

China Insight

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China and the US: an inexorable clash?

The US and China repeatedly explode in outrage over relatively small, manageable problems. The reason is that very big differences underlie the small ones. If the big ones are addressed forthrightly, then the relationship between the two powers could be quite peaceful. If not, we are at risk for the third time in a decade of sliding into a new cold war.

Superficially, the problems have arisen on the US side because of a spy scandal, the post-November 1998 crackdown on dissidents, and a great build-up of missiles opposite Taiwan. On the Chinese side, they arise out of disagreement with Nato's bombing of Serbia, its accidental bombing of the Chinese Embassy in Yugoslavia, and with WTO disappointments.

US-Chinese frictions potentially impinge on China's economy in two ways. First, anti-Chinese sentiment in the US successfully pressured President Clinton to back away from an early deal on World Trade Organization (WTO) membership. In China, that has caused embarrassment to the reformers and given opponents of China's vast concessions time to mobilise. It will be very difficult for China's leaders to make noteworthy concessions to the US after the bombing of their embassy.

Failure on WTO would have serious negative consequences. Premier Zhu Rongji needs WTO membership as a lever to further open China's economy and to break down internal barriers to national distribution. And, particularly in the wake of the WTO's split over who should lead it, the absence of China together with further disarray over Chinese membership could cripple the organisation.

Second, there is always the risk of a clash over Taiwan. In the realm of grand strategy, this should be a time of calm around Taiwan. But a US proposal to build a regional theatre missile defence, designed primarily to defend Japan against new North Korean missiles, could be broadened to include Taiwan. This would physically incorporate Taiwan into a *de facto* alliance of Japan, South Korea, and the US.

The issue has the potential to create a major Washington-Beijing clash and, if it got out of control, to disrupt the Chinese reform. This will not necessarily happen, but it needs to be watched. This is where the philosophical difference between the US and China could become a very palpable confrontation. This is not a technical defence issue but a great global hinge.

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The Sino-US divide

In the US, the real issue is that China's ability, however acquired, to build sophisticated nuclear weapons is a shocking reminder of the fundamental strategic fact of the new age: China is the only power that can aspire eventually to challenge America's status as the sole superpower. Many groups in the US are upset by that, and some of them exaggerate distant potential into present intention.

In China, the real issue is the correct perception that much of official Washington does not accept the legitimacy of the current regime. This raw nerve becomes inflamed by Nato's assertion of the right to bomb Serbia over a human rights issue.

The differences of principle between Nato and China over Yugoslavia are very understandable but also very deep and difficult. China is overcoming two centuries of humiliation, particularly humiliation and violation of its sovereignty by Japan in World War II. For China, national pride and national sovereignty are the most important values in the world; not just the Chinese government, but also emphatically the Chinese people believe this.

The European trauma in World War II was different, and Europe is in a different phase of history than China. The great moral trauma of World War II for Europe was the holocaust, the systematic killing of 6m Jews by a horrible regime. Moreover, the fundamental strategic lesson that Europe learned from World War II was the necessity of overcoming the national divisions and hostilities that caused two world wars.

Since World War II, Europe has been engaged in a gradual relaxation of sovereignty that has seen both the surrender of much political authority to the European parliament in Brussels and, in the other direction, developments like Britain's decision to allow Scotland to have its own parliament. The central themes of modern history are the emphasis on democracy, prosperity, human rights, and peace (especially Franco-German peace) at the expense of sovereignty.

Both the return of China to the status of a prosperous and powerful nation and the overcoming of divisions in Europe are good things. But they give rise to different ways of thinking on the question of sovereignty.

To Europeans and Americans, the "ethnic cleansing" that Serbia has engaged in during two wars recalls the nastiest elements of World War II. It is as if Shanghai decided to eliminate any Beijing people from the entire region around Shanghai and then proceeded by mass killing, rape and terror to chase every non-Shanghainese person into Russia — so that there eventually would be nobody left except Shanghainese. The horrors of what Milosevic has done, first in Bosnia and now in Kosovo, are not fully appreciated in China. Beijing sees Nato's involvement as the equivalent of China intervening in America's civil war, on the grounds that it was unacceptable for Lincoln to kill so many people to keep his country together.

Europeans also remember that Yugoslavia is where World War I started. In fact, much of Milosevic's first war focused on Sarajevo, where the assassination of Archduke Ferdinand began World War I. The Europeans believe they are stopping something truly awful and something that could spread and cause a much broader catastrophe.

Chinese naturally fear that someday the principles applied to Kosovo might be applied to Tibet or Taiwan. But China needs to understand that the European situation is fundamentally different from China's or from anything else in Asia today. The European phase of development, and specifically its attitude toward sovereignty and the requirements of peace, are quite different.

In turn, Washington needs to understand how sensitive all Asian countries — not just China — are to excessive meddling in their affairs. The dangers are everywhere. *The Washington Post*, for instance, wrote a series of news stories and editorials in the same tone of frenzied outrage used for Kosovo about legal changes in Hong Kong that would curtail civil rights there; it never mentioned that the laws in question are less restrictive, and implemented less strictly, than comparable US laws. Then, parts of the US Congress became very threatening and considered very strong actions in connection with Hong Kong's return to sovereignty — an area in which China has kept all its promises and conducted itself admirably, in our view. Justifiable concern for human rights can be abused. Some US labour unions use human rights arguments cynically to deprive Asians of jobs that the market would allocate to them and that hungry Asians desperately need. Such excesses lead not just Chinese but many other Asians to see the US not as a promoter of human rights but as a superpower asserting itself unfairly.

If China can understand Europe's different situation, and if the US can restrain its Wilsonian inclination to meddle except in the most important situations, then there is no reason for China and the US to have a confrontation or a new cold war. Philosophical differences aside, neither threatens the other's important interests and each has much to gain from the other. If these things are understood, then the irritants in the current relationship can be kept in perspective.

Vital interests not at risk

China's foreign policy and security situation is in uniquely good shape. For the first time in centuries, there is no foreign power that directly threatens China's security. Russia is weak, Japan is largely disarmed. India is arguably more a threat to itself than to China. The Mongols, Manchus and Tibetans, once all-powerful invaders, have descended to the status of human rights problems. The US is, in Chinese perspective, a pain but a distant one.

But China needs a nurturing environment if its economic reform is to succeed. It needs to sustain about US\$300bn of trade, US\$40bn or so of foreign direct investment, and extensive international bank and bond financing. It must avoid having to divert resources into foreign defence or foreign adventures; China's leaders know that such diversion would be economically fatal, and ultimately politically fatal, at this juncture in their history.

It is particularly important to note that, despite a recent hullabaloo in the US about Chinese missiles, the Chinese military does not have the logistics or weaponry necessary to mount an attack on Taiwan and has not made any big investments that would accelerate its ability to attack Taiwan. Nor has it indicated plans for any such investments. The People's Liberation Army has the ability to defend China and to do very little else. What is true is that it has gradually accumulated, over a long period, a significant stock of missiles which augment the capability China has always had: the ability to create a psychological shock and the ability to disrupt the island's trade. There is nothing fundamentally new here. China has not upgraded its forces in anything like the proportion that Taiwan has. Assertions that China is engaging in a great military build-up generally, or one aimed specifically at Taiwan, simply have no basis in fact. And, despite frequent assertions by certain individuals hostile to China, there is no evidence whatsoever of any timetable for retrieval of Taiwan; there are groups that would like to impose a deadline, but those groups do not determine government policy. The Chinese military is preoccupied with reorganisation, and will likely be preoccupied for many years; it is not postured for trouble.

The crackdown on dissidents that occurred last November is real and regrettable. Expression of disappointment and concern is quite appropriate. But this hardly justifies apocalyptic announcements that this disproves the synergy between engagement and human rights. The gains of human freedom in China over time have been enormous. China is the freest it has been for centuries. Speech, movement, access to information, and a wide variety of modes of dissent are freer than ever. Efforts to move toward a greater rule of law surpass anything in China's previous history. President Jiang Zemin has been attempting to free up the political environment still more. But the country is going through a temporary squeeze, with 100m people unemployed and 30m people being laid off in state enterprises. Tactically, the leadership appears to be a little scared, so there are temporary setbacks in an otherwise promising context.

On its side, China should be very clear that the bombing of its embassy was an accident, and it should publicise that. It should also apologise for not immediately publicising President Clinton's apology over the bombing.

Collaboration or confrontation

In the reform era, China has sought to forge a productive relationship with the US. This has been a top priority. Jiang Zemin and Zhu Rongji, following on the example of Deng Xiaoping, have made forging a workable relationship with the US a top priority. Hopefully, they will persist. And the US, after several years of angry posturing about cutting off normal trade relations (1992-1995) and two years of confrontation over Taiwan (1995-1996) seemed to have chosen a more cooperative relationship with China. President Clinton will, if he overcomes the current difficulties, go down in history as having averted a second cold war that could have gone on for centuries. That is a noble mark to make in the history books, and he should safeguard it.

According to leading Western diplomats, even before the bombing of the Chinese Embassy, the upsurge in American anti-Chinese sentiment had already caused small but regrettable impacts on Chinese policy. Jiang Zemin has been forced by the other leaders to back off on his pro-US stance, and he has been forced to defer initiatives on Tibet that would potentially have mollified the US — and greatly benefited Tibetans. He had been forced to give more rein than he would prefer to expansionist moves in the Spratleys and to anti-Western rhetoric on Kosovo. It seems to be almost a law of nature that the consequences of major upsurges in anti-Chinese sentiment among US journalists and Congressmen have consequences that defeat the ostensible goals of these groups: pro-Taiwan initiatives

in 1981 and 1995 ended up damaging Taiwan; the anti-most-favoured-nation movement strengthened Chinese conservatives; and current moves have cost Tibet a major opportunity.

Much has been written about WTO recently, and there is little use in recounting it here, but WTO success is not a foregone conclusion and failure could be a major setback for China's reforms.

Second, there is always the risk of a clash over Taiwan. In the realm of grand strategy, this should be a time of calm around Taiwan. Neither China nor Washington wants a confrontation. China's top negotiator will soon visit Taiwan. Next year, Taiwan President Lee Teng-hui will be replaced by one of five candidates, all of whom are less provocative toward Beijing than he has been. But a US proposal to build a regional theatre missile

defence, designed primarily to defend Japan against new North Korean missiles, could be broadened to include Taiwan. This would physically incorporate Taiwan into a *de facto* alliance of Japan, South Korea, and the US.

The great Chinese achievement of the 1970s was to get Taiwan out of an alliance with the US, and the great US achievement was to do so in a way that did not endanger Taiwan's political freedom, human rights, or prosperity. If Beijing's gain is unilaterally taken away, as the missile defence proposal would do, America's and Taiwan's gains will likely disappear with it. This issue has the potential to create a major Washington-Beijing clash and, if it got out of control, to disrupt the Chinese reform. This will not necessarily happen, but it is a real danger. This is where the philosophical difference between the US and China over sovereignty could become a very palpable confrontation.

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