submitted in partial fulfillment of the requirements of the Master of Strategic Studies Degree. The U.S. Army War College is accredited by the Commission on Higher Education of the Middle States Association of Colleges and Schools, 3624 Market Street, Philadelphia, PA 19104, (215) 662-5606. The Commission on Higher Education is an institutional accrediting agency recognized by the U.S. Secretary of Education and the Council for Higher Education Accreditation.

The views expressed in this student academic research paper are those of the author and do not reflect the official policy or position of the Department of the Army, Department of Defense, or the U.S. Government.

U.S. Army War College
CARLISLE BARRACKS, PENNSYLVANIA 17013

Report Documentation Page				Form Approved OMB No. 0704-0188	
Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.					
1. REPORT DATE 15 MAR 2006		2. REPORT TYPE		3. DATES COVERED 00-00-2005 to 00-00-2006	
4. TITLE AND SUBTITLE Can We Leverage China to Reduce U.S. Burden in Asia?				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S) Harvey Crockett				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) U.S. Army War College, Carlisle Barracks, Carlisle, PA, 17013-5050				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT See attached.					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT	18. NUMBER OF PAGES 22	19a. NAME OF RESPONSIBLE PERSON
a. REPORT unclassified	b. ABSTRACT unclassified	c. THIS PAGE unclassified			

ABSTRACT

AUTHOR: Colonel Harvey L. Crockett
TITLE: Can We Leverage China to Reduce U.S. Burden in Asia?
FORMAT: Strategy Research Project
DATE: 7 March 2006 WORD COUNT: 5977 PAGES: 22
KEY TERMS: "Peaceful Rise", Economic Interdependence
CLASSIFICATION: Unclassified

The relationship between China and the United States will most likely determine the global economic and political landscape for the twenty-first Century. China and the United States are finding new common ground and deepening their cooperation on issues of UN reform, international anti-terrorist campaign, non-proliferation of weapons of mass destruction, controlling regional conflicts especially in Asia, and keeping a stable supply of petroleum and other energy resources. The two countries' demands on each other are headed for a balance. China's relations with Asian countries are now entering a new era and are expanding in all directions. The modernization and economic growth of China and its impact on Asia creates a complex situation for the U.S., but cooperation must be the underlining strategy in dealing with China to create a win-win situation and avoid conflict. This project will compare the contrasting policies and strategies of the United States and China revealing that the U.S. can leverage this new China to its advantage to reduce U.S. military and economic burden in Asia.

CAN WE LEVERAGE CHINA TO REDUCE U.S. BURDENS IN ASIA?

The “peaceful rise” of the People's Republic of China (PRC) as a regional political and economic power is one of the principal elements in the emergence of Asia, a combination of regions that have changed greatly over the past quarter of a century. China's modernization and emergence has significant implications for major regional and global powers. The United States has done much to enable China's recent growth, but more consistent and accommodating engagement is essential. China and several nations within the Asian and European community assert that China's rise is intended to be peaceful, while others still have reservations and view China through the same lens as the United States viewed Russia during the cold war. This project will reveal that China's rise is peaceful as well as constrained by economic interdependence. Further efforts to contain China are misplaced and ignore the United States' opportunity to leverage China and mold it into a prosperous, responsible Asian power. This new power will soon give China the capability to relieve the United States of many of its military, political and economic burdens in Asia.

The relationship between China and the United States will most likely determine the global economic and political landscape for the twenty-first Century. The United States must choose to establish a framework that shapes and guides China's fast paced rise or risk an ineffective containment policy that other regional and western nations shun. Perhaps both sides should follow what Jiang Zemin, President of the People's Republic of China from 1993 to 2003, advocated: “expand common understanding, increase trust, reduce differences, and jointly create a future.”¹ This will benefit the two countries, Asia and other parts of the world affected by this relationship. Ironically, the United States can do more to follow its own National Security Strategy of cooperative action with other main centers of global power.² The President's words from his National Security Strategy state, “...We have finite political, economic, and military resources to meet our global priorities. ...The United States should invest time and resources into building international relationships and institutions that can help manage local crises when they emerge.”³ A U.S. sincere about this strategy should expend more effort to accommodate China and assist it along its journey to becoming a responsible regional security force and cooperative ally. The opposite approach would have the U.S. behave as the former Soviet Union. That is, the Soviet theory that the interests of the USSR were in the highest interest of the world. So others should subordinate [themselves].⁴

The Chinese Strategy

The conceptual foundation for China's efforts to deepen and expand bilateral and multilateral relationships is largely contained in the New Security Concept (NSC, unveiled in 1997), and the notion of 'partnership,' as well as a much more recent (i.e., 2003) and controversial effort to analyze and define a theory of China's "peaceful rise" (heping jueqi).⁵ The theory of China's peaceful rise" emerged under the sponsorship of Chinese President Hu Jintao. It serves to reinforce both the New Security Concept and the bilateral "partnership" idea by focusing on China's relatively benign impact on the international security environment. In particular, it seeks to rebut the prevailing notion that rising powers inevitably disrupt the international security environment by presumably providing a more sophisticated explanation of why a strong China will not threaten Asian and global interest.⁶ As pertains to the United States presence in Asia, China endeavors to deal with U.S. power and influence by, among other methods, employing multilateral and cooperative approaches designed to steer U.S. policy and actions in directions not adverse to core Chinese interests. They also seem anxious to find ways that China's rising influence in Asia and world affairs can be seen as no challenge to U.S. power and influence.⁷

Accommodation is a Universal Theme

Former Malaysian Prime Minister Mahathir Mohamad appears to agree with this premise. Already his country is lobbying for a more accommodated China. The Malaysian Prime Minister believes that a balancing power in Asia such as China would serve the region well, make the world and especially Asia feel safe, thereby serving as a stabilizing force within the region. While attending the ninth Business Week CEO Summit held in Beijing on Nov. 15 2005, Prime Minister Mahathir said "China, as "one polar" of the world, plays a balancing role in the face of America's super power position, which makes China's neighboring countries feel safe. Mahathir said, we have only one super power (the United States), and a lot of problems with it. Perhaps China can be another polar, not big, but enough to strike a balance."⁸

Many in Europe see accommodation as the proper strategy to be applied to China. There is a fundamental conflict between Europe and America over how to relate to the Asian giant. Europe would like closer ties with China, if only President George W. Bush were not so adamant on issues like Taiwan, civil liberties, democracy and human rights.⁹ Mr. Ian Pearson, Britain's Trade Secretary, is an admirer of the Chinese miracle. 'Over the last 20 years, China has taken one-third of a billion people out of extreme poverty. This is staggering,' he said. 'It has done that through trade.'¹⁰ The next stage is to widen and deepen cooperation with China. But

that is not possible unless the European Union (EU) agrees to lift the arms embargo that it imposed after Tiananmen Square in 1989. Britain, France and Spain are keen to see the embargo go. However, the EU cannot take a decisive step unless the U.S. relents.¹¹

Other major players have expressed a desire to support China's national strategy. Australia and South Korea, major U.S. allies in the west Pacific region announced in November 2004 and March 2005 that they might not stand on the side of the U.S. if a Sino-U.S. conflict over the Taiwan issue happens.¹² This creates light in the gap between the United States and two of its strongest allies in Asia.

China Shares the U.S. Purpose with Many Overlapping Interests

The United States and China, while not necessarily sharing common values, do share common purposes. The United States and China have worked together to pursue the common objectives of the UN reform, international anti-terrorist campaign, non-proliferation of weapons of mass destruction, controlling regional conflicts in the world, an economically vibrant Asia and the opening and expanding of Asian markets, and keeping a stable supply of petroleum and other energy resources.¹³

While it is the premise of this paper that China can relieve the U.S. of many burdens in Asia based on many factors, this paper recognizes that the U.S. would probably not subcontract its vital interests in Asia to the PRC. However, there are many non-vital interests where the U.S. could allow a responsible and cooperative China to take the lead. Secretary Powell stated in his confirmation hearing, "A strategic partner China is not, but neither is China our inevitable and implacable foe. China is a competitor, a potential regional rival, but also a trading partner willing to cooperate in areas where our strategic interests overlap."¹⁴ We should leverage an emerging China to go beyond cooperation and actually take the lead in many areas.

U.S. alliances in Asia are vital regional interests. Asian alliances generally refer to Japan, Australia and the Republic of Korea, but the U.S.-Taiwan relationship provides the primary source of friction with China. It was an issue in 1950 with President Truman and in 1970 with President Nixon.¹⁵ It has not resulted in a conflict thus far and it has not slowed the economic cooperation of the U.S. and China. It should not prove a barrier to China's place as a potential regional leader in lieu of the U.S. on non-vital interests. The promotion of the universal values of democracy and human rights is an extremely important interest of the U.S. in Asia. China prefers not to coerce or overly influence other countries to change their government in order to join in the benefits of economic prosperity. China will not stand in the way of countries like Mongolia and Bhutan to become democratic, but it will not push the U.S. agenda. The region

encompasses important communication links and sea lanes vital to our [U.S. and international] trade interests - up to 20 per cent of world sea cargo transits the Malacca Straits.¹⁶ This is an area where the U.S. and China have significant overlapping interests. The U.S. can not rationally subcontract this interest, but it could allow China to play the role of the big stick or coalition lead if a threat to this interest emerged. Breaking Russia's monopoly over oil and gas transport routes; promoting ...energy security through diversified suppliers; encouraging the construction of east-west pipelines that do not transit Iran; and denying Iran dangerous leverage over the Central Asian economies, are [extremely important] interests of the U.S.¹⁷ China too has engaged the Central Asian States for liberation from Russian oil and gas and to find alternate sources of long-term energy. Energy demand is a tough competitive issue. China places almost no restraints on which country it uses to supply its future energy. This fact puts China at odds with the U.S. as Washington seeks non-military means to control rogue states. The positive point to be made here though is that both the U.S. and China are actively engaging the former Soviet States which is leading to more political stability as well as economic independence and prosperity for these nations.

Preventing the proliferation of weapons of mass destruction and technologies is a vital interest to the U.S. and PRC. No area better illustrates the benefits of gaining China's deeper involvement than the fight against the spread of weapons of mass destruction. China has a unique potential, due to its historic ties and geography to convince North Korea to relinquish its nuclear ambitions. China has also positioned itself through new membership in multilateral regional organizations and economic interdependence to provide a hedge for the U.S. against an India-Pakistan conflict. Iranian nuclear proliferation is an extremely important U.S. interest. The U.S. must continue to maintain the lead in this effort. China's agenda makes them a source of friction. China is working a \$100 billion energy deal with Iran at a time when the U.S. and Europe are discussing sanctions and other tough penalties on Iran.¹⁸

Disaster preparedness and relief are mutual interests where China has dedicated major efforts.¹⁹ The U.S. can not push international disasters too low on its list of interests, but could certainly benefit from an Asian leader that could be expected to manage the initial strategic response to tsunamis, mudslides, and earthquakes, all which are frequent throughout Asia. The fight against terrorism and extremism can be said to be the United States' primary global vital interest. China shares this interest and is currently situated to better help its neighbors manage the problem, with the U.S. committed to Iraq and Afghanistan.

It would be an enormous future U.S. benefit to have China as a partner that can manage interests in Asia that do not imminently affect the American way of life, freeing the U.S. to commit its scarce resources to vital interest threats.

U.S. Still Important in Asia

More power for China and self-sufficiency for Asia do not equal an ostracized United States. Research conducted in 2003 found that “Most Chinese strategists characterize the U.S. military presence in East Asia as a net positive for the region.”²⁰ During the same research it was found that “Many Chinese strategists are comfortable with the United States playing the lead role in East Asian security affairs as long as this role does not damage significant Chinese interests.”²¹ China does not want to completely eliminate the United States from any role in the region. Nearly all Chinese strategists believe that, regardless of how the East Asia-Pacific region’s political and security arrangements evolve, the United States’ continuing economic strength will ensure its role as a major voice in regional economic affairs.²²

Should the U.S. Seek Cold War Containment?

In Strategic Appraisal 1996, the Rand Corporation recommended that the U.S. government reinforce alliances with Japan and Republic of Korea, improve cooperation with ASEAN, and support the defense of Taiwan and ASEAN in order to contain China.²³ Many accept this premise. The territorial disputes between China and Japan, India, Vietnam, the Philippines, Brunei, and Malaysia, in addition to the dangerous tensions across the Taiwan Strait have given the U.S. opportunities to alienate China from its neighbors and momentum for this containment policy. Of course, this is Cold War thinking that has not been adjusted to fit the new global environment. First China was a part of the countervailing system of containment against the former Union of Soviet Socialist Republic (USSR), and now China is the object of the same.²⁴ Also, “one basic principle of the U.S. national security policy since the 19th Century has been to prevent East Asia from being dominated by one power.”²⁵ Is this policy a result of a generalization? Should we so quickly lump China into the same category of the former USSR, early Germany and others? This is answered by Zheng Bijan, Chair of the China Reform Forum. He believes China’s strategy is to transcend the traditional ways for great powers to emerge, as well as the Cold War mentality that defined international relations along ideological lines. China will not follow the path of Germany leading up to World War I or those of Germany and Japan leading up to World War II, when these countries violently plundered resources and pursued hegemony. Neither will China follow the path of the great powers vying for global domination during the Cold War. Instead, China will transcend ideological differences to strive

for peace, development, and cooperation with all countries of the world.²⁶ Current PRC actions to co-opt the major players in Asia and befriend its neighbors support this strategy.

While many in the United States would like to believe Mr. Bijian, the United States will probably continue to seek cooperation from other Asian countries and Europe to constrain China's emergence. The American Scholar Huntington said, "Theoretically speaking, the U.S. could contain China by playing a balancing role if other powers would like to balance China as well."²⁷ This appears to be the strategy of the United States as it courts many of the countries in Asia to include the recent establishment of bases and Theater Security Cooperation within and with the Central Asian States.²⁸ However, China's engagement with its neighbors is going a long way toward breaking this containment, at least with all except perhaps Taiwan and Japan. But, even Japan and Taiwan have fallen deeply into China's interdependent economic snare.

China's Good-Neighbor Policy Breaks Containment

China has made progress in recent years toward settling longstanding territorial disputes with Russia, Vietnam, India, and Central Asia. It continues to have overlapping territorial claims with Japan, Vietnam, the Philippines, Malaysia, Brunei, and India, but is making significant progress lowering the disputes below the strategic significance threshold. China's current strategy of finding successful diplomatic solutions to ameliorate the concerns of these countries and reach agreements with them that will support both parties in the long run is working. It is probably just a matter of time before most countries view China as a means to their economic prosperity rather than a threat. This is something China has been working towards for several years. In 2003, Chinese Foreign Minister Li Zhaoxing spoke of China's strategy to pursue a good-neighborly policy of achieving common prosperity with its neighboring countries...²⁹ China has not wavered from this policy. During recent years, China has made several visits to its neighbors to work on agreements that ensure mutual understanding, effort and progress of their futures. These visits have been very fruitful toward establishing better neighbors and negating the loose containment policy of the United States. During a recent visit to India, one of the United States' major partners in Asia and the most dominant actor in South Asia, Premier Wen Jiabao of the Chinese State Council reportedly reached a consensus on the principles for ultimately resolving the India-China boundary issue. This reflects China's sincerity in implementing the policy of "being a good neighbor and partner" and "bringing harmony, security and prosperity to neighbors"...³⁰ The significance of a cooperative China-India is not lost on most. It would go a long way toward eliminating a huge potential for clashes between the two largest civilizations in Asia. Together the two represent almost 40 percent of the world's

population. They both have a major stake in nuclear proliferation control and have the greatest potential to influence peaceful and sustainable development in Asia. "By the middle of this Century, the combined economic output of India and China could well be greater than the combined GDP of today's top six industrial nations (the United States, Japan, Germany, Italy, the United Kingdom, and Canada)."³¹

The 53-point declaration adopted by the 13th South Asian Association for Regional Cooperation (SAARC) (members are Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka) summit in Dhaka on 13 November 2005 made the decision to grant "observer" status to China.³² China is now on the verge of becoming a member of the most significant organization in South Asia. One analysis of the significance of China's inclusion in the SAARC was advanced by Dr Abanti Bhattacharya, Associate Fellow, IDSA, New Delhi.

He stated that, "Studies on the rise of great powers indicate that previous great powers relied heavily on "material and military power" to achieve their status. However, the presence of the United States and its preponderant influence, coupled with the existence of nuclear weapons, has demonstrated the futility of achieving great power status through the use of force. Instead, China has increasingly relied on multilateral mechanisms to expand its global role and influence. It is also increasingly participating in multilateral diplomacy to create a favorable security environment through interdependence and greater cooperation. China can thereby enhance its national prestige but also restrain US unilateralism."³³

One of the root reasons behind the successes is China's willingness to sincerely engage countries of varied intentions and values (a principle of ASEAN membership). China is seen to be more accommodating than the US. This is especially apparent in the area of human rights. Where Washington is especially vigilant on issues such as labor standards and human trafficking, China hasn't signed on to any international human rights protocols or agreements. While it is US law to issue annual reports on the progress of other nations, and Washington routinely threatens sanctions for perceived offenders, China has more of a "don't ask, don't tell" approach.³⁴ China's status as a developing nation is an advantage in its relations with nations such as Indonesia, because China's level of development is on par with nations in ASEAN, making it easier to identify areas of potential partnership.³⁵ US policy, on the other hand, seems to be moving in the opposite direction. Washington has called for Beijing to revalue its currency to alleviate its trade deficit with China. This stance is drawing flak from ASEAN nations, including Indonesia, whose trade surpluses with China would be damaged by a stronger Yuan. The US has been criticized for not doing enough for developing countries, creating a vacuum that China will eventually fill.³⁶

China attends multilateral and bilateral negotiations with less of an agenda than the United States can afford. China freely works with democracies as well as non-democracies. While not the successful democracy the administration makes it out to be, Mongolia, located on the Chinese border is a democracy and has diplomatic relations with China. China is currently pursuing diplomatic relations with Bhutan, the only country in Asia that does not have diplomatic relations with China.³⁷ Bhutan, the tiny Himalayan country between India and China and member of the SAARC has recently announced definite plans to become democratic.³⁸

China entered into the China-ASEAN Joint Declaration of Strategic Partnership for Peace and Prosperity in 2003, the first such agreement China has ever concluded with a regional organization. Also 2003 saw China's accession to the ASEAN Treaty of Amity and Cooperation, the first non-ASEAN country to do so – by signing in 2004 a memorandum of understanding with ASEAN on Cooperation in the Field of Non-Traditional Security Issues and endorsing the ASEAN Code of Conduct for the South China Sea. Meanwhile, China maintains active diplomacy, including military relations, with most ASEAN member states to promote positive views of China's rise, and gain access to resources.³⁹ This is very significant.⁴⁰ ASEAN is an old and respected organization. China's inclusion by this body (members include Brunei, Cambodia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam) means more cooperation in all elements and sub-elements of power (political, security, economic, science and technology, environmental, etc). The ASEAN states adjoin or straddle sea lines of communication (SLOC) with Northeast Asia, the Indian Ocean, and the Persian Gulf. ASEAN's fundamental principles include, "Mutual respect for the independence, sovereignty, equality, territorial integrity, and national identity of all nations; The right of every State to lead its national existence free from external interference, subversion or coercion; Non-interference in the internal affairs of one another; Settlement of differences or disputes by peaceful manner; Renunciation of the threat or use of force; and Effective cooperation among themselves."⁴¹ China has now been accepted as a signatory of these principles. This places China in a strong position of leadership in Asia.

China has created a separate organization, The Shanghai Cooperation Organization (China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan) (SCO) that gives Beijing a strategic platform with Russia and the Central Asian States. Already the SCO has been rewarding. The SCO issued an unprecedented statement at a summit meeting on July 5 in Kazakhstan calling on the United States to set a deadline for the removal of its military bases in Kyrgyzstan and Uzbekistan.⁴² The SCO declaration demonstrates the fragility of U.S. containment in Central Asia and positions China at the center of another Asian institution.

Another success resulting from cooperation between SCO members was the opening of the oil pipeline between China and Kazakhstan in December 2005. This event will lead to less Chinese dependence on Middle Eastern [and Russian] oil.⁴³

Bilateral cooperation not just with China, but among the countries of Asia continues at a rapid pace. This fact should encourage the nations of Asia to handle their affairs with reduced outside interference. The Foreign Secretaries of Pakistan and Bangladesh expressed satisfaction at the progress in bilateral relations and decided that further efforts would be made to take follow-up actions on the decision of the Joint Commission held in Islamabad in August 2005.⁴⁴ Chinese Foreign Minister Li Zhaoxing and his Vietnamese counterpart Nguyen Duy Nien held talks in 2003, agreeing to further promote the friendly cooperation between their two countries.⁴⁵

In 1989 China and Laos relations normalized. Today China's investment in Laos is increasing at a rapid rate and Chinese immigration to Laos is growing.⁴⁶ Through Laos, the relationship with Vietnam should get even better. In a recent visit by Vietnamese Deputy Internal Affairs Minister Tran Huu Thang to Laos, both sides affirmed that their ties will enhance the...comprehensive cooperation between the two Parties, States and people of Viet Nam and Laos.⁴⁷

During a China-Mongolia Presidential summit in 1999, Sino-Mongolia cooperation was reaffirmed. Currently, China has become Mongolia's second largest trading partner and leading investor.⁴⁸

Bangladesh is also looking to China for its prosperity. In an interview with the Beijing Review, the Prime Minister referred to China as a close friend and very important partner in their national development. She further stated that, "We believe China can play a leading role in safeguarding the interests of the developing world as a tested friend of the south."⁴⁹

Singapore's Prime Minister, Mr. Goh Chok Tong, said in his country's National Day Rally, "See China as an opportunity, not a threat. If we view China as a threat, we will be immobilized by fear. But if we see it as an opportunity, we will come up with creative ideas to ride on China's growth."⁵⁰

Although South Korea has reservations about the rise of China, this has not precluded it from becoming one of the major investors and catalysts of that rise. Since China and the Republic of Korea (ROK) established diplomatic ties in 1992, ROK products and brands flowed into the neighboring huge market and trade volume between the two countries increased by nearly 800 percent by 2002. Chinese Customs statistics show that China-ROK trade hit 44.07 billion U.S. dollars in 2002 while the volume was only 5.03 billion U.S. dollars in 1992.⁵¹

Japan is the Big Question.

The diplomatic relationship between China and Japan was normalized in 1972. The People's Daily Online published a 2004 article that revealed a current and future interdependence that can not be ignored by either actor. The paper stated that, "the two countries' economies are highly and durably complementary. The coupling of the economic and trade relations between the two countries greatly boosts their industrial restructuring, which is the fundamental demand for developing advanced productive forces."⁵² The Chinese Daily also revealed the following.

Historical facts have proved that any politics or policies running counter to the development of productive forces cannot last. In view of this, although the political relations between China and Japan have run up against a "fast knot" resulted from Koizumi's Yasukuni Shrine visit; it is believed that this issue can never hold up the development of the Sino-Japanese cooperative relations.⁵³

Taiwan-China Interdependence may Erode Tensions

On the Taiwan issue, which is the most sensitive in the Sino-U.S. relations, there has been significant positive progress made over the past couple years on restricting "Taiwan independence" through political measures.⁵⁴

The military cooperation between the United States and Taiwan continues unabated in terms of equipment purchases, intelligence sharing and training which is a source of friction for the relationship, nevertheless, restricting "Taiwan independence" is still a common goal between China and the United States, which is stabilizing ties between the two countries.⁵⁵ China expects to handle the Taiwan situation from a long-term perspective just as it approaches many interests. In Fareed Zakaria's Newsweek article, he states that, "China does not want to invade and occupy Taiwan; it is likely to keep undermining the Taiwan movement, so that Beijing slowly accumulates advantage and wears out the opponent. He believes that China will use its economic dominance and its political skills to achieve its objectives."⁵⁶

In economics and trade, both Taiwan and the PRC hold strong leverage over the other. The two economies complement each other and depend on each other for financing, technology, labor, and manufacturing expertise. Taiwanese businesses have invested between \$70 billion and \$100 billion in the PRC. About a million Taiwanese businessmen and their families reside in China—some 400,000 in the Shanghai area alone. In case of hostilities, Taiwanese businesses cannot just pull up stakes and go home. This mutual dependency is readily apparent in the information technology (IT) sector. ⁵⁷

Economic Interdependence Equals Increased Stability

The progressively large economic and financial relationships between China and its neighbors in northeast Asia is fostering increased stability in the region. The economic costs on instability are rendering military conflict less than dubious.

A quick look at the foreign direct investment (FDI) from three countries that might create major sources of friction for China reveals that of the \$53.5 billion realized foreign direct investment in 2003, \$5.1 billion came from Japan, \$4.5 billion from South Korea, and \$3.4 billion from Taiwan.⁵⁸ Furthermore, while Beijing has been trying to co-opt its neighbors, particularly Taiwan, by enticing them into the Chinese economic and trading network Japan, South Korea and Taiwan have effectively co-opted China by making it dependent on their technology, financing, markets, and trade expertise. The net result of this mutual dependency is that all parties now have much to lose by any crisis – be it military or financial – that would disrupt economic and financial flows in the region.⁵⁹ All four governments; consequently, seek stability in international relations. Therefore, China prefers stability in the region and should be considered sincere in its stated desire to rise peacefully.

Can China Guarantee Regional Security in Lieu of the U.S.?

If one can get past the trust question and the Cold War mentality, seeing China as a potential guarantor of regional security with the world's perspective as its lens is highly possible. China continues to strengthen political and economic relations with all key Asian states, including South Korea, Japan, the ASEAN nations, India, Russia, and key Central Asian countries. China seeks a stable relationship with Washington. China is also playing an expanding role in international economic, social, political, diplomatic, and security-related institutions and regimes in ways that advance its core strategic objectives. In particular, it is increasing its role in and contributing to regional and global multilateral institutions in areas such as arms control, trade, environment, intellectual property rights, and even human rights.⁶⁰ China is also systematically modernizing and streamlining its armed forces and military doctrines in order to achieve the military features of a major power.

China is increasing the size of its military, using the nine to ten percent economic growth to fuel its desire for a more modern ability to guarantee its freedom of purpose and defense of its territory and periphery. China does not now, but could in the next decade have sufficient power to achieve the limited goal of regional power projection, deterrence of threat intervention or manage the situation in the Asian region in lieu of American intervention. Already China is conducting combined operations in regional seas that they haven't traversed before.⁶¹ As

China's economy grows so will China's ability to modernize its military, eventually matching western technological capabilities at least in the Asian regions. This will give China a great potential to provide leadership in the element of military power and security in the region, thus relieving the United States of the need to stretch its finite resources too thin.

China is seeking more than just economic benefits through its comprehensive approaches to the nations of Asia. China is trying to exert influence over the formation of a new order in Asia by cooperating with and co-opting its neighbors, positioning itself to play a leadership role. The U.S. is hesitant to embrace this new leadership role of China, but must find it in itself to do so. China is a big power in East Asia with the most neighbor countries in the world.⁶² It has neighbors in Northeast Asia, Southeast Asia, South Asia and Central Asia. China is perfectly positioned geographically to provide the leadership role for the future in Asia. China has solved the territorial border issues with all neighboring countries (except India) and has reached agreement on some principles concerning the division of the border with India. As regards Taiwan, supportive exchanges, peace, stability and prosperity across the Strait have become the grand trend.⁶³ China's core interests of a non-nuclear Korean peninsula, economic vitality in the entire region, anti-terrorism, alternate fuel sources to reduce the friction of competition for the same with the U.S., and neighborly cooperation match the purpose of the United States in its policies toward most foreign regions of the world. China is very capable of assuming at least a co-leadership role in Asia and if allowed, could do so with minimal U.S. intervention. This does not mean that China does not want United States participation in the region. The argument that China is pushing for the United States to be ostracized from the Asia-Pacific region is groundless fabrication, designed only to sow discord between the two countries. The economic and military power of the United States remains a central geopolitical and economic fact for every nation on China's periphery and the Chinese leaders see their interests best served by a cooperative stance with the U.S. that will over time add significantly to Chinese wealth and power.

The U.S. Should Update its Cold War Strategy Toward China

It is time the United States ceases the rhetoric of China as a threat and embraces it as a major player on the Asian stage of peace. Rather than continue to list China as a threat, the U.S. superpower must develop a long-term plan that delivers a cooperative, responsible and globally supportive China. Surely this can be accomplished within China's 2006-2050 decision cycle? The American military is stretched thin by all accounts and could certainly use China as a partner in Asia, an area too big for any otherwise engaged even superpower to manage alone.

America should increase its military to military engagement in the Asia-Pacific and encourage greater diplomatic and technological exchanges with China. We currently maintain a modest military to military relationship with China. This relationship is limited to non-warfighting venues such as high-level visits, professional military education exchanges, and port visits.⁶⁴ Current trends in China's military modernization could provide China with a force capable of prosecuting a range of military operations in Asia – well beyond Taiwan – potentially posing credible competition for modern militaries operating in the region. It seems prudent that the United States would maintain a more comprehensive and accommodating Theater Security Cooperation program with China, including expanded military to military exchanges. Taking the limits off our current program could place the U.S. in a position to assist in guiding the direction of China's military growth and support the mutual long-term goal of regional stability. The U.S. should focus on increasing mutual understanding, while developing mutual plans for a China led Asia. This could come in the form of a mutual plan to eliminate the risk that the Central Asian States would fail and open up that region to instability, drug trafficking, smuggling and a safe haven for terrorists. The U.S. should seriously embrace the long-term and not restrict itself to the term of the current or next administration. China's plan focuses beyond 2045 and they are sticking to it. The U.S. must embrace this long-term outlook and use all its instruments of power to leverage China and situate Asia where the international community would like it to be in 2050. The next Quadrennial Defense Review should regard China as the potential long-term future co-leader of Asia with the capabilities and support of the western world to do so. It should list the obligations that China will most likely share with the U.S. and more importantly, the obligations of which China will unburden the United States.

Conclusion

China's leadership has set course for a "peaceful rise" and achieving prosperity by the middle of the twenty-first century. China requires access to Western and particularly American markets, technology, capital, and universities to foster the kind of economic development that will bring prosperity to most of the Chinese people and to facilitate China's return to greatness. China must therefore take U.S. and Western concerns into account, at least in the short and medium term. This medium term is Washington's window of opportunity to harness Chinese national power through economic interdependence and political engagement to ensure the PRC will become a great power whose impact is positive, relieves the U.S. of major burdens in Asia, and preserves international peace and security and promotes global prosperity. U.S. policies toward China are growing more pragmatic and this must continue and expand.

Communications between the two governments has widened. The growth rate of their trade volume continues at a speed three times the world average. As well, they have good cooperation on international affairs such as the Korean Peninsula nuclear issue and UN reforms.⁶⁵ Although suitable hedges against the risks of China's modernization are appropriate, the emphasis of U.S. policy should be placed upon positive integration. This approach will maximize the opportunity for the U.S. to preserve precious United States resources while appropriately leveraging the newly powerful Peoples Republic of China to accept more obligations in an area where it has home-field advantage, historic and cultural ties, and great influence through multilateral organization membership.

Endnotes

¹ Gustaaf Geeraerts; China's Rise and Northeast Asian Security; available from <http://www.dur.ac.uk/chinese.politics/Public%20lectures/Gustaff%20Geeraerts%20-%20Renmin%20lecture.pdf>; accessed 15 Jan 2006.

² The National Security Strategy of the United States of America, September 2002, 4.

³ Ibid., 14.

⁴ David M. Lampton; "China's Rise in Asia Need Not Be at America's Expense"; Power Shift, China and Asia's New Dynamics; 2005, 318.

⁵ Michael D. Swaine; "China: Exploiting a Strategic Opening"; Strategic Asia 2004-05: confronting terrorism in the pursuit of power, ed. Ashley J. Tellis and Michael Wills, 72.

⁶ "Chinese Premier on Foreign Relations," Xinhau, March 14, 2004; and Bruce Klingner, "Peaceful Rising' Seeks to Allay 'China Threat,'" Asia Times Online, 12 March 2004.

⁷ Robert Sutter; "China's Regional Strategy and Why It may not be Good for America"; Power Shift, China and Asia's New Dynamics; 2005, 291.

⁸ Mahathir Mohamad, Former Malaysian Prime Minister; China Makes Us Feel Safe; People's Daily Online; available from http://english.people.com.cn/200511/16/eng20051116_221746.html; accessed 15 Jan 2006.

⁹ Sunanda K. Datta-Ray; The US Sway over EU's China Policy; Straits Times, 16 Nov 2005.

¹⁰ Ibid.

¹¹ Ibid.

¹² Jin Canrong; The Tightrope of China-US. Ties; Beijing Review, 25 August 2005, 11.

¹³ Ibid., 10.

¹⁴ Henry Hyde; Chairman, House International Relations Committee; Address to the Asia Society, "A Congressional Perspective on Asia at the Outset of the Bush Administration ", February 28, 2001; available at http://wwwa.house.gov/international_relations/107/mhyde0228.htm; accessed on 18 Feb 2006.

¹⁵ John W. Garver; "The Alliance and U.S.-PRC Rapprochement"; The Sino-American Alliance; Nationalist China and American Cold War Strategy in Asia; 1997, 265.

¹⁶ Australia's perspective; Actively engaging with Asia - Australia's Foreign and Trade Policy White Paper ...; available at http://www.dfat.gov.au/ani/chapter_5.html; accessed on 18 Feb 2006.

¹⁷ Hearing On US Interests In The Central Asian Republics; House of Representatives, Subcommittee on Asia and the Pacific, Committee on International Relations, Washington, DC. 12 February 1998; available at <http://www.globalresearch.ca/articles/CON110A.html>; accessed on 18 Feb 2006.

¹⁸ Russia, China complicate Iran Situation, Feb 24, 2006; available at <http://www.thetrumpet.com/index.php?page=article&id=2053>; accessed on 26 Feb 2006.

¹⁹ People's Daily Online, "China to reinforce disaster relief efforts to guarantee sustainable development"; available at http://english.peopledaily.com.cn/200310/09/eng20031009_125583.shtml; accessed on 26 February 2006.

²⁰ Alan Tonelson; A Necessary Evil?, Current Chinese Views of America's Military Role in East Asia; May 2003, 2.

²¹ Ibid.

²² Ibid., 3.

²³ Zalmay Khalizad, "U.S. Grand Strategy: Implications for the United States and the World", Strategic Appraisal 1996, Rand, 1996, 23-34.

²⁴ John W. Garver; The Sino-American Alliance: Nationalist China and American Cold War Strategy in Asia, pg 73.

²⁵ Janis C. Hosing, The Reagan Administration and U.S. Policy toward PRC and Taiwan: Oelgesch Lager Gun and Hair, 1983, p 19.

²⁶ Zheng Bijian; China's "Peaceful Rise" to Great-Power Status; Foreign Affairs, September/October 2005; pg 22.

²⁷ Samuel Huntington; Cultural Conflicts and Restructuring of World Order; available from www.shuku.net; accessed 13 Jan 2006.

²⁸ General John P. Abizaid, CDR, U. S. Central CMD, before the House Armed Services Committee, on the 2005 Posture of the Central Command, 2 March 2005; available from <http://www.defenselink.mil/dodgc/olc/docs/test05-03-02Abizaid.doc>; accessed 14 Jan 2006.

²⁹ Li Zhaoxing; Chinese Foreign Minister; Holds Talks with Vietnamese Foreign Minister; 14 June 2003; available from <http://www.chinaembassy.ee/eng/dtxw/t111642.htm>; accessed 14 Jan 2006.

³⁰ Li Zhaoxing, Foreign Minister, Ministry of Foreign Affairs, the People's Republic of China; available from <http://www.fmprc.gov.cn/eng/wjb/wjbz/2467/t191622.htm>; accessed 13 Jan 2006.

³¹ Wolfgang Schurer; A Geo-political and Geo-economic Overview: on the Rise of China and India as Two Asian Giants; The Fletcher Forum of World Affairs; Summer 2005; 161.

³² Dr Abanti Bhattacharya; China's 'Observer' Status: Implications for SAARC, 21 Nov 2005; available from http://www.ipcs.org/South_Asia_articles2.jsp?action=showView&kValue=1904&country=1022&status=article&mod=b; accessed 13 Jan 2006.

³³ Ibid.

³⁴ Keith Andrew Bettinger, "US Edged Out as China Woos Indonesia, "; available from http://www.atimes.com/atimes/Southeast_Asia/EK13Ae05.html; accessed 12 February 2006.

³⁵ Ibid.

³⁶ Ibid.

³⁷ Peter Foster; "King Wants to Hand Power to the People"; available from <http://www.telegraph.co.uk/news/main.jhtml?xml=/news/2005/11/09/wbhut09.xml&sSheet=/news/2005/11/09/ixworld.html>; accessed 13 Jan 2006.

³⁸ Ministry of External Affairs, New Delhi, News briefing, 19 Dec 2005, available from <http://mea.gov.in/pressbriefing/2005/12/19pb01.htm>, accessed 13 Jan 2006.

³⁹ Annual Report to Congress; The Military Power of the People's Republic of China; available from <http://www.globalsecurity.org/military/library/report/2005/d20050719china.pdf>; accessed 13 Jan 2006.

⁴⁰ Plan of Action to Implement the Joint Declaration on ASEAN-China Strategic Partnership for Peace and Prosperity; available from <http://www.aseansec.org/16805.htm>; accessed 13 Jan 2006.

⁴¹ Ibid.

⁴² John Chan; Russia and China call for closure of US bases in Central Asia, 30 July 2005; available from <http://www.wsws.org/articles/2005/jul2005/base-j30.shtml>; accessed 13 Jan 2006.

⁴³ Kazakstan Opens Oil Pipeline to China, 15 Dec 2005; available from <http://english.aljazeera.net/NR/exeres/CD425CB1-E567-4BD3-BF32-64E6739C786D.htm>; accessed 13 Jan 2006.

⁴⁴ Foreign Secretary Riaz Mohammad Khan met Bangladeshi Secretary Hemayetuddin at the Bangladeshi Foreign Office, 9 November 2005; available at <http://www.pakistanlink.com/Headlines/Nov05/09/07.htm>; accessed on 12 Nov 2005.

⁴⁵ Ibid.

⁴⁶ Laos profile; available from <http://www.state.gov/r/pa/ei/bgn/2770.htm#foreign>; accessed 20 Dec 2005.

⁴⁷ Tran Huu Thang, Vietnamese Deputy Home Affairs Minister; Vietnamese Ministry of Home Affairs delegation visits Laos; available from http://www.vnagency.com.vn/newsA.asp?LANGUAGE_ID=2&CATEGORY_ID=29&NEWS_ID=174103; accessed 15 Jan 2006.

⁴⁸ Chinese, Mongolian Presidents Hold Talks; available from http://english.people.com.cn/english/199907/16/enc_19990716001001_TopNews.html ; accessed 10 Dec 2005.

⁴⁹ Begum Khaleda Zia's interview with the Beijing Review; Bangladesh Looks East, Beijing Review, 25 August 2005, 14-15.

⁵⁰ Goh Chok Tong, Singapore Prime Minister's Government Press Release, 18 Aug 2002; available from <http://www.gov.sg/nd/ND02.htm>; accessed 14 Jan 2006.

⁵¹ China, ROK Trade Increases 800 Percent in Past Decade; available from http://english.people.com.cn/200307/04/eng20030704_119453.shtml; accessed 10 Dec 2005.

⁵² China-Japan relations roll ahead despite obstacles; 1 Apr 2004; available from http://english.peopledaily.com.cn/200404/01/eng20040401_139158.shtml; accessed 10 Dec 2005.

⁵³ Ibid.

⁵⁴ Canrong, 10.

⁵⁵ Ibid.

⁵⁶ Fareed Zakaria, "Does the Future Belong to China?" *Newsweek* , *World News* , 9 May 2005, 4.

⁵⁷ CRS Report for Congress, RL 32882; "The Rise of China and Its Effect on Taiwan, Japan, and South Korea: U.S. Policy Choices, April 12, 2005, ed. Dick K. Nanto and Emma Chanlett-Avery, 12.

⁵⁸ Ibid., 6.

⁵⁹ Ibid., 36.

⁶⁰ Samuel S. Kim; China's path to Great Power Status in the Globalization Era," *Asian Perspective*, Vol. 27, no. 1, March 2003, 35-75; Shi Yinhong, "Basic Trials and Essentials 'Platforms' for China's Peaceful Rise," *Hong Kong Ta Kung Pao*, 14 March 2004.

⁶¹ Radio Australia; China, Vietnam Agree on Joint Military Patrols in Gulf of Tonkin; available from <http://www.abc.net.au/ra/news/stories/s1493343.htm>; accessed 16 Jan 2006.

⁶² Yu Xintian; China and Northeast Asian Regional Security Cooperation; *Asia-Pacific review*; volume 12, Number 2, November 2005; 31.

⁶³ *Ibid.*, 33.

⁶⁴ Admiral William J. Fallon, US Navy Commander, U.S. Pacific Command; Before the Senate Armed Service Committee on U.S. Pacific Command Posture; 8 March 2005; 3-71.

⁶⁵ Canrong, 11.