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US-China Relations: The Strategic Calculus

MONTE R. BULLARD

Dr. Henry Kissinger's secret trip to Beijing on 9 July 1971 was primarily for strategic military reasons and based on a balance-of-power approach to international politics.¹ During the next 20 years, and especially in the last three years, the fundamental rationale for America's China policy shifted from one of predominantly global strategic factors toward one based on economic and humanitarian concerns—an internationalist approach. The logic of using China as a strategic counterweight to Soviet military power is now gone. Indeed, the changes that have occurred in the international strategic environment with the end of the Cold War have called into question the degree to which strategic calculations will affect future American foreign policy decisions. Even in this age of increasing economic interdependence and global convergence, however, it is too soon to conclude that strategic military factors no longer influence the foreign policy process, particularly in Asia. This article will examine some of the factors that shape the US-China strategic relationship and how that relationship, in turn, might affect general American foreign policy toward China.

The current American foreign policy approach to China, called "constructive engagement," is based upon the belief that it is better to maintain some type of relationship than to become estranged and not be able to exercise any influence on political and economic change in China.² This belief, however, is not unanimous in the United States. Many citizens and members of the US Congress are calling for greater isolation of China because of its human rights abuses, weapons proliferation, and unfair trade practices.³ American congressional leaders continue to try to link China's "most-favored-nation" status to China's behavior in those areas.⁴

In addition to the problems of China's domestic and international behavior, American policy is also conditioned by the global strategic picture.

The end of the Cold War has resulted in a complete adjustment of threat perception, strategic approaches, alliance relationships, and peace-keeping roles. Whether China will represent a threat or a partner in the new world environment is still an open question.

The Threat Has Changed

With the demise of the Soviet Union, threat assessment in the 1990s is much more complex, but military power and ideology are still important components. American analysts now perceive two major threat sources: Iran/Iraq with a militant Muslim fundamentalist ideology, and China/North Korea/Vietnam with a communist ideology.⁵ Neither of these sources presents the equivalent of a superpower's military threat, but both have the potential to cause significant problems for the world community.

Strategic threat analysis in the 1990s is focused more on the activity than the source. Terrorism, regional instability, and the proliferation of nuclear, biological, and chemical weapons of mass destruction, as well as ballistic missile systems, are now considered the principal challenges.⁶ China plays an important role in all three. Historically, China has supported and trained terrorists and has never condemned the use of terrorism in principle. China also has supported "wars of national liberation," a stance that undermines regional stability. China's export of nuclear and missile technology, however, represents the most important threat at the strategic level. Chinese weapon systems in the hands of irresponsible Third World countries have already confronted the US military: Iran deployed Chinese Silkworm missiles in the Persian Gulf in 1987,⁷ and Iraq used Chinese weapons against the coalition forces in the 1991 Gulf War.

Numerous reports show a Chinese proliferation pattern that is not in the world community's interest. In 1983 China agreed to supply a nuclear research reactor to Algeria. Even though the reactor may not have been capable of producing weapons-grade material, the Chinese and Algerians kept the relationship secret from the International Atomic Energy Agency. China

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at first denied the sale, then later acknowledged it.⁸ China has furnished nuclear information or materials to a number of other countries which aspire to become nuclear powers, including Argentina, Brazil, Iran, Iraq, Libya, North Korea, Pakistan, and Syria.⁹

China also has been extremely active in the sale of ballistic missiles, missile components, missile technology, and manufacturing techniques to the same nations that are attempting to develop nuclear technology. Some of these nations have been active in acquiring chemical and biological weapons. In one case, China was even reported to have supplied “technological assistance to match nuclear warheads to delivery systems.”¹⁰ The important point, made by Timothy McCarthy, relates to the *character* of China’s missile-related exports:

[It is] the proclivity for providing technical and manufacturing assistance, rather than the transfers of complete systems, that is a long-term cause for proliferation concern. China is assisting in the creation of new and powerful missile-producing states [which], in turn, are likely to operate outside of any limitations (international or otherwise) on the sales of such systems.¹¹

China’s assistance to North Korea, followed by North Korea’s sales to Iran, allowed Chinese leaders to make official denials that China sent any Silkworm missiles *directly* to Iran.¹² Yet China set in motion the process that put the missiles in Iranian hands.

The Chinese proliferation activity of greatest concern to American strategists is the sale of medium-range ballistic missiles to Syria, Iraq, Iran, and Pakistan. The United States sent high-level delegations to China in 1991 to discuss proliferation issues. The Chinese then promised to ratify the Nuclear Non-Proliferation Treaty (NPT) and to adhere to the Missile Technology Control Regime (MTCR).¹³ The National People’s Congress did subsequently ratify the NPT on 11 March 1992.¹⁴ Because the MTCR is not a formal agreement, however, there is some question about future Chinese adherence. Already there are problems of definition: China’s idea of a medium-range missile, for example, is not the same as that of the United States.¹⁵ There is also the question of dual-use technology. Some parts of industrial satellite technology can be used in ballistic missile development.

American strategic planners have little optimism about China's willingness to comply totally with proliferation agreements. The most salient reason is that sales of ballistic missiles, missile components, and missile technology provide a major source of revenue for China. It is a multibillion-dollar business (\$7.5 billion in the years 1986-90). Profit comes in hard currency that can be used in China's modernization effort.¹⁶ China also uses such sales to garner political support in the international arena from its customers.¹⁷

Chinese leaders are quick to use their participation in global arms control talks as leverage in US-China bilateral relations. The August 1992 announcement that the United States would sell 150 F-16 fighter aircraft to Taiwan in response to China's purchase of 24 advanced Soviet Su-27 long-range aircraft is an excellent example. Beijing's first reaction, just one day after the US announcement, was to withdraw from scheduled global arms control talks.¹⁸ They seemed to be looking for a pretext to withdraw; the United States provided it. US leaders, in election-year politics, bolstered the Chinese position by publicly rationalizing the sale to Taiwan more in terms of maintaining jobs for American aerospace workers than in assisting in Taiwan's defense.¹⁹ Such announcements immediately opened the door for the Chinese to employ a similar rationale for continued arms sales and for avoiding participation in arms control talks.

Perhaps because American strategists have not forgotten past Chinese proliferation activities, they are cynical about the possibility that China might become more responsible under its current leaders. Chinese statements promising compliance with the Missile Technology Control Regime under certain conditions offer encouragement to some. However, such statements are considered by others as no more than expedient propaganda.²⁰

The collapse of the Soviet Union had a profound effect on China as well as on the United States. As China perceived a diminished threat, it began to talk of reducing its own defense budget and the size of its army.²¹ At the same time, however, China has begun to increase its power-projection capability. It has continued to develop a deep-water navy, it has purchased advanced fighters from Russia, it has developed an in-flight refueling capability, and it is reportedly negotiating for the purchase of an aircraft carrier from Ukraine.²² These activities increase China's military capability and make it a more credible threat to the United States.

New Approaches to Managing Conflict

One of the principal concerns of American leaders in recent years has been how to play a responsible role in maintaining world peace and stability without being a global gendarme.²³ The collapse of the Soviet Union has certainly left the United States as the world's paramount power; yet

possessing the instruments of military power has not always assured the ability to prevail. We have learned the hard way that military power comes in many forms. Smaller states and even non-state actors have found effective ways to use force and violence while remaining untouched by the overwhelming conventional and nuclear force of the world's powers.

The strategic implication of this combination of circumstances (lack of utility of major weapon systems, American reluctance to police the world, and political constraints on any use of force) is that new strategies will have to be found to manage conflict. These new strategies will include international relationships at global, regional, and bilateral levels. China is an important actor at all three levels.

At the global level, the United Nations should be a key forum for the expression of US-Chinese relations. During the Gulf War of 1991, the UN gained credibility in the eyes of many American leaders as an institution that can play a much greater role in conflict resolution. It was the first time in the history of the United Nations that the Security Council voted unanimously to take action against a member state. The solid front against Iraq in behalf of Kuwait set a new and hopeful precedent.

The five permanent members of the Security Council provide a critical forum within which China and the United States meet to discuss global and regional security issues. China's voting patterns in that group will influence the US-China strategic relationship by illustrating the degree to which China is likely to act as a responsible member of the world community. For example, when the Security Council voted on 2 October 1992 to impound Iraq's assets, the vote was 14 in favor, none opposed, with only China abstaining.²⁴ Already the East-West confrontation was being replaced by a North-South conflict, with China failing to vote with the North Atlantic nations. The essence of the new conflict is the demand by poor nations (the so-called South) for wealth redistribution and for increased support in their economic development. In effect this is a demand for a global taxation system by which the rich nations (the North) will subsidize the development of their poor sisters.

The United Nations is also viewed at the global level as an organization that can assist in economic and humanitarian programs. Chinese participation in these activities will be under increased scrutiny to assure that China wants to reduce the causes of conflict. China will be monitored closely for behavior that might be perceived as exhibiting a double standard. For example, if China were to participate in programs for the alleviation of refugee suffering in the Middle East, that certainly would not square with its behavior generating refugees in Tibet and causing friction with India.

World leaders want to satisfy themselves that China is prepared to undergo peaceful but steady changes in its economic and political systems. As

one of the last four countries under the communist banner, China represents a potential drain on the rest of the world economically and therefore a threat to peace and stability. The Soviet precedent warns that the bankruptcy of any large communist power center eventually forces the world into a position of pumping billions of dollars into salvaging an unworkable economy or else putting up with a chaotic country that may destabilize its neighbors. Evolutionary change to a market economy and a democratic system is much less costly in the long run than a complete collapse of political and economic systems.

Regional ties are also important in understanding the US-China relationship, and they are undergoing fundamental change as the United States withdraws military forces from South Korea and the Philippines.²⁵ Instead of focusing exclusively on the Cold War dichotomy, the US concern is now more with regional threats. In Asia, this concern is with how China might cause problems rather than support efforts to build stability in areas where the United States has strong collective security commitments, such as with Japan, South Korea, the Philippines, and Thailand. Korea is still considered the most likely area of instability; there, especially, American planners must take China's potential influence into account. They believe China could mitigate North Korea's aggressiveness.

As the United States withdraws from Asia, the Chinese are apparently attempting to fill the power vacuum.²⁶ Already they have reversed an agreement with Vietnam which would have delayed any oil exploration of the Spratly Islands until the sovereignty of the area is settled, and they are rumored to be negotiating with Myanmar (Burma) to acquire port access for naval vessels.²⁷

China has the potential to influence security issues in Korea and Cambodia. To this point they have played a responsible role, and that is encouraging. Their declarations, however, are not so positive where Hong Kong, Taiwan, and Tibet are concerned. While China believes strongly that these three areas are within its sole jurisdiction and that the rest of the world has no business interfering in its "internal" affairs, these areas are still likely to be of concern to Americans and others. It ceases to be an internal affair when international trade and commerce are disrupted, when refugees are

"Regional ties are also important in understanding the US-China relationship, and they are undergoing fundamental change."

created for other nations to absorb, when basic human rights are flagrantly abused, or when a nation's actions threaten peace and stability. The disagreement as to what is considered a Chinese domestic affair and what should be the concern of the outside world is an important issue for the future of US-Chinese relations.

From the US perspective, the bilateral level is still likely to be the most important of the three levels of interaction. During the past 12 years, America's overall China policy has been inextricably linked with the strategic military relationship. Until 1979 China was considered a potential enemy. After the United States recognized China, Americans believed that it was possible to have some form of strategic partnership—"friends, but not allies." Actual implementation of this change began in 1979 when military attachés and high-level defense visits were exchanged. At times the relationship has been friendly, at other times distant and formal. Throughout the period the military relationship has been influenced by external factors such as the US defense connection with Taiwan, China's domestic economic and political situations, and China's human rights record. China's activity in nuclear and missile proliferation, particularly with regard to Pakistan and the Middle East, also has affected the relationship in significant ways. On balance, while some degree of mutual enmity has always prevailed and likely will continue, American leaders trace the evolution of the Chinese-US relationship as follows: 1949-71, outright hostility; 1972-89, mutual suspicion but necessary cooperation in counterbalancing the Soviet Union; 1989-present, a return to a milder form of enmity but with a hope on the American side of influencing China to change in a more democratic direction.

The present phase of the US-China relationship has coincided with a downturn in the American economy. Economic factors thus have become increasingly important in all aspects of American politics, domestic and international. The 1992 US presidential campaign was dominated by economic issues, two of which have implications for the US relationship with China: the trade imbalance and the US unemployment problem. The trade imbalance has become an increasingly important factor in American foreign policy choices. Trade connections, even with close allies, produce frictions. As China becomes more competitive in the world marketplace and as economic reforms take hold, the tensions are likely to increase even more. The annual trade imbalance between the two nations has been about \$13 billion in China's favor and may have now reached \$15 billion. Much of the imbalance is caused by closed markets in China and by unfair practices in international trade. Whatever the reason, the increased media coverage of international economics causes American politicians to react in ways that affect foreign policy.

The August 1992 announcement of the sale of US F-16 jet fighters to Taiwan serves as an example of the power of domestic political and economic

pressures. As we have seen, the sale was rationalized more as a means to save American jobs than to strengthen the security of Taiwan. While the military rationale for the sale was solid, domestic economic and political pressures were what prompted the leap from discussion to action. The decision may or may not indicate that American leaders have changed their perceptions of the global strategic environment. They seem to have downgraded Russia as a potential strategic threat and at the same time upgraded China. For example, US leaders have plainly stated that China continues to threaten regional stability in South Asia and the Middle East through continued proliferation of weapons and weapon technology. But our leaders have not explained so clearly that China also has come to pose a military threat to regional stability in East Asia itself by increasing its long-range bomber capability and by refusing to renounce the use of force against Taiwan. The US action to allow sales of F-16s to Taiwan implicitly suggests that American leaders have had second thoughts about trying to influence political and economic change through confrontation avoidance and non-reciprocal compromise.

Military trade with China also has changed significantly in the last few years. The motivation for military trade in the early 1980s, including technology transfer, was twofold: profit for private corporations and providing China with sufficient capability to be a credible threat to the Soviet Union. The US government was not so concerned with the first rationale except to the extent that officials in government were influenced by private company lobbying. As for the second, now that the Soviet threat has disappeared the partnership between the government and private industry to provide military assistance to China has dissolved.

Many American companies had unpleasant experiences while exploring potential military business with China in the 1980s and are reluctant to pursue further commercial ventures there today, even with the promise of large profits. They found that the Chinese strategy for technology acquisition was one-sided and not in the best interests of their American companies. The Chinese military had a four-tiered scheme based on the principle of ultimately achieving self-sufficiency. First, they tried everything possible to steal the secrets of American industry or to purchase single items and then produce those items themselves through reverse engineering. Second, they encouraged joint ventures in which the American company would bring the blueprints to China and allow the Chinese access to the secrets of production. The Chinese plan to eventually squeeze the American company out was always transparent, and even written into contracts on occasion. The third approach was to establish coproduction with the American company, allowing the American company to furnish some of the components, which allowed some secrets to be withheld from the Chinese. The fourth way the Chinese would deal with the American companies was to purchase military equipment outright. The

Chinese were unfailingly crude in their negotiations and blatantly played international companies off against each other, usually lying about what the other companies were offering. All in all, many American companies reached the conclusion that it was just not worth the aggravation to deal with the Chinese. That feeling was reinforced when the American companies could not rely on US government support for their activities.

In Sum

American and Chinese foreign policy in the 1990s will be influenced less by geostrategic concerns, but some strategic security considerations will still be important. American policies will depend on many variables: how China fits into the new world order as a strategic power; China's handling of human rights issues (domestic, Tibet, Taiwan, and Hong Kong); China's behavior in the United Nations; China's relationships with its neighbors in Asia; China's conduct in nuclear and missile proliferation; China's reaction to the American relationship with the states of the former Soviet Union; and a myriad of domestic and international economic considerations.

Whether China is considered a military threat or a partner in security affairs in the 1990s, there is likely to be a period of minimum activity at the strategic military level. The military bilateral relationship is likely to continue more as confrontation than as cooperation. China will not pose a serious threat to peace and security in any traditional sense of cross-border invasions. However, it could present a potentially serious problem in its role in the proliferation of weapons and in its handling of areas it considers to be internal—the Spratly Islands, Hong Kong, Tibet, and Taiwan. If China deals with these problems to the satisfaction of Americans, and if China joins the side of the world majority on conflict resolution issues in the UN Security Council, particularly in furnishing support to multilateral peacekeeping operations, this populous giant could make an important contribution both to its modernization and to world peace and stability. The probability of that happening, however, is not high.

NOTES

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1. Henry Kissinger, *White House Years* (Boston: Little, Brown, 1979), p. 705. Also see Monte R. Bullard, "The US-China Defense Relationship," *Parameters*, 13 (March 1983), 43-50.

2. *National Security Strategy of the United States* (Washington: The White House, August 1991), p. 9. Also see Richard Solomon, "China and MFN: Engagement, Not Isolation, Is Catalyst for Change," *US Department of State Current Policy No. 1282*, June 1990, B5.

3. On human rights abuses, see James Tyson, "Dalai Lama Presses Tibet's Case in U.S. Visit," *The Christian Science Monitor*, 17 April 1991, p. 6. The Dalai Lama met with members of Congress in April 1991 to explain his view of human rights abuses in Tibet. Also see Nancy Pelosi, "The Chinese Puzzle," *The International Economy*, August-September 1990, p. 62; Clifford Krauss, "Democratic Leaders Divided

on China Trade," *The New York Times*, 9 October 1990, p. A7; and "House Votes to Deny Trade Status for China," *The Washington Post*, 19 October 1990, p. A18. On proliferation, see Bruce W. Nelan, "For Sale: Tools of Destruction," *Time*, 22 April 1991, p. 44. And on unfair trade practices, see Charles Gray, "China: Most Favored Prison," *The Washington Post*, 15 July 1990, p. B5; and Paul Magnusson, "Beijing's 'Blatant Piracy' Could Slash Its U.S. Trade," *Business Week*, 22 April 1991, p. 46.

4. Guy Gugliotta and Ann Devroy, "White House Targets Senate on Passage of China Trade Bill," *The Washington Post*, 24 June 1991, p. 5A. On 29 September 1992, President Bush again vetoed a bill that would have placed conditions on China's most-favored-nation status.

5. *National Military Strategy of the United States* (Washington: GPO, January 1992), p. 3.

6. Dick Cheney, *Annual Report to the President and the Congress* (Washington: GPO, February 1992), p. 5.

7. Joseph Bermudez, "North Korea's HY-2 'Silkworm' Programme," *Jane's Soviet Intelligence Review*, May 1989, pp. 203-07. Also see Gerald M. Boyd, "U.S. Says China is Arming Iran, Despite Denial," *The New York Times*, 7 June 1987, pp. A1, A15.

8. See Monterey Institute of International Studies, Emerging Nuclear Suppliers Project, *Eye on Supply*, No. 5 (Fall 1991), 48. Eight sources are listed to support the statement that "the PRC denied allegations that it had supplied a research reactor to Algeria, then later, on 4/30/91, admitted to the deal." Sources included *Washington Times*, *Nucleonics Week*, *Time*, *Nuclear Developments*, and *Trust and Verify*.

9. Monterey Institute of International Studies, Emerging Nuclear Suppliers Project, *Eye on Supply*, No. 6 (Spring 1992), 45-50.

10. Bill Gertz, "China Helps Algeria Develop Nuclear Weapons," *Washington Times*, 11 April 1991, p. 1.

11. Timothy V. McCarthy, *A Chronology of PRC Missile Trade and Developments* (Monterey: International Missile Proliferation Project, 12 February 1992), p. 1.

12. David K. Shieler, "U.S. Informs China High-Tech Exports Could Be Widened," *The New York Times*, 10 March 1988, pp. A1, A11. Also see Edward A. Gargan, "U.S. Shift is Shrugged Off in China," *The New York Times*, 14 March 1988, p. D4.

13. David Shambaugh, "China in 1991," *Asian Survey*, 32 (January 1992), 29. The Nuclear Non-Proliferation Treaty is monitored by the International Atomic Energy Agency, which is an intergovernmental organization closely associated with but not a part of the United Nations. The Missile Technology Control Regime is not a treaty, organization, or executive agreement. It is merely a pledge, made on 16 April 1987, by Canada, France, the Federal Republic of Germany, Italy, Japan, the United Kingdom, and the United States, to consider criteria designed to reduce the proliferation of ballistic missiles. Since 1987 another 13 nations have declared support for the guidelines.

14. "China Accedes to Nuclear Non-Proliferation Treaty," *Beijing Review*, 35 (30 March-5 April 1992), 16.

15. John Lewis, Hua Di, and Xue Litai, "Beijing's Defense Establishment: Solving the Arms Export Enigma," *International Security*, 16 (Spring 1991), 50. The United States defines a medium-range ballistic missile as one that can deliver a 460-kilogram payload 260 kilometers or more. The Chinese consider a medium-range ballistic missile one that can travel between 1000 and 3000 kilometers without regard to payload.

16. R. Bates Gill, "Curbing Beijing's Arms Sales," *Orbis*, 36 (Summer 1992), 382.

17. Harry Harding, *A Fragile Relationship: The United States and China Since 1972* (Washington: Brookings Institution, 1992), p. 332. This is the best overall book on the US-China relationship.

18. "China Warns Taiwan Deal Could Sour Arms Talks," *International Herald Tribune*, 4 September 1992, p. 1.

19. "Bush Backs Sale of 150 F-16s to Taiwanese," *International Herald Tribune*, 3 September 1992, p. 1.

20. "China Responsible for Its Arms Sales," *Beijing Review*, 35 (2-8 March 1992), 33.

21. Tai Ming Cheung, "Fit to Fight: Latest Plans to Reduce the Size of the PLA," *Far East Economic Review*, 28 May 1992, p. 24.

22. "China Puts the Squeeze on Vietnam," *The Asian Wall Street Journal*, 30 September 1992, p. 6.

23. *National Security Strategy of the United States*, p. 2.

24. Paul Lewis, "U.N. Council Votes to Use Iraqi Assets Frozen Abroad," *The New York Times*, 3 October 1992, p. 2.

25. American intentions to withdraw 15,000 troops from Asia were openly announced in the official publication *National Security Strategy of the United States* (1991), p. 28. Actual withdrawals in the three years 1990, 1991, and 1992 have been about ten percent, reducing the force to 120,000. See Susumu Awanohara, "Leaner and Meaner: Reduced Forces to Have Better Arms," *Far Eastern Economic Review*, 21 January 1993, p. 27.

26. "China Puts the Squeeze on Vietnam," p. 6.

27. *Ibid.*