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AMERICA AND CHINA: A LONG TERM CHALLENGE FOR  
STATESMANSHIP AND DIPLOMACY

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## **Abstract**

The long term stability of East Asia hinges pre-eminently on the character of the relationship that emerges between the US and China. China is the fastest changing power in the world, with corresponding dynamic and stressful relationships with other powers, not least the US. Sustaining a dynamic strategic accommodation will be a tough test of the diplomacy and statecraft of both countries for decades to come.

# America and China: A Long Term Challenge for Statesmanship and Diplomacy

*Ron Huisken*

## **Introduction**

There can be no doubt that stability in North East Asia hinges primarily on the nature and quality of the relationship between Washington and Beijing. While this proposition can be readily advanced, the outlook for this relationship and the implications for regional stability naturally present tougher questions.

The end of the Cold War came as a considerable surprise to both policy-makers and academics. No one had spent any time thinking about how to deal with this development. In Europe, however, being intellectually unprepared and having to think on one's feet proved to be no handicap. The old order cascaded into the new with astonishing speed. The Berlin Wall came down, Germany re-unified, the Warsaw Pact dissolved, the Red Army went home, and home (the Soviet Union) broke up. All in the space of 25 months.

In East Asia, in stark contrast, absolutely nothing happened. This was an illusion, of course. It was quickly appreciated that, in strategic terms, East Asia (and especially North East Asia) remained as the major piece of unfinished business from the Cold War and therefore a key determinant of the ultimate shape of the post-Cold War order. Relationships of power and influence were still very immature and fluid. Moreover, it soon became apparent just how important the Soviet threat had been to sustaining relatively harmonious relations among the big three — the US, China and Japan. Coping without this threat was in some respects tantamount to going back to the beginning, to the pre-Cold War days. And there were not too many positives to build on from those days.

## **US-China Relations**

As China and the United States began, more or less unconsciously, to test the parameters of their post-Cold War relationship, they discovered that the comparative harmony of the 1970s and 1980s had been lost. Though probably hazy on both sides, their respective visions of the appropriate nature of the relationship between them — and, by implication, the influence that each was prepared to concede to the other in shaping the future of Asia — were different, and diverging.

In retrospect, it may well have been the case that China had inflated expectations. The factors contributing to such a frame of mind are not hard to discern. China had, after all, been a close strategic partner for 20 years, a good deal closer in fact than most people realised because the relationship had comparatively little visibility.<sup>1</sup> Moreover, with its particular historical baggage, and all the hype about the power it was expected to become, the Chinese leadership would have felt encouraged to reap earlier rewards and been more assertive about the role it expected to play. In addition, the United States appeared to be signalling that it intended to loosen its strategic grip on Asia: it planned to reduce its forces in Japan and the ROK; it accepted the loss of its bases in the Philippines; and it was prepared to pursue its trade interests with Japan to the point of great cost to the political and even security relationship with this hitherto pivotal ally.

What China appears not to have fully appreciated – and may indeed have been incapable of fully appreciating – was both the extent to which Tiananmen Square had transformed generally favourable impressions of China, and its abrupt demotion in strategic importance to the United States following the demise of the Soviet Union. In any event, as the United States gradually absorbed the full implications of winning the Cold War and began to develop new policy bearings for the still strangely fluid post-Cold War era, it looked upon China with very different eyes. Far from being regarded as the co-determinant of the future order in Asia; Beijing found itself regarded as a prospectively dangerous loose cannon lacking the disciplines of democracy, respect for human rights and compliance with the established norms and conventions of international conduct in fields like trade and non-proliferation. The relationship began to be dominated by differences, above all Taiwan, human rights and proliferation, both nuclear and conventional. In addition, the United States changed course with Japan, restoring the primacy of the political and security relationship, froze the planned reductions in its forward-deployed forces, and reaffirmed its determination to resist the threat or use of force to secure the incorporation of Taiwan into China. The Clinton administration settled firmly on a policy of engagement of China, but the debate in the United States on the alternative of containment was a serious one.

China has never been enamoured of the US alliances with Asian states, and the forward-deployed forces that attended these arrangements. During the Cold War, Beijing's official stance on alliances waxed and waned with its assessment of how the correlation of forces was tilting the East-West balance, and on where Beijing saw itself positioned in that balance at the time. With the end of the Cold War, China initially took a relatively tolerant

line: there was no particular urgency, but alliances were anachronistic, hangovers from a bygone era that should have no place in the new one.

On-going friction with Washington eroded this tolerance until two developments apparently tipped the scales. The first was the confrontation with the US over Taiwan in 1995-96, culminating in the deployment of two US carrier battle groups in waters near Taiwan. The second was the Joint Declaration by the US and Japan in April 1996 re-affirming their alliance. As part of this declaration, Japan undertook to develop new defence guidelines to better define its military role within the alliance as well as the geographic area deemed to be within the scope of alliance operations. For Beijing, obviating the need for Japan to provide fully for its own defence was the one major benefit of its alliance with the US. Now it appeared, in Beijing's eyes, that the alliance was turning into a springboard for Japanese rearmament. In 1996-97, it was widely reported that Beijing had made the fundamental determination that, on balance, the direct and prominent US role in the security equation in East Asia was no longer in China's interests and that China should seek to weaken that role.<sup>2</sup>

Even if this was true—and it is certainly plausible—the current of events and trends was moving in the direction of closer US interest in Asia and sharper interaction with China. And the accidental bombing of the Chinese embassy in Belgrade in 1999 suggested that even lady luck was conspiring to reinforce the drift toward antagonism in US-China relations. The steady consolidation and development of US pre-eminence — most spectacularly in the military field — throughout the decade also strengthened the pressures and temptations in Washington to act unilaterally to achieve its objectives. From Beijing's perspective, two developments in the late 1990s were seen as further graphic examples of America's disdain for China's interests. First, North Korea's launch of a rudimentary three-stage missile in August 1998 tilted the political balance in Washington on missile defence decisively in favour of a commitment to deploy. Even the limited deployment envisaged to cope with numerically small threats from 'rogue' states like North Korea could readily be shown to have the theoretical capability to negate China's modest nuclear deterrent. In addition, the sea-based component of America's missile defences could be deployed to cover Taiwan. More to the point, China appears to be convinced that these possible outcomes in fact constitute the real motives behind the US missile defence program. It should also be borne in mind that, since the US withdrawal from the ABM treaty in mid-2002, China and others have had to rely solely on Washington's *political* assurances that it would limit missile defences to the threat from 'rogue' states.

Second, when China and Russia adamantly opposed intervention against Serbia over humanitarian concerns in Kosovo in the UN Security Council, the US went ahead (with NATO support) without any form of UN authorisation. And it accomplished its objectives. For China – with an eye to Taiwan, Tibet, and the separatist movement in Xinjiang – any confidence that the US could be relied upon to be a relatively benign hegemon essentially evaporated.

When the Bush administration assumed office in January 2001, it essentially codified the preceding decade of difficulty and deterioration in US-China relations. During the campaign it had bluntly characterised China as a strategic competitor. Once in office, it consciously took a more detached or aloof approach to China, signalling – as befits a superpower – that China was an important concern but not especially important. In an early crisis – the collision between a Chinese fighter and a US intelligence-gathering EP-3 aircraft in international airspace off Hainan Island in April 2001 – the administration conspicuously resisted elevating its significance and pursued a resolution through normal diplomatic channels. Moreover, with no particular subtlety, the administration flexed its muscles. In the delicate psychological game over Taiwan, it tilted conspicuously in favour of Taiwan, following up in April 2001 with the most generous arms package since 1992. As a State Department official put it not so long ago, ‘Taiwan is not looked at as a problem anymore. We look at it as a success story.’<sup>3</sup> China clearly remains suspicious that US insistence on peaceful reunification is a cover for a more strategic objective, namely, to protect Taiwan’s considerable value as a military complication for China. In protesting the US decision to allow Taiwan’s Defence Minister to attend a conference in Florida in March 2002, a Chinese Vice Foreign Minister exposed this view when he urged the US to abandon its policy of regarding Taiwan as an ‘unsinkable aircraft carrier’.<sup>4</sup>

The administration also accelerated and recast the missile defence program in ways that made it, again incidentally, an even more serious prospective challenge to China’s nuclear deterrent. This development was reinforced by the US decision to withdraw from the ABM treaty, despite solemn warnings from China and Russia that this would weaken global stability. Finally, in its Quadrennial Defence Review released in October 2001, the administration announced far-reaching changes in policy and posture regarding US conventional forces.<sup>5</sup> Among other things, the QDR made Asia the region of primary interest and concern and, in contrast to the past focus on Korea, signalled US determination to put itself in a position to shape the security environment across the region as a whole.

## September 11

China spontaneously joined the informal international coalition dedicated to assisting the United States in breaking the trajectory of the new form of terrorism practised by al Qaeda, a trajectory that had peaked in the stunning attacks on September 11. This gesture, and Washington's natural pre-occupation with the war on terror, provided a welcome respite from the close and frictious attention the two powers had been paying each other.

China, however, was left to ponder a bigger underlying issue. Washington's new harder but more disdainful posture toward China – and the other actions noted above – were part of a much grander strategy. In contrast to Clinton, who was castigated as content to enjoy unipolarity while it lasted, the Bush administration was resolved to consolidate this condition and to wield it purposefully to ensure that it would endure. And 'purposefully' meant, first and foremost, maintaining absolute military pre-eminence.

We (and China of course) caught a glimpse of this thinking in 1992. Dick Cheney (then Secretary of Defence and now Vice President) commissioned a couple of teams in 1990 to 'think outside the box' about how the US should approach the post-Cold War world. The thinking of the team led by Paul Wolfowitz (now Deputy Secretary of Defence), which included the notions of unassailable military superiority and dealing decisively (including pre-emptively) with marginal actors seeking asymmetric advantage through WMD, won favour. It was also leaked to the *New York Times* and reactions were so adverse that little trace of this thinking can be found in the administration's official documents. All the people involved re-assembled under Bush junior. They clearly still held the views formed eight years earlier and Clinton, for all his perceived faults in Republican eyes, had not diminished America's capacity to put them into practice.

This was an administration focused on grand strategy in the fullest sense of the term. It knew what it wanted to do with unipolarity. Indeed, there was more than a hint of knowing what America *had* to do with unipolarity. The familiar theme of American exceptionalism was expressed more pointedly, as in a Defense Department Report in August 2002:

America's security role in the world is unique ... When US interests are protected, America and its friends prosper from peace and freedom.<sup>6</sup>

In a manner of speaking, the administration consciously and transparently declared that America was assuming the full responsibilities and obligations of being the sole superpower and that it reserved the right to do whatever was necessary to fulfil this role. There was a palpable sense of America detaching itself from the company of mere major powers and of it resolving to take the hard, lonely decisions that are the burden of leadership.

The emphasis on military power was also striking. In a speech just three weeks after his inauguration, President Bush declared that:

The best way to keep the peace is to redefine war on our terms.<sup>7</sup>

On the face of it, this sounds extraordinarily ambitious. But it is hard to deny that America has done exactly this over the past decade.

The view that unassailable military pre-eminence would be the foundation stone of America's new posture had two audiences. The first was the 'rogue' actors that might seek to challenge US interests through asymmetric means, particularly the acquisition of nuclear weapons. The Quadrennial Defense Review of September 2001 signalled a shift away from deterring or defeating specific threats (eg, Iraq or North Korea) to a conventional force posture that could deal decisively with any challenge wherever it arose around the globe. The recent speculation about US forces being based in Australia stems from this review.

The option of using force to pre-empt or prevent the more dangerous of these threats (as reportedly advocated by Wolfowitz in 1991) was clearly articulated by the President and others and became official doctrine in the National Security Statement of September 2002.<sup>8</sup>

The second audience was the larger powers that might seek over time to become a peer of the United States, the likes of China, Russia and, in the view of some, the European Union. The National Security Statement declared:

Our forces will be strong enough to dissuade potential adversaries from pursuing a military build-up in hopes of surpassing, or equalling, the power of the United States..<sup>9</sup>

In an earlier speech in June 2002, President Bush endeavoured to cast the posture of uncontested military pre-eminence in a positive way, as a historic opportunity to break away from the centuries-old tradition of military competition among the major powers.

We have our best chance since the rise of the nation state in the 17<sup>th</sup> century to build a world where the great powers compete in peace instead of prepare for war...Competition between great nations is inevitable, but armed conflict in our world is not. More and more, civilised nations find themselves on the same side – united by common dangers of terrorist violence and chaos. America has, and intends to keep, military strength beyond challenge, thereby making the destabilising arms races of other eras pointless, and limiting rivalries to trade and other pursuits of peace. <sup>10</sup>

One wonders what China and the other ‘great nations’ made of this statement. As we will see below, the Iraq crisis provided a pretty big clue.

A likely key issue for a state like China was whether September 11 and the war on terror represented a derailment of the ‘grand strategy’ or whether the two had effectively been fused. It is unclear to me whether Chinese views as yet lean one way or the other.<sup>11</sup> There are pointers in both directions. On the side of fusion, American prosecution of the war on terror confirmed in crucial ways the strategic direction and style the Bush administration had presented from the outset: America was in sole command because it was perfectly capable of doing (military) things unilaterally if it had to. Further, within months of September 11, America was embedded in Afghanistan and several central Asian republics (China’s back door). It then moved into Iraq, potentially a precursor to pressing for wider changes in the Arab world (which is also two-thirds of the oil world). In addition, America had clearly made China’s long-term ally, Pakistan, an offer it could not refuse, and had put its relations with India (a latent strategic competitor for China) on a more positive footing than they had been for nearly 50 years.

On the other side of the ledger, the Bush administration’s National Security Strategy (September 2002) identified terrorism – not a rising China – as America’s primary strategic threat. Washington now aspired to a ‘constructive cooperative partnership’ with Beijing. Quiet cooperation on terrorism included intelligence cooperation (always a strong signal of genuine common interests) and renewed high-level military dialogue, culminating in January 2004 with the first visit to China under the Bush administration by the chairman of the Joint Chiefs of Staff. And since the North Korean nuclear issue flared again in October 2002, Washington has rather deftly nudged and enticed Beijing into the role of a declared key player.

To be fair, it was not just Washington pushing Beijing into the limelight. Beijing was also being pulled by its own interests. For one thing, I think Beijing became concerned rather quickly after the crisis broke in October 2002 that North Korea was playing for keeps and disposed to take great risks. For another, I think Beijing took very seriously the possibility that the conservative faction in Washington would win the policy battle on North Korea and result in the US giving priority to measures designed to make regime change in Pyongyang more probable. Taken together, these considerations loomed like a prescription for outcomes very damaging to China's interests.

The Six-Party talks are likely to be a difficult test for Beijing and Washington in terms of establishing and maintaining compatible strategies and tactics. Still, the net result is important. In contrast to Afghanistan and Iraq, America would not engage North Korea until the local major power, China, was in the loop.

## **Iraq**

As noted, despite the significant anxieties generated by the Bush administration in just eight months in office, September 11 saw the more or less spontaneous assembly around Washington of the largest international coalition in history.

Within a short time, less than six months, this coalition had fractured over the approach to Iraq. America's unilateral decision to take the war on terror to Baghdad, and its prolonged effort to impose this decision on the international coalition, was in a sense the last straw. The crisis did not start in the United Nations in September 2002. The United Nations inherited an issue on which the international community was already deeply polarised. The odds were stacked against the Security Council from the outset, and it never really got close to framing a consensus approach. And the real issue was not Saddam Hussein but the purposes of American power and the manner in which the Bush administration appeared to be determined to wield that power.<sup>12</sup>

The administration's actions on the Kyoto Protocol, the International Criminal Court, the ABM treaty and its various pronouncements, quoted selectively above, on how unipolarity was going to work had a cumulative effect that not even September 11 could outweigh. The key players – France, Russia, Germany and China – were to varying degrees and for various reasons concerned about where Washington's propensity to present the world with 'take it or leave it' policy settings would lead. They had little in

the way of effective countervailing power until the Bush administration concluded that it had to go the UN on Iraq (not least because US opinion polls revealed strong concern about an international coalition that had shrunk to three). At various points in this saga, China stayed a step or two behind the French in particular. But it left no doubt that it was part of this group spear-heading the opposition to the outcome Washington was seeking.

These countries, I believe, were confident that they were not being casual or irresponsible about the security of the United States, or that of any other country. They were of the view that there was no compelling evidence that Iraq posed a significant and imminent threat to the security of anyone. On this basis, they were prepared to insist on the exclusive authority of the Security Council to make determinations on international peace and security.

The process in and around the Security Council between September 2002 and March 2003 was perhaps the first real example in the unipolar era of lesser states combining to blunt the power of the United States.

Although America went ahead, and gave another breathtaking display of 'redefining war on our terms', the importance of the train wreck in the Security Council on 17 March 2003 should not be underestimated. The most powerful state in history had to go to war without international endorsement and with just two coalition partners, even though it was going to war against a state that had no friends, period. America's stock of 'soft power' had seemingly been depleted. I suspect the American public, however vaguely, will be seeking explanations for this failure and looking for the changes in approach that ensure it won't happen again. I also suspect that the Bush administration has been aware of this for some time, although it held out until the last days of August 2003 before giving the first indications that it might be prepared to soften unilateral US control in Iraq in order to secure significant military and economic assistance from other states.

### **Toward a Net Assessment**

The Sino-American relationship is set to become, if it is not already, the most consequential bilateral relationship in the world. It is certainly pivotal to stability in North East Asia. If this relationship becomes unstable or, worse, trends in the direction of strategic animosity, there is no other state or coalition of states in the region with the strategic weight needed to offset the turbulence.

We had a taste of such turbulence in the 1990s. By the turn of the century, despite, in a sense, the best efforts of the Clinton administration, the US and

China had each singled the other out as the principal obstacle to their strategic vision. In the only major statement on defence and security prepared by the Bush administration before September 11 – the Quadrennial Defense Review (QDR) – China was all but named as the most probable strategic problem of the future. The word ‘taste’ is used advisedly. This strategic ‘competition’ was declared very prematurely. It will be decades before China has a comprehensive portfolio of power remotely comparable to the US, and it will have to resolve some quite staggering internal contradictions to get there.

A year after the QDR, in the President’s statement on national security in September 2002, a rising China no longer figured as a prominent potential threat. The administration now welcomed a ‘strong, peaceful and prosperous China’, albeit with the caution that ‘only by allowing the Chinese people to think, assemble and worship freely can China reach its full potential.’<sup>13</sup>

Most recently, we have Secretary of State Powell declaring that ‘US relations with China are the best they have been since President Nixon’s first visit’ (in 1972).<sup>14</sup> We need to read this statement with just a pinch of salt. Powell, I believe, has launched a drive to recapture the authority to be the principal architect and articulator of American foreign policy. The Pentagon (licensed by the White House) usurped this role for 30 months but stumbled badly in ‘stabilising’ Iraq and has been pushed into the background. And Powell’s basic message is going to be that America can get a lot more done if it leads rather than commands.

It remains the case that there is a great deal of truth in Powell’s claim. The worrisome outlook for Sino-American relations, and for stability in North East Asia, has softened appreciably over the past 2 years. There are several reasons for this. Firstly, since the attacks on September 11, Washington has had more important things to do than to focus intensively on what Beijing was or might be thinking of doing. In all relationships there are circumstances in which the parties can profit from a break. In the international arena, the flow of events and developments do not often allow timely breaks but al Qaeda arguably did so in the case of the US and China.

Secondly, September 11 greatly simplified America’s external agenda. Washington quickly whittled its supreme concerns to just two: international terrorism and the proliferation of weapons of mass destruction (WMD). On both counts, China’s interests have gravitated toward those of the US. China needs an orderly international system to achieve its national aspirations including, very specifically, a strong and well-balanced America to provide

it with investment capital and technology, and to absorb its exports. The trajectory of violence that al Qaeda had demonstrated clearly put this order at risk and had to be broken. In addition, of course, China had its own concerns with militant Islamic groups and was conscious of the risk that connections to Afghanistan and the Central Asian republics would exacerbate its problems. On the whole, therefore, the war against terror has proven to be a fruitful axis of cooperation with the US.

China has also curbed significantly its past tendency to view the proliferation of WMD and related technologies as a policy choice, an objective to be weighed against other political and economic interests. Until quite recently, China would link transactions with Pakistan or Iran that the US viewed with concern to US actions on Taiwan or ballistic missile defence. Now, however, it has wound back its commercial links to Iran's nuclear program, and it inched closer to full compliance with the Missile Technology Control Regime (MTCR). Pakistan's supply of uranium enrichment technology to North Korea was presumably a chastening experience for Beijing, a reminder that the world is indeed a small place.

Most recently, in late 2003 or early 2004, detailed blueprints for the construction of a basic atomic bomb surfaced in Libya and were given to the IAEA. Libya got the blueprints from Pakistan which, in turn, got them from China, probably in the early 1980s.<sup>15</sup> This, and most aspects of the clandestine trade in nuclear and related technologies so spectacularly exposed in recent months, have been the subject of strong speculation in intelligence circles for decades. The same is true, incidentally, of possible Soviet and/or Chinese assistance to North Korea's nuclear weapon program in the 1970s and 1980s. It seems unlikely in these circumstances that the latest revelations will be a source of major friction between Washington and Beijing.<sup>16</sup> On the other hand, they will undoubtedly give Washington a useful psychological advantage in pressing China toward an even more robust non-proliferation posture.

Thirdly, China is now visibly more relaxed about the major institutions and processes that underpin global order. It once viewed these bodies with suspicion as structured to advance the interests of the established powers that created them. Now China is a member of the WTO, has attended a G8 meeting, initiated a dialogue with NATO, and considers itself to be a defacto participant in the MTCR. In other words, perceptions of China as a 'team player' are beginning to displace concerns that it would remain a 'loose cannon'.

What does all this mean? It certainly means that China and the US are better positioned today than 2-3 years ago to manage their relationship without the peaks and troughs on a generally declining trend that characterised the 1990s. Barring a miscalculation on the Korean peninsula – still an uncomfortably big caveat – this makes the outlook for general stability in North East Asia relatively positive.

What it does not mean, of course, is that competition for power and influence in North East Asia – with the US and China constituting the main game – will cease. History, theory and commonsense all point to the contrary. The US has written the script for regional security for 50 years. At the very least, it will seek to manage the emergence of a co-author very tightly. Similarly, we can be certain that China's apprehensions about US power and the purposes to which it might be put have not abated in the least.

The Pentagon clearly believes this to be the case: 'While seeing opportunity and benefit in interactions with the United States – primarily in terms of trade and technology – Beijing apparently believes that the United States poses a significant long-term challenge.'<sup>17</sup> Hu Jintao concurs. In private internal deliberations, he is alleged to have observed:

The US has strengthened its military deployments in the Asia Pacific region, strengthened the Japan-US military alliance, strengthened strategic cooperation with India, improved relations with Vietnam, inveigled Pakistan, established a pro-American government in Afghanistan, increased arms sales to Taiwan, and so on. They have extended outposts and placed pressure points on us from the East, South and West. This makes a great change in our geopolitical environment.<sup>18</sup>

While Washington has been distracted by the war on terror, Beijing has been diligently courting ASEAN with free trade agreements, trying to develop the ASEAN Plus 3 forum (which excludes the US) into the central multilateral forum for the region, and promoting its new security concept as an (unstated) alternative to the US-led alliance framework. It should also be recalled that China overtly joined the protest led by France against Washington's prevailing vision for global governance. This protest has been revived in the context of a renewed inclination by the US since August 2003 to offer, through the Security Council, resolutions that carefully qualified its powers in Iraq in order to attract wider military and financial support. France and Germany, followed by Russia, have been gently critical, urging Washington to be more forthcoming. Beijing, however, has thus far kept a low profile.

Beyond these considerations, Taiwan always lurks as an issue that can swiftly overturn any and all positive trends. President Chen's manoeuvres in recent months to conduct a 'defensive (later 'peace') referendum' (on Chinese ballistic missiles deployed within range of Taiwan) alongside the presidential elections, and to foreshadow further constitutional amendments, have again sharpened the dilemma for both Washington and Beijing. During the visit to the US of China's Premier, Wen Jiabao, in December 2003, President Bush criticised Chen publicly for possibly being 'willing to make decisions unilaterally that change the status quo, which we oppose'. Two subsequent high-level US visits to China conveyed 'balancing' messages. In January 2004, the chairman of the Joint Chiefs of Staff, indicated that he had stressed to China's military leaders (including former president Jiang Zemin) that the US would resist any attempt to use coercion to resolve the status of Taiwan.<sup>19</sup> The following month, a senior civilian US defense official, Douglas Feith (Under Secretary for policy), indicated that he had urged his Chinese counterparts to consider 'whether actions by China to build up its missiles are serving our common interests' (in peace).<sup>20</sup>

In sum, Sino-American relations are in no sense out of the woods. In a sense, of course, they never will be. At the present time, the positive considerations are more prominent. Moreover, there is at least the chance that this favourable balance will be consolidated in the coming months. America's difficulties in Iraq provide a critical opportunity for the United States and all the major powers to outline a new accommodation and to begin to close the divisions that became so stark in the Security Council on 17 March 2003. Similarly, if there is to be a good outcome on North Korea, it will be because Washington and Beijing succeed in skilfully (but discreetly) orchestrating their respective bags of carrots and sticks.

The fact remains, however, that China is the fastest changing power in the world. This also means that all its key relationships are among the most dynamic and stressful in the world. And at the top of China's pyramid of relationships is that with the United States. Sustaining a dynamic strategic accommodation, and preserving a robustly stable North East Asia region, will be a tough test of the diplomacy and statecraft of both countries for decades to come.

**Notes**

- 1 See James Mann, *About Face*, Alfred A. Knopf, New York, 1999, especially pp. 369-376.
- 2 See, for example, Jim Hoagland, 'China: Two Enquires...', *Washington Post*, 20 July 1997.
- 3 Quoted in John Pomfret, 'In Fact and in Tone, US Expresses New Fondness for Taiwan', *Washington Post*, 30 April 2002.
- 4 Quoted in Bonnie S. Glasser, 'Two Steps Forward, One Step Back', *Comparative Connections*, (An E-Journal on East Asian Bilateral Relations), 16 April 2002.
- 5 See the author's, 'QDR 2001: America's New Military Roadmap', SDSC Working Paper No. 366, March 2002.
- 6 US Department of Defense, *Annual Report to the President and the Congress*, Washington DC, 15 August 2002, pp. 9-10.
- 7 Remarks by the President to Troops and Personnel, Norfolk Naval Air Station, Norfolk, Virginia, 13 February 2001.
- 8 President George W. Bush, *The National Security Strategy of the United States*, Washington DC, 20 September 2002, p. 11.
- 9 President George W. Bush, *The National Security Strategy of the United States*, Washington DC, p. 22.
- 10 Graduation speech at the United States Military Academy, West Point, New York, 1 June 2002.
- 11 For a thorough and intriguing assessment that indirectly addresses this question, see Yuan Peng, 'Iraq War and Principal Contradictions in World Politics', *Contemporary International Relations*, Vol. 13, No. 7, July 2003, pp. 38-60. Yuan concludes that China is not central to either of today's principal contradictions – terrorism and American hegemony – leaving the road relatively open for its strategy of 'hiding its ability and biding its time in order to get something done'.
- 12 For a fuller discussion, see the author's 'The Road To War On Iraq', Canberra Papers on Strategy and Defence, No.148, June 2003.
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- 15 Joby Warrick & Peter Slevin, 'Libyan Arms Designs Traced Back to China', *Washington Post*, 15 February 2004.
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