

U.S. President George W. Bush’s time in office has been marked by a “hedging strategy”¹ toward China.

Transforming the U.S. Relationship with China

By Donald G. Gross

Washington prepares for future conflict with a rising China, and uses that preparation as a deterrent against challenges to its dominant geopolitical position in East Asia.

WHILE THIS SECURITY strategy may appear sensible, it is, in fact, provocative and misguided. Through strategic measures that include significantly building up military forces in the Pacific and encouraging Japan to take a more active military role in “Taiwan contingency” planning, the administration magnifies the risk of military conflict and undercuts important American interests.

The flaws in current U.S. policy become starkly evident from a close analysis of the major security, political and economic benefits that would accrue to the United States and its Asian allies from sharply improved relations with China. Realizing these benefits will require a fundamental shift in U.S.-China relations. This new paradigm can be achieved through a “Framework Agreement” which addresses major points of dispute with China in security, politics, and economics and puts this crucial relationship on a far sounder footing for the long term.

FLAWS IN CURRENT U.S. STRATEGY

The ill-conceived nature of the current U.S. security strategy is revealed by a comparison of the actual military capabilities of the two countries. The U.S. outclasses China by a large margin in every military category, as well as the most critical technological capabilities of command, con-

trol, communications, computers, intelligence, surveillance and reconnaissance. Consequently, the threat from China that the U.S. is preparing against is purely speculative in the long term. (Although some experts suggest that China is seeking to acquire so-called “asymmetric capabilities” for inflicting serious damage on U.S. forces, China’s asymmetric capabilities are relatively poor and are not a credible threat to the United States).²

In an extensive report on “Chinese Nuclear Forces and U.S. Nuclear War Planning,” the Natural Resources Defense Council (NRDC), recently found that “the Chinese-U.S. nuclear relationship is dramatically disproportionate in favor of the United States and will remain so for the foreseeable future.”³ (Some key findings are summarized in Figure 2).

Beyond this telling comparison of U.S. and Chinese nuclear forces, the NRDC study concluded that the U.S. currently spends more than four times as much as China on defense.⁴

On the conventional side, U.S. power projection capabilities are similarly far superior to those of China. (See Figure 3).

The only area where Chinese military strength exceeds the U.S. is in manpower, the least important measure of modern military capability. China has approximately 2.25 million troops in uniform while the U.S. has approximately 1.47

FIGURE 1
**U.S. Hedging Strategy
toward China**

Realigning and redeploying U.S. military forces in the Pacific to more aggressively deter any Chinese military threat against U.S. allies or interests – especially an attack on Taiwan

Significantly increasing U.S. military assets in the region (especially long-range bombers, supporting aircraft and marine expeditionary forces) and deploying them at U.S. bases that are within striking distance of China

Encouraging Japan to “reform” its restrictive post-World War II constitution for the purpose of building up the quality and quantity of its forces as well as adopting a more aggressive military role in East Asia, within the U.S.-Japan alliance

Improving relations with India – a “fellow democracy” – as a strategic counter-balance to China

Improving U.S. military relations with Southeast Asian countries to ensure a welcoming presence for U.S. forces as well as sufficient basing rights

Maintaining aggressive naval and air reconnaissance for patrolling China’s coastline and border regions at Cold War levels, to keep pressure on China and indicate U.S. readiness for any possible attack

NOTES

1 See Evan S. Medeiros, “Strategic Hedging and the Future of Asia-Pacific Stability,” *The Washington Quarterly* (Winter 2005-06)

2 C. Fred Bergsten, Bates Gill, Nicholas R. Lardy, Derek Mitchell, *China: The Balance Sheet* (New York: Public Affairs, 2006): 151

3 “Chinese Nuclear Forces and U.S. Nuclear War Planning,” Natural Resources Defense Council, (Washington, DC: November 2006): 1

million. Even in this area, NATO and U.S. manpower, taken together, total approximately 3.81 million, far exceeding China.⁵

Ironically, even most members of the so-called China Threat School in the United States acknowledge that China has no current plan to broadly confront the U.S. militarily in Asia. They know that most Chinese strategists accept a status quo in which the U.S. dominates the region from a military standpoint. Yet instead of giving weight to China’s largely benign stance, China Threat School theorists focus on China’s military capabilities, noting that intentions can change over time. These U.S. experts inevitably concentrate on future potential capabilities, precisely because the U.S. dwarfs China in critical military and technological fields. In short, those with an irrational fear of China in certain U.S. circles have to discount *both* China’s currently benign intentions and its relatively weak capabilities to justify their case for ramping up preparations against a possible threat.

TAIWAN AS A JUSTIFICATION FOR U.S. STRATEGY TOWARD CHINA

China Threat School proponents get away with their breathtakingly flimsy arguments because of a single geopolitical issue – Taiwan. On the subject of Taiwan, the Chinese government is paranoid and intemperate. The mere possibility that Taiwan’s political status could become a flashpoint for confrontation gives credence to fear-mongering by some theorists. Although rela-

⁴ Before the Bush administration came to office, the U.S. Department of Defense was far more willing to acknowledge, in September 2000, the clear U.S. military superiority over China. See "Chinese Nuclear Forces": 8-9

⁵ *The Military Balance*: 20-31 and 270-275. NATO data from Anthony Cordesman and Martin Kleiber, *The Asian Conventional Military Balance in 2006*, Working Draft for Review and Comment, Revised June 26, 2006 (Washington: Center for Strategic and International Studies, 2006): 32-36

⁶ See "No Questions Asked," *Washington Post*, April 20, 2006

tions between China and Taiwan are more stable than they have been for years, being prepared to counter a Chinese attack on Taiwan has been a focal point of U.S. military planning and the impetus for the military build-up in the region. Planning for a cross-strait Chinese attack is also a key basis for restructuring the U.S.-Japan alliance in favor of a more active role for Japan.

Besides magnifying the risk of conflict, the policy recommendations of the China Threat School undercut important U.S. interests in Asia. It would benefit the U.S. to have China view the U.S. as a relatively benign power that maintains stability and thereby benefits a rising China. A second U.S. interest is engendering cooperation between China and the U.S. in identifying and pursuing common foreign policy goals. During the last several years, the two main fields of security cooperation between China and the United States have been intelligence-sharing on the threat from Islamic terrorists and collaboration on negotiating a settlement of the North Korean nuclear issue in the Six Party Talks.

The more that cooperation of this kind generates concrete security, economic and other benefits, the more likely it is to create stability and strengthen the faction in China that supports positive ties with the United States. It is easier to shape China's military development in directions conducive to U.S. security interests when China's leaders feel comfortable with the United States. The less that China regards the U.S. as a potential adversary, the less likely China will invest in long-term military programs – including procurement of new weapons systems – that are designed to defeat or threaten the U.S. in a future confrontation.

WEAK U.S. POLICY TOWARD CHINA'S DEMOCRACY AND HUMAN RIGHTS PRACTICES

China's one-party communist regime and its legacy of Cold War enmity inspire deep skepticism and some outright hostility across the American political spectrum. Many U.S. critics object to a more robust political relationship with China until it adopts far more democratic practices and upholds international human rights standards. While the U.S. State Department's annual "Country Reports on Human Rights Practices" continue to cite China's shortcomings, in recent years Washington has generally abandoned any major effort to foster greater democracy and respect for human rights in China.⁶

This serious failing has its own particular irony: if China adopts democratic practices and implements human rights standards to a much greater extent, this would allow for more stable and amicable relations between the two countries. China's increasingly democratic character would dissolve considerable opposition to improved relations with China in the United States.

CURRENT U.S. POLICY UNDERCUTS LONG-TERM U.S. ECONOMIC INTERESTS

For decades, the U.S. has sought to induce significant reform in the Chinese economy. By many measures, this policy has been a great success. But that success has also created its own severe headache in the form of a major, and growing, trade deficit. As low-priced, high-quality, Chinese goods flooded in, a number of U.S. companies experienced heavy competitive pressure and significant loss of market share. Concomitantly, U.S. companies moved key operations to China to take advantage of low wag-

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7 See Dr. Robert E. Scott, *U.S.-China Trade, 1989-2003: Impact on Jobs and Industries, Nationally and State-by-State* (Washington: Economic Policy Institute, January 2005)

8 John Norberg, "China Paranoia Derails Free Trade," *Far Eastern Economic Review*, Jan/Feb 2006: 48

9 U.S. Trade Representative, "U.S.-China Trade Relations: Entering a New Phase of Accountability and Enforcement," February 2006: 5

10 Norberg, "China Paranoia": 48

es and favorable investment conditions, causing U.S. workers to suffer major job losses.⁷

In recent years, the U.S. government has responded, in part, to China's economic success by implementing protectionist measures of various kinds. According to data from the World Trade Organization (WTO), China has been the object of more U.S. "anti-dumping" actions in the last ten years than any other country.⁸ Beyond anti-dumping measures and quota agreements, the U.S. has sought to block Chinese companies from purchasing U.S. companies in some commercial fields based on the alleged threat to U.S. national security.

Efforts to deny China access to the U.S. market inevitably inspire a nationalist backlash. Chinese critics correctly believe they are penalized for "competing too well" after following the advice preached to them by the U.S. for many years. Blocking access to the U.S. market in whatever form – through anti-dumping actions, quota agreements or unfairly-applied national security requirements – is perceived in China as discriminatory protectionism, which creates hostility and resentment.

RECENT CHANGES IN US TRADE POLICY EXACERBATE CONFLICT WITH CHINA

In early 2006, the U.S. Trade Representative adopted an even more protectionist approach. Previously, the U.S. concentrated mainly on lowering trade barriers and addressing points of conflict in the trade relationship. In a February 2006 report,⁹ however, the Trade Representative recommended a much more combative posture, apparently on the premise that China has benefited "unfairly" from liberalized trade.

The danger of this policy goes well beyond angering a few Chinese companies. History demonstrates that open trade and the free pursuit

of international commerce reduce the chance of conflicts between states. Countries that have a stake in an open and fair trading system stay committed to the stability and peace that normal commerce entails. For this reason, the long-standing U.S. policy of integrating China into the international economic community has a very specific national security objective. Helping China reap significant benefits from WTO membership and extensive access to the U.S. market is perhaps the most important way of ensuring China's support for the international system as a whole. Conversely, a policy that seeks to stymie successful Chinese companies by imposing tariffs and erecting non-tariff barriers conveys another clear message: international trade is a "mercantilist zero-sum game"¹⁰ that the U.S. intends to win.

SECURITY BENEFITS OF IMPROVED U.S.-CHINA RELATIONS

Few U.S. experts emphasize the major security, political and economic benefits that would accrue from radically improved relations with China. To realize these benefits requires a fundamental shift in U.S.-China relations – a situation that most American experts do not view as within the realm of possibility. It is, nevertheless, essential to consider the many benefits that would flow to the United States from improved relations with China. After all, why should the U.S. engage in a considerable amount of diplomatic heavy lifting to enhance relations if the rewards are skimpy and the U.S. could conceivably weaken its position in Asia?

To begin with, fundamentally improved relations with China would be the best means of ensuring an ongoing security role for the United States in Asia for the foreseeable future. The current deployment of U.S. forces in Northeast

¹¹ At such a point, the political and security justification for basing U.S. forces in South Korea and Japan would depend, in large part, on the nature of the threat from North Korea

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Asia is not a stable basis for a long-term presence – and the U.S. Congress will not support that deployment indefinitely.

At present, only the tension in the Taiwan Strait lends substance to the fearful claims of China Threat School theorists. If the pan-blue Kuomintang-led faction in Taiwan comes to power, it could quite possibly reach an agreement with China that would considerably lower the risk of war. This could well entail a reunification of Taiwan with China at a future time. Were such an agreement to emerge, the practical justification for building up U.S. forces in the Pacific would collapse. The Defense Department would be unable to maintain the force levels it previously deployed in Asia, in the face of Congressional pressure. More significantly from a political and diplomatic standpoint, once U.S. allies and friends perceived that a major U.S. military presence is not necessary, the main *rationale* for a leading U.S. role in Asia would be seriously undermined.¹¹

Rather than see its influence in Asia reduced in this way, the U.S. should strive to stabilize U.S.-China relations for the long-term by achieving radically improved cooperation with China. The political, military, economic and diplomatic value of a leading U.S. role in Asia – one not

based on countering an immediate threat from China – would then become apparent and advance U.S. interests over the long term.

Another major security benefit to the United States of greatly improved relations with China is that it could significantly reduce, if not eliminate entirely, the chance of a military conflict between the two countries for the foreseeable future. Although the U.S. and China have successfully managed the Taiwan issue for more than 25 years, the risk of conflict over Taiwan arguably increases the longer that Taiwan serves as a focal point for military contingency planning by both powers. A war over Taiwan is clearly not in U.S. interests because a conflict would: 1) put at risk the U.S. geopolitical position in the Pacific; 2) severely disrupt U.S.-China relations; and 3) potentially cause great destruction of property and loss of human life in Taiwan.

Finally, radically improved relations between China and the U.S. would improve collective security by enhancing the effectiveness of a prospective multilateral security cooperation organization in northeast Asia. Such a forum would strengthen rather than weaken U.S. bilateral alliances. It would significantly lessen South Korea and Japan’s concern that their alliances with the U.S. will lead to inevitable conflict with a rising China.

By facilitating greater regional collaboration and lowering the chance of conflict, a mechanism for multilateral security cooperation would encourage Japan and South Korea to retain their alliances with the U.S. over the long term.

With Taiwan’s independence no longer a looming threat, China could be far more welcoming of Taiwan’s democratic political practices than it has been previously.

POLITICAL BENEFITS

Markedly improved relations would also favor China’s political evolution toward greater openness and democracy. In part, democratic practices would follow from the more mature market economy that would arise when the US and China minimize their use of protectionist measures. An advanced market economy needs a free flow of information to be efficient and would require China to abandon continuing efforts to set prices or guide the allocation of resources for political ends. A significantly greater information flow would also encourage democratic political activity by enabling associations outside government control to acquire sufficient means to form interest groups that can influence government policies.

Radically improved relations would foster democratic practices for other reasons also. In a friendlier climate, China’s leaders could no longer claim persuasively that a one-party state is necessary to prevent foreign countries from exploiting China’s weakness and internal division. With a less threatening external environment, Chinese people could more easily seek various internal reforms, including the formation of competing political parties. Importantly, these

new parties could draw greater legitimacy from the U.S. democratic system, if the U.S. is no longer perceived primarily as a military superpower whose ultimate aim is to constrain China.

The improved atmosphere might also open China to democratic influences from another powerful source – Taiwan. With Taiwan’s independence no longer a looming threat, China could be far more welcoming of Taiwan’s democratic political practices than it has been previously. Unlike Hong Kong, which achieved democracy and a Western political structure under British rule, Taiwan developed its thriving democracy through domestic upheaval and internal political reform. Taiwan’s political development was all the more impressive because it was accepted by the once-authoritarian and nationalist Kuomintang party. It is not far-fetched to believe that with a precipitous drop in the perceived “foreign threat,” China would look to Taiwan as a model for new political practices appropriate for China as a whole. If China’s political character changes over time in the direction of greater democracy and adherence to human rights standards, this historical evolution would favor stable and friendly relations with the U.S. over the long term.

ECONOMIC BENEFITS

A sharp improvement in relations would also confer a number of economic benefits on the United States. U.S. consumers would be able to purchase a broader range of less expensive, high-quality products than they do now. U.S. companies would benefit from an infusion of Chinese capital and China’s market would, through further reforms, become more receptive to U.S. companies – allowing U.S. companies to invest more extensively as well as export and sell their products more successfully in the Chinese market.

China remains the largest growth market for U.S. goods and services in the world. While the balance of trade has benefited China in recent years, there is reason to believe this balance could shift far more toward the U.S. as China’s

12 "Chinese Nuclear Forces": 2-3 (See Figure 2)

economy matures and demand increases for high value-added goods and services. In this situation, China could certainly come to meet the criteria that U.S. law currently requires for awarding Market Economy Status:

- Fairly valued currency with free convertibility.
- Significantly improved labor conditions in which workers are able to organize freely and bargain collectively.
- Joint ventures between U.S. and Chinese companies across a variety of sectors
- An end to residual government control over the means of production through full privatization of state-owned enterprises.
- The termination of government influence on both pricing and allocation of resources.

ELEMENTS OF A NEW FRAMEWORK

AGREEMENT WITH CHINA

The U.S. has much to gain from a fundamental shift in the paradigm of U.S.-China relations. Achieving this new paradigm is possible through a Framework Agreement which addresses outstanding disputes between the U.S. and China in security, politics and economics.

SECURITY DIMENSIONS

First, a Framework Agreement would relax military pressure on China, a step that is not easy from a U.S. domestic political standpoint. Doing so requires confidence that raising the level of U.S.-China relations is in the best interests of the United States and offers significant benefits.

FIGURE 2

Nuclear Capabilities of the U.S. & China

The U.S. nuclear warhead stockpile is nearly 10,000 while China possesses approximately 200 warheads

The U.S. has more than 830 intercontinental ballistic missiles (ICBMs) that can reach China – most of them equipped with multiple warheads. China has approximately 20 ICBMs that are capable of hitting targets in the U.S.

The U.S. possesses more than 1,000 nuclear cruise missiles that are capable of being delivered by attack submarines or aircraft. China currently has no nuclear cruise missiles.¹²

The U.S. Navy has 16 nuclear ballistic missile submarines and the majority of them operate freely in the Pacific. By contrast, China possesses one and it has never conducted a patrol. Although China may be able to field two to three additional nuclear ballistic missile submarines in the next decade, "they would be highly vulnerable to U.S. anti-submarine forces."

The U.S. has 72 long-range bombers assigned to missions to deliver nuclear bombs or nuclear-tipped cruise missiles. China, by contrast, "may have a small number of aircraft with a secondary nuclear capability, but they would be severely tested by U.S. and allied air defense systems or in air-to-air combat."

Under a Framework Agreement, the U.S. would consolidate, pull back and reduce its forces in Asia so that China no longer perceives an immediate military threat. This decision would drastically curtail close U.S. surveillance and patrolling of the Chinese coast by the Navy and Air Force. It would scale down U.S. forces, which currently maintain a robust deterrence posture in the Pacific, to a level consistent with normal peacetime needs – such as protecting sea lines of communications. With China no longer regarded as a potential major security threat, deterrence would no longer be the operative principle guiding U.S. strategy or regional deployments. As part of a military *quid pro quo*, China would agree to radically reduce and redeploy the missile, naval and air forces that now threaten Taiwan (and, by extension, the U.S. military forces that would come to Taiwan’s aid in the event of war). China would no longer need this force level because the Taiwan issue would be resolved to a great extent within the Framework Agreement. In return for curtailing close U.S. patrols of its coast, China would also agree to pull back, permanently and verifiably, all its forces that are engaged in surveillance and patrolling Japanese territory.

POLITICAL DIMENSIONS

Under a Framework Agreement, China would agree to guarantee the independence of Taiwan’s political system – its democracy, rule of law and human rights standards – in looking forward to future reunification. Although Taiwan’s government would not be required to endorse this agreement, its impact would strengthen the pan-blue faction that seeks reconciliation and rejects *de jure* independence.

Obtaining China’s guarantee for the continuity of Taiwan’s democracy is eminently feasible. In keeping with the “one country, two systems” principle that it applied to Hong Kong, China has already agreed to this if Taiwan accepts eventual reunification. By negotiating firm guarantees and obtaining China’s verifiable agreement to draw down its military forces facing Taiwan, the

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Most importantly, the agreement would mitigate, if not resolve, many of the long-standing historical conflicts between Japan and China.

U.S. would greatly foster democracy and protect Taiwan against military threats from China.

Beyond guaranteeing Chinese respect for democracy and the rule of law on Taiwan, a Framework Agreement would also increase China’s adherence to principles that strengthen political rights, the rule of law and the growth of democracy on the mainland. For example, this agreement could be framed as mutual adherence *in practice* by China and the United States to principles enshrined in the Universal Declaration of Human Rights. Such a formula may be valuable in overcoming China’s traditional objection to any external discussion of its domestic political system as “interference in its internal affairs.” Obtaining agreement on human rights practices would be quite feasible in the context of significantly relaxing U.S. military pressure. A greatly reduced threat perception from China’s perspective, as noted earlier, would weaken the legitimacy of one-party rule and broadly encourage greater democracy. Political factions, both inside and outside the communist party, that favor the expansion of democracy could be expected to support the Framework Agreement.

ECONOMIC DIMENSIONS

It is likely that the main elements of a prospective Framework Agreement with China would

concern security and political issues. Adjusting security relations and reaching consensus on the status of Taiwan would go a long way to putting the overall diplomatic relationship on a qualitatively better track. As a practical matter, diplomats might find it difficult to approach this large, but bounded, set of security and diplomatic issues within a single Framework Agreement. So a series of agreements, one building progressively on the other, might be more easily negotiated.

It would be desirable to include economic issues within a Framework Agreement, even if this amounted largely to an endorsement of agreed principles, with the details to be worked out in subsequent negotiations. A primary principle which would effectively guide the economic relationship for the future is that the two countries should reach a broad bilateral free trade agreement, conditioned on China achieving Market Economy Status. A U.S.-China FTA would lower both tariff and non-tariff barriers to U.S. exports to the maximum extent possible. Based on a much improved security relationship, the FTA would also significantly reduce restrictions on ownership that each country imposes on the other in certain “sensitive” sectors – including telecommunications and national security-related industries. In an overall sense, the FTA would significantly scale-down protectionist measures on both sides and open each country’s market to maximize mutual trade and investment.

IMPACT ON U.S. RELATIONS WITH JAPAN AND SOUTH KOREA

Japan: The U.S. should exert every possible effort to obtain Japan’s support for a new Framework Agreement with China and negotiate this new Agreement, to the extent possible, with the full cooperation of Japan. By giving due consideration to Japan’s leadership role and by underscoring the importance of the U.S.-Japan alliance to American security, the U.S. is likely to obtain Japan’s support. No doubt Japan would benefit as much or more than the U.S. from the long-term peace and stability that a Framework

Agreement entails. However, a new agreement of this kind is so important to the future U.S. position in Asia that the U.S. should move toward it even in the absence of initial Japanese endorsement. By so doing, the U.S. would strongly induce Japan’s support for this initiative.

The benefits to Japan of a new Framework Agreement with China are numerous. Most importantly, the agreement would mitigate, if not resolve, many of the long-standing historical conflicts between Japan and China. By creating a long-lasting basis for peace and stability, a Framework Agreement would dramatically ease these past disputes. As a third party possessing good relations with both countries, the United States is in a better position to foster greater harmony between Beijing and Tokyo than any other regional or global actor.

With a new Framework Agreement in place, there is every reason to believe that the U.S.-Japan alliance can be maintained on the basis of its traditional underpinnings, which have appealed to a consensus of Japanese public opinion for more than fifty years. The current U.S. effort to transform Japan into a bulwark against a future security threat from China has, in fact, upset this consensus, pitting supporters of the traditional alliance against those who would like Japan to acquire more offensive military capabilities. Once it appears that a Framework Agreement has largely allayed any security threat from China, Tokyo would no longer feel a need to build up its military to counter a future “China threat.” Provision of the long-standing U.S. nuclear umbrella and increased cooperation between Japanese and U.S. military forces will stand the U.S.-Japan alliance in good stead for the indefinite future.

South Korea: The Framework Agreement would also resolve a major tension in South Korea’s relations with the United States and strengthen the U.S.-Korea alliance for the long term. During the Cold War, this alliance protected against aggression by both North Korea and China, since an

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13 International Institute for Strategic Studies (IISS), *The Military Balance 2007* (London: Routledge, 2007): 31, 348; International Institute for Strategic Studies (IISS), *The Military Balance 2005-2006* (London: Routledge, 2005): 23 (See Figure 3)

14 *The Military Balance 2007*: 36; International Institute for Strategic Studies (IISS), *The Military Balance 2005-2006* (London: Routledge, 2005): 28 (See Figure 3)

15 See Federation of American Scientists, WMD, B-2 Spirit, <http://www.fas.org/nuke/guide/usa/bomber/b-2.htm> (See Figure 3)

attack from North Korea would likely only have occurred with China's support. Over the past decade, however, South Korea has significantly improved its economic and diplomatic relations with China. China is now South Korea's leading trade partner and Seoul (as well as Washington) relies increasingly on Chinese diplomacy to resolve the outstanding nuclear issue with North Korea in the Six Party Talks. South Korea recognizes that China's influence over North Korea will be crucial in achieving its long-term diplomatic goals, especially reunification of the Korean peninsula.

Radically improved relations between the U.S. and China would effectively eliminate the possibility of South Korea running afoul of the United States in the context of a Taiwan "contingency." It would end the prospect of Seoul being caught between two major powers with which it seeks to maintain good relations. By resolving this fundamental geopolitical dilemma, a new Framework Agreement would significantly strengthen the case in South Korea for maintaining a long-term alliance with the United States – in part, to prevent China from seeking to dominate Korea, as China's economy and influence expands. A Framework Agreement would also significantly lessen China's need to maintain North Korea as a buffer state against the United States and its South Korean ally. China would likely become far more willing to allow the reunification of Korea on terms that Seoul supports since it would no longer regard South Korea or U.S. forces stationed there as potential security threats.

PUTTING THE U.S.-CHINA RELATIONSHIP ON SOUND FOOTING

Although U.S.-China relations today have the semblance of stability, there is an underlying peril. A rupture could come quickly, unexpectedly and take decades to heal. Obviously, this would have broad consequences for the entire region – such as forcing Japan and South Korea into difficult and potentially undesirable strategic choices from a U.S. perspective.

A core political faction in the U.S., with considerable influence in the Bush administration, believes on faith that a future conflict with a "rising China" is inevitable. The China Threat School argues it is just a matter of time until China challenges the dominant geopolitical position of the United States in Asia. Influenced by this line of thought, the Pentagon has adopted a so-called "hedging strategy" that anticipates a future conflict which would likely be triggered by a dispute over the status of Taiwan. Needless to say, the U.S. military, particularly the U.S. Navy, has not been shy in embracing this view since it translates into more procurement, bigger defense budgets and a more important mission than would otherwise be the case.

Under a Framework Agreement, the U.S. could address major points of dispute with China – in the security, political and economic spheres – and put this critical relationship on a far sounder footing. Beginning with security, the U.S. would agree to relax its military pressure against China in the context of a Taiwan settlement, which guarantees the preservation of the island's autonomy and its democratic political system. Through this negotiation, the U.S. would obtain specific security benefits for itself and its regional allies as well as Chinese flexibility on both political and economic issues.

A Framework Agreement would thus allow the U.S. to achieve a critical security goal – a secure and democratic Taiwan. The U.S. could do so without a costly military confrontation. Following this settlement, the U.S. would no longer need the same extent of deployments in the Pacific as it does now. The immense savings in both dollars and military personnel could be devoted by the Pentagon to areas of greater need.

Security would derive from an Agreement that fundamentally adjusts and harmonizes political and strategic goals. U.S. forces could assume a lower profile in an acknowledged peacetime environment without preparing constantly to go to war with China on a moment's notice, as they do now.

16 *The Military Balance 2007*: 36 (See Figure 3)

17 Federation of American Scientists, Military Analysis Network, <http://www.fas.org/man/dod-101/sys/ac/e-3.htm> (See Figure 3)

18 *The Military Balance 2007*: 350 (See Figure 3)

Ironically, many U.S. conservatives who highlight the threat that China poses to long-term U.S. interests accept its political system as a given. They stress U.S. vigilance in countering China's military modernization but they pay little attention to how the U.S. can best foster greater democracy and human rights practices in China. As a consequence, the soundest long-term basis for amicable relations between the two countries – greater consonance of political norms and values – appears all the more unattainable. A new Framework Agreement with China could fundamentally change this calculus.

As the dominant country in the Asia-Pacific, the U.S. faces a crucial strategic choice: it can use its superior diplomatic, political, military and economic power to negotiate a historic Framework Agreement with China that achieves a fundamental shift in the paradigm of U.S.-China relations. Or, to the contrary, the U.S. can narrowly focus on protecting its domestic market and bolstering its military presence in East Asia in expectation of an inevitable conflict with China.

To the so-called “realists” in the China Threat School, a foreign policy of the kind proposed here, based on enlightened self-interest, may seem foolish and naïve. But, in fact, a policy which relies on American power to facilitate a long-lasting framework for cooperation with China, is in the best interests of the United States, now and in the future.

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FIGURE 3

Conventional Capabilities of the U.S. and China

The U.S. Navy operates 12 aircraft carriers, each equipped with more than 55 fighters and ground attack aircraft. China has no aircraft carriers¹³

The U.S. possesses 109 B-1 and B-2 long-range bombers and 52 F-117 fighters with stealth characteristics (in addition to 94 B-52H *Stratofortress* long-range bombers)¹⁴ that have the “unique ability to penetrate an enemy's most sophisticated defenses and threaten its most valued, and heavily defended, targets.” China fields no long-range bombers or fighters with “stealth” capabilities.¹⁵

The U.S. Air Force operates thirty-three E-3 aircraft¹⁶ – airborne warning and control systems (AWACS) – that are considered the “premier air battle command and control aircraft in the world today”.¹⁷ China has approximately four A-50 (a/k/a KJ-2000) airborne early warning aircraft¹⁸ that are far inferior to the U.S. E-3s