



U.S.-China Security Relations

by James H. Nolt, World Policy Institute

Despite frequent alarms about the supposed China threat, China is not an emerging superpower. Although economically China has experienced rapid growth, militarily, China has been in relative decline since the 1970s. China does not and will not pose in the foreseeable future the kind of military threat to the U.S. that the Soviet Bloc did (exaggerated though that threat often was). China is not even an irritating "rogue state" as some consider Iraq, Iran, or North Korea. China has achieved normal commercial and diplomatic relations with the U.S. and with Russia and most of its Asian neighbors. Even where there is tension, as in China's relations with Taiwan, India, and Vietnam, relations have improved considerably since the armed clashes of decades ago. Both the relative decline in China's military capabilities and the improvement of China's foreign relations should lead to U.S. optimism and confidence about the prospects for continued peaceful progress in Asia.

When Deng Xiaoping came to power in 1978, he began a drastic shift in policy away from centralized socialist planning toward a market-influenced economy. Many commentators assume that rapid economic growth also ensures China's ascendancy as a military superpower. There are two reasons why we should be skeptical of

such claims: 1) China's growth is unlikely to continue at its present high rate much longer, and 2) China's pattern of growth has actually undermined its ability to become an autonomous military power.

China's agricultural boom has run its course as evidenced by an increasing urban-rural income gap. The export-led boom is ending because of the economic crisis elsewhere in Asia and the limited capacity of the slower-growing Western economies to absorb more low-tech Chinese exports.

Domestic market segmentation, the vulnerability of much of Chinese industry to competitive pressures, and the mountain of bad debt hampering China's state-run banking system will hinder transition to a third-wave boom based on internal market development. China will be fortunate to avoid a major economic downturn given accumulated structural contradictions.

China's economy until 1978 was oriented around suppressing both consumerism and individual employment freedom in order to direct much of society's energy

toward building up a military-industrial complex. This massive effort succeeded in making China a major producer of tanks, artillery, submarines, warplanes, and other weaponry, though all of 1950s Soviet design. This massive, obsolete arsenal still constitutes the overwhelming bulk of China's military hardware. Since the start of Deng's reforms, production of weaponry has fallen drastically. Except for limited production of obsolete warships, China's production of major weapons systems, including tanks and combat aircraft, has virtually ceased in the 1990s.

Many policymakers have voiced concern that the influx of U.S. dual-use technology into China will facilitate military modernization. However, in industries such as aerospace the trend has been for foreign involvement to relegate Chinese manufacturers to subcontracting of low-tech components rather than manufacturing entire systems, let alone weapons systems. China's incapacity to design and manufacture most modern weapons has forced it to rely, like most developing countries, on arms imports. But China's limited acquisition of modern foreign weapons (mostly Russian) has been a very small fraction of what would be needed to replace China's aging arsenal.

China's armed forces—almost 3 million strong—are the world's largest, but smaller per capita than many countries, including the United States. Such large forces are actually a hindrance to military modernization because at present levels of military spending China cannot afford adequate pay, training, or modern weapons for most of its forces. China will not be able to develop modern military forces unless it either greatly increases military spending (which seems unlikely) or drastically cuts the size of its forces (which is politically difficult). China can defend its territory, but its capacity for external aggression is minimal given the low quality of its forces, the logistical difficulties of mobilizing these forces across the country's immense expanse, and the country's reduced focus on military strength.

Although China does have border disputes with most of its neighbors, it has not resorted to force to resolve disputes since its defeat in the 1979 war with Vietnam (except for a brief clash with Vietnam in the disputed Paracel Islands in 1988). China and Russia have made great progress in demilitarizing their common border, and China showed more restraint than Taiwan in their recent mutual dispute with Japan over the Diaoyu/Senkaku Islands. China has extensive trading relations with all of its neighbors, including Taiwan and both North and South Korea. Unlike the U.S., China does not use economic boycott as a political weapon.

Key Points

- China remains militarily weak despite rapid economic growth—and China's pattern of economic growth is actually undermining the old military-industrial state.
- China has been demilitarizing since the 1970s, and its military capabilities have been declining relative to those of the U.S. and most of its neighbors.
- Relations with the U.S. and its neighbors have been improving.

Since Chinese external relations have generally improved, its arms exports declined, and its own military forces deteriorated during the past decade, there should be both less fear and less criticism of China in the U.S., while in fact there is more of both. There are two reasons for this. The most obvious is the shock of the Tiananmen Square incident of 1989, which shattered for many Americans their progressive image of China. Less widely recognized is the second reason: the end of the cold war has made China less useful to the U.S. as a military ally and more useful as a potential threat to justify U.S. military spending to the public.

The U.S.-China rapprochement of 1971-89 was rooted in a common opposition to the Soviet Union. During the 1980s, as U.S. commercial interests in China grew, the lure of the vast Chinese market began to supplement and then surpass the anti-Soviet alliance as a motivation for closer U.S.-China relations. The bloody crackdown at Tiananmen Square provided an impetus to adjust U.S. policies that probably would have been adjusted anyway given the decline of the Soviet threat. As the need for the military alliance with China evaporated, some of the same Chinese policies that were tolerated during the 1980s became issues for U.S. criticism of China during the 1990s. At the same time, the U.S. has seemed to tilt back toward greater military support for Taiwan—creating new concern among Chinese leaders that Washington is backing away from its commitment to a one-China policy.

There have been three major concerns in U.S.-China security relations in recent years: Taiwan, transfer of military-related technologies, and Chinese arms export policies. In all three areas the emerging frictions have more to do with the post-cold war changes in U.S. policy than they do with memories of Tiananmen or any changes in Chinese policies.

The U.S.-China rapprochement was founded in a fundamental realignment of U.S. foreign policy embodied in the Shanghai Communiqué of 1972. The U.S. ceased to recognize the Kuomintang government in Taiwan as the government of all China and instead began to transfer its recognition to the Communist government in Beijing, culminating in the restoration of full diplomatic relations by 1979, just as Deng was beginning his momentous reforms. The Taiwan Relations Act of 1979 mandates continued U.S. relations with Taiwan virtually as if it were an independent country, while *de jure* the U.S. agrees with Beijing that Taiwan is a mere province of China. The U.S. withdrew its military forces and bases from Taiwan and terminated its defense treaty with the island. In 1982, the Reagan administration agreed to limit arms sales to Taiwan. China, in return, promised to resolve differences with Taiwan peacefully. The long history of armed clashes between Taiwan and China ended with these agreements.

However, during the 1990s the U.S. has resumed sales of high-tech weapons to Taiwan, including 150 F-16 fighter aircraft. The ostensible reason for this sale was to counter China's purchase of 50 modern Russian Su-27 fighters, but the response was disproportionate,

especially as Taiwan also acquired 60 modern Mirage fighters from France and manufacturers its own fighter (mostly from imported U.S. components) superior to anything made in mainland China. China protested, but to no avail. Weapons sales to Taiwan—driven largely by the U.S. export drive and its pandering to arms manufacturers—remain a major obstacle to improved peace and security in the Asia-Pacific region.

The second area of tension has been over U.S. restrictions on the transfer of military-related technologies to China since 1989. At that time, several major U.S. arms manufacturers had contracts with Chinese firms to upgrade Chinese weaponry, including fighter aircraft, tanks, and missiles. President Bush forced the cancellation of all these contracts as part of the sanctions imposed after Tiananmen. Despite the uproar over the supposed transfer of missile technology to China in the months prior to Clinton's June 1998 visit, projects to upgrade Chinese weaponry such as those of the 1980s have not resumed.

The third area of tension revolves around U.S. efforts to restrict Chinese arms exports. Ironically, Chinese exports were greater in the 1980s, at a time when the U.S. did not complain. In fact, several of China's biggest arms customers, including Pakistan, Egypt, Saudi Arabia, and Thailand, were also U.S. allies and arms customers. China sold weapons to both sides during the Iran-Iraq war, but then the U.S. and its allies helped both sides too and the U.S. covertly sold arms to Iran.

During the 1990s, the low quality of Chinese weapons and end of the Iran-Iraq war led to a precipitous drop in Chinese arms sales. By 1995-96 Chinese arms sales were one-sixth the peak level of 1987-88 and only 4% of U.S. arms sales. While the U.S. has increased its market share of global weapons sales, China's sales and market share have decreased.

At the same time, the U.S. and its allies decided to restrict international sales of ballistic missiles with the Missile Technology Control Regime (MTCR). Although the MTCR was negotiated without Chinese input, China was asked to adhere to it and agreed to do so in 1992. The powerful Chinese military-industrial companies resent these restrictions because the MTCR limits the possibility of selling one of the few weapons that China can make that is in demand abroad. China regards U.S. arms control efforts as being one-sided. The U.S. makes demands on China, but in return does not offer concessions such as limiting arms sales to Taiwan. Foreign arms sales to Taiwan (mostly from the U.S.) have been more than twice as great as those to China during the past decade.

Key Problems

- U.S. criticism and fear of China have mounted in recent years despite a lessening of the threat.
 - Recent U.S. disputes with China are more because of shifts in U.S. policy in the aftermath of the cold war than because of any increased assertiveness by China.
 - U.S. arms control efforts vis-à-vis China have been one-sided and offer no reciprocal concessions.
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U.S. public statements regarding China have often tended to exaggerate the threat. The U.S. should deal with China with confidence, not with fear. In the two decades since relations were normalized, China has gradually liberalized its economy, becoming an outward-looking, commercial society with many interests in common with the United States. During this period, China has demilitarized to a much greater extent than has the United States (which, with the disappearance of the Soviet Bloc, has lost its only formidable rival). If China is to be a superpower, it seems destined to be an economic one more similar to Japan than a military superpower like the Soviet Union was. Although the U.S. might be strong enough to bully China, we should resist that temptation, because in the long run—like the pressure against Weimar Germany in the 1920s—bullying could divert China from its current hopeful path toward a more suspicious and antagonist relationship with the outside world.

Key Recommendations

- The U.S. need not fear China, but it would be counterproductive to bully China.
- Cold war-era controls on technology transfer are unnecessary for U.S. security and harmful to U.S. exports.
- The U.S. should offer China full partnership in more comprehensive regional arms limitations agreements, rather than merely demanding adherence to norms negotiated without Chinese participation.

Since China is not an aggressive or formidable military power, it is not necessary to contain China. Extensive controls on the transfer of dual-use high technology to China, such as advanced computers, hurt U.S. trade and are an unnecessary hangover from cold war fears. This does not mean that the U.S. needs to return to the pre-1989 policy of directly transferring military technologies to China, but there is no reason to restrict exports of high-tech-

nology equipment such as advanced computers or machine tools. It does us no credit to complain about our trade deficit with China if we refuse to sell high-technology equipment that is in high demand there for modernizing the economy. There is no danger in allowing American companies to cooperate with Chinese firms to launch satellites with Chinese rockets. Even if the Chinese military did thereby acquire information to make their ICBMs more accurate, that does not increase the vulnerability of the United States. The handful of nuclear-armed ICBMs that China possesses could hit a target as big as Los Angeles even without U.S. help but only at the cost of national suicide.

Some argue that China should be denied high technology equipment as punishment for its previous assistance

to Pakistan's nuclear weapons program. However, this would be counterproductive as China has in fact become more cooperative in preventing nuclear arms proliferation. China ratified the Non-Proliferation Treaty in 1992 and agreed to restrict export of technology to unsafeguarded nuclear facilities in 1996. China's most significant assistance to Pakistan's nuclear arms program came during the 1980s, when the U.S. was ignoring it. Now that the U.S. has belatedly made an issue of it, China has shown a willingness to cooperate.

The U.S. will be more likely to secure Chinese cooperation in regional arms control if the U.S. invites China to participate and offers concessions interesting to China. Most important would be offering to limit U.S. weapons sales to Taiwan in return for Chinese cooperation in regional arms reductions. During the cold war it was understood that U.S.-Soviet arms control negotiations required mutual compromise to gain mutual benefit, but the tendency so far has been to present China was the results of multilateral agreements such as the MTCR and Nuclear Non-Proliferation Treaty as *fait accomplis*, and then demand that China adhere to them. Now that India and Pakistan are open nuclear powers (they are believed to have had nuclear capability for some years), the U.S. should encourage multilateral talks for worldwide nuclear arms restrictions and reductions. The U.S. and China were the first two signatories to the Comprehensive Test Ban Treaty (CTBT) of 1996, which was an excellent beginning. Further progress can be made by negotiating reductions in existing stockpiles, elimination of delivery systems, expansion of nuclear-free zones, and inclusion of India and Pakistan in the CTBT.

The Clinton administration and China have cooperated more effectively since 1996 on a range of security issues, including increased confidence-building measures, renewal of U.S.-Chinese summit meetings, exchanges of senior officials, the four-party talks on Korea, and initial steps toward a U.S.-Japanese-Chinese security dialog. Further progress might be made if the U.S. relies less on bilateral security arrangements with Japan and South Korea (legacies of the cold war), and more on multilateral discussions that include China. Since the Opium War, China has faced countless insults, invasions, and depredations from foreigners unlike anything in American experience. China must be treated with dignity if this bitter history is to be overcome.

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