U.S.-China Strategic Nuclear Dialogue

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Executive Summary

The United States and China are at a critical juncture in their bilateral relationship; each needs to better understand the other's military capabilities. The most important factors affecting the U.S.-China strategic relationship are, for the U.S., its position at the top of the relative power hierarchy and, for China, its turn from an autarchic ideological system to broad-based international engagement.

Chinese foreign policy aims at ensuring a peaceful environment conducive to economic development. Yet Chinese worry that their security environment is deteriorating, with an evolving nuclear competition in South Asia and a worsening security situation in North Korea. China already faces several "nuclear triangles" – China-North Korea-U.S.; China-India-Pakistan; China-Russia-U.S – that involve complex deterrence relationships. Chinese also fear additional nuclear powers in Northeast Asia. China also worries about U.S. strategic policy that seems to increasingly rely on nuclear weapons. This heightens anxieties about China's standing relative to the U.S.: while Chinese see their rise as inevitable, they also acknowledge that their country is weak at present.

U.S. perceptions focus on the vast changes that have occurred in the security environment after the end of the Cold War and the terrorist attacks of 9/11. Rather than facing a single state-led threat that was an unambiguous enemy, the U.S. faces a mix of state and nonstate adversaries, dangers posed by asymmetric strategies as much as by the actors themselves, and states with which the U.S. has an ambiguous relationship, such as China.

Overall, the China-U.S. strategic relationship appears relatively stable. U.S. thinking is shaped by three factors: China's decision not to enter into a nuclear arms race with the U.S, the absence of fear of a Chinese surprise attack, and seeming lack of urgency surrounding China's nuclear modernization effort. If these factors change, U.S. threat perceptions of China would change.

Chinese doctrine relies on "minimum deterrence" and the centrality of a no-first-use pledge. Its nuclear force is retaliatory-based, not denial-based; the emphasis is on deterrence; it is counter-value not counter-force. Thus, as long as the nuclear force is effective (reliable, deliverable, etc.), it does not need to be large in numbers. This reflects a Chinese belief that nuclear weapons lack tactical utility – that they are *only* useful for strategic retaliation. This belief leads to worst case assessments by Beijing of U.S. plans to consider development of tactical weapons.

By contrast, U.S. participants generally emphasize the decline in importance of nuclear weapons in U.S. national strategy. The U.S. has continued to reduce its nuclear stockpile, even under the current administration. One American participant further noted that China does not figure largely into U.S. policies at the strategic level. However, unless the U.S. has a firm understanding of and gains more transparency into China's nuclear program and intentions, it will be less willing to continue nuclear stockpile reductions. This is particularly true in the context of modernizing China's nuclear stockpile.

Both the U.S. and China see the implications of North Korean nuclear weapons as transcending the Korean Peninsula. Many argue that the the nuclearization of South Korea and Japan is not only a dangerous outcome, but the most likely outcome of further moves by the North. Chinese have deep concerns about the potential for Japan to develop nuclear weapons and there is fear that this could occur in spite of a continuing, strong U.S.-Japan alliance. Chinese also fear that the North Korean nuclear program provides a rationale for a missile defense program.

Taiwan remains central to the China-U.S. relationship and is one of only a few (if not the only) potential sources of military conflict between the two countries. Chinese believe that U.S. policy aims at perpetuating the separation of Taiwan from the mainland indefinitely, but suggested a changed declaratory policy might affect this. China is and would be very sensitive to any ballistic missile defense system covering Taiwan. Chinese participants also repeatedly and emphatically refuted Gen. Zhu Chenghu's statement implying a potential Chinese nuclear first use over Taiwan.

While Chinese prefer an end to U.S. alliances in Asia, they do see the benefits of policies based on the concept of extended deterrence, as well as positive security guarantees by nuclear weapons states to non-nuclear weapons states. Additional discussion on these points would be productive. There is concern over the U.S.-Indian global partnership but relations among China, India, and the U.S. are in flux. Chinese support for Pakistan is partially viewed through the prism of the Sino-Indian relationship.

Nuclear weapons remain well in the background of the political relationship, and policymakers on both sides seem committed to moving nuclear weapons even further into the background. Still, discussions highlighted topics that need additional clarity. These include a mutual no-first-use pledge and "nuclear threshold" issues for crisis stability and escalation prevention. In particular the issue of nuclear response to non-nuclear WMD use, electromagnetic pulse issues, conventional attacks on strategic targets, deserves more study. Chinese participants emphasized that their threat perceptions depended, in part, on their understanding of U.S. views of the "nuclear threshold."

Chinese participants expressed sympathy for the goals of the Proliferation Security Initiative (PSI). While this does not constitute unreserved, blanket support, it suggests an area for future cooperation. More broadly, further discussion of WMD proliferation issues would help establish areas of common ground and potential cooperation in nonproliferation and counterproliferation activities.

Chinese participants called on the U.S. to reinvest its energies in maintaining and strengthening nonproliferation regimes and international organizations such as the IAEA and NPT. In order to gain legitimacy, transparency, and trust on security matters, they argued the U.S. should end the recent trend of dealing with WMD threats unilaterally or through selective, bilateral diplomacy to more inclusive, multilateral arrangements and relationships. It is unclear if this is a viable strategy in Washington today.

U.S.-China Strategic Nuclear Dialogue
Conference Report

By Peter R. Lavoy, Christopher P. Twomey, and Elizabeth L. Stone of the Naval Postgraduate School, and Ralph A. Cossa, Pacific Forum CSIS

The U.S.-China Strategic Dialogue brought together Chinese and U.S. strategic experts in their personal capacities to discuss the role of nuclear weapons in Sino-American relations with the aim of minimizing mutual misunderstanding and identifying practical steps for bilateral cooperation.

The conference was held in Honolulu, Hawaii in August 2005. It was organized by the Naval Postgraduate School (NPS), in collaboration with the Pacific Forum CSIS and with support from the Advanced Systems and Concepts Office of Defense Threat Reduction Agency, U.S. Department of Defense. The American participants were primarily academics, although several had experience in international security issues while working for the U.S. government. The Chinese participants were a mix of academics, think tank analysts, and military officers. (Please see the list of conference participants in Appendix A) The conference was held under the explicit understanding that all participants were speaking unofficially, as observers of their government's policy, not representatives of it.

This first meeting of what is anticipated to be an annual series of track-two dialogues was extremely successful. Both sides developed an increased awareness of the other's threat perceptions and the strategic rationale for its grand strategy. Over the course of two days, U.S. and Chinese representatives discussed numerous pressing issues, this year centering on: the evolving nuclear world order, national security priorities and policies, national nuclear postures, regional nuclear challenges, threat reduction policies, and recognizing key sources of misperception and misunderstanding between them. The participants came away from the event with an increased understanding of what direction future strategic dialogues should take in order to continue a productive and rewarding dialogue, and an enthusiasm to do so.

Importance of a Strategic Dialogue

The discussions opened with the acknowledgement from both sides that China, as the fastest growing country in the world, is rapidly becoming a great power. American discussants reiterated that Washington's interests in Asia are and will remain a priority, and that regardless of who was in the White House, much of the government's focus would be on China. It was also noted that both the United States and China are at a critical juncture in their bilateral relationship, and both countries need to work together amicably to ensure each side better understands the other's enormous military capabilities. As one of the American paper writers highlighted, the strategic relationship between any two countries can be defined as the interplay between their power and goals. Thus, the most important factors affecting the U.S.-China strategic relationship are, from the U.S. side, its position at the top of the relative power hierarchy, and, from China's side, its turn away from the autarchic ideological system to its current broad-based international engagement. With this general recognition of the centrality of the issues at stake, the discussion turned to a number of specific points.

Strategic Level Points

At the broadest level, Chinese participants repeatedly emphasized that their government's overall outlook centered on ensuring a peaceful environment conducive to economic development. American participants confirmed China's economic strength, and pointed out that China's turn has made it into a worldwide economic power with particular impact on the American economy. It has brought into being a Chinese middle class that is forcing the government to evolve and it has allowed China to engage in useful diplomatic as well as economic relationships around the world. Everyone agreed that any assessment of the military and nuclear aspects of the strategic relationship must take these basics into account. American participants emphasized the degree to which their perceptions centered on an understanding of the vast changes that have occurred in the international security environment in the wake of the end of the Cold War and the terrorist attacks of 9/11. Beyond these general worldviews, each side engaged in frank discussions of the nature of their specific threat perceptions and nuclear doctrines.

Chinese Threat Perceptions

Nuclear Triangles. According to our Chinese participants, the security situation facing Beijing is very challenging. The evolving nuclear competition in South Asia, coupled with the worsening security situation in North Korea, have led to a marked deterioration of China's regional security environment. While far from resolved, there seemed to be a burgeoning awareness of the extreme complexity of multiple deterrence relationships. China today already faces several "nuclear triangles": China-North Korea-U.S.; China-India-Pakistan; China-Russia-U.S.; etc. The possibility the Chinese participants repeatedly referred to of adding South Korea, Japan, and – most alarmingly – Taiwan into that mix creates a very fluid and unstable situation for China.

Interpretations of the Nuclear Posture Review. More disturbingly, there was a persistent view in comments from Chinese participants that the 2002 Nuclear Posture Review (NPR) increased, rather than decreased, the importance of nuclear weapons in the Washington's overall defense posture. (Indeed, the Chinese participants also typically treated the NPR as a statement of declaratory policy rather than as the "study" it was intended to be.) There were repeated calls by Chinese interlocutors to reduce U.S. reliance on nuclear weapons in general. In fact, one participant suggested that a major challenge to global stability today was the emphasis that nuclear weapons states continued to put on the role of nuclear weapons. In this view, this emphasis stimulates nuclear proliferation and more generally is a key driver for other nations' threat perceptions and security policies.

Chinese Position of Strength and Weakness. In playing off the complexities of the bilateral relationship, Chinese participants expressed something of a contradictory view of their overall position regarding the United States. On the one hand, they frequently made statements emphasizing China's overall weak position relative to that of the U.S., and alluded to certain obligations the U.S. must uphold as the leading global hegemon. On the other hand, there also was an insistence that China's rise was inevitable, and that this would change the overall power distribution in the world. This confidence was seen to be a recent shift in China's views of

international affairs. In the short-term, China still openly identifies itself as weak country. However, it is more than willing to tout and project its potential for becoming a great leader and economic competitor.

American Threat Perceptions

Post 9/11 Realities. At the broadest level, American participants emphasized the increased complexity of the world their country face. Rather than facing a single state-led threat that was unambiguously an enemy, today the United States faces a mix of state and nonstate adversaries, dangers posed by asymmetric strategies as much as by the actors themselves – both terrorism and weapons on mass destruction (WMD) proliferation were said be encompassed in this area – and states with whom the U.S. has an ambiguous relationship. China, for example, is a close trading partner but at the same time is a potential security competitor. This unprecedented relationship makes policy decisions more ambiguous and more open to adjustment and reinterpretation.

U.S.-China Relationship. Most U.S. participants at the conference felt the Sino-American strategic relationship to be relatively stable. Given the existence of something approaching a secure nuclear second-strike capability held by both sides, U.S. participants emphasized that the strategic nuclear aspect of the U.S.-China centered on a few key constants.

- First, they recognized that China has declined to enter into a nuclear arms race with U.S.
- Second, they insisted that the U.S. feels no threat of surprise of attack from China.
- Finally, they acknowledged that programs to improve China's nuclear forces have been slow and noted that China's nuclear programs do not bear the urgency China has given to development of the civilian sector, which is rapidly expanding (or even to other areas of military capability such as short-range missiles or conventional submarines).

American participants agreed that if these factors were to change, then U.S. threat perceptions of China would change. However, no one suggested this was imminent.

China's Doctrine

In language that clearly drew on longstanding U.S. theoretical debates over nuclear deterrence, the Chinese participants repeatedly highlighted their reliance on "minimum deterrence" and the centrality of their no-first-use pledge. The goals of the nuclear force were said to be retaliatory based not denial-based deterrence, and counter-value not counter-force. This permits, in their view, a notion of "few but effective" to be appropriate for sizing their weapons arsenal. That is, so long as the nuclear force is effective (reliable, deliverable, etc.), it does not need to be large in numbers. Some participants emphasized that quantitative measures were less important than the quality of the deterrent that they provided. This emphasis on quality over quantity, and repeated downplaying of the utility of quantity, pervaded most discussions of the Chinese force and its supporting doctrine.

Related to this is a belief by the Chinese participants that nuclear weapons lack tactical utility – that they are *only* useful for strategic retaliation. While positive from a narrow

perspective of American national interest, this does shape the way the Chinese view the ongoing development of American nuclear doctrine. From their perspective, the usability debate in the U.S. is moot: it is simply a given that tactical nuclear weapons lack utility. One important implication of this belief is that it leads to worst case assessments by Beijing of U.S. plans to consider future development of such weapons.

American Doctrine

American participants generally emphasized the decline in importance of nuclear weapons in their country's national strategy. Several Americans indicated that this is the key motivation for the Nuclear Posture Review. In contrast to Chinese perceptions regarding the American strategy, several U.S. participants noted that the United States has continued to reduce its nuclear stockpile, even under the current administration. One American participant further noted that the role of nuclear weapons also has receded in recent years in the security policies of France and the United Kingdom. Beyond that, it was also emphasized that China does not figure largely into U.S. policies at the strategic level. Indeed, one U.S. participant emphasized the basic stability that nuclear weapons imposed on international relations in general and suggested that a degree of stability should be expected in Sino-American strategic relations as well (without entirely downplaying the challenges posed by the Taiwan issue). However, the U.S. is concerned that unless it has a firm understanding and gains more transparency into China's nuclear program and intentions, the U.S., as well as Russia, will be less willing to continue nuclear stockpile reductions. This is particularly the case in the context of the modernization of China's nuclear stockpile.

Regional Affairs

In terms of regional affairs, a number of important points emerged both in the panels that focused on these points in particular and in other, more general, discussions.

Beyond North Korea. Both the American and the Chinese participants viewed the implications of North Korean nuclear weapons as transcending the Korean Peninsula. The potential nuclearization of South Korea and Japan was discussed as a dangerous outcome, but often as *the most likely outcome* of further moves by the North.

The prospect of Japanese nuclearization was viewed with deep trepidation by the Chinese. There was a sense on the Chinese side that this could occur in spite of a continuing, strong U.S.-Japan alliance. It was noted, several times, that Japan already possessed the requisite material and technology programs for both weapons and missile delivery systems. The Chinese viewed Japanese domestic political restraints on this issue to be quite transitory. In almost a mirror image of American views about Chinese coercive power over North Korea, the Chinese repeatedly asserted that the United States, and perhaps no one else, could prevent Japan from proliferating.

Finally, there was a sense in comments by some Chinese participants that Japan could be looking at the DPRK as an excuse to develop nuclear weapons. It was stressed, however, that a nuclear DPRK would not draw the Chinese into war. Several Americans also expressed

relatively positive views regarding the prospect for peaceful resolution of the nuclear issue on the peninsula.

The issue of missile defense (MD) was again raised under the subject of North Korea, for as one American author pointed out, it was the threat of North Korea's WMD delivery capacity that was a driver for the development and deployment of a ballistic missile defense platform designed to protect the United States and its allies from the threat of an adversary's missile strike. As the conference participants reiterated, such a missile defense program has always been a concern for China, and recent developments in this arena have been viewed with skepticism. All of these opinions depict how a nuclear DPRK could set off numerous, both interconnected and unconnected, domino effects, all of which would be detrimental to regional and global stability.

All of this discussion led to rather forthright condemnations of the North Korean nuclear program by the Chinese participants. That said, the usual statements of limits on China's ability to pressure the DPRK also were expressed.

Taiwan. Taiwan itself, although not formally on the agenda, came up repeatedly and unsurprisingly in discussions. Its centrality to the Sino-American relationship was consistently emphasized and it was noted that this was one of only a few (perhaps the only) potential sources of military conflict between the two countries. Chinese willingness to use violent means to prevent permanent legal separation of Taiwan was emphatically repeated. Although, paradoxically, one Chinese participant insisted that even after a military conflict over Taiwan, China's ultimate objective would remain *peaceful* reunification.

Chinese participants seemed convinced that U.S. policy was aimed at perpetuating the separation of Taiwan from the mainland indefinitely, but suggested a changed declaratory policy might affect this. The strong restraint exerted on Taiwan in recent months was acknowledged, but not viewed as a fundamental shift in policy. Chinese participants repeatedly raised the mention of a Taiwan scenario in the leaked NPR, and this was viewed with deep concern. Similarly, Chinese concerns regarding any foreign theatre missile defense coverage were again expressed. It was also explicitly mentioned that China is and would be very sensitive to any ballistic missile defense system covering Taiwan. On the other hand, there was also repeated and emphatic refutation of Gen. Zhu Chenghu's statement implying a potential Chinese nuclear first use over Taiwan. The most interesting comment in this area came from a Chinese panelist who emphasized the importance of preventing a hypothetical Taiwan conflict from escalating or spreading. His comment was clearly made in the context of U.S. involvement in the hypothetical conflict. Similarly, others openly acknowledged U.S. escalation dominance in that situation: "It is the United States, not China who has the nuclear capabilities to control or even dominate conflict escalation."

U.S. Alliances in Asia. There was a genuine desire by the Chinese side to hear more discussion from the American side on how Washington conceives of its alliance system in the region. While extended deterrence concepts were repeatedly criticized, the benefits of policies based on such concepts were clearly valued by the Chinese side, as were discussions of positive security guarantees by nuclear weapons states to non-nuclear weapons states. This suggests that further

discussion would be warranted and might improve mutual understanding. Suggesting that such learning might be possible, one participant wrote, “For China, the concept of external deterrence has simply not entered into [the] nuclear calculus yet.” The Chinese participants desire additional discussion on explaining American grand strategy in the region.

Responding to the Chinese participants’ calls to clarify the strategic relationship between the United States and China, one American participant emphasized that there is no need for further clarification of the existing relationship between the two superpowers; what we see now is the relationship. It is a mixed motive relationship; one in which endemic differences exist, and in which each side is both part ally and part adversary. The dialectic nature of the relationship certainly belies straightforward simplification.

India. The Chinese also expressed concern over the new U.S.-Indian global partnership but also noted that relations among China, India, and the U.S. were very much in flux. More broadly, the Chinese side recognized the importance of the emerging Sino-Indian nuclear competition but suggested that consideration of that was only in its infancy. One Chinese participant indicated that Chinese support for Pakistan was at least partially viewed through the prism of the Sino-Indian relationship. U.S. participants emphasized the importance placed on improved U.S.-Indian strategic ties, particularly in the past several months.

Policy Issues

Finally, there were a number of concrete policy-related topics that also will merit consideration for further discussion. The attractiveness of a mutual no-first-use pledge was apparent for several of the Chinese participants. American participants emphasized the importance of related “nuclear threshold” issues for crisis stability and escalation prevention. These seemed to be understood rather differently by the two sides. (Particularly the issue of nuclear response to non-nuclear WMD use, electromagnetic pulse (EMP) issues, conventional attacks on strategic targets, etc.) Chinese participants emphasized that their own threat perceptions depended, in part, on their understanding of American views on the “nuclear threshold.” Clearly, the interrelated nature of these challenging issues suggests the importance of further discussion on the topic.

However, as discussed by one of our American paper writers, U.S. views on further defining its conception of nuclear threshold, or on other issues of nuclear arms control, do not – both in the past and at present – play a significant role in the Sino-U.S. strategic military relationship. For many in the current administration, there is no arms race between the United States and China.

Nuclear weapons remain well in the background in the political relationship, and policymakers on both sides seem committed to moving nuclear weapons even further into the background. In China, few have seen any possible role for China in the nuclear disarmament process among the nuclear weapons states until such time as far deeper reductions occur in the arsenals of the United States and Russia.

Support for PSI. Chinese participants expressed sympathy for the goals of the Proliferation Security Initiative (PSI). While this was never expressed as unreserved, blanket support, it suggests an area for potential future cooperation between the two countries. More broadly, further discussion of WMD proliferation issues would be useful to work out other areas of common ground and potential cooperation in nonproliferation and counterproliferation activities. Both sides repeatedly raised the topic of access to WMD by terrorists and sub-national groups, and the Chinese seemed particularly energized by the prospect of further WMD proliferation in their own region.

On multiple occasions, however, Chinese participants emphasized the need for the United States to reinvest its energies into maintaining and strengthening nonproliferation regimes and international organizations such as the IAEA and NPT. In order to gain legitimate transparency and trust on security matters, they argued the United States should think about shifting away from the recent trend of dealing with WMD threats unilaterally or through selective, bilateral diplomacy to more inclusive, multilateral arrangements and relationships. The American participants often emphasized the degree to which this was not regarded as a viable strategy in Washington today.

This too would appear to be a productive area for further discussion given the contrast between China's preference for relatively formal organizations and the more flexible approach that characterizes U.S. policy today.

Utility in this Dialogue. Beyond the substance, there seemed to be significant interest in the Chinese side for the process to continue. There was great interest in continuing to take advantage of both U.S. and Chinese participants to facilitate more dialogue, and to enhance confidence-building measures between the two countries.

The Center for Contemporary Conflict at NPS and Pacific Forum CSIS, in collaboration with DTRA/ASCO, looks forward to the opportunity to develop this project further.

China's New Leadership and Strategic Relations with the United States

By Jia Qingguo

China's new leadership has been in office for more than three years – and during this time, China's relations with the United States have received unprecedented international attention. While all share the view that this relationship is of unparalleled importance to the world as well as to both countries, people disagree as to how such a relationship is going to evolve. Optimists point at the growing interdependence and deepening of the relationship, and argue that the two countries will be able to manage their relationship in a rational and mutually beneficial manner. Pessimists call attention to the so-called logic of great power politics, and assert that the two countries are destined to get into confrontation and conflicts.[1] Many factors will help shape the eventual outcome of the relationship. The way China's new leadership appreciates and deals with the problem certainly matters.

This article represents an attempt to discuss the approach of China's new leadership to, and its take on, China's strategic relations with the United States. It argues that, like its predecessors, China's new leadership attaches great importance to China's relations with the United States – and believes that it is in China's interests to develop a constructive strategic partnership with the United States. Accordingly, it has carefully avoided measures that would jeopardize the relationship, and has sought every opportunity to improve it. In the meantime, however, it has also taken measures to hedge against the potential threat posed by the United States. China's nuclear policy can only be understood within this context.

This article will first discuss the broad strategic orientation of China's new leadership. It will then discuss China's nuclear policy. Finally, it will dwell on opportunities and challenges to Sino-American strategic cooperation.

China's Strategic Orientation

China's attitude toward China-U.S. strategic relationship is part and parcel of its overall strategic orientation. This orientation in short is peaceful development. Just like their predecessors, China's new leaders share the belief that China's future lies in sustained economic growth and social and political improvements. In his carefully prepared speech at the Bo'ao Forum in April 2004, President Hu Jintao stated that China's goal for the first 20 years of this century is to "quadruple the 2000 GDP to $4 trillion, with a per capita GDP of $3,000," and "further develop the economy, improve democracy, advance science and education, enrich culture, foster greater social harmony, and upgrade the texture of life for the people."[2] By any standards, these goals are extremely ambitious. To begin with, quadrupling China's GDP in 20

[1] John J. Mearsheimer, *The Tragedy of Great Power Politics* (New York: W. W. Norton & Company, 2001); Richard Bernstein and Ross H. Munro, "The Coming Conflict With America," *Foreign Affairs* (March/April 1997), 20-32.

[2] Speech delivered by President Hu Jintao of China at the Opening Ceremony of the Boao Forum for Asia 2004 Annual Conference on April 23, 2004, "Full Text of Hu Jintao's Speech at BFA Annual Conference 2004."

years requires at least 7.2 percent annual growth.[3] This is a very difficult task. After more than two decades of rapid growth, China's economic base is already quite large. It has become more and more difficult to achieve high growth for a sustained period as long as 20 years. This is especially true when China is already facing increasing problems in economic growth, such as sharp price hikes with energy and raw materials and saturation of the international market with made-in-China products.

Moreover, it is also a very challenging task for the Chinese government to "advance science and education, foster greater social harmony, and upgrade the texture of life for the people." It demands significant increase in investment in scientific research, education, cultural development, and help the underprivileged in society through improving the social welfare and public health systems, and enhancing redistribution through a more rigorously implemented progressive taxation system. Finally, it is equally difficult if not more so to undertake political reforms to make decision-making and selection of leaders more transparent and government more accountable. In order to attain these ambitious objectives, the Chinese government needs all the time and resources it can muster. Under these circumstances, it needs to strive for a peaceful international environment so that it can focus on attaining these ambitious goals.

Moreover, after more than two decades of integration with the outside world, China has acquired an increasing stake in the current international political and economic arrangements. The increasing political and economic linkages between China and the outside world have given China normal channels to express its views, defend its legitimate interests, and promote reforms of the existing international order. Meanwhile, increasing economic relations between China and the outside world have given China an ever larger stake in international stability and prosperity. In 2004, China became the world's third largest trading partner with a foreign trade volume of $1.154 trillion.[4] In 2004, it also attracted $64.072 billion in foreign investment.[5] In March 2005, its foreign reserve stood at $659.1 billion, second only to that of Japan.[6]

Finally, China's view of international relations has also undergone broad changes: From viewing international relations in ideological terms[7] to viewing it in more conventional terms; From viewing international relations as a zero-sum game to viewing it as a positive-sum game; and from suspicion and hostility toward the international system to identifying with it.

These attitudinal changes have in turn contributed to China's conceptualization of its relations with the outside world and definition of the goals and objectives of its security policy in a way that is assuring to the international community. This also helps explain the Chinese government's advocacy of peaceful development in recent years. Peaceful development makes it necessary for China to undertake the following measures in its external relations: First, China

[3] From Finance.Sina.com, May 12, 2005.
[4] Liang'an Jingmao Tongxun, *Bulletin of Economic and Trade Relations across the Taiwan Strait VI* (1998), 47.
[5] "Invest in China," *FDI.gov.cn*, Jan. 14, 2005.
[6] "*Zhu: zhongguo shi yazhou zuijia touzidi/ Zhu*: China is the best investment place in Asia," *Wenhuibao/Wenhui Daily*, Hong Kong edition, April 7, 1998, A3.
[7] Here the concept "ideology" is defined narrowly to refer to Marxist or Communist ideology.

needs to try to cultivate good relations with the outside world. According to President Hu Jintao: "China will promote the steady growth of relations with major countries, stick to the principles of building friendship and partnerships as well as security and prosperity with neighbors while combining bilateral friendship with regional co-operation... China will also strengthen unity and co-operation with developing countries and support their just and rational appeals in international affairs."[8]

Second, China needs to strive for resolution of international problems through multilateral cooperation. Multilateral cooperation is required for the maintenance of peace. As former Vice Premier Qian Qichen put it in 2004, "we should opt for multilateralism and give full play to the important role of the UN. Our world is one big family. Naturally, family affairs should be handled by all its members through consultations." The United Nations, Qian said, is "the core of the collective security mechanism and the best venue for multilateral interchanges." It therefore "should continue to play its important role in international affairs. Facts have proved that no major international issues can be tackled by just one or two countries or a group of countries laying down the law."[9]

Multilateral cooperation is also required for the promotion of development. As Chinese Foreign Minister Tang Jiaxuan put it in 2002: "It would not be in the interest of a sound world economy if the laws of the marketplace were given a free rein to dominate globalization. The international community needs to reform the current rules in the world economy, strengthen guidance and management of the globalization process, take account of fairness and reduce risks while seeking efficiency, and steer globalization in an 'all-win' direction of coexistence."[10]

Finally, the Chinese government realizes that its good intentions may not be reciprocated. Therefore, while it strives for a peaceful international environment and subscribes to multilateralism in dealing with international issues, it also needs to hedge against potential security threat through building up national defense capabilities. The Chinese government believes that it is necessary especially in the age of high-tech warfare. To the Chinese government, the Gulf War in 1991 demonstrated to the world that a revolution was taking place in military affairs. High-tech has fundamentally changed the way war is fought: the effective command, the high degree of coordination of various forces, the precision in the attacks especially air strikes, smart bombs, asymmetry of war. As Chinese military analysts put it: "The forms of war are undergoing changes from mechanization to informationalization. Informationalization has become the key factor in enhancing the warfighting capability of the armed forces. Confrontation between systems has become the principal feature of confrontation on the battlefield. Asymmetrical, non-contiguous and non-linear operations have become important patterns of operations."[11]

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[8] "President outlines foreign policy," *Xinhua (as posted on ChinaDaily.com),* Aug. 31, 2004.

[9] "Multilateralism, the Way to Respond to Threats and Challenges: Statement by H.E. Mr. Qian Qichen, Former Vice Premier of China At the New Delhi Conference," *The Ministry of Foreign Affairs of the People's Republic of China*, July 2, 2004.

[10] "Statement by H.E. Tang Jiaxuan, Minister of Foreign Affairs of the People's Republic of China, and Head of the Chinese Delegation, at the General Debate of the 57th Session of the United Nations General Assembly," *The Ministry of Foreign Affairs of the People's Republic of China,* Sept. 13, 2002.

[11] The State Council of Information Office, "China's National Defense in 2004" (Beijing: Dec. 27, 2004).

Accordingly, the Chinese government decided that China must do more to modernize its military if it ever wishes to feel secure under the circumstances. If the significant increase of defense spending in 1989 and 1990 represented a reward to the PLA for standing firm on the side of the Chinese Government during the political crisis in 1989, the continued hefty growth in defense spending since 1991 reflects its keen awareness of China's security vulnerability in face of the revolution in military affairs. As China's *2004 Defense White Paper* puts it: "The world's major countries are making readjustments in their security and military strategies and stepping up transformation of their armed forces by way of developing high-tech weaponry and military equipment and putting forth new military doctrines." Consequently, "the generation gap in military technology between informationalization on the one hand and mechanization and semi-mechanization on the other is still widening, and military imbalance worldwide has further increased. The role played by military power in safeguarding national security is assuming greater prominence."[12] Under the circumstances, China finds that it has no alternative but make efforts to keep up with this historical trend if it wishes to assure its security.

As the only superpower in the world, the United States has great influence on China's external environment. Fully appreciating this fact, China attaches great importance to its relations with the United States and has sought every opportunity to develop a cooperative relationship with the United States. In his visit to the United States on May 1, 2002, then Vice President Hu Jintao said: "History and the reality tell us that cooperation between China and the United States will benefit both while confrontation will leave neither unharmed. A steady, sound and growing China-U.S. relationship serves the fundamental interests of the two peoples and the people of the world and is also in line with the historical trend of human progress."[13]

On the whole, China's new leadership is quite satisfied with the current state of China-U.S. relations. In his meeting with President Bush during the APEC informal leadership meeting in Santiago on November 20, 2004, President Hu noted that relations between the two countries had made new headway during the previous four years. High-level dialogue and exchanges at various levels were increasing, coordination and cooperation in such areas as economy and trade, antiterrorism, reconstruction of Iraq, and law enforcement were advancing steadily, and the exchanges between the militaries of China and the United States had basically resumed. He was positive that both China and the United States share extensive common interest and have good reasons to conduct mutually beneficial cooperation in a wide range of areas.[14]

In the mean time, China's new leadership is also concerned about the problems in relations between the two countries, in particular, the Taiwan problem. In his meetings with U.S. leaders, President Hu repeatedly points out that properly handling the Taiwan issue is the key to the sound and steady development of China-U.S. relations. He hopes that the United States side recognizes the essence and danger of Taiwan separatist forces and their activities, and honors the

[12] Ibid.
[13] Vice President Hu Jintao, "Enhanced Mutual Understanding and Trust Towards a Constructive and Cooperative Relationship Between China and the United States," a speech delivered by H.E. Mr. Hu Jintao, Vice President of the People's Republic of China, at a dinner hosted by eight U.S. organizations, May 1, 2002.
[14] "President Hu Jintao Meets with U.S. President Bush," Ministry of Foreign Affairs of the People's Republic of China, Nov. 21, 2004.

commitments that U.S. President George W. Bush has reiterated on many occasions to adhering to the one-China policy, observing the three Sino-U.S. joint communiqués and opposing Taiwan's independence. Hu has also asked the United States to understand and support the efforts of the Chinese government and people to safeguard national sovereignty and territorial integrity and realize the peaceful reunification between the Chinese mainland and Taiwan. He asked the United States not to send any wrong signals to Taiwan separatist forces.[15]

China's new leadership hopes that the two countries would enhance cooperation and develop a strategic partnership between them. For this purpose, President Hu made the following proposals to President Bush: maintaining the sound momentum of high-level exchanges between the two countries; strengthening the strategic dialogue between the two countries; giving full play to the role of China-U.S. Joint Commission on Commerce and Trade (JCCT), Joint Economic Committee, and Joint Committee on Science and Technology, and promoting the healthy advance of bilateral economic and trade, financial and technological cooperation; and continuing to follow the principle of reciprocity and mutual benefit to strengthen cooperation in antiterrorism, law enforcement, health and environmental protection.

He added that both sides should continue to hold close consultations and coordination on the Korean Peninsula nuclear issue, reconstruction of Iraq, and other regional and international issues.[16]

China's Nuclear Policy

China's nuclear policy is part and parcel of its strategic orientation as discussed in the previous passages. China has maintained a nuclear force for two purposes: to free China from nuclear blackmail, and enhance China's security at a minimum cost. In retrospect, China's nuclear policy has eight basic components: minimum deterrence, no first use, no proliferation, security assurance to non nuclear weapon states, security assurance to nuclear weapon states, nuclear disarmament, peaceful resolution of nuclear crisis, and opposition to ballistic missile defense systems.

Minimum Deterrence

For many years, China has pursued a policy of minimum deterrence. Although over time its technological sophistication and expanding resources have made it possible for drastic expansion of its nuclear arsenal, China has chosen not to do so. Instead, it has maintained the "barest of abilities to retaliate with nuclear force should they come under nuclear attack."[17] In the words of Chinese Ambassador Sha Zukang, "China's nuclear arsenal is the smallest and least advanced among the five nuclear powers."[18] As Lt. Gen. Li Jijun, Vice President of the PLA's

[15] "President Hu Jintao Meets with U.S. Secretary of State Condoleezza Rice," Ministry of Foreign Affairs of the People's Republic of China, March 20, 2005.
[16] "President Hu Jintao Meets with U.S. President Bush," o*p. cit.*
[17] Bates Gill and James Mulvenon, "China's Nuclear Agenda," *The New York Times*, Sept. 7, 2001.
[18] "Speech at the NMD Briefing by Ambassador Sha Zukang," Ministry of Foreign Affairs of the People's Republic of China, March 14, 2001.

Academy of Military Science put it in a speech to the U.S. Army War College on July 15, 1997: "A small arsenal is retained only for the purpose of self-defense… China's strategy is completely defensive, focused only on deterring the possibility of nuclear blackmail being used against China by other nuclear powers."[19]

No First Use

China announced its no first use policy when it tested its first nuclear bomb in 1964. And it has adhered to this policy ever since. According to its *1998 White Paper on National Defense*, "From the first day it possessed nuclear weapons, China has solemnly declared its determination not to be the first to use such weapons at any time and in any circumstances, and later undertook unconditionally not to use or threaten to use nuclear weapons against non-nuclear-weapon states or nuclear-weapon-free zones."[20]

According to Chinese Ambassador Hu Xiaodi, "China initiated that nuclear-weapon states should conclude a treaty on no-first-use of nuclear weapons and undertake unconditionally not to use nuclear weapons against non-nuclear-weapon states. China actively supports the Conference of Disarmament in Geneva to re-establish an ad hoc committee on negative security assurances and start without delay substantive work and negotiations. China also supports the negotiation of a protocol on security assurances for non-nuclear-weapon states within the NPT framework."[21]

Non Proliferation

For quite some time after China possessed nuclear weapons, China was critical of the nonproliferation regime. China argued that the regime was nothing but an instrument of the nuclear weapons powers to maintain their monopoly. It was therefore unfair and unjust. Despite the criticism, however, China publicly stated that it would not engage in nuclear proliferation. Eventually, China formally subscribed to the nonproliferation regime in 1992. Subsequently, the Chinese government has taken many steps in compliance to nonproliferation rules.[22] For example, in December 2001, the Chinese legislature adopted t he Amendments to Criminal Law of the People's Republic of China, which designate as criminal offences such acts as illegally manufacturing, trafficking, and transporting radioactive substances and stipulate corresponding criminal punishments for such offences. Also, in February 2002, the Chinese government promulgated the Provisions on the Administration of Safeguard and Supervision of Nuclear Import and Export and Foreign Nuclear Cooperation.

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[19] Lt. Gen. Li Jijun, Vice President of the Academy of Military Science, The Chinese People's Liberation Army, "Traditional Military Thinking and the Defensive Strategy of China: An Address at the U.S. Army War College," *Letort Paper* I (Aug. 29, 1997) 7.

[20] Information Office of the State Council of the People's Republic of China, "China's National Defense" (Beijing: July 1998).

[21] "Statement by Ambassador Hu Xiaodi, Head of the Chinese Delegation, on Security Assurances for Non-Nuclear-Weapon States at the 3rd Session of the PrepCom for the 2005 NPT Review Conference," *Permanent Mission of the People's Republic of China to the United Nations*, April 30, 2004.

[22] Ministry of Foreign Affairs of the People's Republic of China, "Fact Sheet: China: Nuclear-Weapon Proliferation Prevention," April 27, 2004.

Assurance to Non-Nuclear Weapon States

China provides non-nuclear weapon states (NNWS) with unconditional security assurances. It participates in several nuclear weapon free zone treaties in Latin America, the South Pacific, Southeast Asia, and Africa. In doing so, China is prohibited from deploying, using, or threatening to use nuclear weapons in these regions. On April 11, 1995, in UN Security Council Resolution 984, China joined the other four declared nuclear weapon states (United States, Russia, United Kingdom, and France) in providing legally binding positive security assurances (PSAs) to come to the aid of NNWS in the event of a nuclear attack against them.[23]

Assurance to Other Nuclear Weapon States

In addition to offering assurances to non-nuclear weapon states, China has also provided assurance to some declared nuclear weapon states as their relations improved. For example, China promised not to target its nuclear weapons against Russia in 1994, and the United States in 1998, and to keep its nuclear weapons at a very low level of alert.

Nuclear Disarmament

China has been a champion of nuclear disarmament. China's *1998 Defense White Paper stated* that "all states should negotiate and conclude an international convention on the complete prohibition and thorough destruction of nuclear weapons." In doing so, China believes that the countries which have the largest nuclear arsenals (meaning the United States and Russia) should take the lead in nuclear disarmament.[24] It has repeatedly urged these two countries to make deep cuts in their nuclear forces.

Opposition to BMD

China is opposed to the development of the ballistic missile defense systems. It believes that development of such systems is destabilizing because it encourages nuclear arms races. As far as China is concerned, it would compel China to build more nuclear weapons against its will. According to Ambassador Sha Zukang, China is opposed to the U.S. National Missile Defense (NMD) because it would weaken or neutralize China's very limited deterrence capability: "China will not allow its legitimate means of self-defense to be weakened or even taken away by anyone in anyway. This is one of the most important aspects of China's national security."[25]

[23] "Statement by Ambassador Hu Xiaodi, Head of the Chinese Delegation, on Security Assurances for Non-Nuclear-Weapon States at the 3rd Session of the PrepCom for the 2005 NPT Review Conference," o*p. cit.*

[24] Information Office of the State Council of the People's Republic of China, "China's National Defense" (Beijing: July 1998), o*p. cit.*

[25] "Speech at the NMD Briefing by Ambassador Sha Zukang," Ministry of Foreign Affairs of the People's Republic of China, March 14, 2001.

Peaceful Resolution of Nuclear Crisis

While China is firmly supportive of the nonproliferation regime, it does not favor the use of force to deal with the proliferation problems. It believes that such problems should be dealt with through negotiation and dialogue. Force can only be used as a very last resort, consistent with international law, and with explicit authorization from the UN Security Council. Prior to the United States' invasion of Iraq last year, China took the position that force should not be used until all peaceful measures are exhausted. Since the outbreak of the ongoing Korean nuclear crisis, for the same reason, China has repeatedly expressed its opposition to the use of force to deal with the crisis.

Changes in the Making?

Most people in Chinese foreign policy circles support China's nuclear weapons policy as discussed in the previous passages. They agree that given the domestic and international circumstances China faces, this policy represents the most sensible approach to this issue. Some people, however, do argue for changes to the policy so as to reflect what they believe to be the new international and domestic realities.

To begin with, against a backdrop of the development of the national missile defense (NMD) on the part of the United States, some Chinese analysts point out that the real motive behind such efforts is to neutralize China's limited nuclear deterrence capabilities. In response, they argue, China should increase the number of nuclear weapons or improve its existing stocks to the extent that they can penetrate the NMD and maintain China's minimum deterrence capabilities. In his comment on the United States' development the NMD on March 14, 2000, Sha Zukang, the then director general of the Arms Control Department, said that China is opposed to the United States' development of the NMD and would not tolerate weakening or deprivation of its limited means of self-defense in any fashion.[26]

In addition, in light of the fact that none of the other four declared nuclear weapon states maintains a no-first use policy, some Chinese argue that China's adherence to it only places China in an unfavorable position. The recent, and widely reported, remarks by Maj. Gen. Zhu Chenghu on the possible use of nuclear weapons against the United States should the latter attack Chinese targets in the event of a Taiwan Strait military confrontation, for example, are reflective of such a view.[27]

Finally, as the Taiwan separatists pushed for independence more and more aggressively in recent years, some Chinese analysts take a more pessimistic view about the future of the cross-

[26] "*Sha Zukang qiangdiao zhongguo fandui meiguo gao NMD*/Sha Zukang stressed that China is opposed to U.S. development of NMD," ChinaMail.com. Professor Wu Xinbo also said that the United States' development of NMD would encourage China to increase its nuclear weapons and the latter's penetration capability, Zaobao.com, Dec. 15, 2001.

[27] Gen. Zhu Chenghu said "if the Americans draw their missiles and position-guided ammunition on to the target zone on China's territory, I think we will have to respond with nuclear weapons," as quoted by Alexandra Harney, Demetri Sevastopulo, and Edward Alden, "Top Chinese general warns U.S. over attack," *Financial Times*, July 15, 2005.

strait relations. Under the circumstances, they argue that China should sharply increase its nuclear arsenal so as to deter the U.S. from military intervention should military actions become necessary to remove the separatist problem in Taiwan. They pointed out that the U.S. did not intervene in Russia's military operations to deal with the Chechen problem primarily because Russia has a large nuclear arsenal.

Despite these and other views, the Chinese government has not changed its nuclear policy in any significant way. It still believes that its current time-honored approach best serves China's national interests. However, new international developments are making Chinese rethink some components of this policy. Whether this will lead to significant changes in this policy depends on how China and the outside world interact – and how such interactions affect Chinese perception of how China's nuclear policy best promotes China's national security interests.

Opportunities and Challenges to Sino-American Strategic Cooperation

With the rise of China, the relationship between China and the United States has become one of the most important bilateral relationships in the 21st century. How these two countries manage this relationship is not only going to affect their respective vital interests but also the peace, stability, and prosperity of the world. For obvious reasons, China and the United States need to cooperate with each other so as to avoid costly hostilities and confrontation. It is also in their best interests to take advantage of the power and influence of each other to facilitate their respective interests and ambitions as well as the welfare of the international community.

To begin with, China and the United States need to enhance their existing cooperation against proliferation of weapons of mass destruction. They should make greater efforts in consultation with each other, sharing intelligence, enforcing exiting international agreements to prevent proliferation, and developing effective measures to close loopholes in the existing international arrangements. They should also promote and support multilateral cooperation to combat WMD proliferation.

In the second place, the two countries need to enhance and expand confidence building measures between them. They should conduct regular strategic dialogues from the highest levels down. Their recent agreement to hold high level bilateral strategic dialogues between the two countries to discuss a wide range of issues is a step in the right direction. They should expand and deepen their existing military to military contacts. They should continue and enhance existing talks on military maritime safety. They should welcome and support each other to play a constructive role in security cooperation in Asia.

In the third place, the two countries need to make greater efforts to promote and support existing regional and global mechanisms of multilateral security cooperation. It is time for the United States to shift from its existing exclusive bilateral security arrangements to some inclusive multilateral security cooperative mechanisms. At the regional level, the two countries should work more closely to attain a peaceful resolution of the Korean nuclear problem through the Six Party Talks. They should also begin to think about the possibility of developing the Six Party Talk-framework into an East Asian security organization. At the global level, they should develop a common set of positions on how to enable the UN Security Council to function more

effectively and to develop a new set of international norms to enable the international community to more effectively tackle security problems such as WMD proliferation, terrorism, and transnational criminal activities. It is time to drop ideological pretensions in doing so. The United States should welcome China to join the G-8 summit meetings, and China should get ready for participation and for playing a constructive role in the meetings.

Finally, for effective cooperation, the two countries should endeavor to develop better mutual understanding and strategic trust. The Taiwan problem has stood in the way of such understanding and trust for too long – it is still limiting and eroding strategic cooperation between the two countries, and even threatens to bring the two countries into military confrontation at times. The three communiqués between the two countries are becoming less and less sufficient for providing assurance to both parties. However, as long as the U.S. withholds its support for China's unification, China will find it impossible to take a benign view of the United States' intentions on China. Accordingly, it may be time for the two countries to consider a fourth communiqué. In this communiqué, the U.S. should state clearly and unambiguously that it supports China's peaceful unification. If it wishes, it can also add the term "democratic" before "peaceful unification." Only by doing so can the U.S. effectively convince the Chinese that it has no intention to split the island from China. China, on the other hand, should also state clearly and unambiguously that it will not use force to deal with the Taiwan problem as long as the Taiwan authorities refrain from taking certain drastic steps to separate Taiwan from China. These steps may meet domestic political opposition in both countries. However, unless they are taken, China and the U.S. will find it impossible to overcome strategic distrust, let alone attain an adequate level of strategic cooperation.

Strategic cooperation between China and the United States is not just desirable, but is also absolutely necessary for the two countries. Given the nature of their relationship, the two countries will find such cooperation difficult to attain – especially in the context of domestic politics. However, they should recognize that their interests and fates are bound together now. They have no better alternative than cooperation. It is time for leaders of both countries to assume leadership rather than tailing shifting popular political sentiments. They should educate their people on the importance of the relationship and on the necessity for making necessary concessions to attain understanding, trust, and cooperation between the two countries. They should also take the lead in fighting against ideological fundamentalism, explicit and disguised racism, and offensive realism – and make sure that people with these persuasions do not take the central stage and trash the relationship. It is time to show that as leaders, they have the necessary political courage, wisdom, and vision.

The U.S.-China Strategic Relationship

By Michael May

What strategic roles have nuclear weapons historically served? What are the key determinants of deterrence? What is strategic stability and what factors enhance or undermine it? Will the existing international regimes and understandings remain stable despite the advent of additional nuclear powers? How might we expect the nuclear world order to evolve in the future?

These questions are not easy. Some answers to them have nevertheless arisen over the first 60 years of the nuclear age. In this article, I will examine these answers in the context of the U.S.-China strategic relationship. These questions center on nuclear weapons – but nuclear weapons do not fully define a strategic relationship, so I start by discussing briefly what a strategic relationship consists of.

Basis of the U.S.-China Strategic Relationship

The strategic relationship between two countries is the interplay of their powers and goals. It consists first of political and economic relations, which have the greatest ability to translate into power on a day-to-day basis. To the extent it relies on military capabilities, it relies mostly on conventional forces and factors affecting their potential deployment. Only lastly is it defined by nuclear capabilities, which experience has shown to be an unusual and limited instrument of national power, applicable to very few situations, albeit situations where disaster is a possible consequence.

Thus, the most important factors affecting the U.S.-China strategic relationship are, from the United States' side, its position at the top of the relative power hierarchy, and, from China's side, its turn away from the autarchic ideological system it had under Mao Zedong to its current broad-scale international engagement. The U.S. position enables it to pursue more effectively its long-standing strategic goals of preventing a hegemon from arising on the Eurasian continent and of controlling international air and sea-lanes. Beyond that, relative superiority has permitted the United States to expand its military presence, alliances and other arrangements widely over the past dozen years. It is likely that this expansion was the result of contingency rather than planning, but the resulting deployments and commitments remain.

China's turn has made it into an economic power with worldwide impact and in particular with impact on the American economy. It has brought into being a Chinese middle class that is forcing the government to evolve and it has allowed China to engage in useful diplomatic as well as economic relationships around the world. Any assessment of the military and nuclear aspects of the strategic relationship must take these basics into account.

Among the military aspects of the strategic relationship between the United States and China, perhaps the defining one is the circumstance that the boundary between them lies mainly in the water, rather than, for instance, down the center of Europe or Asia. That boundary is less difficult to manage than boundaries that run down the middle of contested continents because of China's avoidance of a naval challenge to the United States – such as Germany and Japan

mounted so disastrously, and such as the Soviet Union mounted so expensively and with so little success.

While less tense than the Cold War boundary or pre-World War II boundaries, that boundary is not free of problems. I will return to those problems when discussing strategic stability. Here I note only the basics. The United States has the most modern and, in most engagements, the most powerful air, naval, and ground forces in Asia. These forces hold sway over air and water, controlling the "global commons" in a current formulation[28] and perhaps the littoral, but they would fare poorly in a prolonged inland war. At the same time, unlike Europe during the Cold War, when the richer half of the continent was solidly on the United States' side, U.S. power in Asia has relied on a handful of bases in Japan and South Korea. The Global Defense Posture Review attempts to alleviate this problem in several ways, including moving U.S. forces to dispersed and more numerous locations and relying more on force projection from Guam or the United States. For the future, the current Pentagon Quadrennial Defense Review is envisaging a force structure better suited to control terrorism while maintaining control of the global commons, rather than suited to fight two land wars simultaneously.[29]

Turning now to the nuclear aspect of the U.S.-China strategic relation, the principal factor is that China has declined to enter into a nuclear arms race with the United States, limiting itself to a minimal strategic nuclear force that does not pose a threat of surprise attack. China has 18 DF-5 capable of reaching the United States and 12 DF-4 capable of reaching targets in Russia and elsewhere in Asia but not the United States. All are liquid-fueled. None is capable of launch in less than a few hours. Those numbers have not substantially changed in decades. Programs to develop a solid-fueled ICBM and a nuclear submarine capable of launching ballistic missiles have been in development since the 1980s. They qualify as the slowest strategic programs in any nation since the nuclear age began. China also has some 50 to 100 medium and short-range nuclear-capable ballistic missiles.

Forecasts have historically overestimated future Chinese nuclear forces by large factors. The lower priority given nuclear and generally military investments is brought into relief when compared to the trillions of dollars invested by China in its civilian infrastructure during the same decades. We are not dealing here with a new arms race.[30]

In theory, the ongoing U.S. ABM deployment could spur China to build up its nuclear forces. The pace of U.S. deployment, the continuing need to test during deployment, and the limited nature of the deployment tend to make the United States' system a minor threat to even

[28] Barry Posen, "Command of the Commons: The Military Foundation of U.S. Hegemony," *International Security* 28, 1 (Summer 2003).

[29] Thom Shanker and Eric Schmitt, "Pentagon Weighs Strategy Change to Deter Terror," *New York Times*, July 5, 2005. See also M. Taylor Fravel and Richard J. Samuels, "The Unired States as an Asian Power: Realism or Conceit?," *Audit of the Conventional Wisdom* 05-2 (Cambridge, MA: MIT Center for International Studies, April 2005).

[30] For an overall assessment, see Harold Brown, Chair, Joseph W. Prueher, Vice Chair, Adams Siegel, Project Director, "Chinese Military Power: Report of an Independent Task Force, Council on Foreign Relations, May 2003. For numbers and further references, see Jeffrey Lewis, "The ambiguous arsenal: Sidebar: China's Arsenal, by the Numbers," *Bulletin of Atomic Scientists* (May/June 2005) 55.

the present, highly limited Chinese strategic forces. Nevertheless, as the United States' ABM system tests out of its growing pains and becomes operational, it is likely to be a factor for larger Chinese forces and for MIRVing those forces.

The foregoing considerations together define some basics of the U.S.-China strategic relationship in broad outline, and must inform a more detailed discussion of the role of nuclear weapons and of the stability of that relationship. Should any of these underlying factors change, everything else would change. However, there is no sign at present of changes in those basic factors over the next decade or two.[31]

The Role of Nuclear Weapons

The main role that nuclear weapons have played in U.S. policy after Hiroshima and Nagasaki, and in every other nuclear power's policy to date, has been that of a deterrent of last resort. Since Hiroshima and Nagasaki, there have been enough talks, books, and papers on what should be nuclear weapons policy to fill a good-sized library. In light of that continuing debate, but not always in accordance with its received wisdom, a set of facts on the ground has developed.

The first of those facts is that nuclear weapons, though effective deterrents of last resort, have otherwise been quite limited instruments of power. States increase their relative power mainly by increasing their ability to influence the actions of others. Nuclear weapons have mainly helped induce states to avoid actions that would prove utterly destructive should they be attempted even in the absence of nuclear weapons. Thus a U.S.-Soviet war or a Soviet-China war or a U.S.-China war would have been, and would be today, destructive to every goal those three countries might have, nuclear weapons or no. So would another India-Pakistan war or another war between Israel and any Arab state. Nuclear weapons reinforce that message, including so-called war-fighting weapons. Hiroshima and Nagasaki were the exceptions.

Some parts of the U.S. Nuclear Posture Review leaked in 2002 also seem like exceptions, although some present and former administration members do not agree with that interpretation.[32] The posture review and subsequent administration statements do call for research on weapons that can only be used in a tactical war-fighting mode, such as the bunker busters (RNEPs). These weapons, if ever developed, could be used against some targets in North Korea and China. Because of their limited capabilities, they would not significantly alter the United States' deterrent posture regarding China, however.

[31] Harold Brown, "Managing Change: China and the U.S. in 2025," an after-dinner address to the RAND-China Reform Forum (CRF) Conference on June 28, 2005.

[32] Department of Defense, Nuclear Posture Review [Excerpts]: Submitted to Congress on 31 December 2001, January 8, 2002, 16-18 in particular. For a critique, see Roger Speed and Michael May, "Dangerous Doctrine," *Bulletin of Atomic Scientists* (March/April 2005), 38-49. For a counterargument, see Keith B. Payne, "The Nuclear Posture Review: Setting the Record Straight," *The* W*ashington Quarterly* 28:3 (Summer 2005), 135-151.

Emphasis on deterrence does not mean that the United States or the former Soviet Union, renounced hopes of military victory, however pyrrhic, should deterrence have failed. War was not desired but defeat in any sense was desired even less. During the Cold War, weapons were procured and deployed on both sides so that, should war occur, the other side's capacity to wage that war would be destroyed insofar as possible. Both sides had, in fact, if not in rhetoric, first strike options – limited in effectiveness and unable to prevent wide-scale destruction but not militarily meaningless. The existence of those options would have been a destabilizing factor in crises serious enough to make either side think war was possible. That is not now the case with China and I hope it does not become the case.

The second fact that developed over the past 60 years is that the possession of nuclear weapons induced caution and communication. The main cost of nuclear forces is not money but the risk of catastrophe. To alleviate that risk, nuclear-armed powers to date have not been willing to push their adversary into a corner, though they have been willing to push their adversary to some degree. The balance required a nicety of judgment that may not always be available. The nuclear threat has at times forced communication between adversaries, and is indeed doing so now in the case of the United States and North Korea. The most effective means of U.S.-Soviet communication involved arms control, which signaled, not an intent to disarm, but an intent to co-exist.

The third element of nuclear policy in the nuclear age has been a search for security in universal international pacts and organizations. That search dates back at least to the Czar's attempt to agree on peace a hundred years ago this summer – in part prompted by the invention of the machine gun. Machine guns claimed more lives than nuclear weapons, though not enough to scare us into peace. Nuclear weapons may scare us into peace, as Winston Churchill predicted, but the balance of terror is fraught with dangers. Nuclear weapons policies have sought to alleviate that danger not only by deterrence and restraint and communication but also by international pacts and organizations.

These pacts and organizations have received relatively broad and steady support. But their effectiveness is in question now, for two reasons:

First, while the only nuclear weapons capable countries in the early years of the nuclear age were either members of the Western or Soviet blocs, or else as in the case of China, large enough to deter direct attack, now more insecure and alienated governments are nuclear weapons-capable.

Second, the United States in the past five years, for reasons good or bad, has lent only occasional support to international pacts and organizations aimed at nuclear security. As a result, the international effort is at a juncture where it must either get much better or much worse. I return to this point at the end of this article.

The elements of nuclear weapons policy I have noted above do not comprise all that has evolved in the past 60 years – but they are in my mind the most important facets of a history that is familiar to readers of this journal. Today, nuclear weapons policies continue to imply deterrence against major attack, to make for restraint and communication between adversaries,

and to search for international norms and cooperation. The question is, will such policies continue to lead to stable relationships among nuclear-armed powers? I consider next the stability of the U.S.-China strategic relationship.

Strategic Stability

Stability in a relationship means not that the relationship is static, which it cannot be; but that when faced with change and the accidents of history, it tends to return to peace rather than degenerate into war. Stability is measured by the ability to deal with change and disorder without catastrophe. For instance, the strategic stability of the U.S.-Russia relationship was and is measured by the ability of both sides to deal with crises in the Middle East and the collapse of the Soviet Union. The strategic stability of the U.S.-China relationship is measured by the ability to deal with problems in North Korea, Taiwan and elsewhere.

Such stability has depended historically on several factors, of which I will note five. They are: The relative status of forces; geography; alliances and other relationships; domestic perceptions of the relationship; and economic relationships, or lack thereof.

These are not listed in order of importance: their relative importance depends on circumstances. Let us see what those factors are in the current U.S.-China relationship and then risk an assessment of U.S.-China strategic stability.

Relative Status of Forces

As noted, China, unlike the Soviet Union, has not attempted to match the United States either in conventional or nuclear capability. On the conventional front, while China is modernizing its forces – which are in general decades behind those of the United States – it has not attempted such very expensive initiatives as a blue-water navy or a long-range air force or integrated projection forces to rival those of the United States. On the nuclear front, as noted above, it has deployed short and medium range forces that would have a bearing on any war in East Asia, but has continued to limit its intercontinental force to a dozen or so antiquated and vulnerable missiles.

These forces do exist however, and if not destroyed in the first hours of a war, would threaten the existence of half a dozen or more cities in the U.S. More relevantly, they could readily destroy U.S. military assets in East Asia, should those assets be used against China. As with nuclear weapons during the Cold War, but to a much lesser extent, they reinforce the perception that a U.S.-China war would inflict an extraordinary cost on both countries in people, money, and future influence in the world – a cost that dwarfs any relative advantage anyone might think could be derived from such a war.

The United States, while significantly reducing the numbers of nuclear weapons, has also named China as a possible nuclear target in the nuclear posture review and has stated several times that military assets over the long term would be shifted from other theaters to East Asia because that is where a greater likelihood of conflict existed. Iraq has distracted from but not changed that judgment.

Could the vulnerability of the Chinese missiles that can reach the United States make for instability in a serious crisis? The crisis would have to be quite serious for the United States to contemplate an attack on these forces, with all its uncertainties and all the consequences that would ensue. Nevertheless, unlike the situation with the Soviet Union, a disarming attack on Chinese nuclear forces could be thought of as feasible. The Chinese may remedy that situation by improving the survivability of their forces or considering defenses. Those steps may in turn, given the domestic situations, worsen the stability of the relationship on counts other than technical.

On the whole and under most circumstances, however, the balance of forces makes for stability. The point at which the United States traditionally becomes seriously alarmed is when a potential hegemon arises on the Eurasian continent, or when its naval and other means of projecting power abroad is seriously challenged. China has not chosen to pose that kind of challenge. No doubt, some will continue to sound the alarm over China's increasing ability to counter the American and other forces deployed in its vicinity. But in itself, aside from its effect on domestic perceptions, taken up below, this modernization should not make for instability so long as the Taiwan situation can be managed.

Geography

I have noted that China has not and probably cannot successfully challenge the United States in the naval and air global commons, and that the United States has not and probably cannot successfully challenge China inland. Nevertheless, some geographically related problems do exist. Neither the United States nor China is self-sufficient in essential resources. It is sometimes said that the traditional rivalries for resources that has led to so much warfare have been lessened by globalization of trade, information, and communication. The effect of globalization on strategic stability is limited in my view. There is only limited trust in the proposition that adversaries will not misuse the global economy.

Neither the United States nor China, for instance, fully trusts that the global oil market will suffice to meet their needs. On the contrary, there is a continuing discussion in both the United States and China about the merits of a so-called strategic approach to the oil and gas question – by which is actually meant buying properties abroad and making exclusive marketing arrangements – versus a market-based approach. Both the United States and China are oil and gas importers and from an economic point of view their interests are similar: to maintain an open, flexible world market for petroleum products and investments. This view has limited political resonance. Economic reality, unfortunately, has had little to do with strategic stability. As a result, we cannot rule oil wars out – although they probably won't be nuclear. They will damage all participants, but their rationale will be that some participants will be more damaged than others. So far, rationality has held, but rationality is fragile in the marketplace of political ideas.

Alliances and Other Relationships

In this respect, the U.S.-China relationship is potentially less stable than the Cold War U.S.-Soviet relationship was. During the Cold War, U.S. alliances, despite occasional alarums,

were founded on fundamental shared political and economic interests as well as on security. European countries had a greater incentive to maintain peace in Europe than the United States did perhaps, but had no incentive to deal with the Soviet Union in ways that would weaken the alliance. Japan and South Korea were even more faithful and financially supportive U.S. allies than the Europeans.

The Soviet alliances were based on Soviet force and resented by the people that were subjugated. They broke up as soon as the Soviet grip weakened. Only client states that had nowhere else to go, such as Cuba, North Korea, and Iraq, remained faithful – and the Soviet Union abandoned them. But the Soviet allies had little or no capability to affect the stability of the overall relationship, nor did Cuba after 1962. The Middle East remained and remains dangerous, but American and Soviet leaders were of one mind as to the necessity of limiting that danger.

In the U.S.-China case today, the situation is different. The major countries involved, North and South Korea, Japan, Russia, and to an increasing degree India, all have changing capabilities and agendas, and those agendas do not predictably align in the most important matters affecting strategic stability with the agendas of either the United States or China. Neither does Taiwan's agenda. Others in this dialogue will address the Taiwan situation in more depth. While the United States and China have shown their interest in managing that situation, at the same time, China and Taiwan have said that the status quo is unacceptable. Unfortunately, it is difficult to think of any attempt to change the status quo soon that would not make the situation worse for all participants.

North Korea may now have or soon will have the capability to hold at risk all of the major U.S. bases in East Asia with nuclear weapons mounted on missiles that are difficult or impossible to target successfully.[33] Recent North Korean statements indicate their desire to acquire this capability.[34] Whether the United States will in fact be deterred, and what North Korea would do if attacked, is not predictable. Communication between the two countries is poor and mistrust is high.

At this writing, the Six-Party Talks are scheduled to resume. They may succeed. If they do not, the existence of a nuclear-armed North Korea could threaten the stability of U.S.-China strategic relations if the United States were to attack North Korea. The effect of the North Korean capabilities on Japanese and South Korean policies must be considered and it is also not easily predictable. There is no parallel to this degree of uncertainty and fluidity during the Cold War. The Greco-Turkish problem was comparatively peripheral so far as U.S. and Soviet interests were concerned.

[33] A nuclear-armed North Korea, if it can fit its plutonium-based warheads into the relatively spacious No-Dong missile, a task that other nuclear weapons states solved 40 years ago, puts at risk most or all of the major U.S. air and naval bases in East Asia.

[34] . See for instance General Li Chan Kok, as quoted by Nicholas Kristof, "Behind Enemy Lines," *The New York Times*, July 12, 2005.

India in the past has been peripheral to the U.S.-China relationship, but may be less so in the future. Both the United States and China have been making overtures to India, while India has been able and willing to chart an independent strategic course. Which way it will eventually go, and to what extent India's choice will affect the stability of the U.S.-China relationship, is an additional changing factor that is not predictable with assurance.

Pakistan in the past has been an important bone of contention between China and the United States. The twin dangers of nuclear exports from Pakistan and of Islamist take-over there have not ended. U.S. and Chinese policies on these matters are better aligned now than in the past, but it is unclear to me to what extent remaining differences exist and matter.

Finally, while the United States is likely to remain the dominant economic and military power in the next 20 years, it will not have the kind of ascendancy it has enjoyed. Barring surprises, the United States will probably continue to grow economically at perhaps half the rate at which the major developing Asian powers will grow. The overall strategic position of the United States vis-à-vis Asian powers is, as a result, bound to decline over the long term, from one of dominant or essential participant to one of first among equals. Harbingers of growing Asian independence from the United States have been here for some time in the economic sphere. This process does not threaten the stability of the U.S.-China relationship, or any other U.S. relationship, in any direct way. The threat to stability will arise if either the United States or any major Asian power fails to adjust to this change.

Domestic Perceptions in the United States and China

Domestic perceptions of the U.S.-China relationship in the United States are on the whole a negative factor for strategic stability. Even moderate to liberal domestic U.S. opinion views China as a future if not a present rival, and is on the whole suspicious of the Chinese form of government and intentions. The right-wing opinion makers who are now politically dominant in the United States are even more strongly anti-Chinese. Only a minority, admittedly influential, of better informed politicians, China scholars, business leaders, and economists think that strategic rivalry between the United States and China is not inevitable, and that the United States has more to gain from partnership with China than from rivalry with it. But people who hold those views are influential in business rather than political matters.

That being said, the situation is not uniformly dark. For one thing, neither U.S. producers nor U.S. consumers want Chinese imports to disappear. For another, there is no serious popular sentiment against the Chinese people. Finally, there is something of an East-West divide within the United States, with Pacific coast residents both more acquainted and less worried about China and Asia generally. Still, there is a long way to go and much spade work to be done before domestic U.S. opinion could be considered a stabilizing factor in the U.S.-China strategic relationship – and domestic perceptions, while they do not determine policy, set limits on it and can facilitate the growth of either a stable or an unstable relationship.

Economic Relationship

From an economic viewpoint, China and the United States have become significantly interdependent, an interdependence that also includes investors and managers throughout East Asia and suppliers of raw materials and component parts from all over the world. Some 80 percent of the value of Chinese exports to the United States is added in other countries and a majority of the exporting firms have non-Chinese partners. Any U.S. economic decline will affect China and its many suppliers and investors around the world negatively, not positively, and vice-versa. In marked contrast with the U.S.-Soviet situation during the Cold War, economic interdependence has developed between China and the U.S., this interdependence affects much of the rest of the world, and, with few exceptions, as either fares, so to some extent the other will fare.

However important and beneficial this interdependence may be from an economic point of view, it is not likely to be a significant factor for strategic stability. Famously, economists before World War I sounded clear warnings that Europe had become economically interdependent to an extent that war there would ruin Europe. The war was fought nevertheless, Europe was duly ruined, and the ensuing political consequences haunted Europe to the end of World War II. Other cases exist. Modern war has been an economic disaster.

Economic realities, including economic interdependence, play little role in whether a country goes to war or not. Economic myths certainly do and they usually affect strategic stability quite negatively. This is another reason why domestic perceptions matter: they determine which myths are believed.

While economic interdependence probably does not help stabilize the strategic relationship, a breakdown in global trade and the ensuing economic setbacks to all countries would help destabilize it. The forces to limit global trade are strong in the United States. Should they prevail, the recession or depression that would likely follow would make it politically profitable to blame some external actor, and China is a large and well-known external economic actor.

Conclusion

What conclusion regarding the stability of the U.S.-China strategic relationship does all this lead to? There is no nuclear arms race and little in the way of a conventional arms race, albeit continuing Chinese success in limiting the effectiveness of American deployments close to its shores will look like an arms race to some. There is a relatively uncontested geopolitical boundary except for the flashpoint at Taiwan. Relationships with and among other states in Asia are changing and unpredictable, which is not a stabilizing factor. The politically dominant domestic perceptions at least in the United States, while certainly not in favor of war, generally view the relationship as a rivalry, again not a stabilizing factor. The joint U.S.-Chinese interest in maintaining a peaceful economic interdependence and open markets is unlikely to have much ameliorating or stabilizing effect on the politics of the situation, although a breakdown in this beneficial situation could worsen the perception problem in the United States.

Can we add up these disparate factors? States play a strategic game to maximize their relative power. They place security at the top of their priority list, being afraid, with good reason, that, if they do not, they won't survive. The resulting mutual insecurity has led to endemic wars. Wars make no sense economically among major powers, and have not for some time, but that has not prevented them. This should make us pessimistic.

Two factors have altered the conditions of the game, although the game remains. First, the three major strategic powers today, the United States, Russia, and China, are so large that it would be difficult if not impossible for another state to threaten their physical survival, except with nuclear weapons in sufficient quantity. Direct attack on any one of the three would probably be considered overreach rather than additions to power. Second, nuclear weapons make direct attack far more dangerous even for the militarily superior side. This was most observers' conclusion sixty years ago, and it remains the foundation stone of nuclear deterrence.

My tentative conclusion is that, given realistic leadership, stability should hold between the United States and China so long as four conditions are met: 1. China continues not to challenge the United States on the high seas. 2. The United States accepts that China, and indeed other Asian powers, will grow relative to the United States in relative influence and power. 3. The Taiwan situation can be managed. 4. Leaders in both countries do not turn their publics against the other.

The nuclear balance is notably absent. Nuclear weapons help deter war but the details of the balance are, in my opinion, not terribly important.

Stability does not mean, I emphasize again, that the search for advantage in relative military and other forms of power will end or even abate. It only means that it is not likely to lead to war among the participants.

The political leadership in both countries – rather than objective military, geopolitical, or economic factors – will determine the strategic stability of the relationship. There is nothing inevitable about U.S.-China conflict, much political science theory to the contrary notwithstanding. England and France, England and Germany, France and Germany were military rivals and are no longer. Neither geopolitical nor economic realities have changed among them, but domestic perceptions have. Whether and how domestic perceptions will change in the United States and China any time soon is questionable. What the leaders in both countries can and will want to do is also something I cannot predict. But it is with them and those who influence them that the future of the relationship lies.

International Regimes

The destructive power of nuclear weapons led states to attempt regulating the nuclear aspect of international rivalries by means of international regimes and understandings. The international order is famously anarchic and insecure to its participants. The search for relative power, which it induces, has been strewn with disastrous errors. Disastrous errors on the scale of nuclear devastation scare governments, for good reason, and so the search for workable

arrangements to avoid that devastation has been more popular among them than previous searches for cooperative security.

Those attempts took the form of supply restrictions and security assurances of varying strength and effectiveness. They have been partially successful in limiting the spread of nuclear weapons. Today, owing to the spread of technological and other progress, supply restrictions have become less effective in ways that we are all familiar with. As a result, countries have become nuclear weapons capable that are not only insecure, but have historically been made insecure in part by U.S. policy, such as North Korea. Thus, both the supply and demand pillars of nuclear restraint by international agreement have weakened or disappeared. Will international agreements and understandings be effective in the future as tools of international stability?

The nuclear non-proliferation regime in its present form, while still badly needed to preserve what has been gained in the past, is no longer adequate to deal with present and future challenges. The remedies proposed include a number of more stringent supply constraints, including constraints on facilities that could make nuclear weapons materials, tighter and better enforced export controls and more demanding accounting and inspection requirements.[35] Negotiations are under way with Iran and North Korea that could lead to security guarantees to both countries, as well as other benefits, in return for their abandonment of nuclear weapons programs. Other more or less ambitious demand-side measures have been suggested. The question here is, how the success or failure of international agreements would affect strategic stability, in particular with respect to the U.S.-China relation.

My answer is, only marginally. Although important to provide means for collective action and to confer some degree of legitimacy when political objectives are agreed, internationally agreed non-proliferation measures could only marginally affect whether North Korea becomes a nuclear-armed state and, if so, whether other states acquire nuclear weapons. As discussed above, Japan and South Korea could react in various ways, but it is hard to see how their choice would depend in an important way on international agreements and institutions. Those agreements and institutions have been very helpful in the North Korea case, but only as means to carry out agreed policies, not as independent political forces. The international community does not have the clout to enforce pacts and understandings among states as powerful and wealthy as those in East Asia unless those states agree. As a result, the health and welfare of the nuclear agreements and institutions will probably not have much effect on the stability of the strategic relationship between the United States and China and indeed among any of the East Asian states involved.

There is a possible exception. Nuclear weapons are equalizers to some degree. A few are enough to make force projection extremely dangerous and costly. U.S. military policy, which emphasizes force projection, will be particularly hampered by the further spread of nuclear weapons. How U.S. military and in particular nuclear policy reacts to the spread of nuclear

[35] President George W. Bush, Remarks by the President on Weapons of Mass Destruction Proliferation, Fort Lesley J. McNair - National Defense University, Washington, D.C. Feb. 12, 2004; Mohammed ElBaradei, "A New Security Framework," *The Economist,* 16 October 2003; Michael May and Tom Isaacs, "Stronger Measures Needed To Prevent Proliferation," *Issues in Science and Technology* (Spring 2004) 61-69.

weapons is an open and important question. If nuclear weapons continue to be used as deterrent of last resort, stability should be maintained. If they are used otherwise, the floodgates to wider use could open.

Absent reckless action that I do not foresee, the major powers concerned should be able to deal with the consequences of nuclear spread as they have to date, without affecting strategic stability among them. Whether they will act in concert through international agreements like strengthened non-proliferation agreements, or via bilateral or trilateral agreements, is hard to predict. The latter has been the more common situation and has led to geographic divisions of responsibility reminiscent of the older spheres of influence. This is anathema in American political thought, but it may happen nonetheless.

At a level short of strategic stability, international agreements and institutions do affect states, even powerful states. A case in point is India, which needs to import more uranium for its existing and planned power reactors, and is having difficulty even continuing its traditional supply arrangements owing to the tightened NPG regulations,[36] which in turn are due in part to U.S. efforts. Thus, if there is agreement among the states involved, healthy international institutions will play a very useful role, but they will continue to be a consequence rather than a leading influence on the necessary underlying political agreements in a major way.

To avoid instability, in the sense I have defined it, what may be feasible is more modest and still difficult. It is an agreed roadmap between the United States and China, in the case of East Asian states, and probably between the United States and Russia in the case of Iran – a roadmap that spells out pitfalls that both states would want to avoid and that provides alternative ways to get through crises for future decisions. It should be an ongoing exercise in which both the United States and China become vested. It should recognize the fact that the United States, China, and every other country will continue to struggle to maximize their relative power but that nuclear war serves no side's interests. It should also recognize the fact that, absent effective demand-side measures to effectively address state insecurities, nuclear weapons will continue to spread.

[36] A. Gopalakrishnan, "Indo-U.S. Cooperation: A Non-Starter?" *Economic and Political Weekly*, July 2, 2005.

Chinese Nuclear Policy and the Future of Minimum Deterrence

By Yao Yunzhu

"Nuclear strategy" and "nuclear doctrine" are seldom used in Chinese literature of military and strategic studies. Instead "nuclear policy" frequently appears to cover both the strategic thinking and the basic principles in developing, managing, and employing nuclear weapons. This preference in terminology illustrates how the political utility of nuclear weapons occupies the core position in China's nuclear calculus. The following paper will first analyze the current Chinese nuclear policy; then describe some of the major factors that may effect nuclear thinking in China after the Cold War; and finally speculate on the future of China's nuclear deterrence in the 21st century.

Current Chinese Nuclear Policy

It can be safely said that of all the nuclear states, the nuclear policy of China has so far been the most consistent. From the day China first exploded an atomic bomb, its nuclear policy-related statements have remained unchanged. Five major components can be derived from these statements:

No First Use Policy. No first use (NFU) has been most frequently and consistently repeated in numerous Chinese government statements ever since China became a nuclear weapon state in 1964. By conceding the first use option, China has limited itself to retaliatory nuclear use only. China has also called all nuclear weapon states to commit themselves to a NFU policy at any time and in any circumstances.

Security Assurance to Non-Nuclear Weapons States and Nuclear Free Zones. China has been very critical of the use of nuclear threats against non-nuclear weapon states and non-nuclear weapons zones. It has repeatedly called on all the nuclear weapon states to agree to a legally-binding, multilateral agreement under which they would pledge not to use or threaten to use nuclear weapons against non-nuclear weapon states and nuclear free zones. This policy component limits China's potential nuclear adversaries to just the few nuclear weapon states. Apart from the negative security assurance, which China gives unconditionally to all non-nuclear weapon states, China issued its first formal positive security assurance with the other four declared nuclear weapon states in April 1995, promising to come to the aid of any non-nuclear weapon state subject to nuclear attack and pursue appropriate punishment against the attacking state, under the auspices of the UN Security Council. This policy has become part of the UN Security Council Resolution 984.

Limited Development of Second Strike, Retaliatory Capability. China has repeated its intention to maintain a very small nuclear arsenal on many occasions. In its 2003 Defense White Paper, China states that it "has always exercised utmost restraint on the development of nuclear weapons, and its nuclear arsenal is kept at the lowest level

necessary for self-defense only."[37] However, to make this small arsenal a credible deterrent, China has to make it survivable to a first nuclear strike, even that strike is overwhelming and devastating. In Chinese literature, "few but effective" (*jinggan youxiao*) are the words most frequently used to describe its necessary arsenal.

Opposition to Nuclear Deployment outside National Territories. China is opposed to the policy of extended nuclear deterrence, or the policy of providing "nuclear umbrellas" by nuclear weapon states to their allies. In consistence with China's long standing policy of not sending or stationing any troops outside China, it is also officially opposed to the deployment of nuclear weapons outside national territories, and has stated that China will never deployed nuclear weapons on any foreign soil.

Complete Prohibition of Nuclear Weapons and Thorough Nuclear Disarmament. China first called for the complete prohibition and thorough destruction of nuclear weapons in its proposal for a world summit in 1963, before its first nuclear explosion. On the same day of China's first nuclear explosion, it again stated that "the Chinese government hereby solemnly proposes to the governments of the world that a summit conference of all the countries of the world be convened to discuss the questions of the complete prohibition and thorough destruction of nuclear weapons, and that as the first step, the summit conference conclude an agreement to the effect that the nuclear powers and those countries which may soon become nuclear powers undertake not to use nuclear weapons either against non-nuclear countries and nuclear-free zones or against each other."[38] This has evolved into China's basic position on nuclear disarmament and it has never given up its efforts to promote an international convention to ban nuclear weapons.

The above major components of Chinese nuclear policy, if interpreted through the lens of Western deterrence terminology, can be characterized as:

Strategic Rather than Operational and Tactical Deterrence. Mao Zedong, in elaborating China's reason to develop nuclear weapons, said "we will not only have possession of more aircraft and artillery pieces, but also atom bombs. In today's world, we must have this thing if we don't want to be bullied by others."[39] The original purpose of nuclear development in China was to "break up the nuclear threat and smash the nuclear blackmail (*dabuo he weixie, fensui he ezha*)." As a political instrument, nuclear weapons are to be utilized mainly at the level of grand strategy, not as a winning tool in military operations. The military value of nuclear weapons lies only in its deterrent effect against nuclear attack. The officially declared missions of the Second Artillery Force are twofold: 1. To deter the use of nuclear weapons against China, and 2. To launch an effective nuclear counter-attack in the case of such an attack.[40]

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[37] Information Office of the State Council of the People's Republic of China, *China's National Defense in 2002* (Beijing: December 2002).
[38] The Government of the People's Republic of China, *Statement of the Government of the People's Republic of China*, October 16, 1964.
[39] "A Brilliant Page in New China's History," *China's National Defense Daily*, May 31, 1999.
[40] *China's National Defense in 2002*, o*p.cit.*

No distinction has been made in categorizing nuclear operations. A nuclear strike against China – whether conducted at strategic, operational or tactical level, with high or low yield warheads, or deadly or tolerable lethality – is perceived as the utmost form of warfare in Chinese war categorization, which must be responded strategically. In Chinese strategic literature, we only see the discussion on how to deter a nuclear war from happening, on how to prevent a conventional conflict from escalating into a nuclear war, and how to retaliate after suffering a nuclear attack – but never how to win a nuclear war. The primary Chinese perception is that nuclear wars are not to be won, but to be prevented.

Retaliatory – Rather than Denial – Deterrence[41] Many Chinese cite Deng Xiaoping when explaining China's nuclear thinking. He explained, in a meeting with foreigners in 1983:

> "While you have some deterrence force, we also have some; but we don't want much. It will do just to possess it. Things like strategic weapons and deterrence forces are there to scare others. They must not be used first. But our possession will have some effect. The limited possession of nuclear weapons itself exert some pressure. It remains our position that we will develop a little (nuclear weapons). But the development will be limited. We have said repeatedly that our small amount (of nuclear weapons) is nothing. It is only to show that we also have what you have. If you want to destroy us, you yourself have to suffer some punishment at the same time."[42]

Deng's statement echoed Mao's nuclear thinking in several aspects:

- Nuclear weapons are desirable only for its deterrent value, not for battlefield utility.
- Nuclear weapons, if ever used, will be used to cause the enemy as much pain as possible, so as to enhance its deterrent value in the first place. Therefore, China has to adopt counter-value as opposed to counterforce targeting strategies, in order to strengthen its deterrence posture.
- Only a small number of nuclear weapons will satisfy China's deterrent needs – to convince potential nuclear adversary of a possible nuclear retaliation. Both Mao and Deng are very explicit that the deterrent effectiveness does not increase in proportion with numbers of nuclear weapons. A survivable and invulnerable small arsenal can be equally effective in terms of deterrence. Deterrence effect depends on invulnerability to nuclear strikes, not on large amount of nuclear attack

[41] Chinese strategists seldom make the distinction between retaliatory and denial, but their nuclear logic follows the same path as Glenn Snyder, who made a most thorough elaboration of the distinction between denial and retaliatory use of nuclear weapons in *Deterrence and Defense* (Princeton, NJ: Princeton University Press, 1961), 3ff.

[42] Wu Tianfu, ed., *Schools of Nuclear Strategic Thinking in the World* (Beijing: Junshi Yiwen Press, 1999), 207.

capabilities. Accordingly, what China has been seeking is a nuclear arsenal that is small in size but good in quality.

- As confined by its adherence to NFU policy, China has to focus its nuclear development efforts on "second strike capabilities" which must be credible and survivable in order to have deterrent effect.

Central Rather than Extended Deterrence.[43] By declaring to counter-attack with nuclear weapons only after being attacked by nuclear weapons, China has preserved nuclear capabilities to protect its own most vital interests – that is, the existence of the nation. Even during the Cold War years, China has never provided nuclear umbrella to any other country in the world. For China, the concept of extended deterrence has simply not entered into it nuclear calculus – yet.

General Rather than Immediate Deterrence. The mutual deterrence exercised by the two nuclear superpowers during the Cold War had been directed at one another. They were both the ones to deter, and the ones to be deterred. They formed a bilateral deterrent relationship, in which each side was very clear whom it wanted to deter, and what it wanted to deter them from. Their deterrence was more of an immediate nature. China had never comfortably fitted into the bipolar context. It had been in one of the poles for some time, then outside of both poles for some time, and then it tried to be closer to the other pole. In addition, China had not had the luxury of a nuclear umbrella for most of the Cold War years. Therefore, China's nuclear deterrence had been more of a general nature – in which China tried to form a multilateral deterrent relationship with all the nuclear powers, which only made clear what China wanted to deter.

Defensive Rather than Offensive Deterrence. One famous tenet laid down by Chairman Mao Zedong is the Sixteen Character Guideline for the use of force – "We will never attack unless we are attacked; and if we are attacked, we will certainly counterattack" (*ren bu fan wo, wo bu fan ren; ren ruo fan wo, wo bi fan ren*). Behind this guideline is a sober headed analysis of power balances. The PLA and its predecessors entered and won most wars as an inferior side against great odds. So a defensive posture had always been preferred to an offensive one.

However, Chinese forces have managed to turn from being the weaker into the stronger party in the course – usually a protracted course – of previous conventional wars. When applied to nuclear policy, this Guideline simply means a rejection of preemptive thinking. The renunciation of the first-use option, the willingness to accept vulnerability, the confinement to retaliatory nuclear use, the principle of attacking only after being attacked (*hou fa zi ren*), the focus on second strike capabilities, and the reservation of nuclear means as the last resort to protect only the most vital national interests, all point to the defensiveness of China's nuclear policy. Although nuclear weapons are inherently offensive weapons, when deterrence strategies are applied in the way China does, they acquire a pure defensive posture.

[43] Patrick Morgan contributed to this distinction in his *Deterrence: A Conceptual Analysis* (Beverly Hills, CA: Sage Publications, 1977), 25-47.

Minimum Rather than Limited or Maximum Deterrence. If I am to choose from Western deterrence classifications to describe Chinese nuclear deterrence posture in general, I would have to use the handy concept of "minimum deterrence" as compared to maximum or limited deterrence. Personally, I think the word "minimum" has too strong a quantitative connotation that is misleading. It sometimes suggests a quantitative standard instead of a qualitative standard. The word "minimum" has for some time been officially used in Chinese government documents.[44]

But what I want to emphasize is that Chinese strategists take the concept as a relative one, defined not only by pure numbers, but more importantly by such key criteria as invulnerability of nuclear forces, assurance of retaliation, and credibility of counter-attack. When a Chinese document says that China intends to possess nuclear weapons only at the minimum (or lowest) level for the needs of self-defense, that means to have the minimum but assured capabilities for a retaliatory second strike. Some studies have suggested a shift of Chinese nuclear posture toward limited deterrence, where China could employ nuclear weapons to deter both conventional and nuclear wars, and even to exercise escalation control in the event of a conventional confrontation.[45] However, the basic logic of China's nuclear thinking dictates nuclear weapons as deterring – not as a means of winning against nuclear weapons.

Factors Shaping China's Nuclear Thinking after the Cold War

Many factors have exerted an impact on China's nuclear calculus since the end of the Cold War. Listed below are three major ones.

Factor One: The Changing Nuclear Environment. The end of the Cold War and the collapse of the bipolar international system led to the fall of nuclear weapons as a predominant strategic consideration. A major nuclear exchange has become just a remote possibility. Local limited wars, national and ethnic armed conflicts, territorial disputes, nuclear and military technology proliferation, international terrorism, and transnational organized crime have risen in significance as major threats to international and regional peace and stability.

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[44] In April 2003, the Chinese delegation issued a statement to the Second PrepCom for 2005 NPT Review Conference, saying: "China has always exercised utmost restraint towards developing nuclear weapons, kept its nuclear arsenal at the minimum level only for self-defense." Nuclear Threat Initiative (NTI), *Statement by the Chinese Delegation to the 2nd PrepCom for 2005 NPT RevCon on Nuclear Disarmament and Reduction of the Danger of Nuclear War*, April 30, 2003.

[45] Alastair Iain Johnston, "China's New 'Old Thinking': The Concept of Limited Deterrence," *International Security* XX, 3, Winter 1995/96; Paul Godwin, "China's Nuclear Forces: An Assessment," *Current History*, September 1999; Bates Gill, James Mulvenon, and Mark Stokes, "The Chinese Second Artillery Corps: Transition to Credible Deterrence," in James C. Mulvenon, Andrew Yang, eds., *The People's Liberation Army as an Organization: Reference Volume v1.0* (Santa Monica: RAND, 2001).

China's nuclear environment has been more complex: First, the Strategic Partnership formed between China and Russia removed the prospect of a Russian nuclear first strike. Second, the possibility for military conflict between China and the United States (both nuclear powers) over Taiwan has increased. Third, there have emerged on China's periphery two new nuclear weapon states – India and Pakistan, with the former explicitly taking China to be a nuclear adversary. Fourth, the DPRK is seeking nuclear weapons against the common wish that the Korean Peninsula be nuclear free. Such move may result in cascading effects such as more robust BMD systems in the Northeast Asia region, which in certain cases would reduce the deterrent effect of China's small nuclear arsenal; and potential incentives for Japan and even the ROK to go nuclear.

Paradoxically, China evaluates its overall nuclear security to be improving instead of worsening – although surrounded by more nuclear weapon states than any other in the world. Reasons for this evaluation are manifold: First, it would be too far fetched to envision a military conflict between China and Russia, let alone one involving nuclear confrontation. Second, China formed with India a very credible mutual deterrent relationship the moment it went nuclear. Pakistan, a long time friend of China, has been locked into amutual deterrent relationship with India as well. The pair of deterrent relationships brought about a more earnest effort from both India and China for settling territorial disputes by political means, and reduced the danger of large scale conventional conflicts between India and Pakistan. Third, China was less concerned about its two new nuclear neighbors, for the general nature of China's nuclear deterrence can readily accommodate the changing nuclear deterrence needs. Fourth, China is actively engaged in the Six-Party Talks, and was confident that a nuclear free Korean Peninsula can be achieved – which is in China's best interests. So far and in the foreseeable future, changes in the nuclear environment pose no challenges so great that China has to reconsider its nuclear policy.

Factor Two: Taiwan. Taiwan hadn't been a predominant issue until the mid 1990s, when the pro-independence forces gained momentum on the island. Cross-strait conflicts were a continuation of the 1945-49 civil war, and nuclear weapons had no role to play in civil war scenarios.

However, the Taiwan issue has been complicated by possible U.S. military intervention in case of a military crisis. This constitutes the only conceivable scenario in which two nuclear weapon states might fight face-to-face. China has always complained, with good reason in my view, that the United States is the largest external factor impeding China's reunification, peacefully or by force.

With the *Taiwan Relations Act*, the United States has somewhat committed itself to the defense of Taiwan. The 2002 *Nuclear Posture Review* (NPR) released (or leaked) by the U.S. Department of Defense even implies the use of nuclear weapons in "military confrontation over the status of Taiwan." Such confrontation is categorized as "immediate contingencies" for which the United States has to set "requirements for

nuclear strike capabilities."[46] So far, China has never – in any government statements or official documents – threatened nuclear use in the cross-strait conflict.[47]

Taiwan is China's top security concern,[48] and the only scenario for which China seriously considers the use of force. Do nuclear weapons really play a role in such a scenario? My judgment is "no." If what we are talking about is a "local war under the conditions of internationalization," it would be useless for China to try to deter U.S. conventional intervention with nuclear weapons. It is the U.S., not China that has the nuclear capabilities to control or even dominate conflict escalation. To win a nuclear war over the United States is quite different from deterring a nuclear war with the U.S. China is definitely the much weaker side, so far as the nuclear balance is concerned.

Faced with a similar situation, Mao Zedong and Deng Xiaoping had decided the option for China decades ago – that is to use nuclear weapons only as a deterrent against all nuclear uses, be it strategic or operational. To prevent the opponent's nuclear use is the only way to neutralize his nuclear superiority. China's long standing nuclear policy still serves China's national interests even today.

Factor Three: U.S. Development and Deployment of BMD System. China's strong opposition to U.S. BMD development and deployment has been adequately conveyed and extensively studied in the United States, for this issue has been a decade-long topic for hot debates. Unlike other issues, Chinese concerns over BMD has had the most vocal and vehement expression by government officials, scholars, military officers, and even ordinary people who post their views in Internet chat rooms.

On Dec. 13, 2001, President Bush officially announced that the United States would withdraw from the ABM Treaty – a cornerstone arms control regime set up in the 1970s. Six months later, the United States was free of any legal bindings against its development and deployment of BMD systems. The later deployment decision by President Bush came as no surprise. China had succeeded in stopping the United States from setting up a missile defense system, which threatens to break the delicate deterrent balance between China and the United States. A national missile defense system, no matter how limited it would be, would no doubt cause a rededuction in China's deterrent effects against U.S. nuclear use.

American scholars always have difficulties understanding why the Chinese should worry about a shield to protect their own homeland. However, this very defensive shield

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[46] U.S. Department of Defense, *Nuclear Posture Review [Excerpts]: Submitted to Congress on 31 December 2001*, Jan. 8, 2002.

[47] This recent statement by an individual PLA officer is purely a personal view.

[48] Information Office of the State Council of the People's Republic of China, *China's National Defense in 2004* (Beijing: December 2004.) This white paper listed four security concerns China has to address. The other three include: the technological gap resulting from new RMA; the risks and challenges caused by economic globalization; and the prolonged conflicting trends of unipolarity and multipolarity.

– when used against the only flying dagger the opponent throws at it before taking the deadly blow – would be very offensive in nature. We all know the famous paradoxical logic in deterrence relations: nuclear force to be used as a last resort against enemy cities is defensive in nature and stabilizing in function, while a leak-proof umbrella against nuclear attack is offensive in nature and destabilizing.

China is also reasonably sensitive to any BMD systems covering Taiwan. Only a limited missile shield would relieve Americans of possible Chinese nuclear retaliation, permitting them to intervene more readily and threaten nuclear use at it did in the 1958 Taiwan crisis. It could encourage Taiwan to take more provocative moves towards independence by reducing the deterrent effect of the PLA's missile force. It would signify semi-alliance relationship between the United States and Taiwan. And it will reduce the effectiveness of China's military operations against the island.

China has a further reason to worry about BMD – that is BMD development cooperation, and future joint deployment, between the United States and Japan. This would indicate a closer alliance relationship and a more coordinated course of action during future Taiwan conflict between the two Cold War allies. An upper-tier BMD system jointly deployed by the two countries in the name of protecting allies and overseas troops would be readily turned into BMD systems to offset mainland missile attack against Taiwan. It would also be a complicating development when Sino-Japanese relations are getting sour, and the concern over Japan's rearming is genuine.

Therefore, BMD development and deployment is by far the most significant factor impacting China's nuclear calculus. China has to think how to maintain a guaranteed retaliatory second strike capability in the face of a U.S. BMD system. It's also necessary to review sufficiency and survivability of the arsenal. At the core of the Chinese concern is the credibility of the mutual deterrent relationship that China needs to deter American nuclear threats or nuclear use in cross-trait conflict.

Prospects for China's Nuclear Deterrence in the 21st Century

The fact that China belonged to neither of the Cold War blocs has some implication in observing and anticipating the future of China's nuclear deterrence. The general rather than immediate nature makes it easier for China's nuclear policy to adjust to the 21st-century world. Never before had China fixed upon any nuclear adversaries, nor will it pick a specific nuclear enemy today. Even the newly emerging nuclear threat from India can be readily dealt with by existing policy.

The issue of Taiwan has forced the Chinese to face up to the possibility of military conflict with the United States over Taiwan. However, such conflict should have been assumed nuclear-irrelevant but for the issuance of the NPR by the U.S. Department of Defense.

Through the NPR, the Chinese know for sure that in the United States' perception, China is a nuclear target, and Taiwan is a scenario in which nuclear weapons

are to be used. Even if nothing could be worse for China than a nuclear confrontation with the United States, China has to brave itself to this, for the most vital of all vital national interests is involved here. However, it would be totally wrong to assume China is going to deter U.S. conventional military intervention by threatening nuclear use, for China can hardly make such threats credible.

So far, the most significant factor that will influence China's nuclear calculus will be U.S. deployments of national and advanced theater missile defenses. For China has to reevaluate the sufficiency of its nuclear arsenal to counter U.S. missile defense systems and retain a guaranteed ability to retaliate. However, such reevaluation results only in the variation of the size of nuclear arsenals, not in the change of the policy's basic nature. The concern in China is over the credibility of its retaliatory deterrence against American nuclear use.

Both Taiwan and BMD are important factors that will have impacts on Chinese nuclear calculus: The former highlights the necessity and urgency of ensuring a mutual deterrent relationship with the United States to prevent nuclear use in the Taiwan conflict, which might have not been so important or urgent before. Only in this way, has Taiwan become relevant to China's nuclear policy.

The latter emphasizes the concern over the credibility of Chinese deterrence against the United States. Concerns over Taiwan and BMD combine to form the focus of China's nuclear modernization – the maintenance of sufficient nuclear capabilities that can survive a first strike to inflict unacceptable damage on the enemy in a retaliatory strike.

Put in more accurate words, China's nuclear modernization is to keep valid its long-standing nuclear policy. China's nuclear policy in the 21st century will retain all the characteristics that I have specified above, and suggest no deviation from the current one. So far, the three factors do not provide enough reasons for China to move up to the limited deterrence posture.

Another thing that may interest us is how China would translate its nuclear deterrence requirement into concrete numbers (two-digit or three digit warheads and delivery vehicles). While this subject is beyond my capacity to discuss, I think the most important thing is to understand the underlying logic, not to guess at the numbers. That is, China has to keep a credible retaliatory nuclear force which can survive a massive first strike and launch a counter-strike at the enemy.

If the nuclear logic does not change fundamentally, the nature of the policy would not change. Slight increases or decreases in the numbers only reflect changes in calculating the sufficiency of the second strike capability. All three generations of Chinese leaders have expressed their intent to keep the arsenal small, only "at the minimum level for self-defense." Any excess in numbers would be an unnecessary drain on the nation's limited budgetary resources. On the other hand, even if the size of the arsenal doesn't vary, a change in the underlying logic would trigger a major shift of the

policy – such as a shift from a minimum to a limited deterrence posture, where nuclear weapons could be designed and planned for winning wars instead of deterring wars.

The last point concerns the nuclear relationship between China and the United States. It is in China's vital interests to have a certain degree of deterrent effect over other nuclear weapon states, be it Russia, the United States, and potentially India. At the same time, China is willing to accept vulnerability as its NFU policy indicates. China has been having such a deterrent relationship during the Cold War period with the Soviet Union from the 1970s, and later with the United States from mid 1980s, though the significance of such deterrent relationship lessened because China and the United States enjoyed an ever-improving and stable relation until 1989.

Since the mid-1990s, both Taiwan and BMD have threatened to break such a relationship – the former by gaining U.S. defense commitment, the latter by offsetting China's ability to retaliate. These two factors are actually American factors. If China, the United States, and all the other nuclear weapon states want to share regional and global security, peace and stability, they have to share a certain degree of insecurity first. And that means accepting some vulnerability by pledging to a NFU policy, so as to form a multilateral deterrent relationship among the "Haves," and offering more security assurance to the "Have-nots."

In today's world, security, like many other things, is relative. If one party seeks absolute and overwhelming superiority, it can only do so at the expense of others – which results in the loss of both trust and security.

Confronting Gathering Threats: U.S. Strategic Policy

By Michael Nacht

The Cold War is fast becoming a distant memory. Even the term "post-Cold War era" is now rarely used in the aftermath of the 9/11 attacks and the launching by President Bush of the "Global War on Terror" (GWOT). But for the United States, as the only nation-state at present with truly global interests and global reach, it is necessary to be consistently vigilant of not only immediate concerns but of those developments over the horizon that could pose major difficulties in the future.

Central to American power, obviously, is enormous economic wealth and technological dynamism that has facilitated the deployment of extraordinarily capable conventional and nuclear forces. A critical partner of this power is the structure of international relationships – especially in Europe, East Asia and the Middle East – that have been adroitly used by Washington in the furtherance of this power.

But as we move through the first decade of the 21st century, what is beginning to emerge is a global situation in which the United States does not face a single adversary similar to Nazi Germany or the Soviet Union, which dominated American strategic thought for half a century. Both of these states had political ideologies deeply antithetical to American values. Both states played limited or negligible roles in American economic policy. And, in each case, the United States was able to marshal important supporters throughout the world in advance of American policy.

But the gathering threats facing the United States in the contemporary era are qualitatively different.

Islamic Jihad

This threat is based on a particular interpretation of Islam that has spread to scores of countries throughout Europe, Asia, the Middle East, Africa, and probably even within the Muslim communities of Canada and the United States. The threat is not "state based" and indeed the stated goal of its titular leader Usama Bin Laden is to destroy the very system of nation-states created in Europe in the 17th century and replace it with a new Islamic Caliphate that stretches from North Africa to South East Asia, and eventually covers the world.

America's economic, military, and political support for Arab and other Muslim states is itself a rationale used by the jihadists to recruit adherents intended to overthrow the very regimes that welcome this support. And militarily, as evidenced in Iraq and elsewhere, the jihadist use of suicide bombers in urban areas and against critical infrastructure facilities has largely nullified the classical elements of U.S. military power.

New Nuclear States

From roughly 1960 to 1990, United States' nuclear non-proliferation policy, while far from fully successful, focused on dissuading many of its allies – Germany, Italy, South Korea, Taiwan – from acquiring nuclear weapons. Pledges to maintain, strengthen, or withdraw U.S. security guarantees were instrumental in dissuading these governments from pursuing their nuclear programs to weapons deployment. Even when Ukraine found itself with a nuclear arsenal after the collapse of the Soviet Union, it was the fashioning of security, economic, energy and political arrangements that were crucial.

Later in the 1990s, when both India and Pakistan detonated nuclear devices and declared themselves nuclear weapons states, the sense of threat to American interests was considered minimal, and both states have since developed much closer strategic ties with the United States, although for very different reasons. The current major nuclear proliferation cases – North Korea and Iran – represent much deeper concerns. The former, if successful, would represent a successful policy by a new nuclear state to deter the United States from a successful counter proliferation policy by holding major targets like Seoul and Tokyo at risk, a lesson with enormous negative precedential value. It could also trigger a chain of new nuclear states which, if it included Japan, could fundamentally alter the security system of East Asia for the first time in a half-century. The second could trigger armed conflict with Israel, stimulate additional proliferation in the Middle East, and reduce even further the low probability of bringing peace and stability to the region.

China as a Great Power

The United States has never in modern times faced a situation where one of its closest trading partners and targets for direct foreign investment is also a strategic rival. With the resolution of Taiwan's status an enduring source of potential Sino-American conflict, the intersection of the two states' complex economic interdependence will have substantial and unpredictable impact on their overall relationship, which will be driven in both countries by important domestic constituencies.

In this context, the analysis that follows addresses the following questions:

1. How has U.S. security strategy affected nuclear relations among the major powers over the last decade?
2. Is Mutual Assured Destruction (MAD) among great powers, and especially in Sino-American relations, a relevant concept today?
3. What do the Bush administration's new national defense and military strategies mean for U.S.-PRC relations?
4. How is the United States' strategic approach toward China likely to evolve in the coming years?

How Has U.S. Security Strategy Affected Nuclear Relations among the Major Powers over the Last Decade?

In the past ten years, the United States' security strategy has endured a dramatic transformation. When Bill Clinton entered the White House in 1993, running on a political platform of "it's the economy, stupid," he and his senior advisors embraced the notion that, with the end of the Cold War, the era would be dominated by domestic and international economic concerns. The U.S. ambassador to the UN articulated an approach of "assertive multilateralism," which collapsed after the fiasco in Somalia when 18 U.S. combatants were killed after the United States could not obtain UN approval to protect them.

The highest priorities for the administration were to assist in the democratization of Russia and the other states of the former Soviet Union; to encourage economic, political and military engagement with China, in part to promote pluralism and democratic interests in Chinese domestic politics; and to complete the de-nuclearization of Ukraine, Kazakhstan, and Belarus. Clinton turned out to be an activist and selective military interventionist as president, but with no seeming overall strategy. Besides Somalia, U.S. forces were sent to Bosnia and Kosovo in the Balkans as well as to Haiti. There was a tense showdown with North Korea over its nuclear program until the Agreed Framework was reached in 1994, and a crisis in Sino-American relations over Taiwan not long thereafter.

On the nuclear front, Clinton moved cautiously but unsuccessfully to win U.S. Senate ratification of a Comprehensive Test Ban Treaty. He chose to implement a "stockpile stewardship" program to keep the United States' nuclear deterrent reliable and credible without further testing or new weapons development. He sought to renegotiate the ABM Treaty with the Russian Federation – never completed – to permit deployment of theater missile defenses so that U.S. forces and allies could be protected against regional nuclear threats, notably Japan in the face of North Korea's projected capability. And he failed to respond militarily, with the exception of a very selective strike in Afghanistan and Sudan, to a series of terrorist attacks including the first World Trade Center bombing in 1993, the Khobar Towers attack of U.S. forces in Saudi Arabia in 1996, the devastation of the U.S. embassies in Nairobi and Dar as Salaam in 1998, and the attack on the *USS Cole* in 2000.

Perhaps this smorgasbord of national security activities reflected both a time in which there was no perceived existential or even significant long-term threat and also the president's and his senior advisors' eclectic approach to foreign policy. At the end of the Clinton years, it was difficult to offer a succinct definition of what constituted U.S. security strategy.

This selective, cautious, and somewhat vague approach to security policy was radically transformed by the Bush administration – especially after the 9/11 terrorist attacks. President Bush, Vice President Dick Cheney, Secretary of Defense Donald Rumsfeld, and members of the National Security Council staff were of the view that U.S.

security policy had to have clarity, consistency, and an articulate commitment to a no-nonsense approach to the protection of U.S. national interests. When the administration entered office, there is little doubt that the intent was to return to a focus on the major powers, as had been stated in *Foreign Affairs* articles by Condoleezza Rice and Robert Zoellick before the election.

In particular, there was a high priority placed on the United States' withdrawal from the ABM Treaty in order to facilitate a more rapid deployment of theater and national missile defenses that were seen as necessary to combat the growing missile threat from China and "rogue states" such as North Korea and Iran. There was also a clear emphasis on seeing China as much more of a strategic competitor than a strategic ally. And there was a commitment not to engage in the sort of "nation building" in developing countries which Clinton had conducted since this was seen as an unnecessary distraction and diversion of resources from more central issues. More broadly, it is probably safe to say that the Bush team had an "ABC" – anything but Clinton – approach to foreign policy and to policy generally. A clear break from the past across the board was the intent of the new team.

The terrorist attacks on 9/11 altered a number of these going-in approaches and accelerated others. The Bush administration over the course of the next three years issued a set of important documents outlining its overall strategic approach including statements on national security strategy, counter proliferation of weapons of mass destruction, and homeland security. The emphasis in language and in follow-up action was on:

- Preemptive use of force against terrorist threats and those who support them, which leapt to the forefront as the nation's leading national security priority. "Those who support them" was a key rationale for the actions to topple the Taliban regime in Afghanistan and Saddam Hussein's regime in Iraq, leading to far more elaborate "nation building" efforts than had ever been initially envisioned.

- Reiteration of the intent to withdrawal from the ABM Treaty in order to move rapidly toward deployment of theater and national missile defense, in light of a missile threat that had been defined by the Rumsfeld Commission in 1998 as far more serious than the one characterized by the Intelligence Community Staff's National Intelligence Estimate. This was completed with the U.S.' withdrawal from the Treaty and the signing of the Moscow Treaty in June 2002 that called for a reduction in deployed strategic nuclear forces by the U.S. and the Russian Federation, but with limited details and no verification procedures.

- Use of allies when feasible, but strong indications of a willingness to act alone if the situation was warranted. Over time, this became known as an emphasis on "unilateralism," whether fully accurate or not.

- Establishment of aggressive counter proliferation policies to remove weapons of mass destruction (WMD) from the hands of those who might use them against the

United States. A Proliferation Security Initiative (PSI) that led to the formation of a group of more than two dozen nations cooperating to interdict items directly related to WMD capabilities – including interdiction on the high seas in international waters. This emphasis on counter proliferation was a clear shift away from more passive acts of "nonproliferation" relying on diplomacy and international law.

- Opening up the possibilities of developing new nuclear weapons that would be specifically designed to target deeply buried, hardened, underground targets, and that would have low yields and inflict very limited collateral damage.

How have these security initiatives affected nuclear relations among the major powers? Consider the views of each state in turn:

Russia

Russia has found itself with limited capacity to influence major international events since the collapse of the Soviet Union at the end of 1991. It had no ability to limit the expansion of U.S. military and political influence in the Middle East and Persian Gulf, to lead the UN-supported coalition against Iraq in 1991 or the subsequent effort to oust Saddam Hussein in 2003. Being itself a target of irredentist Chechen forces that often targeted innocent civilians, Moscow was sympathetic to a number of Bush's global war on terrorism initiatives, and permitted the deployment of U.S. forces in different Central Asian states to facilitate the United States' invasion of Afghanistan in 2001.

But at the same time Russian President Vladimir Putin and the Russian leadership is not interested in being the lap dog for U.S. policies, and sees many of these policies as against Russian national interest. There remains concern throughout important elements of the military high command that see the withdrawal from the ABM Treaty and the emphasis on missile defense as a direct threat to the credibility of the Russian nuclear deterrent. Increased budgetary support for follow-on offensive missile systems, including those with maneuverable reentry vehicles (MaRVs), has been the response.

Russia's response on non- and counter-proliferation remains inconsistent. While one would think it was in the Russian national interest to stop or roll back the spread of nuclear weapons, in part because of possible linkages to the Chechen problem, Russia has been highly enthusiastic, evidently for economic reasons, to support many elements of a sophisticated Iranian nuclear energy program that clearly has links to weapons development. Russia also remains a recalcitrant partner in the Nunn-Lugar-Dominici Cooperative Threat Reduction Program, reluctant to share information and moving far more slowly in the securing of nuclear materials at U.S. expense than the Clinton or Bush team expected.

Geostrategically, Moscow interprets a number of American moves in Ukraine and Central Asia coupled with the continued expansion of NATO right to the Russian

Federation border as a direct threat to their vital interests and an emphasis by Washington to create a permanent ring of states dedicated to containing Russian expansionism.

China

China for some time has seen the United States as both a vital part in the engine of its economic growth and simultaneously its main strategic competitor that alone stands in the way of Beijing's rise to great power status and reclaiming Taiwan. No wonder that recent accounts see the Chinese elite as divided into two camps: the economic modernists and the security hawks.[49]

The modernists see China joining the U.S. as the second great economic power of the 21st century, and the two nations sharing the gains from increased trade ties and global growth. The hawks regard that view as naïve, and fret that American policy is to remain the world's only superpower and to curb China's rise. So China's response, the hawks say, is to try to erode U.S. hegemony and reduce America's power to hold China down.[50]

While China also has an Islamic irredentist movement in its western-most province to deal with, many strategists in Beijing see U.S. counterterrorism policy as consistent with Washington's desire to contain China. The deployment of U.S. forces in Central Asia, including Afghanistan; closer ties with India; urging Japan to take a greater role in their use of military force, including participation in contingencies to protect Taiwan; continued U.S. sales to Taiwan of sophisticated weapons; and, of course, movement to deploy missile defenses in Japan, South Korea and Taiwan, are all seen as anti-Chinese policies. This no doubt has helped stimulate the growth and development of more advanced Chinese nuclear forces and the deployment of more intercontinental-range missile systems capable of striking U.S. territory.

Britain, France, Germany, and Japan

Britain, France, Germany, and Japan have all been largely supportive of U.S. counterterrorism policies, including military action in Afghanistan. They split bitterly, however, over going to war in Iraq. Britain – really Prime Minister Tony Blair – sided enthusiastically with the U.S., and committed about 8,000 combat forces and Japan also supported the initiative and sent noncombatants. France and Germany were openly opposed. Indeed, France used its diplomatic leverage to persuade a wide range of countries not to support the United States' proposal to use military force in Iraq until WMD inspections were much further along. Nor has either France or Germany been willing to help in Iraq after the conventional conflict turned into a highly volatile insurgency.

There has been little relationship, however, between these debates and nuclear weapons policies in these countries. Britain and France retain, from the Cold War, what

[49] Steve Lohr, "Who's Afraid of China Inc.?," *The New York Times*, July 24, 2005.
[50] *Ibid.*, 1, 9.

was termed “minimum deterrence” capabilities, although against who is not entirely clear. Modernization efforts continue but in no way alter the fundamental character of these systems. Germany, on the other, seems firmly committed to its nonproliferation policy with no signs at all of any alteration for years to come.

India, Pakistan, and Israel

India, Pakistan, and Israel, the other three nuclear weapons states, have had their nuclear programs affected in subtle ways. India, seeking to become a global power in all fields, is using its nuclear capability as an argument for permanent status on the UN Security Council. It has growing economic, political, and military ties with the United States – a vast change from the Cold War era when it was assiduously neutral in declaratory policy, but often sided with the Soviet Union, which was its principal arms supplier and trading partner.

Pakistan, on the frontlines in the war on terror, is an ally of the United States – yet it harbors terrorists and many virulent anti-American Islamic groups. The United States has sought to provide assistance to better secure Pakistan’s nuclear forces, but there is limited public information about what, if anything, has actually been provided. The revealing of the AQ Khan nuclear proliferation network has cast a shadow on Pakistan-U.S. relations, but has not necessarily affected the pace of Pakistan’s own nuclear development program. The United States intervened diplomatically at very high levels in the summer of 2003 when it appeared that an Indo-Pakistani war seemed likely. Since then, their bilateral relations have improved markedly. Both sides continue to maintain and modernize their nuclear capabilities with India deploying the larger force but perhaps Pakistan the more militarily capable.

Israel, the only non-declared nuclear state widely thought to have nuclear weapons, says virtually nothing about its programs. A major stimulus to Israeli concerns is the growing Iranian capability, both in terms of longer range delivery systems and advances toward nuclear weapons deployment

Is Mutual Assured Destruction among Great Powers, and Especially in Sino-American Relations, a Relevant Concept Today?

It is not crystal clear how relevant mutual assured destruction (MAD) was during the Cold War, but it seems less relevant now, particularly with regard to Sino-American relations.

Note that it was U.S. Defense Secretary McNamara who, in the mid-1960s, coined the term “assured destruction” as a way to establish criteria for sizing the United States’ nuclear forces. If a substantial portion of Soviet military and urban-industrial targets could be held at risk, even after a Soviet first strike, McNamara reasoned that this assured destruction capability would serve as a credible deterrent assuming a ration Soviet leadership. The Soviets never publicly endorsed such a concept. And U.S. operational planners, less concerned with “declaratory policy” (what we say) than with

"employment policy" (what we do) always planned to fight a nuclear war in which the United States would prevail – whether this was really realistic or not. In short, it may well be that the most senior U.S. and perhaps Soviet decision-makers were deterred from acting because of assured destruction, but the systems below them were probably ready to fight to win if called upon to do so.

The situation in Sino-American relations today is quite different. Obviously there is a huge disparity in nuclear firepower, both quantitatively and qualitatively, favoring the United States. But this is beside the point. China has no interest in matching U.S. nuclear forces. It does have an interest in deterring the United States from intervening with conventional forces in case of armed conflict over Taiwan or in some other contingency in the future. To accomplish this goal, Chinese strategists have sought to expand the number and range of nuclear-tipped ballistic missiles that could reach the United States.

A recent Chinese statement on this matter illustrates this situation. On July 15, 2005, Maj. Gen. Zhu Chenghu stated that:

"If the Americans are determined to interfere [in a conflict to defend Taiwan] we will be determined to respond. We Chinese will prepare ourselves for the destruction of all cities east of Xian. Of course, the Americans will have to be prepared that hundreds …of cities will be destroyed by the Chinese…War logic dictates that a weaker power needs to use maximum efforts to defeat a stronger rival…We have no capability to fight a conventional war against the United States…We can't win this kind of war."[51]

This was not the first time a senior Chinese military officer raised the prospect of Chinese use of nuclear weapons in a Taiwan conflict situation. In 1995, during the Sino-American crisis over Taiwan during the Clinton years, Gen. Xiong Guangkai, now deputy chief of the general staff of the People's Liberation Army, told Chas Freeman, a former senior Pentagon official and U.S. ambassador to Saudi Arabia, that China would consider using nuclear weapons in a Taiwan conflict. Freeman quoted Xiong as stating that Americans should worry more about Los Angeles than Taipei.

Zhu's statement raises many interesting questions. Is it a departure from China's no first use of nuclear weapons policy, since he was referring to Chinese first use after the United States intervened with conventional forces in the Taiwan conflict? Would the Chinese leadership really be willing to sacrifice all cities east of Xian if that meant wiping out its entire modern economic base? Do the Chinese have enough deliverable warheads to actually destroy "hundreds" of U.S. cities when U.S. estimates, perhaps incorrectly, place the current capability in the range of 45-57 missiles that can reach U.S. targets? Is Zhu telling us that the DF-31, the DF-3lA road mobile, and the Jl-2 submarine launched ballistic missile are much further along than we think they are, or are there other new Chinese systems deployed or about to be deployed of which we are unaware?

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[51] Joseph Kahn, "Chinese General Threatens Use of A-Bombs if U.S. Intrudes," *The New York Times*, July 15, 2005. Gen. Zhu is a dean at China's National Defense University.

Hence it is the credibility of the Chinese nuclear force to deter U.S. conventional intervention in a conflict over Taiwan that is central to Sino-American relations, not some abstract and somewhat misleading notion of mutual assured destruction.

What do the Bush Administration's New National Defense and Military Strategies Mean for U.S.-PRC Relations?

At a recent meeting in Singapore of Asian defense ministers sponsored by the International Institute for Strategic Studies, Secretary of Defense Rumsfeld gave a hard hitting speech on China and wondered aloud why China was devoting so many resources to building up its military capability when no country threatened China. He implied that China was perhaps harboring aggressive intent and that Asian nations as well as the United States needed to take notice.

But a somewhat different interpretation is worthy of discussion. China, given its size, population, history, and newly found economic strength, as well as its enormous economic potential, has every right to plan and dream to become a major world power. Major world powers have strong military capabilities. Enhancing such capabilities "goes with the territory," without necessarily harboring any aggressive designs. This could be one, albeit benign, explanation for the modernization of the Chinese military.

A second interpretation is that the Chinese leadership, perhaps all future Chinese leaderships, will seek to resolve the Taiwan question. Having a military option is central to their planning. Since it is largely the threat of U.S. military intervention to defend Taiwan that has precluded China from taking action for five decades, China is in a continuous search to find ways to nullify this threat. Use of a Chinese nuclear deterrent to dissuade U.S. conventional force intervention is a plausible response.

A third interpretation is that, partly due to Bush policies, Chinese leaders in Beijing see many new threats on the horizon: a reinvigorated Japan that might acquire its own nuclear forces or seek to acquire new power projection forces; a U.S.-North Korean conflict that threatens Chinese national interests; down the road a unified Korea armed with nuclear weapons; Taiwan with nuclear weapons; a much stronger India with advanced nuclear weapons; and a resurgent Russia that again seeks to dominate border areas of the Far East.

Bush administration policies almost certainly strengthen the hands of the strategic hawks in China who see a U.S. "envelopment" strategy and claim that much greater Chinese military as well as economic power is needed to counter American policies. Indeed, the seemingly messianic approach of the president in support of the spread of democracy poses a direct rhetorical threat to the Chinese leadership that is still highly authoritarian even if it is no longer totalitarian.

On the other hand, there are a number of positive contributions of the Bush policies to U.S.-PRC relations. China is playing a useful if limited role in the war against Islamic Jihad, which directly serves China's own interests. China has been consistently

encouraged by President Bush to play a constructive mediating role with North Korea, and will now host the Six Party talks involving North and South Korea, the United States, Russia, and Japan. As the primary external source of food and fuel for North Korea, China is considered to have leverage over Pyongyang decision-making and has been encouraged to play a constructive role that could resolve the crisis over the North Korean nuclear program. And, after much pressure from Washington, China claims to be a constructive partner in stopping the spread of WMD, especially nuclear weapons and missile technology. This would be an important step forward after China played such a critical role in the development of Pakistan's nuclear and missile technologies.

How is the U.S. Strategic Approach To China Likely to Evolve in Coming Years?

Since the start of the George H.W. Bush administration, the United States has had a two-pronged approach to China: to foster trade, direct foreign investment, and greater societal interactions in the hope that a more economically prosperous China would become more politically pluralistic; and, to simultaneously remain steadfast that the Taiwan issue had to be resolved peacefully, and that the United States would provide military support to Taiwan to defend itself.

The United States has also seen its commitment to Taiwan as part of the credibility it needs to demonstrate to keep the East Asian security system led by Japan and South Korea in a stable condition.

The economic relationship is now of huge significance to both countries. But as columnist Tom Friedman has pointed out, it is highly asymmetric. China not only provides us with our basic household goods; it also finances our debt. The U.S. economic connection, on the other hand, has permitted China to grow at 9 percent or more per year for several years, which it needs to do to provide jobs for all the new entrants to the labor force annually.[52]

Absent this level of economic growth, unemployment could lead to huge political unrest, and regime change cannot be ruled out.

It seems difficult to visualize a major U.S. departure from this dual approach, unless matters spin out of control in North Korea or Taiwan (through Taiwanese policies), leading to a Sino-American confrontation. Then all bets are off regarding the bilateral economic relationship, no matter how much it will hurt the U.S.' economy

This seems unlikely, though it is far from unimaginable.

It is best to think of U.S.-PRC relations as a struggle between centripetal forces pulling us together and centrifugal forces pulling us apart. In the former category are economic interests and the domestic groups that benefit from them, and, to a much less significant extent similar views on countering Islamic terrorism and some common

[52] Thomas Friedman, "Joined at the Hip," *The New York Times*, July 19, 2005.

interests on the North Korean question. (A divided Korea reduces the likelihood of a Japanese military resurgence that would pose a major challenge to China). In the latter category is the classical rivalry of a great power and a rising power, as well as specific differences over democracy and human rights, intellectual property rights, and, of course, Taiwan security.

For a long time the centripetal forces have dominated the centrifugal forces, and the peoples of both countries have prospered as a result. A reversal of this condition could pose a grave threat to both China and the United States.

About the Authors

Jia Qingguo is Professor and Associate Dean of the School of International Studies of Peking University. He is also a member of the Foreign Affairs Committee of the National Committee of the Chinese People's Political Consultative Conference and a member of the Standing Committee of the Central Committee of the China Democratic League. He received his Ph.D. from Cornell University in 1988 and has taught in University of Vermont, Cornell University, University of California at San Diego, University of Sydney in Australia as well as Peking University. He is a member of the Academic Degree Review Board of the State Council, Vice President of the China Association for Asia-Pacific Studies, and a board member of the China Association of American Studies and the National Taiwan Studies Association. He is also a member of the editorial boards of several international academic journals.

Michael May is Professor Emeritus (Research) in the Stanford University School of Engineering and a senior fellow with the Institute for International Studies at Stanford University. He is the former co-director of Stanford University's Center for International Security and Cooperation, having served seven years in that capacity through January 2000. May is a director emeritus of the Lawrence Livermore National Laboratory, where he worked from 1952 to 1988, with some brief periods away from the Laboratory. While there, he held a variety of research and development positions, serving as director of the Laboratory from 1965 to 1971. His research interests include nuclear weapons policy among the major powers; energy consumption in East Asia and its environmental and security implications; and the evolution of information technologies and its impact on national security.

Michael Nacht is the Aaron Wildavsky Dean and Professor of Public Policy at the Goldman School of Public Policy at the University of California, Berkeley. His expertise is in U.S. national security and foreign policy, and management strategies for public organizations.

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Appendix A

U.S.-China Strategic Dialogue

ORGANIZED BY THE
CENTER FOR CONTEMPORARY CONFLICT, U.S. NAVAL POSTGRADUATE SCHOOL
AND THE PACIFIC FORUM CSIS
FOR THE
ADVANCED SYSTEMS AND CONCEPTS OFFICE
OF THE U.S. DEFENSE THREAT REDUCTION AGENCY

AUGUST 1-3, 2005
DOUBLETREE ALANA HOTEL, HAWAII

AGENDA

Monday, Aug. 1

6:30- 9:30PM — Opening Reception and Dinner – *Alana Poolside, 3rd floor*

Tuesday, Aug. 2

8:00AM — Continental Breakfast – *Heliconia Meeting Room – 7th floor*

8:30AM — **Opening Remarks**
Dr. Peter Lavoy, *Director, Center for Contemporary Conflict, NPS*
Dr. Ralph Cossa, *President, Pacific Forum-CSIS*
Mr. David Hamon, *Division Chief, Advanced Systems and Concepts Office, Defense Threat Reduction Agency*

9:00AM — **Panel I: *The Evolving Nuclear World Order***
Chair: Prof. James Wirtz

Paper: "Chinese Perspective on the Strategic Context of Nuclear Weapons,"
Major General (ret.) Pan Zhenqiang, Director Emeritus, Institute of Strategic Studies, National Defense University

Paper: "U.S. Perspective on the Strategic Context of Nuclear Weapons,"
Dr. Michael May, Professor (Research) Emeritus, Center for International Security and Cooperation, Stanford University

10:30AM — Break

10:45-12:15PM — **Panel II: *National Security Priorities and Policies***
Chair: Prof. Christopher Twomey

	Paper: "Confronting Gathering Threats: U.S. Strategic Policy," *Dr. Michael Nacht, Dean, Goldman School of Public Policy, University of California, Berkeley* Paper: "China's New Leadership and Strategic Relations with the United States," *Professor Jia Qingguo, Professor/Assoc. Dean, School of International Studies, Beijing University*
12:30-1:30PM	Lunch – *Padovani's Restaurant – Lower Lobby*
1:45PM	**Panel III:** ***National Nuclear Postures*** Chair: Dr. Brad Roberts Paper: "U.S. Nuclear Posture: The Nuclear Posture Review and Beyond," *Dr. James Wirtz, Professor, Dept. of National Security Affairs, Naval Postgraduate School* Paper: "Chinese Nuclear Policy: The Future of Minimum Deterrence," *Dr. Yao Yunzhu, Senior Colonel / Research Fellow, Academy of Military Science* (author) *Admiral Yang Yi* (Presentor)
3:15PM	Break
3:30-5:00PM	**Panel IV:** ***Regional Nuclear Challenges – South and Southwest Asia*** Chair: Dr. Peter Lavoy Paper: "Sino-Indian Strategic Relations," *Dr. Shen Dingli, Deputy Director, Center for American Studies, Fudan University* Paper: "U.S. Policy and WMD Proliferation in the Middle East," *Mr. James Russell, Senior Lecturer, Dept. of National Security Affairs, Naval Postgraduate School*
6:30- 9:30 PM	Reception and Dinner – *Rainbow Suite I – Hilton Hawaiian Village Hotel*

Wednesday, Aug. 3

8:30 AM	Continental Breakfast – *Heliconia Meeting Room – 7th floor*
9:00AM	**Panel V: *Regional Nuclear Challenges—East Asia*** Chair: Prof. Jia Qingguo Paper: "The Challenge of a Nuclear North Korea," *Mr. Scott Snyder, Senior Associate, Asia Foundation* Paper: "East Asia's Nuclear Future," *Admiral Yang Yi, Institute of Strategic Studies, National Defense University*
10:30AM	Break
10:45AM-12:15PM	**Panel VI: *Threat Reduction Policies*** Chair: Major General (ret.) Pan Zhenqiang Paper: "Informal Arms Control and Mutual Contingent Restraint," *Dr. Brad Roberts, Director, Science and Technology Policy Institute, Institute for Defense Analyses* Paper: "Chinese Nonproliferation and Arms Control Policy," *Dr. Gu Guoliang, Deputy Director, Institute of American Studies, Chinese Academy of Social Science*
12:30-1:30PM	Lunch – *Padovani's Restaurant – Lower Lobby*
1:45PM	**Panel VII: *Roundtable Discussion – Developing a Common Lexicon of Key Strategic Terms*** Chair: Dr. Jeffery Larsen, *Senior Policy Analyst, SAIC* U.S. Lead: *Dr. Christopher Twomey, Assistant Professor, Dept. of National Security Affairs, Naval Postgraduate School* China Lead: *Dr. Shen Dingli, Center for American Studies, Fudan University*
3:15PM	Break
3:30-4:30PM	**Panel VIII: *Lessons Learned and Institutionalizing Cooperation***
4:30-5:00PM	**Closing Remarks**

Appendix B

U.S.-China Strategic Dialogue

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