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Sino-U.S. relations: drawing lessons from 2005
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For observers of Sino-U.S. relations, 2005 may be remembered as the year that President George W. Bush and his Cabinet began to refer to the bilateral relationship as "complex." The description is accurate, but it is an evident retreat from the high-water mark announced by former Secretary of State Colin Powell two years prior when he said relations were the best since President Nixon's visit to China in 1972.

To some extent, the revised U.S. assessment can be attributed to the dissipating impact of the war on terrorism that provided a boost for Sino-U.S. ties in the wake of 9/11. But other forces are also at work. China's rapid economic rise and global political reach are posing new challenges, along with opportunities, for U.S. interests. Uncertainty about China's ambitions has created fissures in the Bush administration, Congress, and U.S. society about how to respond.

Strategic mistrust is mutual. The Chinese suspect that the U.S. will seek to hamper China's efforts to accumulate greater comprehensive national strength and inhibit its rise to world power status. Yet leaders of both countries increasingly recognize the dangers of mismanaging their inevitable competition. The past year witnessed frequent high-level interaction and the inauguration of a senior dialogue aimed at defusing tensions, eliminating misperceptions, promoting cooperation, and preventing the relationship from drifting toward strategic antagonism.

At the beginning of the New Year, we should take stock of developments in 2005 and draw lessons for the future:

- Differences over Taiwan can be managed, but doing so requires attentive U.S. engagement with both sides of the Strait and a firm and consistent U.S. policy on cross-Strait issues. Although Washington was not successful in persuading Beijing to reverse its decision to pass the Anti-Secession Law, close consultations helped result in textual changes, such as the omission of "one country, two systems," that would have further aggravated China-Taiwan relations.

- North Korea's nuclear weapons programs pose a major test for whether the U.S. and China can cooperate on a security issue that is critical to both countries and where their interests overlap but do not completely coincide. In September 2005, a small step forward was achieved with the signing of a Joint Statement of principles that was drafted by Beijing. There has been no further progress. Many in China increasingly doubt U.S. intentions to negotiate in good faith and some in the United States criticize Beijing for its refusal to use its leverage over North Korea to obtain greater cooperation. The coming year will be critical for the North Korean nuclear issue, with far-reaching ramifications for Sino-U.S. relations.

- Presidential summits are important opportunities to strengthen bilateral ties, but they aren't a panacea, and sometimes they disappoint. Despite efforts by both sides to lower expectations prior to President Bush's November summit with Hu Jintao, the visit was nonetheless roundly criticized for producing relatively few tangible results. With President Hu scheduled to visit the United States in April 2006, greater effort should go into ensuring that there are substantial results that will help advance the relationship.

- The Senior Dialogue launched by the U.S. and China in August 2005 has so far mostly been a conceptual discussion about the international system and the definition of a "responsible stakeholder." Perspectives and policies toward key regions have also been exchanged. Future rounds provide an opportunity to boost cooperation at the operational level. Iran will be a test case of whether Beijing defines its interests narrowly in terms of energy needs and short-term political and economic gains, or in a broader context of major power cooperation over nonproliferation concerns and strengthened international norms.

- The development of ties between the U.S. and Chinese militaries helps reduce strategic misperceptions as well as understand each other's threat perceptions and policies. The visit by Secretary of Defense Donald Rumsfeld to China in October 2005 hopefully signifies the readiness of both militaries to engage in more meaningful dialogue, exchanges, and confidence-building measures. U.S.-Chinese strategic mistrust will not be significantly abated in the absence of a substantive military relationship, however.

- Economic matters have become a growing bone of contention in U.S.-China relations and are inextricably linked to the political relationship. Rhetorical pledges by the Chinese during the Bush-Hu November summit to "unswervingly" press ahead with currency reform, "step up its protection of intellectual property rights," and narrow the trade deficit were deemed inadequate by many U.S. experts. These issues will plague the relationship in 2006 and beyond and need to be dealt with head on.

- If the U.S. hopes to convince China to adopt fair trading practices, Washington will have to practice what it preaches. Congressional pressure on the Chinese National Offshore Oil Corporation (CNOOC) to withdraw its bid to acquire Unocal in the summer of 2005 set a bad precedent and was contrary to U.S. commitments to free markets, free trade, and upholding international rules. China will inevitably develop internationally competitive companies and a policy that denies China access to U.S. markets, except in extreme

cases where U.S. national security is threatened, will undermine U.S. interests.

- A perception in the United States that China is seeking to expel the U.S. from Asia will exacerbate suspicions about China's intentions and reinforce the view that China poses a threat to American interests. Beijing's support for the Shanghai Cooperation Organization joint statement in July 2005 calling for setting a deadline for the withdrawal of foreign troops from its member states had such an effect. The December East Asia Summit similarly prompted U.S. doubts about Chinese leaders' statements that welcome the U.S. presence and role in the region.

If China's economic development continues on its current trajectory, the United States and China are destined to be great power competitors. Neither war nor strategic confrontation between our two countries is unavoidable, however. Effective management of differing interests in both the security and economic realms will require sustained attention. Opportunities for frank dialogue that can build greater confidence in the other side's strategic intentions should be fully utilized, including future rounds of the biannual Senior Dialogue and the annual Defense Consultative Talks. Preparations for Hu Jintao's upcoming April summit with President Bush should focus primarily on substance, rather than protocol, and maximize the time that the two leaders can spend exchanging views in-depth, preferably in an informal setting. There is much to be accomplished in Sino-U.S. relations and precious little time to waste.

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