

USAWC STRATEGY RESEARCH PROJECT

CHINA – THE THREAT TO THE UNITED STATES AND ASIA

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ABSTRACT

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China is emerging as East Asia's regional hegemon. Growing economic, technological, and military power enables it to increase its influence over other nations in the region and the world. Determining if China will emerge as a friendly nation or as a military and economic threat is difficult to predict. The strategy the United States should use to implement its diplomatic, informational, economic, and military power to ensure that China is a friendly nation in the future is difficult to determine in a volatile and uncertain environment. This paper discusses the regional situation, China's future, and explores strategic policy alternatives to enable the U.S. to counter potential future threats.

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CHINA – THE THREAT TO THE UNITED STATES AND ASIA

China is emerging as East Asia's regional hegemon. Growing economic, technological, and military power enables it to increase its influence over other nations in the region and the world. Is China a friend or an enemy to the United States? The answer to this question is not clear. What should the United States do to ensure that China is a friendly nation in the future? The solutions are difficult to determine in a volatile and uncertain environment. This paper discusses the regional situation, China's future, and explores strategic policy alternatives to enable the U.S. to counter potential future threats.

BACKGROUND

The balance of power between nation states continues to change along with the world environment. For example, the dramatic growth of the global economy is increasing interdependence between nations. Nations left behind by the changes in the global economy continue to struggle. Since the end of the Cold War, the number of failed states, like Afghanistan, East Timor, and Somalia, is rising. Millions of oppressed and impoverished people around the world have lost hope and are supporting religious extremism and terrorism in an attempt to improve their world. Russia, China, India, Pakistan, and North Korea are but a few of the rising number of countries possessing weapons of mass destruction (WMD) and the long-range missiles capable of delivering them. In East Asia, China's threat to U.S. interests in the region is increasing as it modernizes its military and its economy continues to grow. The U.S. must reexamine its current strategy and use all elements of national power to deal with these emerging threats to national security.

The national values and interests of the United States are "translated into three grand strategic objectives: preserve American security, bolster American economic prosperity, and promote American values."¹ These objectives are the basis for the September 2002 U.S. National Security Strategy (NSS). The goals to meet these objectives include: "political and economic freedom, peaceful relations with other states, and respect for human dignity."² The September 2001 Quadrennial Defense Review Report outlines the following defense policy goals that support our national objectives: "assure our allies and friends; dissuade future military competition; deter threats and concerns against U.S. interests; and if deterrence fails, decisively defeat any adversary."³ Today, China is the largest trading partner with the U.S. in Asia. Increasingly though, the U.S. views the People's Republic of China (PRC) as an economic competitor and potential military adversary. The U.S. has many national interests in the Asian-Pacific region. It continues its efforts to improve the economic vitality of China and

other countries in the region by maintaining access to the free markets in Asia. Maintaining security and stability in the region is essential to protecting U.S. national interests. Deterring and defeating aggression against U.S. friends and allies, defeating terrorist organizations, preventing the proliferation of WMD, precluding state failure and internal conflict, and promoting democracy and adherence to human rights agreements are key objectives in the U.S. effort to maintain security and stability in the region.⁴

For centuries China has been a dominant culture in Asia. It views itself as an emerging world power and continues to pursue its strategic objectives of preserving domestic order, defending against external threats to its territory and national sovereignty, and attaining geopolitical influence as a primary state.⁵ “The current Chinese leadership is seeking to build comprehensive national power. That is to say, it seeks to create a modern China that would rank among the leading nations in all dimensions of national power – political, economic, military, and technological.”⁶ China’s leaders believe it can achieve its objectives as a world power, equal to the United States, by 2024.⁷ Since Premier Deng Xiaoping implemented China’s market reforms in 1978, it has made dramatic advances in developing its industrial and technological capabilities and is now a key player in the world economy.⁸ These developments are illustrated by China’s gross domestic product (GDP). It has quadrupled since 1978 due to the free market reforms that have opened the economy to increased foreign trade and investment. Today, China’s GDP is valued at over \$5.7 trillion and is the second largest in the world, according to the 2002 purchasing power parity (PPP) estimate.⁹ China’s real economic growth is estimated to be 5 percent annually.¹⁰ How then should we view China? Is China a business friend or rival? It competes with Japan, South Korea, India, the United States, and other industrialized nations in the global economy. However, China is aligning itself economically with many of these countries. Foreign companies are making large investments in China and they continue to enter into many joint business ventures with Chinese firms.

China, although growing, is still faced with many problems. It is the fourth largest country in the world and is only slightly smaller than the United States, with more than 9,326,400 square miles of land.¹¹ Over 1,286,975,400 people inhabit the country, according to a July 2003 estimate.¹² Unemployment is 10 percent in urban areas and even greater in rural areas.¹³ Its growing population continues to consume increasing amounts of scarce energy and natural resources. This has a dramatic impact on the environment. There are shortages of clean water, and untreated waste continues to pollute water sources. Air pollution, caused by the reliance on coal and inadequate pollution control measures, produces acid rain. Deforestation,

soil erosion, and economic development have resulted in the loss of one-fifth of agricultural land since 1949.¹⁴

One of China's key problems is energy. The PRC is under increasing pressure to acquire the energy it needs to fuel its growing economy. China plans to import more foreign oil and expand its oil production because it consumes almost 5 million barrels of oil per day, but only produces 3.3 million barrels per day.¹⁵ These demands may force the PRC to pursue an expansionist policy to support its economy. An expansionist policy would conflict with U.S. interests in the Far East, as well as the Persian Gulf, Russia, and Africa. The inability to secure a reliable source of oil would have a dramatic impact on China's economy and its people. Economic decline would create domestic unrest and the possible collapse of the Chinese Communist Party (CCP) or worse, direct confrontation with the U.S.

There are indications that the Chinese people desire political reform. Hu Jintao, China's new president, "has made vague references to democratic elections but has done nothing to expand multi-candidate polls, which currently exist only for the lowest-level leaders in the countryside."¹⁶ At the October 2003 Chinese Communist Central Party plenary session, over which Hu presided, "a constitutional amendment to recognize the right to private property was proposed. While the move was intended to make it easier to privatize state-owned enterprises, it could lead the growing middle class to demand political and legal reform."¹⁷ The people's desire to improve their standard of living and for more political freedom will increase the pressure on the CCP to create a more democratic form of government. Unfortunately, political change is not easy to accomplish and it takes time. The difficulty for the CCP will be their ability to hold on to power as they attempt to reform the government. Civil unrest could result if the CCP fails to make changes more quickly or decides to stop democratic reforms.

China's leaders believe that the U.S. is an imperialist, self-appointed world policeman who uses an aggressive foreign policy to spread democracy.¹⁸ They point to Iraq and Afghanistan as examples of U.S. preemptive unilateral action as proof of an aggressive American foreign policy. China believes the U.S. is a direct threat to the nation and that the U.S. seeks to undermine its Communist government and eventually replace it with a democratic one. It also believes the U.S. is a declining superpower that continues to lose political, economic, and military influence around the world.¹⁹ These perceptions affect relations between the U.S. and China. They also impact the U.S. national security strategy.

REGIONAL SITUATION

China faces many external challenges. It has numerous border disputes with Russia, Japan, North Korea, India, Vietnam, Tajikistan, Kazakhstan, Malaysia, Philippines, and Taiwan.²⁰ Its diplomatic efforts have resulted in completed agreements with several of the countries mentioned above to help solve many of these disputes. China is surrounded by many countries that produce and export heroin and other drugs. Ancient trade routes cross its large porous borders and make the challenge of solving its growing domestic drug abuse problem more difficult.²¹

TAIWAN

The Republic of China (ROC) government moved to Taiwan after being ousted from mainland China at the conclusion of China's civil war in 1949. Today, Taiwan is a prosperous democratic country with 23 million people.²² It is "the 15th largest trading nation, the United States' eighth largest trading partner, and the world's third largest producer of information technology (IT) products."²³ It continues to pursue its desire for complete independence from China. There are "many intractable differences between the two sides. Indeed, the entire so-called one-China issue reflects these various differences: (1) our disparate economic and political systems; (2) our different standards of living; (3) our distinct mentalities and out-looks; and (4) the lingering sense of distrust."²⁴ These issues are a potential flash point for future military conflict. "China holds strong claims to contested territories along its continental borders and its maritime periphery, the most important of which are Taiwan and the Spratly Islands in the South China Sea. These claims, some of which offer potentially enormous economic benefits to Beijing, receive wide support within China because both the elite and an apparently growing segment of the populace favor a state-centric nationalistic ideology dedicated to national reunification and the creation of a strong and wealthy state."²⁵ China "has deployed around 500 missiles across the Taiwan Strait and is increasing that number by 50-75 missiles per year. The PRC is also purchasing sophisticated modern weapons and increasing its military budget with the obvious intention of intimidating Taiwan."²⁶ "Beijing has refused to renounce the use of force against Taiwan and has listed the following circumstances under which it would take up arms against the island: a formal declaration of independence by Taipei, foreign intervention in Taiwan's internal affairs, Taiwan's acquisition of nuclear weapons, and internal unrest on Taiwan."²⁷

Taiwan's importance is due in part to its "geographic position placing it directly astride the strategic front line of the United States and Japan's 1,000-nautical-mile defense line. Thus,

Taiwan is in a position to manage and balance the equilibrium of security relations between the north and south Asian-Pacific region. In this respect, Taiwan bolsters the security interest of the United States and Japan.¹²⁸ The U.S. position on Taiwan is clearly outlined in the September 2002 National Security Strategy. “There are, however, other areas in which we have profound disagreements. Our commitment to the self-defense of Taiwan under the Taiwan Relations Act is one.”¹²⁹ “Public Law 96-8, known as the Taiwan Relations Act of 1979, was established to help maintain peace, security, and stability in the Western Pacific and to promote the foreign policy of the United States by authorizing the continuation of commercial, cultural, and other relations between the people of the United States and the people on Taiwan. One of the significant provisions of Public Law 96-8 was that the decision to establish diplomatic relations with the People’s Republic of China rested upon the expectation that the future of Taiwan would be determined by peaceful means. Accordingly, the United States would consider any efforts to determine the future of Taiwan by other than peaceful means, including boycotts or embargoes, a threat to the peace and security of the Western Pacific area and of grave concern to the United States.”¹³⁰ Further attempts by Taiwan to achieve independence and international recognition as a sovereign state could provoke aggressive Chinese political and military action.¹³¹

NORTH KOREA

North Korea’s economy is in a desperate situation and its 22 million people face malnutrition and deteriorating living conditions.¹³² It relies heavily on food aid, fuel, and fertilizer.¹³³ China views North Korea as a potential threat, however, it does not fully support Korean reunification and continues to support North Korea for several reasons. Throughout history, the Korean peninsula has been used to launch military operations. During World War II, Japan invaded Korea, followed by China. During the Korean War, U.S. led United Nations forces pushed all the way to the North Korean – China border, along the Yalu River, before Chinese forces entered the war. The presence of U.S. military forces in South Korea fuels China’s mistrust of U.S. intentions. It views the U.S. military presence on the Korean peninsula as part of a Japanese, South Korean, and U.S. containment strategy directed at both North Korea and China. “Since the end of the Second World War, a variety of military strong or highly industrialized nation-states such as India, Russia, Japan, and the United States have posed a variety of security threats or concerns to Chinese leaders, including the threat of invasion.”¹³⁴ The Democratic People’s Republic of Korea (DPRK) has engaged in numerous activities against South Korea, Japan, and the U.S since the end of the Korean War in 1953. These

activities include several assassination attempts against Republic of Korea (ROK) leaders, the abduction of the USS Pueblo, many naval incursions against Japan and South Korea, and numerous military provocations along the Demilitarized Zone (DMZ) that separates North and South Korea. "In the past decade North Korea has become the world's principal purveyor of ballistic missiles, and has tested increasingly capable missiles while developing its own WMD arsenal."³⁵ China fears that the DPRK is at risk of imploding, resulting in a huge humanitarian crisis. This would dramatically increase in the flow of North Korean refugees into China. China is using its diplomatic influence in the region "to move Pyongyang toward economic opening and dialogue with South Korea."³⁶ It took the lead in the effort to resolve North Korea's nuclear crisis in 2003 by establishing the six-party talks between the DPRK, South Korea, China, Japan, Russia, and the U.S. Additionally, China is providing economic and humanitarian assistance to North Korea in order to prevent the disintegration of the DPRK.³⁷

SOUTH KOREA

South Korea is a successful democratic country that is emerging as an economic powerhouse. Today, its 48 million people enjoy a 9 percent economic growth rate and its GDP is valued at over \$780 billion, the fourteenth largest in the world, according to the 2002 purchasing power parity (PPP) estimate.³⁸ South Korea's President, Roh Moo-Hyun, is working hard to strengthen relations with the U.S. This is due to North Korea's military threat to the stability of the Korean Peninsula as well as South Korea's desire to continue to improve its economy. The Republic of Korea (ROK) is also concerned about the shifting balance of economic and military power in the region. Its geographic location has historically been the route for invading armies moving east or west. It fears that Japan's nationalistic imperialism may re-emerge in the future. It is also concerned with the rise of China as the regional hegemon. These factors will continue to have a large impact on the futures of both the ROK and DPRK governments as well as the possibility of a unified Korea.

JAPAN

Japan's 127 million inhabitants have the third largest economy in the world, after the U.S. and China, with a GDP of over \$3 trillion.³⁹ It is rated as the second most technologically powerful country in the world.⁴⁰ Japan views China as a growing economic and military threat. It is also concerned about other threats in the region, especially North Korea. Its fears have been heightened because of North Korea's subversive activities directed against Japan, the firing of a Taepo Dong missile over Japanese territory in 1998, and DPRK's possession of weapons of mass destruction. To address these growing threats, Japan has renewed its efforts

to strengthen its bonds with the U.S. and has improved its military capability. "The Japanese Self-Defense Forces consist of only about 234,000 personnel, but are advanced in quality with world class, cutting-edge military forces, such as Aegis ships, F-15 fighter jets, and E767 AWACS. Its air and naval forces are the strongest in Asia, and its information collection skills are also at the top."⁴¹ Japan is not only an economic competitor, it has historically been one of China's enemies. China fears a resurgence of Japanese nationalism. In spite of these fears, it appears that China's position toward Japan may be changing. "China's new leadership is showing some signs of new thinking toward Japan. On May 31, 2003, in Saint Petersburg, China's president Hu Jintao met with Japan's Prime Minister Koizumi Junichiro. In doing so, Hu moved political relations out of the deep freeze."⁴² Also, "Japan's official trade statistics for 2002 underscore its deepening economic ties to China. Last year for the first time, Japan's imports from China surpassed those from the United States as exports to China grew by a skyrocketing 39.3 percent. Even as the SARS epidemic raged in China, Japanese companies continued to place their long-term investment bets on the promise of China's low cost labor."⁴³ This perceived shift in political and economic policy may serve to strengthen China's influence in the region.

RUSSIA

Today, Russia's 144 million people continue to face economic difficulties and a sharp deterioration in living standards.⁴⁴ It has sustained a 6 percent economic growth rate since 1999 and its GDP is valued at over \$1.4 trillion, the tenth largest in the world, according to the 2002 purchasing power parity (PPP) estimate.⁴⁵ Over 80 percent of Russia's exports consist of oil, natural gas, metals, and timber that it extracts from its territory. Its industrial base is dilapidated and must be modernized in order to improve its economy.⁴⁶ Russia's people lack trust in its institutions and corruption and organized crime are key concerns.⁴⁷ It needs cash to help pay for its large national debt and rebuild its industrial infrastructure. China is purchasing a large amount of military hardware from Russia, one of the few Russian manufacturing exports. President Vladimir Putin is attempting to maintain Russia's global influence by pursuing a broad strategy of engagement resulting in improved relations with China, Japan, and both South and North Korea.⁴⁸ Relations between Russia and the U.S. have improved dramatically since the attacks on the World Trade Center on September 11, 2001. Russia is a major supporter of the U.S. led global war on terror. This is due in part because Russia wanted to obtain legitimacy for its war against the rebels in Chechnya and it wanted the U.S. to invest money into its economy.⁴⁹

INDIA

India's overpopulated country of over 1 billion people has exacerbated the problems of overcrowding, extensive poverty, and environmental degradation.⁵⁰ India's economy is the fourth largest in the world and has maintained a steady six percent economic growth rate since 1990 with a GDP valued at over \$2.6 trillion.⁵¹ Its strong information technology sector is served by the large number of well-educated workers that produce and export computer software. Despite its growing economy, over a quarter of the population is unable to afford an adequate diet.⁵² Two nuclear powers, India and Pakistan, remain engaged in the highly-charged armed stand-off over the status and sovereignty of Kashmir that continues without resolution.⁵³ China and India have participated in more than 13 joint working group sessions to solve their border disputes.⁵⁴ On 24 June, 2003, China welcomed India's Prime Minister Atal Behari Vajpayee to Beijing where they signed a Declaration on Principles for Relations and Comprehensive Cooperation that stated that Tibet was part of China.⁵⁵

China's objective is to become the regional hegemon in East Asia. The complex political, economic, and military situation in the region affects the PRC's strategic policies. The balance of power between Asian nations and other nations in the global community is at stake. It is in China's best interest to maintain stability in order to continue to grow as an economic and military power. One can expect China to use diplomacy to resolve disputes and improve its economic ties with its neighbors and the U.S. in order to achieve its long term political goals. Unfortunately, the PRC's mistrust of the U.S. and its allies, coupled with the potential flash points over North Korea, Taiwan, and India, are threats to stability in the region and to the global economy.

U.S. goals in East Asia include maintaining security and stability, promoting free trade, and encouraging political change toward a more democratic form of government. The challenge for the U.S. is to improve relations with the nations in the region while preventing armed conflict. This is a difficult challenge in a region of the world that possesses the largest population centers, several of the world's largest national economies, and growing nations that are fighting for resources and power.

IMPLICATIONS OF U.S. STRATEGY

The United States is using diplomatic, economic, and military elements of national power to engage China. The strategy of engagement is a balanced approach that places more emphasis on diplomatic and economic resources than on military power in order to achieve U.S. strategic objectives. U.S. policy toward China is outlined in the September 2002 National

Security Strategy of the United States. The objective of this policy is to promote a stable, peaceful, and prosperous Asian-Pacific region and to transform China into a democratic state.⁵⁶ This strategy focuses on improving economic ties with China. Currently, China enjoys the most favored nation (MFN) status and is the fourth largest trading partner with the U.S., trading over \$100 billion annually.⁵⁷ Also, the U.S. supported China's entry into the World Trade Organization (WTO). U.S. leaders believe that improving China's economy by tying it to world markets and free trade will eventually force the CCP to transition to a more democratic form of government. The assumption is that the Chinese people will demand more liberties, freedom, and influence over their government as they gain more wealth through a free market economy.

The U.S. is using its diplomatic power to engage and involve China in solving regional as well as global issues. The U.S. is also urging China to take a pivotal role in helping to resolve problems with North Korea. China's diplomatic efforts, in concert with the U.S., are instrumental in stopping the illegal migration of the North Korean people into northern China.⁵⁸ In addition, the U.S. is engaging China, as well as South Korea, North Korea, Japan, and Russia, in the six-party talks to develop solutions to the nuclear proliferation problem.

China does not trust the U.S. and its engagement strategy. "Chinese leaders believe that the fundamental drive of the United States is to maintain global hegemony by engaging in the shameless pursuits of power politics often disguised as a quest for democratization."⁵⁹ U.S. support for Taiwan, its invasion of Iraq, and the preemption policy, outlined in the 2002 National Security Strategy, serve to further China's deep suspicion and mistrust of U.S. intentions.

China's leaders believe that U.S. influence as a world power will continue to decline as the European Union, India, and other developing nations gain economic and military power.⁶⁰ It views this as an opportunity to advance its own interests as it continues to grow as a world power. "China's strategy to help achieve this objective appears to include biding its time by avoiding confrontation with the United States, and meanwhile gaining access to American investment, technology, and know-how."⁶¹ The fact that China's rapid technological advances enabled its space program to put its first astronaut into orbit, in October 2003, is evidence that the strategy is working. This was a big boost to the CCP to show its effectiveness as opposed to the negative press it received during the democratic movement protests in Hong Kong and its handling of the SARS epidemic.

China's leaders are using the country's increasing wealth and advances in technology, as well as observations of recent U.S. conflicts in Iraq and Afghanistan, to help transform its military. Spending in fiscal year 2002 on the military was \$55.91 billion, 4.3 percent of its gross domestic product.⁶² In March 2002, it approved a 17.6 percent increase in military spending.⁶³

Its focus is to modernize its air and naval forces in an effort to develop the capability to defeat perceived U.S. threats in the region. Also, the People's Liberation Army (PLA) is improving its communications, logistics, mobility, and firepower capabilities.⁶⁴ "Force reductions and selective new equipment acquisitions are creating a more mobile, combat-ready core within the larger ground force. Since the mid-1990s, the Army has shrunk from about 100 divisions to approximately 40 with many of the units downsizing to brigades."⁶⁵ Over 200,000 personnel were cut from the PLA in 2003. China is using the money it is saving from the PLA's force reductions to modernize its military. Currently, "the PLA's ability to project forces beyond China's land borders, while improving, remains limited due to a shortage of amphibious ships, heavy cargo-carrying aircraft, long-range transports, and other logistical shortcomings."⁶⁶ The PLA Navy is seeking to improve fleet air defense, over-the-horizon targeting, and sufficient sea/air lift for major amphibious operations"⁶⁷ Chinese military leaders believe they can defeat U.S. military forces in a defensive war or in a strike on Taiwan by employing deception, surprise, and preemptive strikes to attack U.S. weakness. Their strategy is influenced by Sun Tzu who believes that the primary goal in war is to defeat the enemy's will to fight by using deception, breaking an enemy's alliances, and striking where the enemy is weak.⁶⁸ They believe one of Saddam Hussein's critical errors during Desert Shield/Storm is that he failed to strike U.S. units as they were arriving in Saudi Arabia and preparing for combat operations. He made the same mistake just prior to the start of Operation Iraqi Freedom when U.S. forces were massing in Kuwait and preparing to attack. Also, China is developing asymmetrical capabilities to conduct cyber, space, and information warfare. In a conflict, it plans to use preemptive attacks to destroy the U.S. military's command and control system, which relies heavily on space-based communication systems.⁶⁹ China's space program successfully demonstrated its capability to put a rocket into orbit. The implication is that China may possess the capability to use space for the traversal of weapons or ultimately as a platform to attack U.S. interests in space.⁷⁰

ANALYSIS

The risk of the U.S. engagement strategy is that its core assumption is incorrect. What happens if China does not transition to a more democratic government and becomes a powerful military threat? In this case, the engagement strategy would hasten China's economic, technological, and military development with potentially disastrous consequences. Unfortunately, history has revealed that "rising powers invariably turn out to be assertive - an assertiveness that has usually led to war."⁷¹ Germany and Japan were both rising powers prior to World War II and their leaders became bolder and more assertive as they gained power.

Their rise to power remained unchecked in the pre-war years and eventually resulted in armed conflict. One could argue that the U.S. has become more aggressive in asserting its will across the globe as it has continued to gain power throughout its short history.

The belief that China will become aggressive as it gains power is pessimistic. There are several possible outcomes for China. The strategy the U.S. takes toward China will have an impact on its eventual behavior. What if the U.S. engagement strategy's core assumption is correct? In recent years, the Chinese Communist government relaxed economic controls, improved its civil, administrative, and commercial legal system, and increased the authority of local officials. These actions indicate that the free market economy is having a positive impact on China's leaders and is slowly moving them toward supporting a more democratic form of government.⁷²

The difficulty of any strategy is balancing the ends with the ways and means. U.S. engagement strategy maintains a balance between its strategic objectives, in relation to China, and the resources required to meet those objectives. A strategy of using military force to solve problems with China would result in the catastrophic consequences of human suffering and economic ruin for both countries. Also, there is no guarantee that U.S. military forces would achieve complete success in defeating China's military. Therefore, a strategy that focuses on military force is not a viable option.

The only other possible U.S. strategy toward China is containment. The objective of the containment strategy is to prevent or delay the growth of China's power.⁷³ The strategy requires limiting foreign trade and investments, preventing the transfer of technology, actively preventing the unification of Taiwan with China, and building strong alliances with Japan, South Korea, India, Vietnam, Russia, and other countries in order to isolate China. This strategy would be difficult to implement because it would require domestic consensus as well as strong support from regional allies and the world's advanced industrial countries.⁷⁴ It would have a negative impact on the world economy and the businesses around the world that have invested billions of dollars in China. Also, the containment strategy assumes that serious conflicts with China are inevitable. This is a pessimistic prediction that may not be correct. A containment policy would result in isolating China, weaken its economy, create instability, and increase the risk of armed conflict.

RECOMMENDATIONS

The United States should continue to pursue its strategy of engagement toward China. The policy of engagement enables both the U.S. and China to pursue their common economic

interests while working together to promote stability in Asia. The U.S. needs to continue its focus on improving its political, cultural, and economic ties with China. Also, the U.S. should work with its allies in an effort to reduce tension in the region.

The U.S. should remove the policy of preemption from its NSS. This policy raises the anxiety of U.S. allies and potential enemies. The purpose of the preemption policy is to serve as a deterrent. Unfortunately, it also raises anti-American sentiment because it reinforces China's belief that the U.S. is a bully who uses an aggressive foreign policy to force its version of democracy on other sovereign nations.⁷⁵

The U.S. should prevent China from acquiring technologies and capabilities that could threaten Asian and U.S. national security interests.⁷⁶ To do this, it must tighten controls over U.S. companies. It should also strengthen its ties to its allies and industrial nations to ensure that sensitive technology transfers do not occur. This is difficult to do because we sell and share our technology with our close allies, such as Canada, Great Britain, other North Atlantic Treaty Organization (NATO) partners, and Japan. They in turn could sell or transfer sensitive technology to China. Clearly, building trust with our allies is essential to preventing the transfer of sensitive technologies not only to China, but to other nations and world actors who may not have the friendliest of intentions toward the U.S.

The Department of State should develop a permanent institution to coordinate the U.S. - China bilateral relationship. Its purpose would be to create a formal structure to manage and resolve conflicts with the U.S. and other nations. Also, it would provide government oversight for economic and finance issues as well as science and technology.⁷⁷ This institution should submit an annual report on its progress to Congress.

The U.S. should continue to include China in multilateral security dialogues, especially in resolving regional issues with North Korea as well as global issues such as international terrorism. A permanent institution responsible for coordinating the U.S. - China bilateral relationship could provide the formal structure to share information and resolve differences between the two countries.

The U.S. Department of Defense should improve military-to-military ties with China. It should also participate in joint exercises in support of humanitarian operations.⁷⁸ Joint exercises are a good way to establish and strengthen military ties between countries, gain a mutual understanding of military capabilities, and develop trust.

China's future is uncertain as it faces many internal and external challenges. Its growing population, increasing demands for food, fuel, and other resources, and its people's desire for more democratic reforms pose a huge challenges for its government. Implementing these

recommendations will help to improve relations with China, reduce the risk of armed conflict, and provide stability in the region.

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ENDNOTES

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