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THE SATURDAY ESSAY

The Crisis in U.S.-China Relations

The Trump administration has staked out an aggressive position, but its critique of Chinese behavior is widely shared and points to the need for a new American strategy.

By Richard N. Haass

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Like all such meetings with senior Chinese officials, mine last week took place in a cloistered government compound, the overstuffed chairs placed side by side with only a small table between them, an arrangement that requires turning your entire body or twisting your neck to make eye contact. Just behind the table dividing us was the interpreter; my host was flanked by a phalanx of aides, all of whom took notes but said nothing throughout the hourlong session.

Just minutes into our meeting, his voice rose. “The Chinese people are upset and angry. From beginning to end he was just bashing China. In 40 years, we have never seen a speech like this. Many believe it is a symbol of a new cold war. We find this speech unacceptable, as it turns a blind eye to our joint efforts of the last 40 years and what China has achieved.”

The “he” is Vice President Mike Pence, and the speech is the much-publicized one that he delivered on Oct. 4 at the Hudson Institute in Washington. Another of my Chinese interlocutors compared the speech to the talk delivered in March 1946 by Winston Churchill in Fulton, Mo. The only difference, this person said, was that the “Iron Curtain” has been replaced by a “Bamboo Curtain.” “Winter is coming,” predicted a Chinese scholar over dinner.

The vice president’s speech heralds a new era in modern Sino-American relations. Many in China believe that the trade war being waged by the United States has evolved into a comprehensive effort to block China’s rise. U.S. sanctions introduced in response to a Chinese purchase of weapons from Russia, new U.S. arms sales to Taiwan, U.S. freedom of navigation operations in the South China Sea—all reinforce the view that the Trump administration’s aims are strategic and not just economic.

To be sure, the speech by the vice president was broader and deeper in its criticism of China than any other U.S. government statement of the past several decades. A number of its accusations are debatable if not unfounded. That said, the remarks, which build on the December 2017 National Security Strategy describing China (along with Russia) as a “revisionist power,” are consistent with a critique of China that many in the foreign policy establishment, Democrats and Republicans alike, have voiced in recent years.

The critique has three parts. First, there is the view that China has violated the spirit and letter of the World Trade Organization, which it joined in 2001. The U.S. list of complaints includes higher-than-warranted tariff and nontariff barriers, forced transfers of technology, theft of intellectual property, government subsidies and currency manipulation designed to make exports cheaper and to reduce demand for imports.

Second, China’s integration into the world economy has not brought about hoped-for reforms. Large state-owned enterprises, once expected to be wound up, remain. President Xi Jinping’s anti-corruption campaign seems to be motivated in part by a desire to root out his opponents,



Mao Zedong, left, and President Richard Nixon shook hands as they met on Feb. 21, 1972. Nixon's visit marked the first time an American president had visited the People's Republic of China. PHOTO: ASSOCIATED PRESS

and he has managed to abolish term limits for his own office. As many as one million Muslims in western China are in re-education camps. Civil society has been further circumscribed. China appears to be more authoritarian today than at any time since Mao Zedong was in charge.

Third, China's foreign policy has become more assertive. China has acted unilaterally to militarize the South China Sea despite an international legal ruling rejecting its claims and a personal pledge from President Xi that China would not do so. It unilaterally declared an air-defense identification zone in the East China Sea and regularly challenges Japan on disputed islands. China is also pursuing its global "Belt and Road" infrastructure initiative, which looks less like a project to promote development than a geoeconomic ploy to increase its access and influence around the world.

This is hardly the first time that the U.S. and China have been at loggerheads. Their difficult modern history goes back to World War II. The Chinese, divided between Communist guerrillas led by Mao and authoritarian, pro-capitalist Nationalists led by Chiang Kai-shek, were fighting the Japanese occupation as well as one another. The U.S. provided extensive military assistance to the Nationalists. Even so, by 1949 the Communists controlled the mainland and the Nationalists were forced to flee to Taiwan. The U.S. retained diplomatic ties with the nationalist-led Republic of China and refused to recognize the newly declared People's Republic of China.

Soon after, American and Chinese soldiers fought in Korea, and there were several crises over the status of islands in waters separating China and Taiwan. At one point in 1954, the U.S. seriously considered using nuclear weapons against China only to hold off when allies weighed in on behalf of restraint. The U.S. did, however, sign a mutual defense treaty with Taiwan.

There matters stood until the late 1960s, when American analysts realized that China and the Soviet Union increasingly saw one another as rivals. Acting on the adage that "the enemy of my enemy is my friend," Richard Nixon and his national security adviser Henry Kissinger exploited the Sino-Soviet split to forge ties with the mainland in the hope it would give the U.S. leverage in its struggle with the far more dangerous U.S.S.R. Within a decade, the U.S. moved to recognize the People's Republic of China as the sole legal government of China, and relations with Taiwan were formally downgraded.

This second phase of Sino-American ties—in which, among other things, the two countries cooperated against the U.S.S.R. in Afghanistan—lasted some two decades, until the end of the Cold War. What provided the impetus for a third era in Sino-American relations was growing economic interaction, initiated by Deng Xiaoping, who took power after Mao and in 1978 declared a policy of "reform and opening." Each side sought access to the market of the other, and the Chinese economy began its long and spectacular rise.

Many Americans hoped that engaging with China would open the country politically and economically and moderate any temptation on its part to challenge U.S. primacy. Nor was American policy just based on hope. The U.S. also hedged against the possibility that China would become a strategic rival by maintaining its alliances in the region along with air and naval forces to signal U.S. resolve.



Jimmy Carter, left, and Deng Xiaoping during Deng's visit to Washington on Jan. 28, 1979. PHOTO: GILBERT UZAN/GAMMA-RAPHO/GETTY IMAGES

This third, optimistic era has now drawn to a close, as Vice President Pence's speech emphatically showed. The economic ties meant to buttress the relationship have now become a major source of friction. Limited strategic cooperation on North Korea or issues such as climate change cannot offset this trend, which has been made worse by political shifts in China itself. It is a non-starter to think that China—whose economy is 30 times larger than it was three decades ago and is now the world's first or second largest—will be content as a mere “responsible stakeholder” (to use then-Deputy Secretary of State Robert Zoellick's 2005 phrase) in a U.S.-designed and dominated international system.

Not surprisingly, this liberal-democratic order holds little appeal for a Communist Party leadership that sees liberalism and democracy as a threat to its rule. Just as important, this order is fast fading. It has been rejected by Russia, North Korea, Iran and others, and new issues have emerged (climate change, cyberwar) that the order was not designed to handle. The Trump administration, for its part, has made clear that, unlike its predecessors, it sees the post-World War II order as inconsistent with U.S. interests.

The question now is what a new, fourth era of Sino-American relations will look like. There is a good deal of speculation that it will be a new cold war, but a cold war is a possible (and undesirable) outcome, not a strategy. The containment strategy that shaped U.S. policy against the Soviets doesn't apply to a new challenge that is more economic than military. Indeed, some disagreements between the U.S. and China can be narrowed or even resolved, including those over tariff and nontariff barriers, requirements for joint ventures and the size of the trade imbalance. But these are exceptions.

The possibility of a U.S.-China armed confrontation over the South China Sea, Taiwan or even North Korea cannot be ruled out. But even if such a dramatic scenario does not materialize, it is easy to see how the relationship could deteriorate. As we know from the earlier Cold War, such competitions are risky and costly, and all but preclude cooperation even when it would be in the interests of both sides.

The most realistic option for the future is to focus on managing the two countries' major disagreements. This approach has worked for four decades when it comes to Taiwan. The U.S. acknowledges the Chinese position that there is but one China and Taiwan is part of China. The task now is for China, Taiwan and the U.S. to avoid unilateral steps that would jeopardize an arrangement that has kept the peace and allowed Taiwan to flourish economically and politically.

Management is also likely to be the best approach for the South China Sea. As with Taiwan, “final status” issues are best left vague. The emphasis ought to be on avoiding unilateral actions that could trigger a crisis.

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China for what it is. China will continue to maintain a large (if somewhat reduced) state role in the economy and a closed political structure. “As China enters middle income, we need a strong anchor for our society,” one senior Chinese official told me. “We need to strengthen the Party.

You equate authority with authoritarianism, and think China is a dictatorship. This is wrong.” The U.S. should call out human-rights abuses in China, but the focus of our foreign policy should be China’s foreign policy, where we are more likely to have influence.

Attempting to hold China back is simply not a realistic policy for the U.S. Worse, it would stimulate nationalist impulses there that will set the countries on a collision course.

To avoid outright conflict, the U.S. needs to persuade Chinese officials that taking on the U.S. militarily is a fool’s errand—a calculation that depends in some measure on our international support. The Trump administration has adopted a tough line toward China, but it has undermined its own policy by weakening our alliances and rejecting the Trans-Pacific Partnership, which would have pressured China to further reform its economy. Such strategic inconsistency doesn’t serve U.S. interests.

The U.S. also needs to adopt new policies on several fronts. The just-signed-into-law “Build Act” to encourage private American investment in the developing world is a useful, if limited, response to China’s Belt and Road Initiative. Strengthening controls on Chinese investment in the U.S. is also a step in the right direction. Some supply chains may need to be rerouted away from China, although such interdependence is one bulwark against conflict. Universities and think tanks should refuse to accept Chinese government funding. And if the U.S. isn’t to be left behind by Beijing’s major technology push, “Made in China 2025,” the public and private sectors will need to cooperate much more in developing critical fields such as artificial intelligence.

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The U.S. must also get its own house in order. China is not responsible for America’s health-care crisis, aging infrastructure, poor public schools, exploding debt or inadequate immigration policy. Foreign policy must truly begin at home for the U.S. to compete successfully. Progress across these areas would also disabuse the Chinese of the idea that the U.S. is in decline and lacks the will and ability to stand up to a dynamic new power.

Finally, it would be foolish to give up on the prospect of selective cooperation. North Korea is a case in point. Afghanistan could be another, given China’s influence in Pakistan. Sino-American cooperation is also essential if the world is to weather the next financial crisis, make progress on climate change, reform the WTO and set forth rules for cyberspace. The U.S. will want to avoid holding areas of potential cooperation hostage to areas of competition.

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China will have to do its part as well. China’s economy is too large for it to hide behind the argument that it remains a developing economy that should not be expected to live up to global norms. President Xi has called for a new type of great power relationship between the two countries, but he has not explained what he means in such a way as to

clarify or resolve current tensions. Doing so would be one mark of a great power.

Competition between the U.S. and China need not be “a four-letter word,” as Matthew Pottinger, the senior staff member on the National Security Council responsible for Asia, has said. A reasonable goal would be managed competition that allows for limited cooperation. For now, however, the Trump administration has adopted a confrontational approach without making clear what it seeks to achieve. It has thus ignored Clausewitz’s prudent advice—that battle should be joined only “as the means towards the attainment of the object of the War.”

Mr. Haass is president of the Council on Foreign Relations. His most recent book is “A World in Disarray: American Foreign Policy and the Crisis of the Old Order.”

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