**4. TITLE AND SUBTITLE**  
Can the United States be Partners with China?

**14. ABSTRACT**  
Much like the Cold War between the U.S. and the Soviet Union, the U.S. and China can be considered to have a competitive strategic relationship. Which raises the question….can the United States be partners with China? The answer to the “partnership” question is important because if the U.S. knew whether being a partner with China was feasible, it would ultimately assist and guide civilian and military policy makers in future foreign diplomatic relations, military deployments and procurement, and economic strategies.

**15. SUBJECT TERMS**  
China; US-China relations; US-China partnership; Sino-US relations; Sino-US partnership
MASTER OF MILITARY STUDIES

TITLE: Can the United States be Partners with China?

SUBMITTED IN PARTIAL FULFILLMENT
OF THE REQUIREMENTS FOR THE DEGREE OF
MASTER OF MILITARY STUDIES

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AY 12-13

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Executive Summary

Title: Can the U.S. be Partners with China?

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Thesis: History and current Chinese behavior give justification that the U.S. cannot partake in a mutually collaborative partnership with China, due to its lack of transparency, its contentious relationship with U.S. allies over disputed territories, and its unethical practices within China and in the global market.

Discussion: On October 22, 2012, the presidential candidates participated in their third and final debate for the 2012 Presidential Election. Towards the latter part of the debate, the moderator, Bob Schieffer, asked a question regarding China and what did each candidate believe to be the greatest threat to the national security of the United States. Both, President Obama and former Governor Mitt Romney, responded that China would need to “play by the rules” and that the U.S. could indeed “be partners” with China. The implication was that there could be a more integrated relationship with China than what currently exists, which is primarily economic trade and business. Much like the Cold War between the U.S. and the Soviet Union, the U.S. and China have had competitive strategic interests with one another since the Korean War. Which raises the question….can the United States be partners with China? The answer to the “partnership” question is important because if the U.S. knew whether being a partner with China was feasible, it would ultimately assist and guide civilian and military policy makers in future foreign diplomatic relations, military deployments and procurement, and economic strategies. This information can be utilized to more accurately shape the allocation of government funding for DoD, Department of State (DoS), and other interagency organizations within the U.S. government, as well as shape policy development for international trade and private industry.

Conclusion: China’s extended economic reach and modernized military will directly affect U.S. allies and national interests within the region. Once China becomes the predominant power in the Asia-Pacific, the equilibrium the region has enjoyed will no longer exist. Regardless of China’s proclamations of benign intent, the U.S. can never overlook its lack of transparency, ethics, or territorial disputes, and assume away the threat China possesses.
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Preface

This project has been an eye-opening experience for me and has enlightened me on how much research still needs to be completed. I chose this topic because I realize the importance of a U.S.-China relationship and because there is utility in the avoidance of unnecessary conflict. I also realize that in order to have a complete understanding of a potential U.S.-China partnership, there must be a contradictory analysis conducted that addresses the positive advantages of such a partnership. The value of this research will enable senior leaders to make informed decisions resulting in a harmonious Asia-Pacific region, facilitating prosperous economic, diplomatic, and military relationships.

I would like to thank my mentor, Dr. Francis H. Marlo, for his assistance, guidance, and patience throughout this process. Without his expert knowledge, I could not have completed this research. I would also like to thank Dr. Edward C. O’Dowd for his help in regards to a rather difficult subject. Lastly, I would like to thank my wife and kids for sacrificing many weekends while I locked myself in the office. Thank you for love and support.
INTRODUCTION

On October 22, 2012, the presidential candidates participated in their third and final debate for the 2012 Presidential Election. The final debate focused on the current state of foreign relations and policies, to include potential policies each candidate would implement during their term as president. Towards the latter part of the debate, the moderator, Bob Schieffer, redirected and focused the candidates by stating that his following question is, “intended to address the rise of China and future challenges for America.” 1 Mr. Schieffer then followed that statement with this question, “What do you believe is the greatest future threat to the national security of this country?” 2 Both, President Obama and former Governor Mitt Romney, responded that China would need to “play by the rules” and that the U.S. could indeed “be partners” with China. 3 The implication was that there could be a more integrated relationship with China than what currently exists, which is primarily economic trade and business. With that implication in mind, it is important to remember that China is a single party monolith with competing economic, military, and territorial issues with the United States, border countries, and other global powers. Much like the Cold War between the U.S. and the Soviet Union, the U.S. and China have had competitive strategic interests with one another since the Korean War. Which raises the question….can the United States be partners with China?

Currently, the United States military is drawing down its activity in the Middle East after more than ten years of combat operations. With this drawdown, the Department of Defense (DoD) has reoriented assets and efforts to the Pacific Command (PACOM) area of responsibility (AOR) in order to support regional stability, honor treaty agreements, and to increase security and presence to U.S. national interests throughout the region. The answer to the “partnership” question is important because if the U.S. knew whether being a partner with China was feasible,
it would ultimately assist and guide civilian and military policy makers in future foreign diplomatic relations, military deployments and procurement, and economic strategies. This information can be utilized to more accurately shape the allocation of government funding for DoD, Department of State (DoS), and other interagency organizations within the U.S. government, as well as shape policy development for international trade and private industry. However, history and current Chinese behavior lend little hope that the U.S. can partake in a mutually collaborative partnership with China, due to its lack of transparency, its contentious relationship with U.S. allies over disputed territories, and its unethical practices within China and in the global market.

This paper will begin by attempting to define partnership and then apply that definition to modern-day China in an effort to visualize what a partnership would look like. Following this comparison will be an analysis of Chinese relationships with neighboring countries, past and present trade practices, and finally a look at the Chinese military and how it supports Chinese international and domestic interests.

PARTNERSHIP DEFINED

Today’s global environment has seen an increase in the utility of partnerships among politically and culturally diverse nations, which has rendered the ability of any country to act unitarily almost impossible. Countries must rely on partnerships and alliances to ensure mutual success of economic, diplomatic, and military pursuits. Thus, the U.S. “will continue underwriting global security through commitments to allies, partners and institutions,” because “no one nation can meet global challenges alone” and the U.S. must build partnerships among nations that can yield results.⁴
There are two pieces of information needed before conducting an analysis of a potential partnership between the U.S. and China. The first is the definition of partnership, and the second is the requirements for a partnership to be successful. One definition of partnership is “an association of two or more persons engaged in a business enterprise in which the profits and losses are shared proportionally, or as an association of two or more persons to carry on as co-owners of a business for profit.”

Perhaps a more appropriate definition of a partnership is a “voluntary association of two or more persons or entities that conduct a business for profit as co-owners. Each is viewed as the agent of the others, and traditionally all are jointly and severally liable for the tortious acts of any partner.”

The definitions primarily address business partnerships, but they still hold clues to what a partnership must be between nations. By isolating the key components within the two definitions, one can then apply them to a partnership between nations. The first definition addresses “profits and losses” as being an element shared between the two parties. It also addresses the two parties as “co-owners” for profit. This definition easily transcribes to international economics, business, and strategic relationships between nations. In the second definition, it addresses the parties involved as being in the partnership voluntarily as well as addressing co-ownership. However, the definition takes it a bit further in describing that one partner is liable for the other. While the legal liability portion of this definition is not applicable to international partnerships, it is directly applicable to international opinion. One partner may not be legally responsible for the other partner’s actions. However, the international community can consider one partner guilty by association simply by being supportive of the partner conducting the “tortious act.”
With the aforementioned definitions, it is now possible to surmise what a partnership between two nations should be. Thus, an international partnership must contain shared values, mutual benefits, and trust if vital needs for critical resources and security are to be satisfied. An international partnership is a diplomatic relationship that facilitates an exchange of ideas, information, technology and support in working toward a common goal, which in turn fosters military and civil security, economic cooperation and prosperity, and diplomatic accommodation. With these key elements in mind, an analysis can now be conducted by looking at three major areas of concern between the United States and China; transparency, mutual respect of alliances and boundaries, and ethics.

TRANSPARENCY

Transparency, within an international partnership, is vital because it allows both entities to be fully aware of the other’s motivation, intent, and long-term requirements and goals. Thus, the lack of transparency generates mistrust and doubt. It allows misjudgment and prejudice to guide expectations and reactions. This lack of transparency illustrates one of many reasons why the United States is unable to be partners with China. In order for a partnership to be successful, there must be trust and an exchange of ideas and information. The U.S. cannot be partners with a country that will not allow it to know and understand its social and economic issues, its goals with foreign affairs, weapons and military positioning, and weapons procurement programs.

China’s lack of transparency seems to have evolved through multiple experiences in international relations and in ideology. For example, China led the world in nautical technology as early as the Song Dynasty (960-1279). Its fleet could have carried the Chinese empire “into an era of conquest and exploration” but rather decided to maintain their Middle Kingdom status and to remain separated from the barbarians. This decision prevented the barbarian nations
from influencing the Chinese culture. More importantly, it kept the Chinese civilization from influencing the barbarians and not facilitating their advancement, thus preserving China’s status as ruler between Heaven and Earth.

China attempted to become more transparent in 1405 when a Chinese fleet, led by Zheng He, launched with unprecedented technology and numbers to lands as far away as India, Java, the Horn of Africa, and the Strait of Hormuz, about 150 years before the Spanish Armada. China did not travel to these destinations for colonial purposes, but rather to proclaim the magnificence of China’s new Emperor and to bestow lavish gifts on the rulers they encountered. Most importantly, they invited the barbarians to travel in person or send envoys to China where they could acknowledge the “Sino-centric” world order by performing the ritual “kowtow” in recognition of the Chinese Emperor’s superiority. These expeditions did nothing more than extend the “metaphysical bounty” and limits of the “All Under Heaven” mandate bestowed upon China as the Middle Kingdom. However, the effort to welcome foreigners into China ended in 1433. Zheng He’s nautical explorations were halted as a result of the repeated threats to China’s northern border land frontier in Manchuria. The Emperor had all records of his voyages destroyed, the ships dismantled, and the voyages were never repeated. Afterwards, when piracy became an issue along the Chinese coast, the Ming Dynasty ordered all coastal communities to move ten miles inland rather than to set sail and confront the piracy issue. China’s lack of transparency was primarily a result of the belief that China was not just a “great civilization,” but synonymous with civilization itself, and thus China’s rulers judged everything by “rules of purely Chinese convention” and required no active pursuit of other cultures or open invitations to visitors.
Another explanation for China’s lack of transparency is the historic interactions between China and the Imperial powers. China’s lack of modernization in the nineteenth century allowed the influx of foreign explorers and subsequent exploitation of the Chinese government and population. The turmoil within was caused by pressure from colonial powers such as Great Britain, France, Russia, and the United States. With trade opening up in China with the “Western Barbarians,” China’s main ports and cities began to flourish and become metropolises.\textsuperscript{17} However, due to the unfair trade balance, China’s economy eventually suffered, while the barbarians reaped the benefits of the opium trade. The suppression of the opium trade by a Chinese Commissioner led to the 1839 Opium War between Britain and China. The Treaty of Nanjing brought an end to the Opium War in August 1842, but not without high cost to China. The treaty established that, among other things, China would open up four additional ports for trade, fix tariffs on exports and imports, and surrender Hong Kong as a British colony in perpetuity.\textsuperscript{18} The Treaty of Nanjing would be the first of many unfair and imbalanced treaties that would exploit trade market opportunities, open more ports for colonial powers, and strip island territories from China. In fact, by the end of the Qing dynasty in 1912, about 50 ports opened to foreign trade and residence along China’s coast.\textsuperscript{19}

When the Empire of Japan attempted to acquire Korea in 1894, it installed a puppet government in Seoul to protect Japanese interests. This activity led to the first Sino-Japanese War (1894-1895) which ultimately led to the defeat of Chinese forces in Korea and the Treaty of Shimonoseki. The Treaty of Shimonoseki conceded the Liaodong Peninsula (northwest of North Korea) and the island of Taiwan to Japan.\textsuperscript{20} This treaty only exacerbated China’s weaknesses by encouraging the Western Powers to seek additional concessions.
The Open Door Policy of 1899 was a U.S. creation designed to ensure access to China’s immense trade market. It established open and unimpeded trade within the assigned treaty ports for Russia, France, Britain, Italy and Japan. The Open Door Policy also prevented the world powers from dividing and occupying Chinese territory.\(^{21}\) As a result of the Open Door policy, the local population came into contact with many cultures and religions, which helped fuel Chinese movements for reform and revolution. This exposure also alarmed Confusion conservatives who feared the Chinese people would cease to be Chinese.

The Treaty of Versailles also contributed to China’s lack of transparency. Before World War I began, Germany acquired territories and rights within China. Once treaty negotiations had begun, China lobbied to have these territories returned by having it codified within the Treaty of Versailles. The Allies rejected China’s claims and awarded the territories and rights to Japan.\(^{22}\) At this point in history, the world powers did not see China as a world power and did not give China the respect it thought it deserved as the “Middle Kingdom.”

China also used closed borders and the lack of transparency as a tactic for preserving Chinese ideals and nationalism. Deng Xiaoping was a politician and reformist leader of the Communist Party of China and served in the People’s Republic of China (PRC) from 1978 to 1992. Like Mao Zedong, Deng strongly opposed Western values, like materialism, capitalism, individualism and freedom, within China. He believed they undermined both Communist ideology and the traditional Chinese values that had united the country. Deng believed that “the screen door through which Western science, technology, and foreign investments could flow into China was unable to keep up with the annoying insects of Western values.”\(^{23}\) The screen door analogy gives insight to how China views Western-style idealism within China and shows how keeping the “door” shut is the only way to preserve Chinese socialism. Freedom of information
flow lends to the uncontrollability of the common man and undermines the Chinese way of governing.

All of the aforementioned events have led to the global misunderstanding of Chinese foreign affairs. The misunderstanding is not from the lack of effort, but rather from the Chinese government’s refusal to release reliable information. In fact, Chinese officials have acknowledged that their foreign affairs system is one of the most secret aspects of the Chinese government. China has taken the lack of transparency and incorporated it into its foreign affairs system, *Waishi Xitong.* The term “waishi” is an abbreviation for the phrase “*waijiao shiwu,*” which means diplomatic matters. *Waishi* describes the PRC’s policies to influence and control foreigners. China applies this manipulative practice in an effort to control the population’s exposure, contact, and perception of foreigners and fellow citizens. China also utilizes the practice of *Waishi* to control perceptions of foreign cultures and technologies within and outside China. China utilizes domestic and foreign affairs in the same way, giving the recipient just enough information to shape its perceptions of reality, but not enough to give it a real understanding of China’s goals and intentions.

The Chinese military also lacks transparency. Since 1990, China has increased its numbers and capabilities of weapons and military equipment on an enormous scale, perhaps after seeing the effectiveness of the U.S. military in Desert Storm. Another reason could be to increase the protection of China’s growing global economic interests. In 1998, China published its first Defense White Paper in response to growing concerns from other Asia-Pacific powers about why such growth was necessary. The intent of the Defense White Paper of 1998 was to appease those countries concerned with the motives and goals of the Chinese government as well as the growing capabilities and actions of the People’s Liberation Army (PLA) by providing an
official statement of China’s military development, strategy, capabilities, and intentions. The latest white paper was published in March 2011, “China’s National Defense in 2010.” Despite China’s efforts, the Institute for National Strategic Studies describes the 2010 White Paper as being less transparent than the 2008 edition and providing less information than Defense White Papers of other major Asia-Pacific powers. China’s defense spending has increased by 16.2 percent each year from 1999 to 2008, and China reported only an 11.2 percent increase in defense spending, in 2012. It is important to point out, however, that China’s Gross Domestic Product (GDP) has doubled since 2006, meaning that while total defense spending has increased, it has remained roughly the same as a percentage of GDP (about 1.3 percent). However, the Center for the Study of Chinese Military Affairs at the National Defense University in Washington estimates the true Chinese defense budget to be 50 percent higher than reported figures. This disparity in numbers gives serious doubt to how earnest China’s transparency efforts really are.

In the 2010 Defense White Paper, China claimed that it will “continue to take advantage of this important period of strategic opportunities for national development” and will pursue “a national defense policy that is defensive in nature.” These statements create concerns among China’s neighbors (Japan, Korea, Taiwan, and Australia) mainly due to the underlying tone and the fact that China’s actions do not appear to match its words. In recent years, China has acquired assets and technology that are offensive and expansionist in nature. In the early 1990s, the PLA developed and deployed two generations of amphibious armored assault vehicles and recently developed a range of specialized amphibious assault and support systems. When considering these modernized military capabilities and the fact that China has 18 separate land disputes, eight economic exclusion zone disputes, and is postured for potential military action
over the unification with Taiwan, it is hard to believe China’s intentions are “defensive in nature.”

As previously stated, a partnership based on shared values, mutual benefits, and trust is vital if needs for critical resources and security are to be satisfied. Transparency is a critical component to maintaining the trust required for an international partnership. Transparency allows both parties involved to be fully aware of the other’s motivation, intent, and long-term requirements and goals. Thus, the lack of transparency breeds mistrust, doubt, and forces the U.S. to assume the worst-case scenario based on historical evidence and conjecture. Thus far, China has not reciprocated U.S. transparency efforts with its own. From China’s view, the international community has historically considered China an underdeveloped government and society, which strongly contradicts how China views itself. This led to the humiliation, embarrassment, and exploitation of China during its early ill-conceived international negotiations. This contradictory perception of China’s foreign diplomacy germinates China’s lack of transparency, the withholding of information, and freely giving of misleading information. China has made concessions with imperial powers for hundreds of years in order to maintain peace while it has industrialized its economy and modernized its government and military in an effort to compete with the Western powers. Therefore, China may argue that its current lack of transparency is a conditioned response to outside intervention. While this argument may explain the genesis of the behavior, it does not justify or excuse it.

Unfortunately, China’s actions do not match their words when compared to troop and equipment placements along the Taiwan Strait, the purchase and deployment of air and sea power, and the development of anti-ship missiles. Given China’s intentional deception through its lack of transparency and the fact that being “partners” requires a mutual understanding and
trust, the idea of a partnership between the U.S and China is impossible, especially when China’s territorial disputes insinuate ulterior motives and directly conflict their national narrative.

**TERRITORIAL DISPUTES**

The established definition of a successful partnership is that it must contain a mutual benefit for both parties and must work toward a common goal. Therefore, China’s territorial disputes play a major role in why the U.S. will find it challenging to have a partnership with China.

Territorial disputes are not in themselves the problem. The real problem lies with who the disputes are with and the goal behind them. China is currently in dispute with friends and allies of the U.S., which may force the U.S. to honor previous diplomatic agreements and military alliances to protect those countries against China. For example, in addition to its well-known claim to Taiwan, China also claims sovereignty over the islands, reefs, and shoals of the South China Sea. China’s 2010 defense white paper leaves no doubt about its intentions toward Taiwan. Specifically it states, “The two sides of the Taiwan Strait are destined for reunification in the course of the great rejuvenation of the Chinese nation.” This statement combined with China’s territorial claims, gives the impression that China is using this period of opportunity to become a regional hegemon. In recent months, cross-strait relations between Taiwan and China have improved; however, China’s weapons and amphibious equipment developments and positioning, aircraft carrier production, and anti-ship missile positioning, makes it challenging to perceive the Taiwan issue no longer a problem. The Office of the Secretary of Defense reported in May 2012 that the PLA’s main focus remains the preparation for hostilities in the Taiwan Strait. The staging of forces appears to be a posturing maneuver to deter U.S. intervention should Chinese diplomacy fail and the invasion of Taiwan considered necessary.
The question for the U.S. is, can the U.S. be partners with a country whose actions toward an ally, of which the U.S. is legally bound to defend, are unpredictable should diplomatic efforts fail? China’s rhetoric and posturing of forces will remain a concern until cross-strait relations between China and Taiwan are peacefully resolved and the potential for U.S. involvement no longer exists.

The dispute over Taiwan is not the only territorial dispute for China. A dispute over five rock formation islands northeast of Taiwan in the East China Sea has strained Sino-Japanese relations. Japan, China, and Taiwan all recognize the islands by different names, Senkaku Islands (Japan), Diaoyudao Islands (China), and Diaoyutai Islands (Taiwan). Nationalist factions in China and Japan have both used the island situation to enflame pre-existing contentious feelings resonating from the last Sino-Japanese war. Both have attempted daring beach landings on these small islands causing the other side to intercept or arrest the opposing country. If China were to gain control of these islands and expand its Economic Exclusion Zone, Japan and Taiwan fear this expanded zone would allow China the opportunity to prevent Japan and other Asia-Pacific countries from accessing vital sea lines of communication (SLOC).

In 1960, the U.S. and Japan signed a military alliance, the Treaty of Mutual Cooperation and Security between the United States and Japan. This treaty established “that an armed attack against either Party in the territories under the administration of Japan would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional provisions and process.” The U.S.-Japan partnership also promoted conditions for economic stability, the principles of democracy, and the desire to live in peace with all peoples and all governments in order to create relationships to increase stability within the Pacific region. However, China threatens this stability with its recent territorial
disputes and perceived aggression towards Japanese fishing vessels in and around the Senkaku Islands. The Senkaku islands dispute is not just about fishing rights. The islands are strategically located where whoever occupies them will have the positional advantage to control the SLOCs. If China continues to pressure Japan, or attempt to threaten Japan’s access to SLOCs for commercial fishing and economic trade, then Japan will have no option but to amend its constitution and develop offensive military capabilities or look to the U.S. for assistance. Thus far, both sides have been able to keep the island dispute limited and have prevented it from interfering with economic relations between the two countries. Until this situation is resolved or becomes a moot point, the U.S. cannot be partners with China and still have a productive and mutually supportive partnership with Japan.

Some argue that peace stems from economic harmony and war from conflicting vital economic struggles. If so, then the Asia-Pacific region has enjoyed peace and stability predominately due to the economic stability of China and Japan. However, China is now in search of global markets and resources in order to continue its growth. As per the 2010 white paper, they are making further economic growth a priority and a national effort. China has a large population, competing interests with its neighbors, and controlled by a single party government. This same formula, in retrospect, is comparable to that of the Japanese Empire in the 1930’s leading up to its involvement in World War II. Conversely, China may justify its territorial disputes as being comparable to the United States expansion in the 1800’s under the idea of Manifest Destiny.

It is important to remember that China possesses 20% of the world’s population and is the world leader in consumption of natural resources. It is very likely that China will need to expand its regional and global influence if it is to continue its economic growth, secure natural
resources, employ its massive population, and continue being the world’s largest exporter of commercial goods. How China plans to go about this is still uncertain, but experts believe that China cannot do it peacefully and will inevitably attempt to become a hegemon. Professor John Mearsheimer from the University of Chicago believes that if China is to realize its goals, as set forth in the 2010 Defense White Paper, it must eventually dominate the Asia-Pacific region; much like the U.S. dominates the Western Hemisphere.\textsuperscript{41} This theory creates a distinctive problem for any potential partnership between the U.S. and China. According to Mearsheimer, “if China continues to grow economically and therefore militarily, there will be an intense security competition between the United States and China, with a serious possibility for war.”\textsuperscript{42} Much like the U.S. with the Monroe Doctrine, China may establish its own doctrine that warns U.S. and other Western powers not to interfere in the affairs of the Asia-Pacific region. This potential declaration makes good sense for China, according to Mearsheimer, because the only way to succeed is to be the regional hegemon and to have no peer competitor.\textsuperscript{43} The United States has renewed the DoDs focus to the PACOM AOR in order to secure U.S. national security interests. If Mearsheimer’s theory is correct, the U.S. cannot be partners with China because U.S. military presence in the Asia-Pacific directly conflicts with China’s inevitable desire to be the hegemon.

**ETHICS**

The *National Security Strategy*, published in May of 2010, identified ethical behavior as an important aspect of U.S. partnerships and in the execution of U.S. policy. The U.S. will “underpin its commitment to an international order based upon rights and responsibilities” and believes the “rules of the road must be followed, and there must be consequences for those nations that break the rules – whether they are nonproliferation obligations, trade agreements, or
human rights commitments." The U.S. considers its international power of influence and legitimacy stemming directly from its acknowledgement and enforcement of human rights and the rule of law. If the U.S. is to maintain legitimacy and credibility, it must hold true to the standards it expects of other countries. However, the Chinese government has not assumed the responsibility for the enforcement of human rights, ethical behavior, and the rule of law. Thus, being partners with a country that does not recognize these values and laws would undermine the tenets of the National Security Strategy and U.S. policy.

Recently, China has been defensive against accusations of unethical behavior, to include currency manipulation, intellectual theft, counterfeiting and human trafficking. As stated in the National Security Strategy, the U.S. cannot be partners with a country that intentionally neglects human rights and international laws that directly affect the international community and its economic systems. These activities hurt domestic and international economics, create mistrust, and infringe on human rights, yet the Chinese government has taken no active part in preventing them. Being partners with a country that knowingly accepts this type of activity as fair play jeopardizes the United States’ reputation and legitimacy in the eyes of the global community.

China joined the World Trade Organization (WTO) in 2002, yet it has “not embraced the key WTO principles of market access, non-discrimination, and transparency,” which have consequently put American jobs at risk. In February of 2012, the White House released reports stating, “1.6 million American jobs are at risk due to trade violations committed by China.” One specific example is in the auto parts industry and the associated trade imbalance. The U.S. imported $62 billion worth of auto parts, an 850 percent increase, over the past ten years, which exacerbated the preexisting trade deficit between the U.S. and China. Congressional Democrats and union leaders recently pressured the Obama administration to take legal action
against China for violating trade agreements, such as dumping exports into the U.S. at below costs to gain market share. In order to maintain balanced trade and economic stability, the U.S., via the WTO, may charge additional import duties to compensate for unfair trade practices. However, this would achieve little if China were to respond in kind and add additional duties to U.S. imports flowing into China. This type of tit-for-tat trade practice gives China the leverage to ignore U.S. complaints and WTO regulations.

Another factor affecting the low cost of imported merchandise from China is its currency manipulation. China’s undervalued currency is forcing the U.S. to work through the WTO in an attempt to pressure China to address the U.S.-China trade gap, as well as China’s undervalued currency. According to the U.S. Department of the Treasury, China has manipulated its currency by as much as 40 percent since 2005, in an attempt to maintain cheap exports. Keeping Chinese exports inexpensive has proven to be a lucrative business and allowed China to obtain the status of being the world’s largest exporter of goods. A weak Chinese currency makes this possible by increasing China’s access to global markets searching for cheaper goods, which many global and U.S. businesses cannot match. Despite Congressional complaints, the current presidential administration has refused to take action against China, which may explain why China is reluctant to make any changes to its current global economic practices.

China has found additional ways to keep its products cheap: intellectual property theft. Intellectual property theft can range from the counterfeiting of consumer electronics to economic espionage against foreign countries or firms. In Fiscal Year (FY) 2011, the U.S. Immigration and Customs Enforcement (ICE) released its Intellectual Property Rights (IPR) seizure statistics. The estimated Manufacturer’s Suggested Retail Price (MSRP) for all FY 2011 IPR seizures was $1.1 billion. China remained the primary source country for counterfeit and pirated goods with
68 percent originating from China and 18 percent originating from Hong Kong. From China alone, the value of pharmaceutical seizures increased by more than $4.3 million, and the value of perfume seizures increased by $7 million. According to the IPR report, “counterfeit goods pose a serious threat to the health and safety of Americans. They can unknowingly be used in manufacturing, military, critical infrastructure and consumer product applications.” The U.S. Government maintains strict regulations on copyrighted material and strict regulations on materials used in the manufacturing of these products, which China refuses to recognize. For example, ICE confiscated counterfeit toys that do not meet U.S. standards for safety and copyright law, and later received signed acknowledgement of forfeiture of the counterfeit items from Chinese officials. Even with signed forfeitures of acknowledgement, China continues to be the number one origin of these products. The U.S. must not allow China’s deliberate neglect of trade, copyright, and counterfeit laws to delegitimize the U.S. and destroy the trust of the international community.

The Chinese government has shown a lack of concern for one of the most unethical practices coming out of China: human trafficking. According to the Central Intelligence Agency World Factbook, “China is a major source, transit, and destination for human trafficking and used for supplying individuals for sexual exploitation and forced labor.” The majority of trafficking occurs within the borders of China but is not limited to it. There are also reports that men, women, and children are trafficked to China from Burma, Vietnam, Laos, Mongolia, Russia, North Korea, Romania, and Zimbabwe for forced labor, marriage, and prostitution. As of the 2008 report, China has increased its attention to human trafficking of women and children, but does not possess a formal nationwide procedure to systematically identify or count the numbers victimized. Contributing to the problem is China’s vast population, combined with
large unemployment rates, which has yielded a family planning policy (one-child policy), and could play a factor in the Chinese government’s neglect of the human trafficking problem. Due to this lack of Chinese government intervention, the U.S. and international community may view China as a government more concerned with the prosperity of the government than the prosperity of its people. China believes the most important thing is the preservation of China and being Chinese, not the individual and their rights.

China’s lack of ethics enforcement in economics and human rights are too powerful to ignore. While the Chinese government may not be actively participating in these acts, they have not displayed the initiative to take sufficient actions in preventing them. China’s neglect of these issues has reached a global audience and affected its relations with the international community. The U.S. cannot be partners with a country that does not hold our same moral values. President Obama published his National Security Strategy in May 2010, which outlined the U.S. standard for international values, human rights abroad, and promoting dignity. China’s lack of ethics directly contradicts everything the United States has worked so hard to create. A partnership with China would undermine the goals of the National Security Strategy and harm U.S. international reputation. However, China has no incentive to change its practices if the current U.S. administration elects to remain silent. China will continue to bolster the ability to undercut U.S.-made products by utilizing tit-for-tat trade measures and currency manipulation to negate added import duties, intentionally ignoring WTO regulations, and ignoring counterfeit, intellectual theft, and copyright laws. If the U.S. is to be partners with China, China must first recognize and enforce human rights, U.S. and international trade law, and hold its international businesses and trade practices to a higher standard of ethics.

CONCLUSION
The future of Sino-American relations relies on how the two countries perceive and react to one another. While attending the 2011 U.S.-China summit, President Obama and China’s President Hu Jintao committed to build a cooperative partnership based on mutual respect and mutual benefit. The Office of the Secretary of Defense (OSD) reported to Congress in 2012 that it will be taking this opportunity to attempt a military-to-military relationship with China that is “healthy, stable, reliable, and continuous,” which will assist in “shaping China’s choices by encouraging it to cooperate with the U.S. and its allies and partners in the delivery of international public goods, including in such endeavors as counter-piracy, international peacekeeping, and humanitarian assistance and disaster relief operations.” However, OSD also stated that it would continue monitoring China’s evolving military strategy, doctrine, and force developments so that it is able to adjust U.S. force posture and operational concepts to maintain a secure Asia-Pacific region. The implication in OSD’s report is clear. The U.S. does not trust China, which is vital if a partnership is to evolve.

With unpredictable circumstances, it is safer to expect the worst when looking at long-term diplomatic conditions or future outcomes between national rivals, even if benign intentions are at first the motivation. The next 5 to 10 years correspond to China’s “important period of strategic opportunity” for economic modernization and development. The leadership of China has expressed the will to focus its efforts on building a moderately well off society while maintaining a prosperous and stable international environment. China should continue to cooperate with Taiwan, and other border countries, during this period. This cooperative attitude will demonstrate China’s benign intentions, and ensure the global community of its grand strategy for peaceful resolution over any controversial situation. Yet, some experts believe this
reassurance prevents the creation of coalitions against China as it attempts to rise to even greater power. \(^6\)

As one can imagine, there are many reasons why the United States cannot be partners with China. Of course, this paper does not cover all of the issues. However, the ones referenced do provide enough analysis to show that there are vast differences in ideology, perceptions of what the state should do for its people, and how the state should approach foreign affairs. These differences create such an enormous hurdle that a U.S.-China relationship cannot be considered anything more than an economic exchange. The important thing to remember is never to assume away a capability, because the Chinese are extending their international economic influence, and this extended influence will require a modernized and deployable military to protect it. China’s extended economic reach and modernized military will directly affect U.S. allies and national interests within the region. Once China becomes the predominant power in the Asia-Pacific, the equilibrium the region has enjoyed will no longer exist. Regardless of China’s proclamations of benign intent, the U.S. can never overlook its lack of transparency, ethics, or territorial disputes, and assume away the threat China possesses. War is not inevitable with China, but it is safe to say that neither is a partnership. The best the U.S. can hope for is a friendly yet competitive relationship, much like the relationship between Great Britain and Germany in the early 20\(^{th}\) century, military rivals tied together by economic dependency. \(^6\)

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