

# INDEPENDENT POLICY REPORT

ROUTING


## Is Future Conflict with China Avoidable?

Ivan Eland\*

### *Executive Summary*

The Pentagon eventually will need a new nation-state enemy to justify continued massive defense budgets. China is the most likely candidate for this position in the future.

If China's rapid economic growth continues, it will want an expanded security perimeter. This expansion will inevitably run into the vast U.S. Empire in East Asia. During the post-Cold War era, the United States has created a stealthy containment policy against China by tightening existing alliances in East Asia, augmenting its military presence in Central Asia and the Pacific, and cultivating better relations with India and Russia.

Yet the United States needs to retract some of its far-flung presence in the Pacific to allow China to have a legitimate sphere of influence. Already possessing an intrinsically good security situation and the most capable

nuclear arsenal on the planet, the United States does not need this overextended drain on its resources. It should stop extending its security protection to nations—such as Taiwan—that are wealthy enough to provide their own security and can eventually act as counterweights to a rising China.

The United States should forgo excessive short-term security in the form of extravagant military power and obsolete alliances to enhance the basis for long-term security in the form of higher economic growth rates and the ability to reconstitute large, high-quality military forces if needed. By retracting its Pacific empire, the United States can reduce the chances of future conflict with China, while at the same time better preparing to deal with any future tension that might arise.

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## Introduction

Although the world is currently preoccupied with the Bush administration's global war on terrorism and its counterinsurgency in Iraq, in the long-term, those wars against relatively weak enemies likely will be overshadowed by the perceived threat from a rising China. Certainly, catastrophic terrorist attacks on the U.S. homeland of the September 11 variety should not be dismissed. But the ability of vested interests in the Pentagon and defense industry to justify a \$500 billion budget and more for national defense—loaded with sophisticated weapon systems—to fight rag tag terrorists and guerrillas will not wear well, and a new threat will need to be found. China, with a rapidly growing economy, a large population, an authoritarian government, and increasing military expenditures, will undoubtedly become the ideal candidate.

Right now this tension seems far away. China—because it would like to brand its own restless Islamic and Tibetan minorities as “terrorists”—is cooperating in the U.S. administration's war on terrorism (although the help it can provide is extremely limited). Tensions have eased between the two countries since the 1995–96 Taiwan Strait crisis and the April 2001 spy plane incident. Although China's military is modernizing in pockets, it is still quite antiquated by U.S. standards and will take twenty to thirty years to catch up with the United States. Even the U.S. Department of Defense admits: “We assess that China's ability to project conventional military power beyond its periphery remains limited.”<sup>1</sup> For example, the Pentagon believes China is not planning to control the sea out past the waters surrounding Taiwan.<sup>2</sup> The U.S. intelligence community has concluded that the Chinese

military, despite its upgrades, will not be modern enough to defeat even a moderate-size enemy until 2010 or later. The Pentagon acknowledges that Chinese leaders seem to realize their military's weaknesses even relative to potential regional adversaries and may have concluded that it currently cannot measure up with other modern militaries.<sup>3</sup>

Although China has been increasing its military spending recently, the United States has seen its own defense budget skyrocket in recent years. It is probably no coincidence that China's double-digit increases in defense spending since the mid-1990s have paralleled a massive U.S. military buildup during the same period. Thus, the gap between U.S. and Chinese military capabilities is likely to grow rather than be reduced.<sup>4</sup> The total Chinese defense budget (both official and unofficial) is less than 20 percent of U.S. defense spending. The Pentagon estimates that China's defense budget is \$90 billion (independent analysts give lower estimates).<sup>5</sup> The U.S. budget for national defense is about \$500 billion a year.

But China's rapid economic growth and large population will most likely lead the Chinese leadership to expect a larger role for China in world affairs. Such expectations lead some historians and international relations specialists to predict an eventual clash between the rising power, China, and the status quo power, the United States.

Yet there is cause for optimism that such a conflict is not inevitable and can be avoided.

To beat back the assumption of inevitable conflict will take rational and restrained policies by both nations, however. The leadership of both nations will also have to stifle the vested interests that might profit from U.S.–Chinese hostility. This paper offers some suggestions to achieve these objectives.

## A Rising China

The national-security establishment knows that a threatening nation-state needs to be found to justify future generations of complex U.S. weapon systems. That establishment—the Office of the Secretary of Defense, the uniformed services, the defense industries, and the members of Congress and defense hawks who support them—realizes that fighting terrorists or any developing countries that sponsor them (“rogue states”) requires weapons of only limited sophistication. In other words, if future conflicts resemble the war in Afghanistan, where U.S. elite special forces on horseback handily vanquished the Taliban regime by calling in air strikes from elderly B-52 bombers, sufficient demand will not exist for cutting edge military hardware. Even the initial invasion of Iraq against a more conventional third-world foe did not require the degree of sophistication that the U.S. military already possesses. Furthermore, going after the ragtag terrorists hiding among civilian populations is best done by means of

improved intelligence, law enforcement, and cooperation with other governments—not with sophisticated military hardware.

In the absence of a great-power threat—that is, a “near-peer competitor”—proponents of the F-22 stealth fighter jet and the Virginia-class submarine already have trouble justifying these systems with a straight face. To ensure the political viability of successor systems and other complex future armaments, the national-security establishment and conservative hawks must identify a substantial “threat” to the nation and must make that threat seem imminent. Indeed, they have already done so in a rising China.

For example, neoconservative Robert D. Kaplan predicts a new Cold War as the Chinese navy pushes out into the Pacific. According to Kaplan, “It’s not hard to imagine the result: a replay of the decades-long Cold War, with a center of gravity not in the heart of Europe but, rather, among Pacific atolls that were last in the news when the Marines stormed them in World War II.” Kaplan continues: “Pulsing with consumer and martial energy, and boasting a peasantry that, unlike others in history, is overwhelmingly literate, China constitutes the principal conventional threat to America’s liberal imperialism.”<sup>6</sup> Similarly, despite China’s current gross economic and military inferiority to the United States and the U.S. forward military presence in East Asia, Richard Fisher, vice president of the International Assessment and

Strategy Center, declares not only that a new Cold War has already started, but that China is already a superpower: “Let’s all wake up. The post–Cold War peace is over. We are now in an arms race with a new superpower whose goal is to contain and overtake the United States.”<sup>7</sup>

The hawks have chosen China because of its “communist system,” huge population, rapid economic growth, growing military spending, and possession of approximately twenty nuclear-armed missiles that can reach the United States. After China’s embrace of capitalism in 1978, rapid economic growth, averaging 8.2 percent per year since 1997 and coming in at 9.5 percent for 2004,<sup>8</sup> will undoubtedly make it a rising power. Whether it will become a threat to the United States, however, depends on many factors and is uncertain, as it will be for many years.

If China’s gross domestic product (GDP) keeps growing at or about this rate, China will eventually pass the United States as the world’s largest economy. Of course, as rapidly growing developing economies become more mature, their growth rates often slow considerably. Mature leading economies innovate, but at higher cost than developing economies, which can incorporate the leading countries’ innovations without spending the money to perfect the technology. Thus, as countries develop and costs of innovation mount, growth rates usually attenuate.<sup>9</sup>

Also, unlike India, another rising nation,

China has a policy to free its economy, but few institutions to facilitate that policy—such as the rule of law and property rights.<sup>10</sup> To continue its rapid economic growth, China will have to adopt the rule of law, provide genuine guarantees for private property, and drastically reduce state intervention in its economy. A country with a history of heavy state involvement may have trouble making a complete transition to a free-market system. China's fate may be similar to Japan's. In Japan, which still has much state penetration of its economy, rapid economic growth was followed by stagnation. Alternatively, some analysts think that China will eventually break up as its ethnic minorities challenge a weakening central government. If any of these slower-growth, stagnation, or disintegration scenarios occur, China generally will be much less of a potential threat to the United States. Loose nuclear weapons in a disintegrating China could prove the exception, but regional refugee flows and disruption of U.S.-Chinese trade and financial connections resulting from this same scenario would be manageable problems.

If rapid economic growth does continue, however, it will probably cause China to want more influence at least around its periphery (East Asia and maybe South, Southeast, and Southwest Asia). Throughout history, most great powers, as they acquired more strength, have attempted to enhance their security by creating a sphere of influence over smaller

states in their “near abroad.” Because of China's history of being carved up by foreign powers in the 1800s, it is especially sensitive to the need to acquire such a security buffer. To create a sphere of influence, many great powers that expand their economies also increase their defense budgets. China has been doing so in recent years, but military modernization remains the last of its modernization priorities. Taking a lesson from the fall of the Soviet Union, the astute Chinese leadership emphasizes economic growth (that is, long-term national power) over improving military strength (short-term power).

Thus, China is modernizing its largely obsolete military only in certain areas—buying Russian aircraft, ships, submarines, and missiles because its defense industries have trouble designing and building sophisticated weapons. In the decade ending in 2003, it spent more than \$13 billion on Russian arms.<sup>11</sup> It has also purchased U.S. fighter and Patriot missile technology from Israel and may start buying more weapons from the European Union (EU) if the EU's arms embargo against China for the 1989 Tiananmen Square massacre is lifted.<sup>12</sup> Whether the Chinese military can effectively operate and maintain such imported, modern weaponry is also in question, however.

China is trying to convert an antiquated, army-dominated military designed to fight a Maoist “people's war” into a modern force that emphasizes air and naval capabilities

and that can project power outside China's borders.<sup>13</sup> Much of Chinese defense spending is being eaten up by that conversion and by the need to pay higher salaries to soldiers who might have better opportunities in the rapidly growing private sector. Thus, China's investment in new military equipment as a percentage of its total defense expenditures is actually fairly low when measured against that of comparable countries.

China is not the only nation to desire a sphere of influence. Since the early 1800s, the United States has used the Monroe Doctrine to attempt to exclude foreign powers from the Western Hemisphere. After World War II, the United States began to believe that much of the world should be in its sphere of influence. And even after the demise of the Soviet Cold War enemy in the early 1990s, the U.S. "security" perimeter, which should have shrunk, actually expanded into even more far-flung areas of the world. Instability or despotism in the most remote places—for example, Somalia, Bosnia, Kosovo, and Iraq—have been perceived to affect U.S. national interests. If the Chinese take a similarly expansive view of their security, the probability of conflict between China and the United States—two nuclear armed powers—is likely to increase greatly. Same type of cold war, different adversary.

Of course, other factors may also affect whether China and the United States clash. "Democratic peace theorists" believe that if

China rises as a free-market democracy, the chances of U.S.–Chinese conflict will be greatly reduced because democracies rarely, if ever, fight each other. China is now a communist country in name only: despite the Tiananmen Square massacre, it has moved toward free markets and capitalism, held some local elections, adopted term limits for senior leaders, and made the average Chinese citizen freer than ever. But it is still an authoritarian state, which the democratic peace theorists hope will eventually transition to a democratic government that will live in peace and harmony with the other democracies.

The realist school of international affairs, however, has used historical evidence to cast substantial doubt on the democratic peace theory.<sup>14</sup> One need only look to the Athenian-Syracusean conflict of ancient times, the American Revolution, the U.S. Civil War, the Boer War, and World War I for a few examples of democratic peoples fighting each other. There are more. Even if China becomes a democracy, that outcome does not ensure a harmonious relationship with the United States.

However, a China that continues to be authoritarian should not necessarily pose a security threat to the United States. Aggressive types of authoritarianism exist, such as Hitler's Germany, as do nonaggressive forms, such as modern-day Burma (Myanmar). In fact, democracies are sometimes more aggressive than authoritarian states. An unpopular

leader of a democracy may start a war with an external enemy to raise his or her poll numbers by exploiting nationalistic feelings among the public. In contrast, an authoritarian regime—which relies on coercive means to generate popular support or at least public acquiescence—can resort to internal repression rather than foreign adventurism to shore up its power at home.

According to the University of Chicago's John Mearsheimer, who is no dove on China, the authoritarian Chinese government did not resort much to the use of force against its neighbors in the 1990s, with the exception of the Taiwan Strait and Mischief Reef incidents in 1995, and has not yet done so in the early twenty-first century.<sup>15</sup> On the contrary, to preserve regional stability and thus international commercial relations and its own economic growth, China has recently tried to mend fences with its neighbors. In a study for the Strategic Studies Institute of the U.S. Army War College, Professor Carolyn Pumphrey notes that most of China's neighbors do not see China as a threat and in fact see it as in a positive light. Because of China's internal problems and a dearth of power-protection capabilities—the lack of a blue-water navy and an antiquated and short-range air force—most Asian countries do not view it warily. In fact, in the past few decades, the Chinese have played a constructive role in reducing tensions in Korea, in dealing with the quarrel between India and Pakistan on

the South Asian subcontinent, and even in handling its own territorial disputes with other countries in the South China Sea.<sup>16</sup> It is interesting that the United States, half a world away, perceives China as more of a threat than its neighbors do. However, what the future holds as China becomes more economically, politically, and militarily powerful is anyone's guess.

Increasing levels of trade and financial flows are more likely to contribute to a better relationship between China and the United States. The United States is China's number one trading partner.<sup>17</sup> China depends on trade for half of its gross national product (GNP). Also, China is the third largest recipient of foreign direct investment in the world next to the United States and the United Kingdom. Thus, it has more of an incentive to comply with international norms of good behavior than did the Soviet Union, which traded little with the United States or with the world.<sup>18</sup> Even the Pentagon admits that China's strategic focus emphasizes continuing economic development and maintaining the type of security environment that fosters such development.<sup>19</sup> Avoiding rash military actions against Taiwan and other neighboring nations would go along way to achieving the latter goal.

U.S.–Chinese trade and financial linkages moderate U.S. behavior as well. Although many anti-China hawks exist in the Republican Party, there are also many busi-



ness people who have commercial ties with China.<sup>20</sup> There is no guarantee, however, that nationalistic and jingoistic impulses will not triumph over the desire to make money, as they did during the relatively prosperous and open commercial environment before World War I. But the potential economic losses from conflict between two or more nations may create peace lobbies in the respective business communities and thus inhibit war. For example, some evidence exists that China and the United States restrained their behavior toward each other during the April 2001 spy plane incident so that their political, and therefore economic, relations would not be damaged. Empirically separating that effect from the caution induced by the coexistence of two nuclear-armed powers is difficult, however.

The improving Chinese nuclear arsenal, part of which could reach the U.S. homeland, should earn China more respect from the United States than did a non-nuclear Iraq. Nuclear weapons, as dangerous as they are, likely inhibited a general war between the Soviet Union and the United States during the Cold War. They probably would do the same in any future tense situation between China and the United States. Of course, the danger is that if the two sides did stumble into war, escalation to the nuclear level would make the conflict catastrophic for both.

## **The U.S. Pacific Empire**

Many international relations theorists talk about conflict between rising and established powers as if it were inevitable. I do not agree about such inevitability, but, in this particular case, if China and the United States continue down the respective paths they are on, tension and conflict between them will be the likely outcome.

Not surprisingly, most American foreign-policy analysts see China with blinders on. Imperial blinders. For example, neoconservative Robert D. Kaplan notes: “The Chinese navy is poised to push out into the Pacific—and when it does, it will very quickly encounter a U.S. Navy and Air Force unwilling to budge from the coastal shelf of the Asian mainland.”<sup>21</sup> Although Kaplan, unlike many American analysts, does admit that the United States has a “liberal imperium,” he does not acknowledge that China might be threatened by a far-flung U.S. military perimeter near its borders. Similarly, William Hawkins, a national-security analyst for the U.S. Business and Industry Council, sees the first joint military exercise held between Russia and China in August 2005 as a threat to the United States. He notes that “part of the exercise involved resisting interference in local affairs by a ‘third force’—a clear reference to the United States.”<sup>22</sup> Yet only the United States—not Russia and China—would be militarily capable of interfering in

local affairs thousands of miles away on the other side of the vast Pacific Ocean. Thus, the Chinese (and the Russians) perceive a U.S. threat to their neighborhood that they themselves do not pose to the neighborhood around the United States.

Yet empathy with China's perception of these matters is considered as being either soft on China, an apologist for Marxism, a defender of Chinese human rights abuses or just plain naive. Yet the most successful military commanders throughout history "got into the enemy's head" in an attempt to predict what their adversaries would do.

From a Chinese perspective, the global U.S. empire's tentacles surround China in a post-Cold War policy of neocontainment. The United States has formal alliances with Japan, South Korea, Thailand, the Philippines, and Australia. Informal U.S. alliances encompass Taiwan, Singapore, New Zealand, and some of the Central Asian nations of the former Soviet Union (the "stans") on China's western borders. U.S. military forces deployed far forward in East Asia form a ring around China—in Japan, South Korea, the "stans," and the U.S.-controlled island of Guam. Using the "war on terrorism" as a justification, new U.S. bases were created in the "stans," but they also had the purpose of containing China. With the same goal, Guam is seeing a buildup of U.S. military facilities, naval forces, and bombers and other aircraft, and the U.S. military has agreements

with several East Asian countries for access to bases when needed during a crisis.

The United States has also been improving relations with other powers who can help contain China—Russia and India. During the Cold War, the United States used communist China as a counterweight to the Marxist Soviet Union (even during periods when China was a more radical communist country than the Soviet Union—from 1971 to 1978 and from 1985 until 1991), but now is more closely aligning itself with Russia to counter a rising China. The Bush administration recently significantly upgraded ties with India by allowing nuclear cooperation and authorizing the sale of sophisticated weapons. Finally, President Bush has moved closer to Taiwan politically by authorizing more arms sales to that nation and by making less ambiguous the informal U.S. commitment to defend it against China.

In addition, China sees the assertive treatment that the United States has meted out to its adversaries—for example, Saddam Hussein in the wars against Iraq and Slobodon Milosevic in the conflicts in Bosnia and Kosovo—and has some trepidation that it might be added to any future enemies list. After the U.S. bombing of the Chinese embassy in Belgrade during the war over Kosovo, China hiked its defense expenditures substantially.

As the Chinese see it, the United States is hemming in China and trying to prevent

it from becoming a regional power. They believe that the forward-deployed United States will not allow China to have the normal sphere of influence (read: zone of security in Asia) that normally accrues to great powers. Even the Pentagon's Office of Net Assessment acknowledged in a January 2005 report that China perceives the United States as "a potential threat because of its military superiority, its willingness to disrupt China's energy imports, its perceived encirclement of China and its disposition toward manipulating international politics."<sup>23</sup>

Such Chinese sentiments resemble those of a rising Germany prior to World War I. If Great Britain, France, and Russia had acknowledged the rising Germany as a great power, World War I (and thus the more horrific and tragic World War II arising from its ashes) might have been avoided. Britain, the world's greatest power at the time, had an artificial rule that its navy had to be the size of the next two greatest navies combined. Germany wanted to augment its naval forces to demonstrate its status as a great power. The ensuing cutthroat naval competition, which Britain eventually won, contributed significantly to the tensions that resulted in World War I. If Britain had allowed Germany some naval buildup, without invoking the artificial two-navy rule and pursuing naval competition, the chances for peace in Europe would have been greater. Great Britain, an island, was more intrinsically secure than Germany,

which was sandwiched between other great powers (France and Russia) in the middle of an historically turbulent continent. Thus, Britain had the luxury of avoiding that counterproductive naval arms race, but it did not do so because it also had one of the greatest empires in world history to protect against Germany and other potential challengers.

The United States has even better intrinsic security than Britain. Its moats are much wider and more impenetrable, and it has weak and friendly neighbors. But, like Britain, the United States has a great empire to police—albeit a more informal one than Britain. Thus, a rising China would be more of a threat to the U.S. Empire in the East Asia/Pacific region than it would be to the United States itself.

Because of its intrinsically good security situation, the United States does not need forward-deployed forces, bases, and alliances scattered in a plethora of countries throughout East Asia and the world. The global U.S. Empire is overextended—as demonstrated by the ability of the small third-world rebellion in Iraq to stretch the most powerful military on the planet. Although the already massive U.S. budget for national defense equals the combined security expenditures of the next thirteen highest-spending nations, even such profligate cash flow cannot completely equip and support the large U.S. armed forces (1.4 million active forces and almost 900,000 reserve forces). And even the gargantuan U.S.

forces cannot fulfill all the security guarantees that the United States has handed out to usually rich allies worldwide, both during and after the Cold War. Reflecting that imperial overextension, the United States accounts for roughly 40 percent of the world's military expenditures, but produces only 30 percent of global economic output. Such overextension may reduce U.S. tenure as a superpower or even as a great power, as has happened to other nations. Fighting two world wars and policing empires led to the demise or diminution of Britain, France, Russia/Soviet Union, Germany, Italy, and Japan as great powers. The same overextension and its concomitant wars and excessive military spending may similarly exhaust the United States.<sup>24</sup>

If the United States pulled back its defense perimeter in East Asia and dissolved outdated Cold War alliances, nuclear-armed China might feel less threatened. Reducing Chinese anxiety would likely increase U.S. security by moderating China's behavior. Even if the Chinese did not reciprocate and perhaps turned aggressive, the United States would be better positioned to compete economically and thus militarily in the long-term. High military spending is likely to reduce a nation's economic growth rate—as demonstrated by the collapse of the Soviet economy and empire. China realizes that reality more than does the United States.

Conversely, to sustain future military spending a nation must have a strong econ-

omy, the underlying basis for all national power. Reducing current U.S. military spending when the threat from China is low would enable a faster-growing United States to compete better with China over the long term. The U.S. defense budget has remained excessively high for reasons other than a future threat from China, but no other threat would even come close to adequately justifying such profligate spending. Also, trying to “outgrow” China is a better strategy than trying to contain (strangle) it economically in a globalized world of many possible alternative commercial partners. Although Mearsheimer in his book seems to advocate the economic strangulation of China, he admitted in a public appearance that such a strategy would probably inflict more damage on the U.S. economy than on China's. He also acknowledged that economists argue that the Chinese economy will have more challenges to long-term growth than will the U.S. economy, thus mitigating his concern that a rapidly growing China will become aggressive.<sup>25</sup>

Nonetheless, as a hedge against a rising China, the United States should forgo excessive short-term security—that is, extravagant military power and unneeded, out-of-date, and costly alliances—to enhance the basis for long-term security—that is, higher economic growth rates and the ability to reconstitute high-quality, larger military forces if needed. The unnecessary weapons the United States is building now will be obsolete in the twenty

to thirty years it would take China to challenge the United States (if it ever does).

### **Potential U.S.–Chinese Conflict Over Taiwan**

One informal U.S. alliance that should be first on the list to be dissolved is that with Taiwan: the relationship that most antagonizes China and makes the Chinese regard U.S. presence in East Asia as intrusive and stifling. The mainland Chinese regard Taiwan as part of China and the U.S.–Taiwan security relationship as meddling in their internal affairs. As noted earlier, the George W. Bush administration has made less ambiguous the informal U.S. commitment to help defend Taiwan. In speeches, President Bush has said that the United States would deny Beijing's right to rule a free people (meaning Taiwan) and would do "whatever it takes" to defend Taiwan.<sup>26</sup> He has also authorized increased weapon sales to the island nation.

Although democratic developments in Taiwan should be praised and encouraged, this enhancement of the implicit U.S. security guarantee for Taiwan has probably emboldened Chen Sui-bien, the Taiwan's pro-independence president, to undertake more risky actions to assert Taiwan's independence from the mainland, such as the referendum he held on China's treatment of Taiwan. Such moves are dangerous because they might entan-

gle the United States in a war with another nuclear-armed power. Although the Chinese possess many fewer strategic nuclear weapons than the United States (approximately twenty versus thousands), they also have greater emotions about the Taiwan issue than does the United States. China has been willing throughout its history to take risks against stronger opponents.<sup>27</sup> In any Taiwan Strait crisis, an emotional Chinese reaction might lead to precipitous and disastrous actions.

What the United States gets from its informal security guarantee to Taiwan is a mystery. Conservative champions of a closer U.S. security relationship with Taiwan tout Taiwan's move to democracy and the desirability of U.S. support for it, especially given that the centerpiece of President Bush's foreign policy is now bringing democracy to the world. Many conservatives, however, also supported tighter ties with the island when it was under a dictatorship. In reality, conservative support for Taiwan is rooted in a hate for China's totalitarian communism. China, however, has effectively abandoned communism, has been opening its economy since 1978, and has made some very limited political reforms. It is now best described as an authoritarian nation with increasing economic and political liberty.

In fact, hatred for China and slavish support for Taiwan among many conservatives is left over from the Cold War. Rather than give China any credit for its liberalization, hawks

like the *Washington Times*'s Bill Gertz quote U.S. defense officials as labeling China a fascist state on the model of Nazi Germany.<sup>28</sup> Whenever demonizing an enemy—whether it be Serbia, Iraq, or China—as an imminent threat to the United States, U.S. officials, under both Democratic and Republican administrations, usually start by comparing the new threat to the ultimate evil: Hitler's Germany.

Taiwan has never been strategic to the United States. The United States does not station any military forces there. The island is prosperous, but in the worst case Taiwan's absorption into China would not be disastrous for U.S. security. Taiwan's economy is only 15 percent the size of Japan's.<sup>29</sup> The United States does have trade, financial, and direct investment links with Taiwan, but they are not worth the risk of war with a nuclear-armed China.

Contrary to this line of reasoning, Mearsheimer believes that Taiwan is strategic to the United States because it sits in the main shipping lanes to U.S. allies—Japan and South Korea—and might be used as a huge aircraft carrier off the coast of China. That assessment may be true if one construes U.S. interests very broadly, but the United States should stop trying to run a forward-based containment policy toward China and begin worrying more about its own interests rather than those of its allies.<sup>30</sup> If anything, Taiwan is much more strategic to China because the

island is just off the coast and might be part of China's coastal defense system.<sup>31</sup>

The senior Chinese official who asked whether the United States would be willing to lose Los Angeles to save Taipei best encapsulates the undesirability of a U.S. security guarantee—either formal or informal—for Taiwan. Security alliances are mere pieces of paper—or, in the case of the U.S.–Taiwan relationship, mere winks and nods—until war, in particular nuclear conflagration, is threatened. Sacrificing tens of U.S. cities to save a small, nonstrategic island off the coast of China would not seem to be in the interest of the United States or of its citizens. Although conservatives argue that the U.S. nuclear advantage would cause China to back down in any crisis with the United States over the Taiwan Strait, why would U.S. policymakers want to take the risk given the great emotion China feels on the Taiwan issue?

Taiwan would likely survive as a separate entity even without a U.S. security guarantee. Alarmist Bill Gertz quotes certain Pentagon officials as fearing that China will invade Taiwan within two years.<sup>32</sup> Right now, however, the Chinese do not have enough military power projection capabilities to conquer Taiwan.<sup>33</sup> As noted earlier, even the Pentagon admits that China's ability to project conventional military power beyond its periphery remains limited. Although some Pentagon officials cite improvements in Chinese amphibious lift as ominous,<sup>34</sup> it would take

much more than adequate numbers of troop-carrying ships—which the Chinese still currently do not have—to launch a successful amphibious assault against Taiwan. The Chinese do not have air superiority over the Taiwan Strait (given their mostly out-of-date aircraft) or adequate surface-to-air defenses on their ships or sufficient numbers of soldiers trained in amphibious warfare to invade Taiwan successfully.

In the longer term, even though China will likely have a much larger economic base than Taiwan on which to improve its military, Taiwan might use the porcupine strategy. That is, the Taiwanese do not have to be able to win a war against China to deter the Chinese from attacking; they just have to be able to inflict enough pain to make the costs to China too high. Increased Taiwanese purchases of weapons and other military items to modernize its force would sharpen the porcupine's quills. Yet although the Bush administration has approved new weapons for sale to the island, the Taiwanese have been slow to spend money on them. During the past decade, as China's defense spending has increased, Taiwan's has declined in real terms.<sup>35</sup> The reason for this decline is that Taiwan can afford to skimp on defense spending or spend money ineffectively because of the implicit U.S. security guarantee.

In addition, China's first priority is economic development. By opening its market and joining the World Trade Organization,

it hopes to use international trade and finance to maintain robust growth rates. Any belligerent behavior toward Taiwan would adversely affect the life's blood of the Chinese economy. That potential disaster should temper China's behavior toward Taiwan, even in the absence of the informal U.S. security guarantee. Also, even the hawkish Gertz admits that some U.S. officials concede that China's hosting of the 2008 Olympic games might make it skittish about incurring the worldwide furor that an invasion of Taiwan would bring.<sup>36</sup>

The current ambiguity of the U.S. security guarantee is dangerous. On the one hand, it may embolden Taiwanese leaders to take rash acts toward independence that could spark a U.S. conflict with China. On the other hand, it might just make China think that the United States, when backed against the wall during any confrontation, will come to the realization that saving Taipei is not worth risking Los Angeles and other American cities. Before any future crisis over Taiwan puts both U.S. and Chinese pride on the line, the United States should make clear that it will not use military force to help defend Taiwan, but will continue—and even increase—sales of sophisticated weapons to Taiwan so that it can better defend itself.

Some analysts argue that a unilateral U.S. abrogation of the informal security guarantee afforded Taiwan might make other U.S. allies, such as Japan, Australia, and South Korea, nervous. They should be ner-

vous. Why should U.S. taxpayers subsidize the security of rich nations, all of which can afford to strengthen their own inadequate defenses and none of which provide much to the United States in return for this protection? For example, most of these nations have failed to open their markets fully to U.S. trade and investments. Even if they do so, the U.S. government should not be responsible for defending them. Opening their markets would be to their own advantage.

An argument is also made that if the United States pulls back from its extended sphere of influence in East Asia, the region will become unstable and decline economically. Yet throughout most of recorded history in which the United States did not exist, a regional power balance minimized war. U.S.-dominated alliances are not even necessary to contain the most belligerent country in the region—North Korea. Japan, South Korea—which has a much greater GDP and defense budget than does North Korea—and possibly even China can together counter the destitute North Korea.

China and Japan can be the pillars on which a modern-day balance of power is built in East Asia. Even if China eventually finds a way to dominate Taiwan, as it now does Hong Kong, that unfortunate situation would have only minor effects on U.S. security.

## **U.S. Threat to the Chinese Energy Lifeline**

The purpose of China's military buildup is not only to threaten Taiwan. In a report made public in January 2005, the Pentagon's Office of Net Assessment ominously warned that China's need to import oil and gas is making it an expansionist power. China's energy requirements, according to the study, might cause the Chinese military to seize territory containing oil or gas. (Of course, the report neglected to mention that perceived U.S. dependence on Persian Gulf oil has caused the United States to be even more expansionist and has led to U.S. military presence and action in the Persian Gulf and along oil-transportation routes.) Yet the report admitted that the Chinese believe that their oil-supply routes from the Persian Gulf going through the Strait of Malacca are vulnerable to disruption by the forward-based U.S. Navy. It noted: "The U.S. military could severely cripple Chinese resistance [during a war over Taiwan] by blocking its energy supply, whereas the [Chinese navy] poses little threat to United States' energy security."<sup>37</sup> Tom Donnelly of the American Enterprise Institute, also a hardliner, argues that because the U.S. Navy has the power to cut off China's oil supplies, the Chinese would like to do the same to the United States and are thus sidling up to the anti-U.S. "strongman"



Hugo Chavez of Venezuela, which provides 13 percent of U.S. oil imports.<sup>38</sup>

Such hawkish analyses ignore the fact that China would have much less of a need to invade oil- or gas-laden countries or to befriend anti-U.S. oil suppliers, such as Chavez, if the United States would drastically reduce its forward naval presence in the western Pacific. Such a reduction would greatly diminish the threat to Chinese oil-supply routes from the Persian Gulf. In contrast to this real threat, although the popularly elected Chavez resents U.S. attempts to overthrow him, his government is kept afloat by profits on oil his country sells, so he is unlikely to terminate such sales.

A more optimistic future for U.S.–China relations is possible only if each side tries to see what it would be like to “walk in the other side’s shoes” (without necessarily agreeing with the other side’s policies). Such empathy is missing from hardliners’ analyses on both sides of the Pacific.

### **A More Optimistic Future in U.S.–China Relations Is Possible**

“Offensive realists,” such as John Mearsheimer, believe that powerful states—whether authoritarian, totalitarian, or democratic—naturally try to achieve hegemony in their home regions using aggressive behavior.

He grimly asserts that if China’s rapid economic growth continues, it will most assuredly become an aggressive power bent on East Asian regional hegemony. He does allow the possibility that China’s growth will stagnate, thus eliminating the threat of its becoming a potential hegemon. Instead of encouraging the integration of China into the world economy through a web of trade and financial links, he advocates that the United States try to isolate it and reduce its growth rate before the opportunity is gone.<sup>39</sup> Similarly, William Hawkins argues that “U.S.–China trade and investment flows are helping to provide Beijing with the means to pursue strategic ambitions that run contrary to American interests.”<sup>40</sup>

Some U.S. hardliners even find China’s international commercial activities to be intrinsically an insidious threat. For example, Robert D. Kaplan opines: “While stateless terrorists fill security vacuums, the Chinese fill economic ones. All over the globe, in such disparate places as the troubled Pacific Island states of Oceania, the Panama Canal zone, and out-of-the-way African nations, the Chinese are becoming masters of indirect influence—by establishing business communities and diplomatic outposts, by negotiating construction and trade agreements.”<sup>41</sup> Such obsessive mistrust was also apparent in the recent objections of some U.S. commentators—not all of them conservatives—to

the proposed Chinese investment in Unocal, a U.S. oil company.<sup>42</sup> Yet Kaplan and other China hawks ignore how China might perceive the even greater U.S. worldwide economic influence and its even more threatening global military influence.

Economically isolating problem countries did not avert World War II and probably contributed to the poor economic conditions that caused it. Although the realist school has much to contribute to the study of international relations, the paradigm is too state centric and a bit too deterministic. Mearsheimer does admit that states sometimes do not follow the theory, but he thinks they do in most cases and are penalized by the international system when they do not.

The theory regards the monolithic state as the central actor in international relations. Realists believe that states—regardless of the type of government they have—react in similar ways to similar geopolitical situations. Offensive realists believe that any state will attempt to enhance its security by trying to acquire hegemony over its region. Yet states are not monolithic, and a country's foreign policy is often derived from certain leaders' and interest groups' predilections. Humans—either alone or in associations with others in groups—ultimately make nations' foreign policies. This happens both in autocracies and democracies. Therefore, countries that have similar geopolitical situations but top officials and interest groups with different

philosophies may have unique foreign policies. A nation's foreign policy may even be “irrational” for its geopolitical situation.

That description fits U.S. foreign policy. Mearsheimer asserts that when no potential hegemon exists in another region, offshore balancers, such as the United States (which has achieved hegemony in the Western Hemisphere), usually do not act aggressively outside their regions. That uncharacteristic restraint by great powers occurs because of the intrinsic security that offshore balancers derive from being distant from other powers. But he admits that U.S. foreign policy in the post–Cold War era does not fit that prediction.<sup>43</sup> Even after the Soviet hegemon collapsed and the Cold War ended, the United States not only maintained its far-flung system of military bases and alliances around the world, but expanded them. And overseas military adventures actually increased under the post–Cold War presidencies of Clinton and the two Bushes—the latest being the unprovoked invasion of Iraq.

Mearsheimer, however, claims that U.S. policy is plagued by inertia and will take time to change, and he predicts that it will eventually do so if no other potential hegemon arises in Europe or East Asia.<sup>44</sup> But sixteen years have elapsed since the end of the Cold War, and U.S. policy is going the opposite way from what Mearsheimer predicts for an offshore balancer. The United States is expanding its global, albeit informal, empire—not

contracting it. It has used the war on terrorism to invade Iraq, to create bases in the “stans” west of China, and to expand its influence in Georgia, Yemen, and the Philippines by helping local governments fight insurgencies. In the post–Cold War world, it has also tightened its Cold War alliances in East Asia and augmented its naval forces in that region. In Europe, it has expanded the North Atlantic Treaty Organization’s (NATO’s) mission and territory (twice).

If the United States does not reverse the expansion of its defense perimeter, it is bound to run into conflict with a rising China. But if both powers reassess their vital interests in a rational manner, conflict is not inevitable.

### *China and the United States Are Nuclear-Armed Powers*

As during the Cold War between the Soviet Union and the United States and the recent tensions between India and Pakistan, nuclear weapons will likely restrain the conduct of both China and the United States in any crisis. And crises will likely arise. During the Cold War, neither superpower conducted direct military action in the other superpower’s primary sphere of influence (eastern Europe for the Soviet Union and the Western Hemisphere for the United States). If one superpower stirred the pot in the other’s backyard, it usually did so covertly or by proxy—not directly. In other words, the com-

petition between the superpowers was usually constrained to peripheral regions of the world over marginal interests and did not occur in core areas over primary interests.

Nuclear weapons can restrain competition and inhibit conventional war between powers possessing them. They induce caution because their effects are so horrific. Thus, they can dampen conflict, but at great risk of annihilation. Catastrophe can occur if there is a miscalculation or misstep. But nuclear weapons are not going away anytime soon, and both China and the United States already possess them.

Although anti-China hawks see as ominous the modernization of China’s strategic nuclear force, there may be some positive aspects to it. Right now the Chinese have only about twenty long-range nuclear weapons with the range to strike the United States. They are very vulnerable to a U.S. preemptive or preventive nuclear attack. The U.S. threat to those missiles—exacerbated, at least in Chinese minds, by President Bush’s new preventive war doctrine—might force China into a “use or lose” situation. In that scenario, China might find the need to launch its missiles before they are preventively attacked by the United States. In the Cold War, nuclear stability was thought to be enhanced if both sides possessed a survivable “second strike” capability—that is, powerful nuclear weapons that would survive a first strike by the other side in order to retaliate, thus dimin-

ishing the incentive to launch a bolt-out-of-the-blue attack in the first place. The current vulnerability of Chinese obsolescent nuclear forces comes from their need to be launched from vulnerable fixed land-based silos and their inability to be fired quickly. They need to be assembled before launch because the warhead and liquid fuel are stored separately from the missile.

Modernization of Chinese nuclear capabilities entails building solid fuel missiles that are mobile (the DF-31 and DF-31A extended range intercontinental ballistic missiles)—thus improving rapidity of fire and limiting the enemy’s ability to detect the missiles by increasing the area in which they can be deployed. Both attributes should enhance their survivability. Also, further increasing the survivability of the Chinese nuclear deterrent is the planned deployment of the new JL-2 submarine-launched ballistic missile on a new class of ballistic missile submarines.<sup>45</sup> Therefore, a modest Chinese nuclear modernization, although not to be celebrated, should be expected and should not be alarming to the United States.

Yet it would be dangerous for China and the United States to count solely on nuclear weapons to reduce or eliminate conflict between them. That strategy might lead to a tense situation similar to the forty-year Cold War between the Soviet Union and the United States. In an attempt to avoid conflict with the other power, China and especially

the United States must do some soul searching to reassess and more modestly construe their vital interests.

### *Reassessing Vital Interests*

U.S. “vital interests” are currently all-encompassing. Every time a politician wants to justify U.S. military intervention in a far-flung part of the globe, the term *vital interest* (or the substitute term *national interest*) is thrown around promiscuously. The United States is the only country to conduct military interventions regularly outside its own region, and it does so in every region of the world.

Yet every adverse development in the world—particularly in East Asia—does not pose a threat to U.S. security. China may continue to enjoy rapid economic growth and become more assertive. Unlike in the 1930s, however, when Imperial Japan was expanding throughout East Asia, other counterweights to a rising great power exist in the region today. Prior to World War II, European empires—French, British, and Dutch—with colonial possessions in East Asia were overstretched and in decline. Although the vast distances of the Pacific Ocean separated the United States and Japan, the United States was the only power that could counter the potential Japanese hegemon. Now, however, if containing China becomes necessary (and it may not), India, Russia, and Japan might cooperate or form an alliance to do so. India

and Russia have capable nuclear arsenals, and Japan has the wealth and technological capability to become a capable counterweight to China. Those three larger powers might be assisted by smaller, wealthy nations such as Australia, Taiwan, and South Korea.

Those Asian countries might form the first line of defense against a rising China, thus allowing the United States to take advantage of the large Pacific moat separating China from the American homeland. Such vast separation over water should make China and the United States less threatening to each other because traversing a large body of water to invade another country is difficult. The large physical separation over water between Japan and the United States did not prevent World War II because of the aforementioned power vacuum in East Asia, but that power vacuum no longer exists with all the powerful and wealthy counterweights to a rising China.

A catastrophic conflagration, or a cold war, between a rising China and a dominant United States might be avoided by emulating British behavior at the end of the nineteenth century. In that century, although some tension existed between the dominant British and the rising United States, the vast distance between them over water made both less insecure vis-à-vis the other and prevented conflict. Britain peacefully allowed the United States to rise and coexist as a great power. The vast physical separation would similarly allow

the United States to do the same with China without undermining U.S. vital interests.

Because the Chinese military currently has little capability to project power, China is little threat to either its neighbors or the United States. Mearsheimer believes that if China does not rise as a potential hegemon in East Asia, the United States, as a traditional offshore balancer, would eventually withdraw its large forward-deployed forces and extensive network of military bases from that region. As we have seen, however, this has not happened in the sixteen years since the Cold War ended, so we should not expect it in U.S. policy regarding China. In the long-term, such expensive overextension merely cuts U.S. economic growth and weakens the nation for any future competition with a rapidly growing China. Now, the United States is merely spending billions on unneeded weapons that will be out of date when and if China rises. The Chinese astutely are modernizing their military over the long term.<sup>46</sup> U.S. Secretary of Defense Donald Rumsfeld, instead of finishing his laudable effort to kill Cold War weapons systems and reinvest the savings in research and development for futuristic weaponry, is now wasting much of this money fighting an imperial bushfire war in Iraq.

The United States is so worried about maintaining its global empire in the short term that it is not focused on “outgrowing” China in the long term. In the 1930s, the British and French made the same mistake

when they spent too many of their scarce resources policing their vast global empires and paid insufficient attention to a rising Nazi Germany. The principal long-term goal of U.S. policy in East Asia should be to counter any Chinese bid for hegemony there that other regional powers cannot offset.

The United States should save public money by retracting its extensive defense perimeter in Asia, which rings China, and plow the savings into the private sector through a reduction in taxes. The economic growth induced would allow the United States to compete better with a more economically potent future China. Otherwise, the U.S. Empire may financially exhaust itself by the time China becomes a major threat (if that ever occurs). Can this happen to an economically potent United States? In 1914, on the eve of World War I, who would have predicted that the British Empire, controlling approximately one-quarter of the earth's surface, would be an exhausted and spent force by 1945? Similarly, even though the United States has the largest economy and best military in the world, a small guerilla war in Iraq has bogged down two-thirds of the U.S. Army. If the United States were forced to honor just a few of the many security guarantees handed out to rich countries across the globe, it could even decline as a great power.

The United States should withdraw from its forward bases in Japan, South Korea, and the stans; demobilize the forces stationed

at those locations; and abrogate formal and informal alliances with Japan, South Korea, the Philippines, Australia, Thailand, Singapore, and Taiwan. Even then, without threatening China, the United States would be able to safeguard the security of its homeland's western approaches by retaining military outposts in the mid-Pacific—in Hawaii, Samoa, Guam, and Wake Island. If, however, it keeps its extended security perimeter and expansive list of vital interests in East Asia, it is bound to run into needless conflict with even a mildly more assertive China. Again, U.S. policymakers need to ask: Is sustaining nuclear damage to American cities to guarantee the security of the small, nonstrategic island of Taiwan worthwhile?

China, too, will have to behave more responsibly. The desire to maintain international commercial links vital to its rapid economic growth has caused it to mend fences with its neighbors. Even the Pentagon admits that, in recent years, although China's territorial disputes with some neighbors continue, it has moved to settle them with India, Russia, Vietnam, and the countries of Central Asia.<sup>47</sup>

To lessen the chance of future conflict, China and the United States should deepen their economic interdependence. Although no guarantee exists that increased trade and financial activity will ensure peace between the two countries—especially in a globalized world in which the costs of altering commer-

cial patterns has been reduced—deepening bilateral economic interdependence ensures that war will have negative implications for politically powerful business groups in both countries. Those groups will likely act as a peace lobby in both capitals. U.S.–Chinese economic interdependence can at least in part explain why the spy plane crisis in 2001 was solved instead of escalated.

China will have to expand its sphere of influence carefully so as not to alarm its neighbors unnecessarily. Its neighbors will need to watch its behavior toward Taiwan and Hong Kong carefully. Although difficult to do, China should realize that Taiwan may never rejoin China and accept it. The Taiwanese used to think of themselves as Chinese, but a separate Taiwanese identity has formed with the passage of time. If the United States abandoned its forward-deployed forces in East Asia and its informal security guarantee to Taiwan, China would no longer be scared that Taiwan might be used as an offshore U.S. aircraft carrier to launch attacks on the Chinese mainland. Thereafter, only the nationalistic integration/separation issue would remain, and a U.S. withdrawal to a more sustainable security perimeter in the Pacific might make more moderate Chinese behavior toward Taiwan possible. The potential catastrophic loss of ever-increasing international economic integration—arising from hostile action against Taiwan—might also temper Chinese actions.

China also must fulfill its agreement with the British to allow Hong Kong economic and political freedom. China has allowed Hong Kong economic liberty, but not political freedom. If China eventually becomes a democracy itself, the Chinese will likely become more tolerant of democratic reforms in Hong Kong.

## **Conclusion**

Reducing the chances of future Sino–U.S. conflict requires more drastic changes in U.S. policy than in Chinese policy, mainly because the United States is in China’s face, not vice versa. The United States has alliances, forward force deployments, and overseas military bases in East Asia and the Pacific that ring China. It is also improving bilateral relations with other Asian powers (for example, India and Russia) that can help to counter China. In other words, the United States has developed a stealthy neocontainment policy toward China in the post–Cold War years. In contrast, the Chinese have no alliances, military deployments, overseas bases, significant anti–U.S. bilateral diplomacy, or containment policy in the Western Hemisphere directed against the United States. If they did, the United States would be very alarmed and hostile.

The United States has a much better human rights record and political and

economic system than does China, but its foreign policy is far more aggressive. The conventional wisdom is that democracies have benevolent foreign policies and authoritarian governments have aggressive ones. The historical record and the aforementioned U.S. and Chinese examples show this claim to be erroneous. The U.S. invasion of Iraq, a country halfway around the world that posed little direct threat to the United States, is an example of U.S. hegemonic behavior. In recent years, China has not invaded even a neighboring country. From a U.S. perspective, China is a rising power and should be watched, but current costly distractions have diverted attention, effort, and resources from that purpose.

China must be careful about expanding its sphere of influence to avoid alarming other Asian nations, but the United States must conduct a wholesale reassessment of its informal, but expansive, Asian empire. The mainstream view in U.S. policy circles, among Democrats and Republicans alike, is that an expansive U.S. Empire—both in Asia and around the globe—enhances security. In fact, the opposite is true. The U.S. homeland would be much more secure if the United States worked on reducing the chance of a needless conflict with a nuclear-armed China.

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