

The United States and the Rise of China: Implications for the Long Haul

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Today, economically wounded though it is, the United States nonetheless remains the world's most powerful state when power is measured in terms of economic and military assets. In the future, the U.S. economy will continue to grow, and the United States will remain the most powerful military nation on earth for some time to come. However, America's economic and military edge *relative* to the world's other great powers, will inevitably diminish over the next several decades.

The country best positioned to challenge America's preeminence, first in East Asia, and then perhaps later globally, is China. If China's economy continues to grow for two more decades at anything close to the rate of the last two decades, then it will eventually rival and even surpass the United States in the size of its gross domestic product (GDP—measured in purchasing power parity terms, not in constant dollar terms), although not in per capita GDP.¹ Even if its economy never catches up to America's, China's remarkable economic growth has already given it significant political influence in East Asia, and that influence will only grow as China's economy continues to grow. Moreover, having emerged as the low-cost manufacturing platform of the world, China's economic influence extends well beyond East Asia and affects not only the rich great powers but also the struggling smaller developing ones, because of both its competitive prices for low-cost goods and its voracious appetite for raw materials. China is determined to climb up the technological ladder and may well give the United States a run for its money.² China is already the dominant

¹ For a skeptical view of this happening anytime soon, see Lester Thurow, "A Chinese Century: Maybe It's the Next One," *The New York Times*, 19 August 2007.

² See Clive Cookson, "China Leads World in Growth of Scientific Research," *Financial Times*, 26 January 2010; Keith Bradsher, "China Drawing High-Tech Research from U.S.," *The New York Times*, 18 March 2010.

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military land power on the East Asian mainland, and it has made significant strides in creating pockets of excellence in its armed forces. If it continues to channel a healthy portion of its GDP into its military forces over several more decades, and if it makes a determined naval and air power projection effort, China might be able to deploy a maritime force that could contest America's supremacy at sea in East Asia, much as the German fleet built by Alfred von Tirpitz in the decade before World War I posed a severe threat to the British fleet in the North Sea.

Historically, the rise of one great power at the expense of the dominant one has nearly always led to conflictual relations between the two, and, more often than not, eventually to a war between them that has dragged in other great powers.³ Is the history of rising versus dominant great-power competitions, including great-power war, the future for U.S.–China relations?

Clearly, there will be political and economic conflicts and friction between the United States and China as China's economic and military power in East Asia and its global economic and political reach continue to expand. Clearly, there will also be some arms racing between China and the United States as each jockeys for advantage over the other, as each is driven by its respective military necessities of intimidating and defending Taiwan, and as the United States responds to China's growing power projection capabilities. Historically, dominant powers have not readily given up their position of number one to rising challengers, and rising challengers have always demanded the fruits to which they believe their growing power entitles them. There is no reason to expect that things will be different in this regard with China and the United States. Thus, they will not be able to avoid a certain level of conflictual relations and political friction over the next several decades.

Are mostly political friction and conflictual relations, and even war, the main things that these two powers have to look forward to, or are there also some significant shared interests and hence, bases for cooperation in both the medium term and the longer term, such that the peace-inducing aspects of the U.S.–China relationship could come to overshadow the conflict-producing ones? No one can say for certain which is the case. However, if we believe that there are distinct elements in the Sino-American relationship that differ from past dominant power–rising power dyads, then the dismal history of such dyads need not be the future of this one. If this is so, then the right policy choices by both countries can keep the two on a path that has more cooperative than conflictual elements to it, thereby avoiding the doom-and-gloom scenario that too many of today's analysts portray.

To explore this possibility, first, I lay out what I conceive to be the fundamental parameters or starting points regarding the nature of current and future

³ See Dale C. Copeland, *The Origins of Major War* (Ithaca, NY: Cornell University Press, 2000); and Robert Gilpin, *War and Change in International Politics* (Cambridge: Cambridge University Press, 1981).

U.S.–China relations. Then I lay out America’s interests in East Asia and assess whether these are opposed to China’s interests. Finally, I prescribe policy guidelines for America’s China policy over the long haul.

THREE KEY BENCHMARKS

Fundamental to my analysis of future U.S.–China relations are three key benchmarks. First, we cannot predict with any certainty the content of China’s intentions and goals several decades out, but we can with confidence state that they will be more expansive than they now are. Second, the United States, short of preventive war, which is not a viable policy, cannot stop China’s rise, although perhaps it could slow that rise for a time through hostile economic policies. Third, we should not assume that the Sino-American relationship is doomed to repeat the dismal record of the three previous dominant power–rising power dyads of the last 100 years, because there are marked differences between the former and the latter three.

China’s Future Intentions

Much has been made of China’s strategy of “peaceful rise” (which is now called “peaceful development”). According to Avery Goldstein, it consists of two main efforts: first, to emphasize to China’s neighbors, by actions and not simply words, that China is a responsible and cooperative member of the international community; and second, to improve relations with the world’s leading states. The first involves an active multilateral policy and the avoidance of a heavy-handed unilateralism in asserting China’s interests; the second, cultivating good bilateral relations with major powers to demonstrate the advantages of dealing with China.⁴ The first is a reassurance strategy to assuage the fears of China’s neighbors about its rising power; the second is a calculated policy to prevent a hostile coalition of great powers from forming. The strategy of peaceful rise is the policy of a weak state, of a great power not yet arrived, but of one whose power is growing, that needs a peaceful environment for its power to continue to grow, and that wishes to avoid encirclement as it grows more powerful.

The strategy of a rising great power is not likely to be the strategy of a fully arrived great power. Of course, we cannot know with certainty what course China will follow once it has reached the power status it clearly desires, but we would do well to expect much the same for China as has happened with every other emergent great power of the modern era: its ambitions will grow as its capabilities increase. Great powers always find reasons to wield their great power. Expanding power creates new goals because more power creates more opportunities for influence.

⁴ Avery Goldstein, *Rising to the Challenge: China’s Grand Strategy and International Security* (Stanford, CA: Stanford University Press, 2005), 188 and ff.

Thus, although we cannot predict the exact nature of Chinese intentions and goals a few decades from now, we can assert with high confidence that China's goals will be more expansive than they now are. China, too, will want its "place in the sun," just as every other great power that has arrived. This does not mean that China will be an aggressive, warlike nation, nor simply a strictly peaceful one. It only means that China will do what all great powers do: not simply react to its international environment, but instead act to shape that environment in ways that are conducive to its national interests.

China's Inexorable Rise

A second benchmark for American policy toward China is that the United States cannot stop the rise of China, although it could make China's rise more difficult by working actively to disrupt its economic growth for a time. The most forceful advocate of attempting to slow China's rise is John Mearsheimer, who argues that

American policy [on China] has sought to integrate China into the world economy and facilitate its rapid economic development, so that it becomes wealthy and, one would hope, content with its present position in the international system. This U.S. policy is misguided. A wealthy China would not be a status quo power but an aggressive state determined to achieve regional hegemony.... Although it is certainly in China's interest to be the hegemon in Northeast Asia, it is clearly not in America's interest to have that happen.... It is not too late for the United States to reverse course and do what it can to slow the rise of China.⁵

Mearsheimer only makes a policy prescription; he does not lay out in specific terms how the United States could slow China's rise. Careful inspection of this idea shows that under current conditions, China's rise is inexorable; consequently, trying to slow or disrupt it is foolhardy and will only backfire.

Stopping the rise of China means containing Chinese power. That, in turn, requires halting or drastically curtailing China's economic growth, upon which all else depends, and thwarting its rising influence regionally and globally. Stopping China's rise would be equivalent to what I have called "compound containment," which was applied against the Soviet Union during the Cold War.⁶ Compound containment involves two central ingredients: stalemating a power militarily and waging economic denial against it. The former is designed to prevent the state from gaining any political leverage from its military power; the latter, to weaken a state economically, either by actually reducing its gross domestic product, or by severely constricting its technological improvement and rate of economic growth. As I have argued, the record of America's success with the economic component of compound containment is mixed, at best.

⁵ John J. Mearsheimer, *The Tragedy of Great Power Politics* (New York: W. W. Norton, 2001), 402.

⁶ Robert J. Art, *A Grand Strategy for America* (Ithaca: Cornell University Press, 2003), 113–114.

The United States has applied economic denial against nine states since 1945. The larger ones—China and the Soviet Union—suffered less than the smaller ones, because their economies were less dependent on foreign trade than the smaller ones; the smaller ones suffered less than they might otherwise have because they were bailed out by their respective Chinese and Soviet patrons; and strategic embargoes (denying a state access to advanced technology and arms) worked better than economic warfare (weakening the overall ability of a state's economy to generate and sustain its military power).⁷

Would economic denial work better against China today than it did for the Cold War cases? A reasonable conclusion is “no,” for four reasons.

For starters, a determined policy to hurt China economically so as to slow its growth would hurt the United States economically as well, because the two have a high level of economic interdependence with one another, even if that interdependence is not symmetric. Who would be hurt more is difficult to say, but both could be hurt substantially in any determined and vicious policy of economic warfare.

The most direct way for the United States to hurt China would be to block all of China's exports to the United States. In 2008 (the most recent figures available), China (which includes mainland China, Hong Kong, and Macao) exported \$364 billion to the United States, or 20 percent of its total exports of \$1.8 trillion for the year.⁸ In 2008, China's GDP (in current dollars) was \$4.3 trillion.⁹ This means that in 2008, 8.5 percent of China's GDP was exported to the United States, an astoundingly high figure, and one that looks as if it creates a huge dependency of China on access to the U.S. market.¹⁰ This dependency is large, but not quite as large as the above figures would imply, because, as Richard Cooper points out, China's exports are measured in terms of gross value, not the value added in China. Because many of China's exports involve the processing of imports, a total cessation of exports to the United

⁷ *Ibid.*, 114–119.

⁸ International Monetary Fund, *Direction of Trade Statistics Yearbook, 2009* (Washington, DC: International Monetary Fund, 2009), 141, 145, 148, 541, 542. The figure for China's total exports to the world is based on Chinese export data. The figure for China's exports to the United States, however, is based on U.S. import data, not China's export data. These two figures are not the same because, as the International Monetary Fund makes clear, there are discrepancies in bilateral trade statistics as reported by China and its industrial trading partners. I used U.S. import figures from China to measure China's exports to the United States because I deem the U.S. figures more accurate. Finally, in 2008, the United States exported to China, Hong Kong, and Macao \$93 billion, or 7 percent, of its total exports.

⁹ China's GDP for 2008 is taken from the World Bank. See <http://data.worldbank.org/indicator/NY.GDP.MKTP.CD>. The GDP figure is rounded.

¹⁰ A useful benchmark for assessing China's dependence on the U.S. market is the percentage of U.S. exports to Canada, which is America's largest trading partner. In 2008, U.S. exports to Canada amounted to \$261 billion, or 20 percent of total U.S. exports (1.3 trillion) for that year (International Monetary Fund, *Direction of Trade Statistics Yearbook, 2008*), 541.

States would be something less than 8.5 percent of GDP.¹¹ Still, the abrupt loss of the U.S. market would be highly disruptive in the short term to China.

The problem is that such a policy of economic warfare would be highly disruptive to the United States, as well, because China holds a powerful financial lever over the United States and could retaliate. As of March 2010, China held \$895 billion (11.5 percent) of the \$7.8 trillion total outstanding U.S. Treasury securities that are privately held (as of December 2009). China is now the largest foreign holder of U.S. Treasury securities, with Japan second at \$785 billion.¹² China could retaliate against an American embargo on China's exports by dumping its holdings of Treasury securities or by refusing to buy any more. That would hurt the value of these holdings because it would depress their price and thus hurt China, but the United States, too, would be hurt in the process. Unless others stepped in to pick up the slack, interest rates would have to rise in the United States, probably significantly, and that would bring on a recession, or perhaps even something worse—a financial crisis.

During the Cold War, economic warfare worked poorly against China and the Soviet Union because these two economies were not highly connected to the global economy. Perversely, economic warfare could work better now, but because China is highly connected to the global economy and to the United States, it could hurt the United States badly in ways that economic warfare against the Soviet Union never could. In short, the United States and China are in a mutually assured destructive relationship economically: each can retaliate against economic warfare waged by the other, and the consequence is that neither can easily coerce the other through economic warfare. When deterrence exists, whether military or economic, coercion is rendered difficult.¹³

Second, waging economic warfare against China, when it appears unprovoked by any Chinese actions, would backfire politically against the United States. Unless imposed in retaliation against some grievous Chinese aggression, such a policy would smack of U.S. unilateralism and would not be supported by other states. The political results for the United States could be disastrous, including a severe hollowing out, or even destruction, of its main East Asian alliances. The problem for the United States is that China is not the Soviet Union: China does not have the same heavy-handed policy, missionary

¹¹ Richard N. Cooper, "Is 'Economic Power' a Useful and Operational Tool?" 25, accessed at <http://economics.harvard.edu/faculty/cooper/papers/Economic%20Power.pdf>, 10 December 2006.

¹² As of March 2010, total foreign holdings of U.S. Treasury securities were \$3,884.6 trillion, of which Japan and China held \$1.680 trillion. See the U.S. Treasury's International Capital Flow data at <http://www.treasury.gov/tic/mfh.txt>. Total U.S. treasury securities as of December 2009 amounted to \$12.3 trillion. Of that total, \$4.5 trillion was held by the Federal Reserve and U.S. Government accounts and the rest was privately held. See United States Treasury, Table FD-1 (Summary of Federal Debt), *Treasury Bulletin*, March 2010, 22, accessed at <http://www.fms.treas.gov/bulletin/index.html>, 25 April 2010.

¹³ Daniel Drezner makes this point well. See Daniel W. Drezner, "Bad Debts: Assessing China's Financial Influence in Great Power Politics," *International Security* 34 (Fall 2009): 7–45, at 44.

zeal, and threatening military posture that the Soviets did. As a consequence, economic warfare would bring disastrous economic and political results for the United States.

Third, waging economic warfare through a ban on Chinese exports to the United States, a cessation of U.S. foreign direct investment in China, a ban on U.S. agricultural and high-technology exports to China, and the like, will not work if only the United States imposes them. Historically, the evidence about economic warfare suggests that it does not work or will not work well if only one country wages it, even if that country is as powerful as the United States. Sanctions are more effective when all of a country's trading partners work in unison and when multilateral sanctions are supported by an international organization, which makes the multilateral coalition more robust and durable.¹⁴ Evidence and logic therefore suggest that in the event of U.S. economic warfare against a China that had not become aggressive, other countries would merely step in to fill the shoes of the United States. This result seems all the more probable given the fact that the Chinese economy is a powerful economic magnet not only in East Asia but also globally. Other states would be more than happy to see a cessation of American economic competition for the fruits of China's economy. The China market is simply too important to too many states for them to cooperate with the United States in waging economic warfare against a state that is pursuing a peaceful rise strategy.

Thus, we are led to this perverse result: if China's low dependence on foreign economic activity made it a poor target for economic warfare during the Cold War, then China's huge economy and high dependence on foreign economic activity today still make it a poor target for economic warfare.

Finally, waging unprovoked economic warfare against China would be foolhardy because it would create a self-fulfilling prophecy. As Joseph Nye put it: "The best way to make an enemy of China is to treat it like one."¹⁵

In sum, if the point of America's policy toward China is to produce as cooperative, benign, and satiated a great power as possible through integration into the Western order as its power grows, then an American policy of unprovoked economic warfare against a state cannily pursuing a policy of peaceful rise would be downright stupid. The United States cannot stop China's rise on its own, and it cannot get the cooperation of others to do so unless China stumbles badly diplomatically. Only a militarily aggressive, heavy-handed, unilateralist Chinese foreign policy would create the political conditions necessary for a compound containment strategy against China. So far, China's leaders have been too smart for that, and short of that, the United States will

¹⁴ See, for example, Elizabeth S. Rogers, "Using Economic Sanctions to Control Regional Conflicts," *Security Studies* 5 (Summer 1996): 45, 71–72; and Daniel W. Drezner, "Bargaining, Enforcement, and Multilateral Sanctions: When Is Cooperation Counterproductive?" *International Organization* 54 (Winter 2000): 75, 97–98.

¹⁵ Quoted in Cooper, "Economic Power," 35.

TABLE 1

Dominant Power Versus Rising Power Competitions

<i>Dominant-Rising Power Dyad</i>	<i>Security Enjoyed by Both Powers Vis-à-vis One Another</i>	<i>Level of Economic Interdependence</i>	<i>Ideological Competition</i>	<i>Outcome</i>
United Kingdom–Germany pre-1914	In 1914, security thought to be low for the future if corrective action (war) not taken	High	Low	War
United Kingdom–Germany pre-1939	Low in the 1930s due to presumed airpower threat	Low to medium	Medium to high	War
U.S.–Soviet Union during the Cold War	Initially believed to be low; turned out later to be high	Low	High and intense	Cold War; serious crises at first; then an uneasy peace
U.S.–China Today	High for U.S., low to medium for China, but getting better as Chinese nuclear forces improve	High	As yet, low to nonexistent	To be determined

simply shoot itself in the foot if it tries to stop or slow China's rise single-handedly. If China's rise is to be thwarted, then China itself will have to do it, either through a self-defeating diplomacy abroad or gross political and economic malfeasance at home. China's rise is China's to lose.

Power Transitions and Security Dilemma Dynamics

A third benchmark for U.S. policy toward a rising China is this: do not assume that Sino-American relations will follow the course of recent cases in which a rising power has challenged a dominant one. There are too many significant differences between these cases and the current one to draw such a firm conclusion.

To defend this assertion, in Table 1, I compare the current Sino-American competition with the three most-important rising-power-versus-dominant-power competitions of the last 100 years—those that resulted in either a great-power hegemonic war or a sustained and intense political–military competition for hegemonic dominance between two great powers. (Hegemonic wars and hegemonic political–military competitions are conducted to determine which power will be number one and able to set the rules of the international system.) The first two competitions—Britain versus Germany in the decade before World War I and Britain versus Germany from 1933–1939—resulted in war; the third—the United States versus the Soviet Union during the Cold

War—resulted in an uneasy peace between the two powers, punctuated by numerous proxy wars.¹⁶

I focus on three variables in order to explain the outcome of these cases: first, the level of security that both powers enjoyed, or believed they enjoyed, in general and vis-à-vis one another in particular, with security defined as protection of the state's homeland from physical attack and its political sovereignty from severe infringement; second, the extent of economic interdependence between them, with interdependence defined in terms of the level of economic interactions—especially trade—between the two states; and third, the degree and intensity of ideological competition that they experienced. I do not present these three variables as a full-blown deductive theory about war and peace between rising and dominant great powers; such theories have been presented by others, although with somewhat contradictory results.¹⁷ Instead, I argue that these three factors—and especially the first, as is made clear below—are the most important ones to look at in order to determine the level and intensity of hostility and conflict, and, hence, the likelihood of war, between two great powers that believe they are experiencing, or may soon experience, a fundamental power shift between them.

All other things being equal, the intensity of competition and the likelihood of war between a dominant power and a rising challenger should vary as follows. First, the lower the level of security each enjoys or believes it enjoys

¹⁶ These three cases do not include all the great-power cases of rising-versus-dominant power dyads of the last 100 years. Most prominently and deliberately excluded is the U.S.–British case of the late nineteenth–early twentieth centuries. In Table 1, I focus on two types of competitions: those that resulted in a great-power hegemonic war or those that entailed a hostile, intense, and sustained political competition for hegemony and that involved heavy reliance on military force to fight proxy wars or to engage in arms races to achieve political hegemony. The U.S.–British case does not fall into either category, although the United States did threaten the British with a naval arms race after World War I if they did not renounce the Anglo-Japanese Treaty of 1902. By focusing on the three cases I have chosen, I have selected on the dependent variable—those cases in which the outcome is either war or a sustained political–military rivalry rather than peace or peaceful accommodation, with the result that the conclusions of this analysis are, to a degree, biased. Nonetheless, there is still analytical merit in focusing on these two types of hegemonic competitions to see what conclusions we can draw. For a slightly different list of important power transitions, see Jacek Kugler and A.F.K. Organski, *The War Ledger* (Chicago, IL: University of Chicago Press, 1980), 49. For an analysis of why the U.S.–British case ended in peace, not war, see Stephen R. Rock, *When Peace Breaks Out: Great Power Historical Rapprochement in Historical Perspective* (Chapel Hill: The University of North Carolina Press, 1989), chap. 2. For a more general treatment of the strategies that dominant powers employ to cope with rising powers, see Randell L. Schweller, “Managing the Rise of Great Powers: History and Theory,” in Robert S. Ross and Alastair Iain Johnston, eds., *Engaging China: The Management of an Emerging Power* (London: Routledge, 1999), 1–32.

¹⁷ There are four distinct theories as to why wars occur between rising and dominant great powers, but in one way or another, all four revolve around perceptions or actual manifestations of fundamental power shifts between the two states. The first three theories argue that the dominant power launches the hegemonic war; the fourth, that the rising power launches the hegemonic war. Dale Copeland argues that the dominant power will launch a preventive war against a rising power when

vis-à-vis the other or in general, the more likely are serious security dilemma dynamics, intense arms racing, and war between the two. Conversely, if these states feel that they are relatively secure from attack and that their political sovereignty is not being compromised (or will not be compromised) by the actions of the other, then they can experience a greater level of hostility that may arise from conflicts over non-security issues without war being the result. There are many reasons why two states can wage war with one another; however, if each believes it is relatively safe from attack by the other, then one of the most powerful historic incentives for war—insecurity—is removed.

Second, under the right conditions, the higher the level of economic interdependence between two states, the less likely will security competitions and war between them take place. The three conditions under which high levels of economic interdependence can be peace-inducing are: first, when two states believe that they can more profitably resort to economic rather than military means in order to prosper; second, when they believe that the economic vulnerabilities that result from economic interdependence cannot be quickly and easily turned to their military disadvantage; and third, when they believe that should the first two conditions change, they can readily protect themselves or find allies who will.¹⁸

Finally, the greater the ideological differences between the two states, the more intense will be their competition and the more likely they are to experience arms races, intense security dilemmas, and war. Security concerns have been powerful factors for war, but they are not the only factors.

it believes that its own decline is both inevitable and steep and at a time when it believes it is still more powerful than the rising challenger. (See Copeland, *The Origins of Major War*, chap. 2.) Robert Gilpin argues that hegemonic wars occur between a dominant and a rising power when the governance of the system and its power distribution are in disequilibrium, in other words, when the rising power does not benefit from the system as much as its power entitles or enables it to; and although he is a little vague about which state starts the war, it is generally the declining but still dominant power that does. (See Gilpin, *War and Change in World Politics*, chap. 5.) Stephen Van Evera argues that windows of vulnerability and opportunity produce war between a declining dominant power and a rising power when the former attacks the latter. [See Stephen Van Evera, *The Causes of War: Power and the Roots of Conflict* (Ithaca, NY: Cornell University Press, 1999), chap. 4. Finally, the power transition school, founded by A.F.K. Organski, argues that peace obtains when the dominant state has a huge preponderance of power over any potential challenger, but that wars occur as the power disparity between the dominant and rising power narrows, and occurs just before the rising power achieves parity with the dominant power, or at the moment when it has achieved parity, or just after it has overtaken the dominant power—the time when war is initiated, depends on which version of the power transition theory is used. See A.F.K. Organski, *World Politics*. 1st ed. (New York: Alfred A. Knopf, 1958), chap. 12, esp. 333; Kugler and Organski, *The War Ledger*, 19–22, 49–61; Jacek Kugler and Douglas Lemke, eds., *Parity and War: Evaluations and Extensions of the War Ledger* (Ann Arbor: University of Michigan Press, 1996), chap. 1; and Ronald L. Tammen, Jacek Kugler, Douglas Lemke, Carole Alsharabati, Brian Efirid, and A.F.K. Organski, *Power Transitions: Strategies for the 21st Century* (New York: Chatham House Publishers, 2000), chap. 1.

¹⁸ See Art, *A Grand Strategy*, 66–67.

Ideological hostilities—conflicts over how social power should be organized within states—have also contributed to hostility and war between states. The Cold War, for example, was not simply about U.S.–Soviet security, it was also about values—democratic market capitalism versus communism—and which would prevail globally.

Close inspection of Table 1 reveals that neither economic interdependence nor ideological competition is a good predictor of whether a dominant power and a rising power will go to war or remain at peace. In 1914, for example, Germany was England’s second-best customer for its exports, and England was Germany’s best customer for its exports.¹⁹ Before the war, they did not experience intense ideological competition, and, in fact, shared many political similarities. Yet, the two ended up at war. Throughout the 1930s, England and Germany did not have as high a level of economic interdependence with one another as they had before World War I, and they did experience some ideological competition.²⁰ At the outset of and during the course of the Cold War, the United States and the Soviet Union experienced a low level of economic interdependence with one another, and their ideological competition was high and intense.²¹ Yet they remained in an uneasy peace, although one that was much more fragile during the first part of the Cold War than during the second. Thus, the relationship between levels of economic interdependence and intensity of ideological competition, on the one hand, and war or peace, on the other, is indeterminate. High and low levels of interdependence are correlated with war, and high and low levels of ideological competition are correlated with both war and peace.

Therefore, it is the degree of security enjoyed by these pairs of states vis-à-vis one another, and especially the severity of the threat to its security that the dominant state perceives as emanating from the rising state, that constitutes the most important variable to predict whether a hegemonic struggle

¹⁹ In 1913, 10 percent of Britain’s total trade (imports and exports) was with Germany, and 12 percent of Germany’s total trade was with Britain. These percentages are derived from the Correlates of War data. The data were prepared by Katherine Barbieri, “Economic Interdependence and Militarized Interstate Conflict, 1870–1985” (Ph.D. diss., Binghamton University, Binghamton, NY, 1996). The dataset is at <http://cow2.la.psu.edu/>. I am indebted to Loren Cass for arranging the data for easy use.

²⁰ In 1938, 4 percent of Britain’s total trade (imports and exports) was with Germany, and 6 percent of Germany’s total trade was with Britain. See note 19 for data source.

²¹ In 1977, for example, during the height of détente between the United States and the Soviet Union, when one would expect trade to be the highest, the United States sent 1.4 percent of its total exports to the Soviet Union and received .3 percent of its total imports from the Soviet Union. By 1983, when détente had ended and U.S.–Soviet relations were hostile, the United States sent .1 percent of its exports to, and received .1 percent of its imports from, the Soviet Union. In 1977, the Soviets exported 2.5 percent of their exports to the United States and took 8 percent of their imports from the United States. By 1983, these Soviet figures had fallen to 1 percent and 5.7 percent, respectively. See International Monetary Fund, *Direction of Trade Statistics Yearbook, 1984* (Washington, DC: International Monetary Fund, 1984), 378, 385.

will result in war.²² When security has been low or has been believed to be low, intense crises and war have been more likely; when security has been high or has been believed to be high, better relations and peace have tended to prevail. Economic interdependence and ideological competition are not irrelevant to producing peace and war, but they are only “helper variables.” They can reinforce peaceful trends when the security enjoyed by both states vis-à-vis one another is high, but they cannot override the deleterious effects produced when the security enjoyed by both states vis-à-vis one another is low.

In 1914, Germany needed England to stand aside so that it could shore up its failing great power ally, Austria–Hungary, and deal with the growing power of Russia. Diplomatic isolation for Germany (the dissolution of Austria–Hungary) meant the political encirclement and eventual strangulation of Germany in the eyes of Germany’s leaders. If Britain stood aside while Germany attained continental hegemony, however, then Britain’s security would be at risk if a hegemonic Germany deployed the resources of the European continent against it. So, in classic security dilemma terms, Britain’s security would be at risk by the continental hegemony that Germany believed it needed for its security, and, similarly, Germany’s leaders believed that Germany’s security would be at risk if Britain denied it continental hegemony. The same logic applies to the British–German struggle during the 1930s. A Nazi Germany that had defeated Russia and vanquished the continent could aggregate its resources and turn them into an invasion force to crush England’s defenses. The threat that German hegemony posed to Britain brought on the two World Wars.

Security factors were also central in explaining why the Cold War stayed “cold.” The United States and the Soviet Union experienced an intense ideological competition for most of the Cold War, but that competition never turned into a direct war between the two, primarily because of the restraining effects of nuclear deterrence. True, the stability–instability paradox did not work to prevent all serious crises between the two, and true, two of these crises—the Berlin Blockade crisis of 1948 and the Cuban Missile crisis of 1962—brought the United States and the Soviet Union closer to war than either would have liked.²³ However, the workings of the stability–instability

²² This is close to the argument that Dale Copeland makes about the causes of hegemonic great-power wars. See Copeland, *The Origins of Major War*, chaps. 1 and 2.

²³ The stability–instability paradox says that two nuclear-armed and hostile states will either start a conventional war with each other because they feel confident that it will not escalate to all-out nuclear war, or they will not start such a war, because they fear that it might escalate to all-out nuclear war. During the Cold War, the paradox produced the second, not the first, effect. Glenn Snyder was the first to formulate the paradox. See Glenn H. Snyder, “The Balance of Power and the Balance of Terror,” in Paul Seabury, ed., *The Balance of Power* (San Francisco, CA: Chandler, 1965), 198–199. Also see Robert Jervis, *The Illlogic of American Nuclear Strategy* (Ithaca, NY: Cornell University Press, 1984), 31–33, 148–157.

paradox were ultimately beneficial: it worked to prevent those crises that did occur from escalating to war, and it worked, ultimately, to reduce dramatically the frequency and the severity of crises after the Cuban Missile crisis. In fact, one could make a strong argument that with one exception, serious security crises between the United States and the Soviet Union disappeared after 1973.²⁴

China does not present the type of security threat to the United States that Germany did to Britain, or Britain to Germany. America's nuclear forces make it secure from any Chinese attack on the homeland. Moreover, China clearly presents a potentially different type of threat to the United States than the Soviet Union did during the Cold War, because the geopolitics of the two situations are different. The Soviet geopolitical (as opposed to the nuclear) threat was two-fold: to conquer and dominate the economic-industrial resources of western Eurasia and to control the oil reserves of the Persian Gulf. Europe and the Persian Gulf constituted two of the five power centers of the world during the Cold War—Japan, the Soviet Union, and the United States being the other three. If the Soviets had succeeded in dominating Europe and the Persian Gulf through either conquest or political-military intimidation, then it would have controlled three of the five power centers of the world. That would have been a significant power transition.

China's rise does not constitute the same type of geopolitical threat to the United States that the Soviet Union did. If China ends up dominating the Korean peninsula and a significant part of continental Southeast Asia, so what? As long as Japan remains outside the Chinese sphere of influence and allied with the United States, and as long as the United States retains some naval footholds in Southeast Asia, such as in Singapore, the Philippines, or Indonesia, China's domination of these two areas would not present the same type of geopolitical threat that the Soviet Union did. As long as Europe, the Persian Gulf, Japan, India, and Russia (once it reconstitutes itself as a serious great power) remain either as independent power centers or under U.S. influence, Chinese hegemony on land in East and Southeast Asia will not tip the world balance of power. The vast size and central position of the Soviet Union in Eurasia constituted a geopolitical threat to American influence that China cannot hope to emulate.

If judged by the standards of the last three dominant power-rising power competitions of the last 100 years, then, the U.S.–China competition appears well placed to be much safer. Certainly, war between the two is not impossible, because either or both governments could make a serious misstep over the Taiwan issue. War by miscalculation is always possible, but the possession of

²⁴ The exception came in November 1983 with the NATO exercise "Able Archer." This was a serious crisis from the Soviets' point of view, and they briefly believed a nuclear strike from the West was imminent. At the time, however, neither the United States nor NATO was aware of Soviet concerns, making this crisis hard to classify. See John Lewis Gaddis, *The Cold War: A New History* (New York: Penguin Press, 2005), 227–228.

nuclear weapons by both sides has to have a restraining effect on each by dramatically raising the costs of miscalculation, thereby increasing the incentives not to miscalculate. Nuclear deterrence should work to lower dramatically the possibility of war by either miscalculation or deliberate decision (or if somehow such a war broke out, then nuclear deterrence should work against its escalation into a large and fearsome one). Apart from the Taiwan issue or some serious incident at sea, it is hard to figure out how to start a war between the United States and China. There are no other territorial disputes of any significance between the two, and there are no foreseeable economic contingencies that could bring on a war between them. Finally, the high economic interdependence and the lack of intense ideological competition between them help to reinforce the pacific effects induced by the condition of mutual assured destruction.

The workings of these three factors should make us cautiously optimistic about keeping Sino-American relations on the peaceful rather than the warlike track. The peaceful track does not, by any means, imply the absence of political and economic conflicts in Sino-American relations, nor does it foreclose coercive diplomatic gambits by each against the other. What it does mean is that the conditions are in place for war to be a low-probability event, if policy-makers are smart in both states (see below), and that an all-out war is nearly impossible to imagine. By the historical standards of recent dominant-rising state dyads, this is no mean feat.

In sum, there will be some security dilemma dynamics at work in the U.S.–China relationship, both over Taiwan and over maritime supremacy in East Asia, should China decide eventually to contest America’s maritime hegemony, and there will certainly be political and military conflicts, but nuclear weapons should work to mute their severity because the security of each state’s homeland will never be in doubt as long as each maintains a second-strike capability vis-à-vis the other. If two states cannot conquer one another, then the character of their relation and their competition changes dramatically.

These three benchmarks—China’s ambitions will grow as its power grows; the United States cannot successfully wage economic warfare against a China that pursues a smart reassurance (peaceful rise) strategy; and Sino-American relations are not doomed to follow recent past rising-dominant power dyads—are the starting points from which to analyze America’s interests in East Asia. I now turn to these interests.

AMERICA’S INTERESTS IN EAST ASIA

The United States has six overarching interests in East Asia. They are: first, preservation of Sino-American mutual assured destruction; second, stability in the Taiwan Strait and a peaceful resolution of the Taiwan issue; third, the denuclearization and ultimate unification of the Korean peninsula; fourth, the preservation of the U.S.–Japan alliance and the maintenance of Japan’s non-nuclear status; fifth, the peaceful settlement of China’s maritime disputes

with its neighbors and the preservation of freedom of commercial navigation in the South China Sea; and sixth, the preservation of economic openness in East Asia. I consider each in turn.

Sino-American Mutual Assured Destruction

For reasons outlined above, it is crucial that neither the United States nor China believes it is vulnerable to a disarming nuclear first strike by the other. With its sophisticated and large nuclear forces, the United States remains secure from such a strike by any state, including China. China's second-strike capability, however, is not as secure as it needs to be, and according to some analysts, is highly vulnerable to an American first strike.²⁵ China needs to make its nuclear forces sufficiently robust such that the United States can have no confidence that it could launch a disarming first strike. It will therefore need to expend resources to make its nuclear forces more secure, and it is in the process of doing so.²⁶

From an American perspective, this conclusion may sound odd. After all, if the United States possesses a disarming first-strike capability against China, is that not in America's interest? True, this capability gives the United States a military advantage that could potentially be used for political intimidation

²⁵ Keir Lieber and Daryl Press argue that the United States "stands on the cusp of nuclear primacy," by which they mean a disarming first-strike capability, vis-à-vis Russia. Although their analysis focuses on Russia, they argue that by extension, their conclusions have even greater validity with respect to China because the Russian nuclear arsenal is so much larger and sophisticated than China's. See Keir A. Lieber and Daryl G. Press, "The End of MAD: The Nuclear Dimension of U.S. Primacy," *International Security* 30 (Spring 2006): 7–44, at 8.

²⁶ As of 2009, according to the Pentagon, in addition to intermediate and medium-range ballistic missiles, China deployed 20 silo-based, liquid-fueled CSS-4 intercontinental ballistic missiles (ICBMs); approximately 20 liquid-fueled, limited-range CSS-3 ICBMs; solid-fueled, road-mobile DF-31 and DF-31A ICBMs; JL-1 submarine-launched ballistic missiles (SLBMs) on the XIA-class SSBN; and by 2010, enhanced CSS-4s and the JIN-class SSBNs, each of which will carry 12 JL-2 SLBMs. (The CSS-4s are slow to fire and highly vulnerable to a first strike; the operational status of the XIA-class submarine is questionable; the JL-2 will have a range of about 8,000 kilometers.) The Pentagon says that these qualitative and quantitative improvements will yield greater mobility and survivability and "strengthen China's deterrent and enhance its strategic strike capabilities"; see Office of the Secretary of Defense, *Annual Report to Congress, the Military Power of the People's Republic of China 2009*, 24, accessed at www.defenselink.mil, 28 April 2010; and Japan Ministry of Defense, *Defense of Japan 2009*, 51, accessed at http://www.mod.go.jp/e/publ/w_paper/2009.html, 25 April 2010. The International Institute of Strategic Studies reports that China had 66 deployed ICBMs in 2009, including 12 DF-31s, 24 DF-31As, and 3 SSBNs—1 XIA-class equipped with 12 JL-1 SLBMs and 2 JIN-class equipped with up to 12 JL-2 SLBMs. See International Institute of Strategic Studies, *The Military Balance 2010* (London: Routledge, 2010), 399. The U.S.–China Economic and Security Review Commission estimated that China will have an intercontinental nuclear force of 75–100 warheads by 2015. See *Report to Congress of the U.S.–China Economic and Security Review Commission*, 109th Cong., 1st sess., November 2005, 121, accessed at <http://www.uscc.gov>, 10 December 2006.

during a crisis, but appealing as this logic may seem, it is more in America's interest that decision makers of all nuclear-armed states run scared, not safe, vis-à-vis one another. Such decision makers must believe that neither side has an advantage in striking first against the adversary's nuclear forces, because that might embolden one or both of them to take greater risks during a crisis and tip the crisis toward war—and even all-out war—rather than toward de-escalation. It is not in America's interest (or China's) for American decision makers to believe that they can disarm China's nuclear forces. Therefore, just as it served America's best interests for the Soviet Union to have a secure second-strike force once the Soviet Union had acquired nuclear weapons, so, too, is it in America's interest to have China achieve one.²⁷

Nuclear weapons may be less important in world politics today than they were during the Cold War, but that does not make them unimportant. There may well be plenty of rough times ahead for China and the United States as they negotiate the difficult waters of China's continuing rise. During the transition, it is better that leaders in both states, and especially in China, feel as secure as possible about the core safety of their homelands.

Stability in the Taiwan Strait and the Peaceful Resolution of Taiwan's Status

The United States and China are entangled in a tough situation over Taiwan, and neither can afford to back away from its respective position. For historical, precedent, and nationalistic reasons, China's leaders cannot give in on the ultimate status of Taiwan: it is part of China. Given the strong nationalist feelings in China regarding Taiwan, and given the regime's increasing use of nationalism to shore up its political position, no government could survive long if it were seen as soft on Taiwan. Moreover, given the government's concerns about a few of its borderland regions, allowing Taiwan to become independent would set a disastrous precedent. China cannot and will not back away from its core demand that Taiwan is part of China.

The U.S. position on what Taiwan's ultimate status should be is deliberately not crystal clear, although it has become progressively clearer in recent years. The United States does not favor a two-China policy, or a one-China and one-Taiwan policy, nor does it support Taiwan's unilateral declaration of independence. This position comes awfully close to a U.S. de facto acceptance of Taiwan as part of China, but the U.S. government has not explicitly said so

²⁷ Under the Obama administration, the United States appears to have implicitly accepted that mutual assured destruction exists between the United States and China. The administration's *April 2010 Nuclear Posture Review* speaks of "ensuring strategic stability with existing nuclear powers—most notably Russia and China" (p. 4). "Strategic stability" means neither country has an incentive to strike first because both can retaliate against a first strike. See Department of Defense, *Nuclear Posture Review Report April 2010*, accessed at <http://www.defense.gov/npr/>, 27 April 2010.

in order to keep open the option of Taiwanese independence should both the mainland and Taiwan agree to it. This is an outcome, of course, to which the mainland would never agree.

The U.S. position on *how* Taiwan's status is to be settled, however, is crystal clear: it will not allow China to use force to bring Taiwan to heel. Rather, the United States is committed to the peaceful resolution of Taiwan's status. Because of this commitment, the United States must have sufficient military power in the region to deter China from using force to resolve Taiwan's status, or to protect Taiwan should the mainland use force against a Taiwanese government that had not provoked the mainland by moving toward, or actually declaring, independence. (The U.S. stance on protecting a Taiwan that had provoked a mainland attack by moving toward or declaring independence is not clear, but it should be: any Taiwan government that acts in such a fashion is on its own.)

Why does the United States favor a peaceful settlement of Taiwan's ultimate status? The answer is clear: the United States cannot back away from this commitment, for reasons that have to do largely with the credibility of its other commitments in East Asia. If the United States reneged on this commitment and allowed the mainland to reintegrate Taiwan forcibly into China, then America's commitment to Japan, as well as its reliability in the eyes of its other allies in East Asia, would suffer grievous harm. Why would Japan, for example, continue to put stock in the U.S.–Japan alliance, and America's commitments to defend it, if the United States failed to defend Taiwan from an unprovoked attack by the mainland? For better or worse, how Taiwan's status is settled bears centrally on America's overall political–military position in East Asia.

It would be tragic, however, for a war to occur over a piece of territory that, in my view, both the United States and China consider part of China, although for political reasons that have as much to do with American domestic politics as anything else, the U.S. government cannot say so. Therefore, short of backing away from their respective positions, what is needed is for both sides to buy time—time for the continued economic integration of Taiwan into the mainland's economy and time for the continued political evolution of China.²⁸ There are many ways for Taiwan's status to be ultimately resolved. Two look especially likely: a non-democratic China reducing Taiwan to a political vassal through the economic leverage that it exerts over the Taiwanese economy, or Taiwan “rejoining” a democratic China. The former outcome is

²⁸ By 2007, 82 percent of Taiwanese manufacturers' overseas investment was in mainland China, 16 percent in the United States, and 2 percent elsewhere. (“Most of Taiwan's Foreign Investment is in China,” Central News Agency, 4 November 2007, accessed at <http://www.taiwansecurity.org/CNA/2007/CNA-041107.htm>, 24 April 2010). By 2010, about 40 percent of Taiwan's total exports went to Hong Kong and mainland China [Janet Ong, “China's Opening Taiwan Trade Boosts Exports, Tourism,” Taiwan News Online, accessed at <http://www.etaiwannews.com/etn/print.php>; and Jonathan Adams, “Weighing the Costs in Asian Trade Talks,” *The New York Times*, 13 May 2010, accessed at <http://www.nytimes.com/2010/05/13/business/global/13straits.html>, 26 May 2010.]

probably more likely to happen sooner than the latter, and those who favor Taiwan's autonomy, if not independence, clearly worry about it.²⁹

Whatever is the ultimate outcome for Taiwan, what the United States has to care about, given the centrality of Taiwan to the credibility of its other East Asian commitments, is that Taiwan's final status be solved peacefully. This can be achieved only if American deterrence remains strong in the Strait to dissuade China from using force against Taiwan and only if the United States restrains Taiwan from taking steps that China would interpret as moving toward or declaring full independence.

Denuclearization and Unification of the Korean Peninsula

The third interest of the United States in East Asia is to denuclearize the Korean peninsula, and the primary reason for doing so is clear. The threat from North Korea is not so much its use of nuclear weapons against its neighbors (South Korea and Japan), although that can never be ruled out should it be attacked by the United States. Rather the more serious threat is its sale of fissile materials to terrorist groups that want to acquire them for purposes of either blackmail or destruction.

The North Korean regime has talked out of both sides of its mouth on the sale of fissile materials. In talks in Beijing with the United States in May 2003, Li Gun, a North Korean foreign ministry official, said to James Kelly, then Assistant Secretary of State for East Asian Affairs, that Pyongyang will "export nuclear weapons, add to its current arsenal, or test a nuclear device."³⁰ In a 2004 interview with Selig Harrison, a senior analyst at the Center for International Policy, who has made many trips to North Korea, Kim Yong-nam, President of the Supreme People's Assembly of North Korea and reputedly the number two man in the Kim Jong-il regime, denied that North Korea would ever sell fissile material to terrorist groups, telling Harrison: "We make a clear distinction between missiles and nuclear material. We're entitled to sell missiles to earn foreign exchange. But in regard to nuclear material our policy past, present and future is that we would never allow such transfers to al-Qaeda or anyone else. Never."³¹ But in late September, 2006, on another trip to North

²⁹ For example, former President Chen Shui-bian, who favors Taiwan's independence, said in a speech on 1 January 2006: "Globalization is not tantamount to China-ization. While Taiwan would never close itself off to the world, we shall also not lock in our economic lifeline and all our bargaining chips in China," quoted in Keith Bradsher, "Taiwan Chief Seeks More Arms, Not Better Ties to China," *The New York Times*, 2 January 2006.

³⁰ This was reported in several news sources, but the quote comes from Bill Gertz, *The Washington Times*, 7 May 2003.

³¹ See Selig Harrison, "Inside North Korea: Leaders Open to Ending Nuclear Crisis," *Financial Times*, 4 May 2004. Pam Nam-soon, the Foreign Minister, also told Harrison: "Let me make clear that we denounce al-Qaeda, we oppose all forms of terrorism and we will never transfer our nuclear material to others."

Korea, Harrison spoke with Kim Kye Gwan, North Korea's lead nuclear negotiator, who said, according to Harrison: "The United States should be concerned about the possibility of fissile material being transferred to third parties or nuclear weapons being transferred to third parties."³²

How much these threats have been part of North Korea's coercive diplomacy is not clear, but whatever the regime's actual policy is, there is strong circumstantial although not definitive evidence, according to both the George W. Bush administration and to experts of the International Atomic Energy Agency, that North Korea sold 1.87 tons of uranium hexafluoride to Libya.³³ Given the Kim Jong-il government's past history of drug running, counterfeiting, and sale of missiles, together with the suspicions that it sold fissile material to Libya, it would be foolhardy to trust this regime never to sell fissile material to terrorists. A much safer though difficult course is to work to denuclearize the regime and the peninsula.

The nuclear issue aside, over the longer term, the unification of the Korean peninsula under South Korea's leadership is in America's interest because it would mean that the United States could withdraw its troops from the Asian mainland. The purpose of their presence there is to deter a North Korean attack, not to wage war against China. So, if North Korea ceases to exist and Korea is unified, these troops could be withdrawn. Unless a strong argument can be made that American troops need to remain in a unified Korea in order to make American troops in Japan more politically palatable to the Japanese, it is hard to find compelling reasons for keeping American troops on the Asian mainland, unless, of course, Korea and China were to have intensely hostile relations.³⁴ The more likely course would be for a united Korea to have friendly relations with China and to fall into China's economic and political sphere of influence, or in international relations theory lingo, a united Korea would choose to bandwagon with China, not balance against it. (Indeed, some observers argue that this process has already begun in South Korea.³⁵) In that case, there would be few tangible benefits, and too many potential risks, for the United States to retain a military presence on the Korean peninsula.

³² Jon Fox, "North Korea Hints at Nuclear Weapons Transfer," *Global Security Newswire*, 29 September 2006, accessed at www.nit.org/, 14 December 2006.

³³ David E. Sanger and William J. Broad, "Using Clues From Libya to Study a Nuclear Mystery," *The New York Times*, 31 March 2005.

³⁴ The Japanese government's preference is not to be "singularized"—not to be the only site of forward deployed U.S. forces in East Asia, because this would be, in its view, politically untenable. Nonetheless, Richard Samuels argues that if the option were no alliance with the United States or being singularized, the Japanese government would accept singularization over abandonment by the United States. Communication with Richard Samuels on 31 August 2006.

³⁵ See Robert S. Ross, "Balance of Power Politics and the Rise of China: Accommodation and Balancing in East Asia," *Security Studies* 15 (July–September 2006): 374–379.

Preservation of the U.S.–Japan Alliance and Japan’s Non-nuclear Status

Fourth, it is crucial to America’s position in East Asia, its general world position, and its global non-proliferation policy that the U.S.–Japan alliance remain solid and that Japan remain a non-nuclear state. The alliance and Japan’s non-nuclear status are tightly linked: Japan eschews nuclear weapons, primarily or in part, depending on the analyst consulted, because of the nuclear umbrella that the United States extends over it.³⁶ Were Japan to acquire nuclear weapons, this would be a clear political statement that it puts little or no credence in the U.S.–Japan alliance. After all, why would Japan obtain nuclear weapons if it believed fully in the credibility of the U.S. nuclear guarantee? Without the U.S. umbrella, Japan would either have to acquire its own nuclear weapons, or else forego them and thereby be at a political–military disadvantage vis-à-vis nuclear-armed North Korea and China, both of which Japan named for the first time in 2004 as potential threats to Japanese security, and perhaps even be subject to political intimidation by these two.³⁷

A solid U.S.–Japan alliance is the central cornerstone of America’s political–military position in East Asia and one of the two cornerstones of America’s global forward defense posture—the other being the North Atlantic Treaty Organization (NATO) alliance in Europe. The political demise of the U.S.–Japan alliance would dramatically alter—for the worse—America’s forward defense posture in East Asia by making its power projection in the region more difficult and by signaling to other states there that America’s firmest ally in the region no longer puts much credence in the alliance, with all the adverse effects on America’s relations with its other allies in the region. In addition, the demise of the alliance could potentially affect NATO. That is, if an ally as close to the United States as Japan were perceived as no longer believing in the U.S. guarantee, then the Europeans could well begin to consider the credibility of America’s guarantees to them also. Contagion considerations should be taken seriously here. Moreover, a Japan that goes nuclear would certainly not strengthen the nuclear non-proliferation regime and the nuclear non-proliferation treaty, and could even mortally wound both. Finally, a Japan

³⁶ Analysts differ on why Japan continues with its non-nuclear status. Some believe it is due to the alliance with the United States. Others believe that Japan’s “nuclear allergy” is strong enough to keep Japan non-nuclear should the alliance collapse. I adhere to the first view. So, also, does Richard Samuels in his excellent book on Japanese security. See Richard J. Samuels, *Securing Japan* (Ithaca, NY: Cornell University Press, 2007), chap. 6.

³⁷ China and North Korea were first named as potential threats in Japan’s December 2004 New Defense Program Guidelines. See Samuels, *Securing Japan*, chap. 3. Also see Christopher W. Hughes, *Japan’s Re-emergence as a ‘Normal’ Military Power* (Adelphi paper 368-9, Oxford: Oxford University Press, 2004), 67–71. Japan’s 2007 Defense White Paper continued to express concern about China’s military buildup. See David Pilling, “Japan Feels Threat of China’s Military,” *Financial Times*, 7/8 July 2007. Also see Ministry of Defense, *Defense of Japan 2009*, 48–64, accessed at http://www.mod.go.jp/e/publ/w_paper/2009.html, 26 April 2010.

set free from the constraints of the U.S.–Japan alliance, and one that armed itself with nuclear weapons, would probably increase the political hostility between China and Japan that is already far too high, and probably between South Korea and Japan also, and set in motion undesirable security dilemma dynamics.

For all these reasons, it is important to keep the U.S.–Japan alliance strong and preserve Japan’s non-nuclear status. A Japan bereft of the United States is ultimately a Japan with nuclear weapons. Fortunately, the Japanese have concluded that alliance with the United States remains their best security option under present circumstances.³⁸

Peaceful Settlement of China’s Maritime Disputes and Preservation of Free Navigation in the South China Sea

China has settled nearly all of its frontier disputes with its continental neighbors, but it still has several offshore territorial and maritime disputes. A fifth United States interest in East Asia is to see China settle these offshore disputes peacefully and to preserve freedom of navigation in the South China Sea.

China settled fourteen of its sixteen frontier disputes peacefully, largely by offering substantial compromises to its neighbors in return for their cooperation in helping strengthen its control over these frontier areas.³⁹ Apart from Taiwan, China currently has three offshore disputes: with Vietnam, over ownership of the Paracel Islands; with Taiwan, the Philippines, Malaysia, Vietnam, and Brunei, over ownership of the Spratly Islands; and with Japan, over ownership of the Senkaku/Diaoyu Islands. These offshore disputes may be more difficult to solve than the continental ones, because all three involve not simply ownership of islands, but also control over sea lanes and natural resources, especially potentially large reserves of oil and natural gas.⁴⁰ In addition to the tangible stakes involved, nationalism and regime security could make it nearly as hard for the regime to back down on these three offshore disputes as it is for it to back down over Taiwan.

³⁸ Samuels, *Securing Japan*, chaps. 7 and 8; Hughes, *Japan’s Re-emergence*, conclusion; and Thom Shanker and Norimitsu Onishi, “Japan Assures Rice That It Has No Nuclear Intentions,” *The New York Times*, 19 October, 2006.

³⁹ The two remaining frontier disputes are with India and Bhutan. See Taylor Fravel, “Regime Insecurity and International Cooperation: Explaining China’s Compromises in Territorial Disputes,” *International Security* 30 (Fall 2005): 55–58.

⁴⁰ For example, a 1999 Japanese survey estimated that as much as 200 billion cubic meters of natural gas might lie beneath the Senkaku archipelago. The Spratlys could lie above an estimated 100 billion barrels of oil and 25 billion cubic meters of natural gas. See Agence France Press, “Japan to Explore Oil and Gas in Political Minefield with China,” 13 April 2005; and Bruce Vaughn and William M. Morrison, “China–Southeast Asia Relations: Trends, Issues and Implications for the United States,” Congressional Research Service, updated 4 April 2006.

In contrast to the compromises it made to settle most of its continental frontier disputes, China has never offered to compromise on these three, although it did agree in 2002 on a declaration for a code of conduct with the Association of Southeast Asian Nations over the South China Sea that forswears the use of force there (although it is not legally binding), and it has discussed escalation control measures with states claiming ownership of the Spratlys.⁴¹ It has not, however, ceded sovereignty over either the Spratleys or the South China Sea and continues to claim sovereignty over both.⁴² Of these three disputes, the one with Japan is probably the most worrisome at present, not only because of the power rivalry between Japan and China, but also because the United States has a treaty with Japan to defend it if it is attacked.

The United States has no interest in seeing any of its East and Southeast Asian regional allies, trading partners, and friends become embroiled in military hostilities with China over the extent of its territorial seas and exclusive economic zones, possession of islands, or ownership of seabed resources. It especially has to avoid a situation in which China and Japan become engaged in the large-scale use of force to resolve their disputes over ownership of the Senkaku/Diaoyu Islands or over control of the East China Sea and its gas fields. America's interest, then, lies in seeing all three offshore disputes solved through negotiation and compromise, not war.

Finally, the United States has a strong interest in preserving freedom of navigation for commercial vessels through the South China Sea. The United States is a trading nation and has a vested interest in freedom of the seas, and since World War II, it has been the provider of that collective good to the world. For both commercial and strategic reasons, it cannot tolerate China eventually moving to prevent freedom of commercial navigation through the South China Sea, because it contains crucial sea lanes of communication (SLOCs) through which Middle East oil and other vital resources flow, not only to China, but to Japan, Korea, and other states in the region. Preservation of America's maritime supremacy in East Asia (see below) is essential to keeping the South China Sea SLOCs open.

Thus, for all these reasons, the United States must stand for the peaceful resolution of these maritime disputes through whatever mechanisms prove most useful.

⁴¹ Fravel, "Regime Insecurity and International Cooperation," 62; and Ralf Emmers, "Maritime Disputes in the South China Sea: Strategic and Diplomatic Status Quo" (Singapore: Institute of Defence and Strategic Studies, September 2005), 9–14, accessed at [www.ntu.edu.sg/IDSS/publications/Working Papers/WP87.pdf](http://www.ntu.edu.sg/IDSS/publications/Working%20Papers/WP87.pdf), 10 December 2006.

⁴² According to a report in the *The New York Times*, Chinese officials told two senior officials of the Obama administration in March 2010 that China considers the South China Sea a "core interest" of its sovereignty and would brook no interference in it. The article claimed that this was the first time China had designated the South China Sea a core interest, putting it on a par with Taiwan and Tibet. See Edward Wong, "Chinese Military Seeks to Extend Its Naval Power," *The New York Times*, 24 April 2010.

Maintenance of Economic Openness

America's sixth interest in East Asia is to preserve economic openness in the region, for two reasons. The first has to do with its own prosperity; the second, with the prosperity and political relations of the states in the region.

Asia and the Pacific Rim have become of central economic importance to the United States. The Pacific Rim now constitutes the most important region economically to the United States, having passed North America (which was traditionally first) when measured in terms of total dollar volume of exports and imports of both merchandise goods and services.⁴³ In 2009, the United States sent 16 percent of its exports to, and received 28 percent of its imports from, the Asia Pacific region, while it sent 21.5 percent of its exports to Canada and Mexico and received 21 percent of its imports from them. (Comparable figures from Europe were 16.7 percent and 17 percent.)⁴⁴ America's trade with East Asia benefits the United States in innumerable ways, though there remains much controversy over its trading deficit with the region, especially with China and Japan, and with the loss of manufacturing jobs to China. Whatever the resolution of these controversies, on balance, America's trade with Asia is a net plus for the American economy, and maintaining as free and open a trading regime with East Asia as possible continues to be in America's economic interest.

An open economic order is also of benefit to the states in the region. Regionalization of trade within East and Southeast Asia has grown significantly over the last 10 years, in part because of the stabilizing military presence of the United States. Peace is good for trade, and trade benefits the development of middle classes within countries, which is a net benefit ultimately for democracy. Increasing economic interdependence within the region is also good for pacific relations, even if it cannot on its own produce it.

Thus, on both counts—its contribution to American prosperity and to the peace and prosperity of the region—economic openness between the United States and East and Southeast Asia and within the region is a strong and continuing interest for the United States.

America's Interests and China's Rise

This survey of America's interests and goals in the region makes clear one point of crucial significance for Sino-American relations: China and the United

⁴³ In 2009, total U.S. exports and imports of merchandise goods and services from the Pacific Rim countries (Australia, China, Japan, Malaysia, the Philippines, Hong Kong, South Korea, Singapore, Taiwan, Indonesia, and others) equaled \$787,946 billion, while the comparable figure from North America (Mexico and Canada) was \$735,146 billion. North America remains the largest market for U.S. exports. Figures come from U.S. Census Bureau, U.S. Bureau of Economic Analysis, "FT900: U.S. International Trade in Goods and Services, December 2009," Exhibits 1 4, release date 10 February 2010, accessed at <http://www.census.gov:80/foreign-trade/Press-Release/2009pr/12/>, 25 April 2010.

⁴⁴ Percentage figures calculated from *ibid.*

States share a broad agreement on these goals, even if they do not wholly agree on the means to attain them or on the priority that each state gives to these goals. China wants to have a secure second-strike capability. It prefers stability in the Taiwan Strait, a peaceful resolution of Taiwan's status, and no unilateral moves toward independence. China favors denuclearization of the Korean peninsula and perhaps even the reunification of Korea if that brings with it the departure of American troops from the peninsula. It certainly favors preventing Japan from going nuclear, even if it no longer sees the U.S.–Japan alliance as firm a restraint on Japan as it once was.⁴⁵ China appears to favor the peaceful settlement of its maritime disputes with its neighbors; it clearly benefits from economic openness with the United States and among states within the region; and it does not want to see economic closure with either.

At this general level, then, America's goals for the region are also China's goals for the region. To stress that China and the United States share many common goals for East Asia is not to make light of their many differences. What makes this rivalry different from the three previous ones discussed above, however, is that there is a basic agreement between China and the United States on many fundamental goals. Disputes over means to achieve goals are easier to manage than disputes over goals. There is clearly more room for bargaining, horse trading, and successful negotiation in the former case than in the latter. China and the United States may well end up contesting the primacy of the other in the region, but ironically, they both share an important set of common goals, even if they may not be able to agree in the future on who is, or should be, number one in the region.

PRINCIPLES OF POLICY

There are no big surprises on the general principles of policy that the United States should follow over the long haul with respect to China's increasing power; they flow from the basic assumptions and the nature of America's interests in East Asia laid out above.

Do Not Undermine Sino-American Mutual Assured Destruction

There are two policy prescriptions for the United States that flow from this principle. First, the United States should not make a political issue out of China's efforts to develop a larger and more secure strategic nuclear force; it is in America's interest, as well as China's, that China do so. For general stability in Sino-American relations, particularly for crisis stability, it is crucial

⁴⁵ Today, some Chinese analysts, although not the majority, now see the U.S.–Japan alliance as emboldening Japan to act more aggressively in East Asia. Representative of that view is Wu Xinbo, "The End of the Silver Lining: A Chinese View of the U.S.–Japanese Alliance," *The Washington Quarterly* 29 (Winter 2005–06): 119–131.

that China not feel that its nuclear deterrent is vulnerable to a first strike. Given the size and sophistication of America's nuclear forces, this will require that China not only deploy the mobile land-based missiles that it is developing, but also build a larger and more sophisticated sea-based nuclear deterrent.⁴⁶

Second, the United States should not take counter actions that undermine China's modernization of its strategic nuclear forces. This, in turn, means that if the United States persists in building a missile defense system, then that system should remain limited enough and small enough not to challenge a Chinese strike-back capability. Although China has had a slow-paced strategic nuclear modernization program, many of its actions have been in response to America's own modernization program. It is wasteful of resources, and potentially dangerous to boot, for the United States to stimulate an offense-defense arms race with China by building a missile defense force large enough to neuter China's strategic nuclear force. (This assumes, of course, that such a defense system actually works.)

Maintain Clear Red Lines and Clarity on the Taiwan Issue

The United States must continue to draw two clear red lines on the Taiwan issue: for China, that the United States will not permit it to resolve the issue forcefully; for Taiwan, that the United States will not allow Taiwan to move toward de jure independence.

Maintaining these red lines requires, in turn, that the United States do three things: maintain a strong naval and air presence in East Asia, not permit U.S. domestic forces to push for a more independent Taiwan, and keep a firm hand on any Taiwanese moves toward independence. In regard to the last, the United States must make this unequivocally clear to any Taiwanese government that takes provocative steps toward independence: "Do so and you are on your own."⁴⁷ The United States does not owe Taiwan political independence

⁴⁶ China's current sea-based nuclear forces, as detailed in note 26, remain small, with two JIN-class and one XIA-class SSBNs, and its SSBN fleet is likely to be highly vulnerable for a time to America's formidable submarine detection capabilities. See Hans M. Kristensen, Robert S. Norris, and Matthew G. McKinzie, *Chinese Nuclear Forces and U. S. Nuclear War Planning* (Washington, DC: The Federation of American Scientists and the National Resources Defense Council, 2006), 79–85 for full details on China's sea-based deterrent, accessed at <http://www.fas.org/nuke/guide/china/book2006.pdf>, 10 December 2006.

⁴⁷ President Bush came close to saying this on 2 December 2003: "We oppose any unilateral decision by either China or Taiwan to change the status quo. And the comments and actions made by the leader of Taiwan indicate that he may be willing to make decisions unilaterally to change the status quo, which we oppose." Statement accessed at <http://www.whitehouse.gov/news/releases/2003/12/20031209-2.html>, 14 December 2006. In November 2007 U.S. Secretary of Defense Robert Gates reassured China's President Hu Jintao that the U.S. Government is "categorically" opposed to Taiwan's making any moves toward independence. See Jim Mannion, "Gates Reassures Hu on Taiwan," Agence France Presse, 7 November 2007, accessed at <http://www.taiwansecurity.org/AFP/2001/AFP-071107.htm>, 26 April 2010.

from China; it owes Taiwan the opportunity to have its status resolved peacefully with China.

Avoid Policies That Produce Adverse Self-fulfilling Results

The principal policy prescription here is to avoid taking actions against China that appear simultaneously punitive and unprovoked. Punitive actions may be necessary at times, but if they are unprovoked by Chinese actions, or more importantly, if they appear to be so in the minds of America's allies and friends in East Asia and elsewhere, they will backfire politically within China and will not receive the required support from other states. Actions that appear to look like premature containment, political and military encirclement, economic warfare, and the like should be avoided, *unless* they can be credibly justified as responses to Chinese aggression or heavy-handedness with neighbors. Unprovoked U.S. punitive actions will only strengthen the hard-liners in Beijing and will fail to garner support from America's allies and other states in the region and elsewhere whose cooperation is required if such actions are to be effective.

Maintain the Cohesion of America's East Asian Alliances and Security Arrangements

The United States has a number of formal alliances and strategically important security arrangements with Australia, the Philippines, Singapore, Thailand, South Korea, and Japan. At present, it is in America's interest to maintain these alliances and security arrangements if it wants to remain an East Asian military power.⁴⁸

Over the medium to longer term, however, should the two Koreas become unified, a united Korea may well choose to bandwagon with its giant neighbor rather than balance against it, and the U.S.–South Korean alliance may well pass into history. Should that happen, Sino-American relations may be better off: potential security dilemma dynamics between the United States and China could be significantly muted were there no longer an American military presence on the Korean peninsula. After all, a unified Korea with American troops on the peninsula puts U.S. troops potentially up against the Chinese border, even if they would not actually be deployed there. Thus, the end of

⁴⁸ For a succinct overview of the steps the United States has taken to enhance its security ties in East Asia, see Evan S. Medeiros, "Strategic Hedging and the Future of Asia-Pacific Stability," *The Washington Quarterly* 29 (Winter 2005–06): 148–153. For the views of U.S. allies and security partners toward China's rise and their security ties with the United States, see Evan S. Medeiros, Keith Crane, Eric Heginbotham, Norman D. Levin, Julia F. Lowell, Angel Rabasa, Somi Seong, *Pacific Currents: The Responses of U.S. Allies and Security Partners in East Asia to China's Rise* (Santa Monica, CA: RAND, 2008).

the U.S.–South Korean alliance might well be the price of Korean unification, but the price would be well worth it if Korea is denuclearized, or if North Korea's nuclear weapons pass into the hands of a democratic Korea.

Should the U.S.–South Korean alliance pass into history, it would not be fatal to America's position as an East Asian military power. That position does not depend upon a foothold on the northeast Asian mainland but instead, first, on America's offshore naval and air power, and second, on a sufficient number of significant allies who favor a U.S. military presence in the region and who are prepared to provide on-shore facilities in the form of either permanent bases or visiting rights. Even though the bulk of America's military power in East Asia would remain afloat, selected air bases and porting rights would be crucial to sustaining and augmenting the forces afloat.

If the alliance with South Korea is expendable, the one with Japan is not. The U.S.–Japan alliance remains the key to, and the bedrock of, America's power projection presence in East Asia. It is Japan's strategic location, economic might, and military power that make it America's most important ally in East Asia. Therefore, the nurturing and preservation of this alliance remain central tasks for every American administration.

The problem in preserving the alliance with Japan does not lie with Japan, which, as a consequence of China's growing power, has chosen to tighten its ties with the United States. Rather, the problem lies with China: it has come increasingly to view this alliance negatively, no longer seeing it as a restraint on Japan but, instead, as an enabler for Japan to take a more nationalist and assertive stance in East Asia. To preserve the U.S.–Japan alliance while maintaining good relations with China, the United States must square the circle: use the alliance with Japan in ways that serve both U.S. and Japanese interests, but in doing so, minimize the friction that the alliance causes with China.

Clearly, this is not easy to accomplish. At the strategic level, the task for U.S. administrations in East Asia is equivalent to the task that President George H.W. Bush faced in Europe in 1990. Bush had to convince Mikhail Gorbachev that since German unification was inevitable, the Soviet Union was better off with a united Germany in NATO than with a united and militarily powerful Germany outside of NATO. Similarly, U.S. administrations will have to remind China continually of the following: the Japanese are in the process of becoming a more "normal" nation; the Japanese foreign policy elite is becoming more concerned about China's growing power; Japan will inevitably continue to increase its military power, even if it receives no encouragement from the United States to do so; a Japan bereft of alliance with the United States is not likely to bandwagon with China, as a united Korea probably will, but rather to balance against China by boosting its military power even more, including acquiring nuclear weapons; and therefore, the real choice for China is not between a militarily strong and a militarily weak Japan, but between a powerful Japan tethered to the United States and an even more powerful Japan independent of it.

A more powerful Japan allied with the United States is clearly not China's first choice (a weak Japan), but rather a second-best solution, and yet one that is clearly better than the worst outcome (a powerful and unaligned Japan). China's leaders need to be constantly reminded that the second-best solution avoids the worst outcome and thus that for all concerned, including China, it is better for Japan to remain tethered to the United States than independent of it.

Preserve U.S. Maritime Supremacy in East Asia

America's diplomatic clout in East Asia, its ability to defend Taiwan, and the credibility of its alliances and other security arrangements depend in significant part upon maintenance of its maritime (naval and air) supremacy in East Asia. China is the dominant land power in East Asia; the United States is, and should remain, the dominant naval power there because maritime supremacy is essential if the United States is to remain a significant political-military player in the region. After all, states there will not want to remain allied with the United States, make bases available, permit its ships to dock, provide logistical and other types of assistance, and generally support the United States if it cannot back up its political actions with credible military power. Hard power is not the "be all and end all" for America's East Asian diplomacy and its ability to shape events in the region, but it is an essential ingredient for both.

Maritime supremacy means that the United States can defeat China in a conflict on the high seas, maintain freedom of the sea lanes in the area, and protect the insular nations in the region from Chinese political-military coercion, attack, and conquest, except for Taiwan, where the United States can prevent coercion and conquest but cannot thwart a devastating mainland air and short-range ballistic missile attack. Preservation of its maritime supremacy in East Asia requires, in turn, that the United States maintain a healthy military edge in sea and air power over China's sea and air power, including its long-range, land-based air power.

Up until now, this task has been relatively easy because the United States has had a commanding lead in naval and air assets and because "China's ability to sustain military power at a distance ... [was] limited."⁴⁹ Until recently, China's maritime power was best described as "sea denial" or "area denial" in the waters up to and around Taiwan, and its purposes were primarily to coerce Taiwan from declaring independence and to prevent the United States from intervening successfully to save Taiwan from coercion or conquest.

In the past few years, however, things have started to change, and maintenance of America's maritime supremacy in the western Pacific will require

⁴⁹ See Office of the Secretary of Defense, *Annual Report to Congress on the Military Power of the People's Republic of China, 2006*, executive summary, accessed at www.defenselink.mil, 15 December 2006.

greater U.S. effort. China's current strategic planning and weapons acquisition plans now extend well beyond area and sea denial out to the waters surrounding Taiwan. China is in the early stages of developing sea control capabilities that can put surface ships at risk out to the "second island chain," a distance that extends well beyond the Philippines, so as to be able "to interdict, at long ranges, aircraft carrier and expeditionary strike groups that might deploy to the western Pacific."⁵⁰ True sea control would require that China build capabilities that include aircraft carriers in size and number comparable to those of the United States, deep-water anti-submarine warfare assets, and a large number of nuclear attack submarines—things China has not yet procured and that would easily take more than a decade to field.⁵¹ The aspiration for a blue-water navy, however, appears to be present: President Hu Jintao, in a speech to a congress of the navy's Communist Party branch, in December 2006, said, "We should strive to build a powerful navy that adapts to the needs of our military's historical mission in this new century."⁵² China now appears to have made a decision to build its first aircraft carrier, which will be half the size of U.S. carriers, and the Chinese military now embraces an ambitious naval power projection strategy called "far sea defense."⁵³ The ultimate size and scope of China's plans for a true blue-water navy, however, remain unclear, probably even to the Chinese themselves.⁵⁴

⁵⁰ 2006 *Annual Report on the Military Power of the People's Republic of China*, 15, 24–25; and Office of the Secretary of Defense, *Annual Report to Congress on the Military Power of the People's Republic of China 2007*, 16, accessed at www.defenselink.mil, 16 December 2007.

⁵¹ *Wen Wei Po*, a Chinese government-backed newspaper, in March 2007, claimed that the Chinese navy would have its first aircraft carrier by 2010. See Richard Spencer, "US Unnerved by Chinese Naval Build-Up," *The Telegraph*, accessed at www.telegraph.co.uk/news/main.jhtml?xml=/news/2007/03/08/wchina08.xml, 15 April 2010.

⁵² Quoted in Peter Ford, "Fighter Jet Signals China's Military Advances," *Christian Science Monitor*, 11 January 2007. A recent report by the Chinese Academy of Sciences made the case that China now had long-range maritime interests and was in the process of changing from a land power into a sea power. See "Why China Wants a Bigger Navy," *The Economist*, 4 January 2007, accessed at http://www.economist.com/world/asia/displaystory.cfm?story_id=8497626, 16 April 2010. The December 2006 China White Paper on defense stated that while "China's overall security environment remains sound, [the Navy] aims at gradual extension of the strategic depth for offshore defensive operations...." See Information Office of the State Council, China, *China's National Defense in 2006*, 3, 5, accessed at www.fas.org, 14 December 2006. For a good assessment of the current state of the Chinese navy, see Rear Admiral Eric A. McVadon, "China's Maturing Navy," *Naval War College Review* 69 (Spring 2006): 90–108; Dennis C. Blair, "Military Power Projection in Asia," in Ashley J. Tellis, Mercy Kuo, and Andrew Marble, eds. *Strategic Asia 2008–09* (Seattle, WA: National Bureau of Asian Research, 2008), 405–410; and M. Taylor Fravel, "China's Search for Military Power," *The Washington Quarterly* 31 (Summer 2008): 131–135.

⁵³ Wong, "Chinese Military Seeks to Extend Its Naval Power."

⁵⁴ China's 2008 defense paper, the most recent available, is less clear than the 2006 defense paper on the ultimate objectives for China's navy. It says simply that the tasks of the navy include: "safeguarding China's maritime security and maintaining the sovereignty of its territorial waters, along with its maritime rights and interests." See Information Office of the State Council of the People's

Thus, although the U.S. Navy still retains a commanding lead in the western Pacific and will do so for a significant time, there is cause for concern about the future. In March 2010, Admiral Robert F. Willard, Commander of the U.S. Pacific Command, voiced these concerns well:

China continues to develop weapons systems, technologies and concepts of operation that support anti-access and area denial strategies in the Western Pacific by holding air and maritime forces at risk at extended distances from the PRC coastline. The PLA Navy is continuing to develop a “Blue Water” capability that includes the ability to surge combatants and submarines at extended distances from the PRC mainland.... China’s rapid and comprehensive transformation of its armed forces is affecting regional military balances.... Of particular concern is that elements of China’s military modernization appear designed to challenge our freedom of action in the region.⁵⁵

Consequently, in order to counter China’s maritime buildup, the United States has planned, among other things, to make six aircraft carriers and 60 percent of its attack submarine force available for Pacific duty.⁵⁶ In addition, the United States is in the midst of further enhancing its deployed power projection assets in the western Pacific through greater integration of its naval and air assets—something called “AirSea Battle.”⁵⁷ In the future, if China continues to expand its far-sea defense capabilities, the United States will have to take whatever additional measures are required to preserve its maritime supremacy.

Finally, preservation of U.S. maritime supremacy does not require a weak Chinese navy, although it would be easier with one. U.S. maritime supremacy is possible even if China has a powerful blue-water navy, and such a navy is likely to materialize because China will make certain, as its power grows, that it can protect its coasts from attack and its overseas commerce from interference. As its global interests continue to grow, moreover, China will not be satisfied with total reliance on the U.S. Navy to protect its sea lines of commerce.

Republic of China, *China’s National Defense in 2008*, at the Federation of American Scientists’ Web site (www.fas.org). For a keen analysis of the societal pressures building within China for a power projection navy centered on aircraft carriers, see Robert S. Ross, “China’s Naval Nationalism: Sources, Prospects, and the U.S. Response,” *International Security* 34 (Fall 2009): 46–82. For an analysis of the implications for the United States if China deploys aircraft carriers, see Nan Li and Christopher Weuve, “China’s Aircraft Carrier Ambitions: An Update,” *Naval War College Review* 63 (Winter 2010): 13–32.

⁵⁵ “Statement of Admiral Robert F. Willard, U.S. Navy, Commander U.S. Pacific Command before the House Armed Services Committee on U.S. Pacific Command Posture, March 23, 2010,” 13, 3, accessed at http://pacom.mil/web/site_pages/commander/Statements%20&%20Testimony.shtml, 25 April 2010. Also see Office of the Secretary of Defense, *Annual Report to Congress on the Military Power of the People’s Republic of China 2009*, 20–30, accessed at www.defenselink.mil, 25 April 2010.

⁵⁶ Department of Defense, *Quadrennial Defense Review Report*, February 2006, 47.

⁵⁷ Department of Defense, *Quadrennial Defense Review Report, February 2010*, 32. For a fuller discussion of this concept, see Jan Van Tol, *AirSea Battle: A Point-of-Departure Operational Concept*, 2010, Center for Strategic and Budgetary Assessments, accessed at www.csba.org, 25 May 2010.

Over time, therefore, the United States will have to adapt to a more powerful Chinese navy, but given its long lead, its long naval tradition, its unparalleled systems integration capabilities, and its wealth, the United States should be able to do what maritime supremacy requires: maintain the capabilities necessary to defeat on the high seas any Chinese navy that is built, thereby ensuring that its power projection capabilities are superior to those of China's. Thus, just as the United States will have to accept a more powerful Chinese navy, China will have to accept America's maritime supremacy, just as the Soviet Union did.

Institutionalize Security Multilateralism in East Asia

The final U.S. policy guideline over the long haul is to work toward the creation of a multilateral security institution for the region. International institutions are instruments of state power, not a substitute for state power, and they do not dominate states; rather states dominate them. Nonetheless, institutions can be of use for negotiations and bargaining and can provide transparency in relations, which can often, although not always, facilitate the reaching and implementation of agreements. The United States should seek to devise those institutional security arrangements in East Asia that can foster communication, transparency, and the reaching of agreements, as long as it takes care that these arrangements supplement, not supplant, its key bilateral relationships in the area.

East Asia is not as deeply multilaterally institutionalized as Europe is, and the possibility of establishing either a NATO-like institution or a European Union-like European Security and Defense Policy entity in East Asia is problematic for the foreseeable future. These are organizations designed to protect states against attack. For such a multilateral institution to develop in East Asia, there would have to be a radical transformation in political relations among the states in the region, as well as a dramatic change in the nature of two of them (China and North Korea). Instead, what the United States should aim for is the creation of a security dialogue organization that encompasses the main actors in the region. Such an institution could be broad based and include Australia, Japan, Korea, China, Russia, the United States, Malaysia, Singapore, Vietnam, Thailand, the Philippines, and Indonesia. Or, it could focus on northeast Asia and be organized around the six-party talks (the United States, Russia, China, Japan, North Korea, and South Korea); be more narrowly based and include only the great powers—the United States, China, Russia, and Japan; or be restricted only to the United States, Japan, and China.⁵⁸

⁵⁸ For similar proposals, see Medeiros, "Strategic Hedging and the Future of Asia-Pacific Stability," 161–164; and Michael Schiffer, "Time for a Northeast Asian Security Initiative," *PacNet*, No. 59, Pacific Forum CSIS, 8 December 2006, accessed at www.pacforum.org, 26 May 2010. For a more extensive discussion of institutionalizing security arrangements in Asia, see Nick Bisley, *Building Asia's Security*, International Institute of Strategic Studies Adelphi Paper #408 (New York: Routledge, 2009).

However broad- or narrow-based the organization is, the key consideration is that China must be in it. This will serve two of the five main purposes of such an organization: to soften the exclusionary and anti-China aspects of the U.S.–Japan alliance and to recognize institutionally the prominent role that China now plays in the region. The third, fourth, and fifth purposes of such an organization are, respectively, to provide a multilateral forum for discussion of common security problems, to moderate security dilemma dynamics among the great powers, and most ambitiously, to foster cooperative approaches to security problems. These purposes are arranged in ascending order of difficulty, and the last may not be realized for a very long time, if ever; but if several of the first four materialize, the organization will have more than paid for itself.

CONCLUSION

China's interests and ambitions will continue to grow as its power continues to grow. This does not mean, however, that China's intentions are predetermined and that their exact content is fixed. What a state does in international relations is determined by both purpose—the values it holds and the political choices it makes—and power—the capabilities it wields. The range of purposes to which great power can be put is large. If history is a reliable guide, China's appetites will grow as its power grows, and China will seek to shape its international environment in ways congenial to its interests. But the specific nature and content of its growing appetites, as well as the means through which they are satiated, will be determined not simply by China's greater capabilities but also by the policy choices made by the social groups that run China and by the choices that other states take in regard to China. Therefore, great-power status does not doom a state to be aggressively expansionist and warlike, especially in the modern era, when the generation of wealth has been severed from territorial conquest and when nuclear weapons make great-power war problematic. China's growing power will not inevitably bring a hot or even a cold war with the United States. After all, power is not destiny.

Still, having said that, the United States and China are now entering a more difficult phase in their relationship, with the possible exception of the 1996 Taiwan Strait crisis, than they have experienced since Deng Xiaoping instituted his reforms in 1979. China is now “feeling its oats.” Its economic growth has given it considerable clout. Its military power is causing the United States to adjust its power projection capabilities in the western Pacific, and its two navies can be expected “to bump up against one another” more frequently in the future. China's leadership is anxious about its hold on power and its legitimacy in the eyes of its people and, consequently, is acutely sensitive to any actions by the United States or others that would make the elite look soft on defending China's national interests.⁵⁹ Its populace takes great pride in

⁵⁹ See Susan L. Shirk, *China: Fragile Superpower* (Oxford: Oxford University Press, 2007), chaps. 1, 3.

China's accomplishments and its swift rise and, if anything, is more assertive than the leadership in claiming the rights that China's newfound power gives it. As a consequence, China's leaders will be less willing to pursue a foreign policy of accommodation and "lying low," and the strategy of peaceful rise, which has served China so well, will increasingly come into conflict with an assertive Chinese nationalism.

For its part, the United States will be acutely sensitive to any Chinese challenge to its position in East Asia out of fear that one challenge left unmet will cause its entire position to begin to unravel. The United States may well want China to assume the role of "responsible stakeholder" in the international system more generally, and to help pay the costs of keeping the system stable and prosperous, but it will also be at the ready to respond to any challenges to its East Asian maritime position, to its alliances and security relationships there, and to its perceived staying power. America's preoccupation with its credibility in East Asia in the face of growing Chinese power will make it quick, perhaps too quick, to respond firmly to Chinese challenges that are perceived to threaten its regional interests.

If this analysis is correct, then the United States and China are in the beginning stages of a new situation, in which each will be concerned not just with their real and concrete national interests, but also with the symbolic value of the steps that each takes in responding to the other. Its growing nationalism will make China more prickly to deal with; its preoccupation with credibility will make the United States less willing to give way. Chinese nationalism and American credibility concerns could feed upon one another in dangerous ways, unless checked.⁶⁰

In this new environment, the tasks for U.S. and Chinese policymakers are clear. First, they must see to it that their common interests—and remember that they have many common interests—remain strong enough to outweigh the inevitable conflicts that will arise between them. Second, they will have to work doubly hard to lay the basis for a cooperative strategic relationship; and third, each set of leaders must take the steps necessary to control their respective nationalisms. These three challenges are daunting but not impossible to surmount.*

⁶⁰ For a similar analysis, see Ross, "China's Naval Nationalism," 75–80.

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