

CHINA BALANCE SHEET

VIEW OF THE UNITED STATES

The direction that China and U.S.-China relations take will define the world's future. For the United States, a rising China increasingly affects American prosperity and security, calling for some clear-eyed thinking and tough economic, political, and security choices. As the twenty-first century unfurls, the stakes have never been higher for getting U.S. policy toward China right. By untangling the complex, sometimes contradictory, strands of this vast and dynamic country, *China: The Balance Sheet* lays the foundation for informed and effective U.S. policy toward China, the world's emerging superpower.

BACKGROUND

- **China's people remain enamored of U.S.** wealth, power, freedoms, advanced technology, and popular culture, and feel positively about Americans as individuals.
- Given Beijing's paramount near- and mid-term priority on attending to its internal challenges and maintaining a peaceful international environment, China's leaders have assiduously sought to **maintain a relationship with Washington that is correct** and cordial, if not conspicuously warm.
- At the same time, they are suspicious of and attuned to perceived hypocrisy in U.S. foreign policy.
 - **Elite Chinese harbor lingering grievances over past indignities and perceived victimization** at the hands of the United States, including the EP-3 spy plane incident in 2001, the accidental U.S. bombing of China's embassy in Belgrade in 1999, U.S. congressional opposition in the mid-1990s to China's application to host the Olympic Games, and continuing U.S. arms sales and defense support for Taiwan.
 - The long-term implications for the relationship of these grievances are uncertain but may be subject to rising populist nationalism in China.
- China also often reveals its discomfort with U.S. global predominance, fueled by a belief among Chinese officials and elite that the United States will seek to slow or block China's emergence as a great power by seeking to:
 - **Split China through policies** of humanitarian intervention, preemption, alliances, missile defense or permanently **separating Taiwan** from the mainland, de facto if not de jure;

For further information, see Chapter 5:
"China's Foreign & Security Policy: Partner or Rival?"

China: The Balance Sheet: What the World Needs to Know Now about the Emerging Superpower

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- Westernize China by propagating “universal values” of democracy and human rights in order to induce change in China’s political system and bring about the downfall of the Chinese Communist Party;
- **Deprive China of an adequate supply of energy** for its development;
- **Draw China down the same path it led the Soviet Union**, leading to the collapse and dissolution of the Chinese state. China often acts consciously to avoid mirroring Soviet missteps, whether by abjuring the notion of engaging in an arms race with the United States, carefully affirming its intent not to place itself in ideological opposition to the United States, or focusing on economic development before addressing dramatic political reform;
- Expand U.S. influence along China’s periphery, **leading to the development of anti-China blocs** that may seek to contain Chinese power or infiltrate and destabilize China’s minority regions.

At a fundamental level, many Chinese officials and elite are convinced that the United States through various methods will seek to slow or block China’s emergence as a great power.

Chinese leaders judge virtually all U.S. policies based on their implications for the Taiwan issue, for continued economic development in China, and ultimately for regime survival.

CURRENT SITUATION

- China and the United States have **expanded avenues of cooperation** through:
 - Creation of a U.S.-China Strategic Dialogue aimed at providing an overarching framework for ongoing bilateral economic discussion to address economic and trade tensions and related issues.
 - The **initiation of a semiannual U.S.-China vice-ministerial Senior Dialogue on strategic issues**, which aims to facilitate candid communication, build understanding, prevent miscalculation, and exchange perspectives at a senior level.
 - Close coordination on the organization and conduct of the Six Party Talks to address North Korea’s nuclear weapons program.
 - Growing government, military, and people-to-people exchanges in the fields of counterterrorism, nonproliferation, UN reform, health, energy, environmental protection, and culture.
 - **Multilateral forums** such as the ASEAN (Association of Southeast Asian Nations) Regional Forum and APEC (the Asia Pacific Economic Cooperation forum).

IMPLICATIONS

- China recognizes the reality of a U.S.-dominated world for the foreseeable future and will likely accommodate where its vital national interests are not directly at stake.
- **Beijing’s pronouncement in 2002 of a two-decade “period of strategic opportunity”** for China was related to its preoccupation with domestic development needs and the U.S. preoccupation with the “War on Terror.”
- Nonetheless, China’s leaders remain worried that once the United States is no longer preoccupied with terrorism, **Washington will return its attention to the “China threat.”**
 - China’s strategists remain focused on the United States as its likely foremost strategic rival in the future.