

# Sino-U.S. Relations: New Cold War or Strategic Stability? \*

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Since November 2013, Sino-U.S. relations have experienced a changing process from high tension to quick détente. The rollercoaster-like ups and downs are certainly not unprecedented in the history of U.S.-China relations. However, the current round of ups and downs occurred right after China's new leadership took office with a full-scale initiation of domestic and international strategy, and thus this round of ups and downs is of extra significance. Looking back, the high tension during the first half of 2014 cast doubt on the widely used long-term statement, "Sino-U.S. relations won't be too poor," which is may be far too optimistic. And yet the quick détente in the latter half of the year may suggest a potential Sino-U.S. cooperation far beyond our imagination. Looking ahead, whether the two countries, over the next five or six years, could build up a basic framework for a new model of major country relationship, will have a decisive impact on their relations in the long run.

## I. FROM "BIG FALL" TO "BIG RISE"

Sino-U.S. Relations had been relatively tense from the end of 2009 to 2012. In November 2012, the Communist Party of China (CPC) held its 18th National Congress. In March 2013, China's

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new leadership took office and promptly made new domestic and global layouts, displaying a new leadership style on governance. Meanwhile, after U.S. President Barack Obama entered his second term in January 2013, successive adjustments were also made of the members of his national security team. The change of the two countries' top leadership team provided an entirely new context for Sino-U.S. relations. In June 2013, Chinese President Xi Jinping and US President Barack Obama had an informal meeting at the Annenberg Estate in California, which injected great positive energy to Sino-U.S. relations under new historical conditions. Since then, Sino-U.S. relations have displayed positive momentum that was rarely seen in the previous few years and "a new model of major country relations" hit the headlines. On November 20, 2013, Susan Rice, the U.S. national security adviser, laid out U.S.-Asia policy in a speech at Georgetown University, calling for "operationalizing" the concept of "a new model of major power relations."<sup>1</sup>

But, this round of positive momentum in Sino-U.S. relations lasted only for half a year. After the turning point of late November 2013, furious squalls have proliferated until mid-2014. In more than half a year, intensified strategic competition between China and the United States was evolved around the following issues.

The first issue is the East China Sea Air Defense Identification Zone (ADIZ). The U.S. responded quickly with unexpected intensity after China's November 23rd announcement that it would establish an ADIZ. The U.S. censured for primarily two factors: First, rather than consulting with the affected countries in advance, China unilaterally established the ADIZ over the disputed islands and waters, thereby escalating tensions in the region. Second, that the standard of the ADIZ was too high to be consistent with international conventions and aircraft (usually military aircraft) flying parallel to China's coastline with no intention to intrude into China's airspace should not be included in the range of identification. On November 26, two U.S. B-52 bombers intruded into the East China Sea ADIZ, directly challenging its validity. After that, the aircraft of Japan Self-Defense Forces and Coast Guard, and South Korean military

aircraft as well, all flew through the ADIZ without notifying China. Both countries announced their policies of not recognizing China's new ADIZ and extended the scope of their own ADIZs as well. Besides, in the first half of 2014, Evan S. Medeiros, the U.S. National Security Council's Senior Director for East Asia, warned against the rumor that China may establish an ADIZ on South China Sea, saying "that would result in changes in our (U.S. military) presence and military posture in the region."<sup>2</sup>

The second is the South China Sea issue. Since December 2013, the Sino-U.S. strategic competition in this region once again heated up, generally circling four focal points: First, the legal basis of the dashed line claim (also known as Nine-dot line). On February 5, 2014, U.S. Assistant Secretary of State for East Asian and Pacific affairs, Daniel R. Russell, testified before congress, saying that "Any use of the 'nine dash line' by China to claim maritime rights not based on claimed land features would be inconsistent with international law."<sup>3</sup> This speech changed the United States' previous ambiguous position and was in line with Philippine's position on initiating compulsory arbitration to International Court of Arbitration, which had been repeatedly mentioned by the U.S. In December 2014, the U.S. State Department published *Limits in the Seas. China: Maritime Claims in the South China Sea*, claiming again that "China has not clarified its maritime claims associated with the dashed-line maps in a manner consistent with international law."<sup>4</sup> The second point is the Zhongjiannan project. On May 2014, Vietnam expressed their strong dissatisfaction on CNOOC Deep-water Drilling Platform *Hai Yang Shi You 981*'s drilling work in Zhongjiannan sedimentary basin in the western part of South China Sea. John Kerry, the U.S. secretary of state, took an apparent biased position between China and Vietnam, calling the former's move as "provocative."<sup>5</sup> Since then the United States strengthened security cooperation with Vietnam — then secretary of defense Chuck Hagel made a highly visible trip to Vietnam and also eased the arms embargo. The third point is the confrontation of both sides' warships and airplanes. On December 5, 2013 in the South China Sea, missile cruiser U.S.S. *Cowpens* intruded into the exercise area

of Chinese aircraft carrier *Liaoning*, closely monitored Chinese military exercises, and nearly collided with a Chinese landing-craft. China kept restraint after the incident, which the United States was largely responsible for, while the U.S. actively hyped it — Hagel publicly criticized PLA as “irresponsible.”<sup>6</sup> Four, Taiwan is agitated by the U.S. to play a greater role on the South China Sea issue. Evan Medeiros said in an interview that Taiwan was also one of the claimers for the reefs in the South China Sea and he encouraged Taiwan to begin a dialogue with other claimers.<sup>7</sup> Earlier, American think-tank scholars such as Jeffrey A. Bader of the Brookings Institution and Bonnie S. Glaser of the Center for Strategic and International Studies both wrote about the issue, and goaded Taiwan to play a bigger role or come forward to clarify the meaning of the Nine-dash line.<sup>8</sup>

The third point is the adjustment of the international order and the reform of the international system. There are two things in the first half of 2014 that caused strong responses from the United States. One is that the Fourth Summit of the Conference on Interaction and Confidence Building Measures in Asia (CICA) held by China in May, at which China proposed the New Asian Security Concept and announced the commencement of constructing the Asian Infrastructure Investment Bank (AIIB). President Xi Jinping pointed out in a keynote speech, “It is for the people of Asia to run the affairs of Asia, solve the problems of Asia and uphold the security of Asia.”<sup>9</sup> The strategic experts and media from the West and China’s neighbors regarded this expression as “an Asian version of the Monroe Doctrine.” The other is China’s sympathy and support towards Russia and the promotion of energy cooperation between both sides after the breakout of the Ukraine Crisis in February 2014. Under the context of Russia’s sharply deteriorated relationship with the U.S. and Europe, the further advance of Sino-Russia relationship sparked discontent inside the United States, which believed that China violated the position of respect for sovereignty and territorial integrity, which had been emphasized by China itself all the time, and took advantage of the Ukraine Crisis to promote its own interests.

The fourth is the cyber security issue. In 2014, the American

government, business institutions, and NGOs kept on criticizing China on “network intrusions” and “cyber theft.” The biggest crisis among them was that the U.S. Department of Justice announced the indictment of five PLA officers for “Cyber espionage” on May 19. It was the first time in the history of international relations that one country prosecuted serving officers of another country for the cyber security issue. The U.S. declared that the officers it persecuted belonged to the subordinate units of the General Staff Department (GSD); yet General Fang Fenghui, the General Staff of PLA, just concluded his visit to the U.S. two days before the announcement. The United States neither informed China in advance, nor sought a resolution from the existing channel of working team on cyber affairs under the framework of the U.S.-China Strategic and Economic Dialogue, which, for China, greatly undermined the mutual trust and was diplomatically discourteous. Therefore, China decided to suspend the Sino-U.S. dialogue through working team on cyber affairs.

The fifth is the relationship between the United States and its Asia-Pacific allies. In April 2014, President Obama visited several East Asian countries, including Japan and the Philippines. Before and during the interview, he repeated three times that the Diaoyu Islands were covered by Article V of Treaty of Mutual Cooperation and Security between the United States and Japan. Although this was a repetition of America’s previous position, clearly declared and repeatedly expressed by the president would certainly draw great attention of China and world public opinion. Furthermore, signing the US-Philippines Enhanced Defense Cooperation Agreement during Obama’s visit and the expanding and deepening of U.S.-Philippines military cooperation also caused strong concern and rebound of public opinion in China.

The sixth is the so-called “microphone diplomacy.” In 2014, China and U.S. high-level officials were in a war of words with each other, delivering an atmosphere of tit-for-tat diplomacy to the outside world. For instance, on March 28, Evan Medeiros said at the symposium commemorating the 35th anniversary of the establishment of Sino-U.S. relations held by Brookings Institution, a U.S. think tank, that both sides should focus on “common

interests” rather than China’s “core interests.”<sup>10</sup> He complained publicly that after President Xi met with President Obama in The Hague on March 24, Chinese Foreign Ministry distorted President Obama’s stand on the Taiwan issue, transmitting a message that the U.S. had changed its position.<sup>11</sup> At the 13th Shangri-La Dialogue held at the end of May, the U.S. Defense Secretary Hagel criticized China for destabilizing the South China Sea, and said, “We resolutely oppose any country promoting their own claims by intimidation, coercion or threatening to use force.”<sup>12</sup> Chinese Deputy Chief of Staff Wang Guanzhong made an improvised hit-back to Hagel’s remarks, which also put a strain on the atmosphere of the summit.

The sudden tension of Sino-U.S. relations since the end of 2013 caused both governments’ attention and concern. Approximately since June 2014, the two countries began to officially release the signal of stabilizing this relationship. The foreign ministries of both sides contacted frequently, seeking a way to look forward. Russell said on June 25 when testified before the Foreign Affairs Committee of the Senate, “The characteristic of Sino-U.S. relations is a fair and benign competition, rather than strategic rivalry. The two countries should cooperate pragmatically on related issues and constructively control disparities. Those who believed that China and the U.S. would inevitably be trapped in hostility and conflict ignore the role of policy-makers of both sides in avoiding such kind of rivalry.”<sup>13</sup>

The claims of the United States, of course, had attracted the attention of Chinese leaders and relevant departments. Under the efforts of both sides’ leaders and foreign ministries, Sino-U.S. relations began to rise with the turning point of the sixth Sino-U.S. strategic and economic dialogue held in July 9-10, 2014. Before that, on June 26, China sent warships for the first time to attend the U.S.-led Rim of the Pacific Exercise (RIMPAC) 2014. On July 14, President Xi talked with President Obama by phone as was promised in Fortaleza, Brazil, confirming Obama’s visit to China in November. The Chinese side pointed out that China consistently views and approaches the relationship from a strategic plan with a long-term vision, while the U.S. urged to strengthen pragmatic



cooperation and constructively control disparities, making cooperation the mainstream of this relationship.<sup>14</sup> Leaders on both sides had obvious intentions on stabilizing Sino-U.S. relations. On July 16, it was confirmed by the Ministry of Foreign Affairs of the People's Republic of China that the Zhongjiannan project of CNOOC Deep-water drilling platform *Hai Yang Shi You 981* had concluded. Later on the relationship between China and U.S. generally tended to ease.

The climax of “the Big Rise” was President Obama and President Xi's informal talk at the Yingtai of Zhongnanhai during Obama's visit to China in November 2014. If the Sunnylands Meeting in 2013 between the leaders of China and America indicated the commencement of “constructing a new model of major country relations,” then the Yingtai Talk in 2014 marked the consolidation of this process. President Xi proposed six important directions for the construction of new relationship between China and the United States and the two powers had made significant and concrete achievements in five aspects. First, the Sino-U.S. Joint Statement on Climate Change had announced each side's goals in the reduction of carbon dioxide, which provided tremendous motivation for the Paris Climate Summit in the end of 2015. Second, the two sides agreed to make it a top priority to negotiate a bilateral investment treaty. By the end of 2014, China and the U.S. had reached agreements on some core issues according to the plan and moved on to the negotiations on the negative list. Third, the Ministry of National Defense of the People's Republic of China and U.S. Department of Defense had signed up a memorandum of understanding on establishing a mechanism of mutual notification of major military activities as a confidence-building measure and a memorandum of understanding concerning the rules of behavior for safety in air and maritime encounters. Fourth, China and U.S. reached bilateral consensus on the extension negotiation on Information Technology Agreement of the WTO. Fifth, they planned to grant visa valid for multiple entries and exits to business and tourist up to ten years and to overseas students up to five years, which would benefit citizens of both countries. These achievements

cover a number of difficulties that had remained for a long time in Sino-U.S. relations, such as climate change, economic and trade cooperation, and military-to-military ties. **Such significant achievements have surpassed the general expectations of both countries' defense community.**

## II. BOUNDS OF THE "SWINGING PENDULUM"

Sino-US relations has undergone numerous rounds of ups and downs since the 1970s. After the end of the Cold War, a couple of serious crises had occurred between China and the U.S., such as Taiwan Straits crisis in 1996, the U.S. bombing of Chinese embassy in Yugoslavia in 1999, and the Hainan Island incident in 2001. Then how was this round of ups and downs starting in late 2013 different from previous ones?

First, let's have a look at what such "big downs" reveal. For years, there has been a view popular in the Chinese academia regarding the Sino-U.S. relations, which "are bad enough whereas good enough." The essence of this statement is that there are both positive and negative bounds for the Sino-U.S. relations and in between them the relations swing. Apparently, this round of the swing in Sino-U.S. relations in 2014 also reflected the law of this "swing pendulum." However, "bad enough whereas good enough" doesn't clearly specify the bounds of the swing. In the broadest sense, we can identify the relationship of alliance (e.g., the current U.S.-Japan relations) as the boundary of the positive end, and full hostility or enemy (e.g., the U.S.-Soviet relations during the Cold War) as the boundary of the negative end. Thus, this statement does make sense. China and the United States can in no way become allies at present because of the so-called structural contradictions between the two powers, such as ideological conflict and the conflict between a rising power and existing hegemon. Meanwhile, the two countries are unlikely to end up with full rivalry or even clash, so long as their mutual deterrence on strategic security and macroeconomic interdependence still exists. But, defining the bounds of the swing in such an extreme way may leads to a conclusion correct but without much reference value. If we add two other nodes, New Cold War



and partnership (see Figure 1), to the two ends as mentioned above, we can get a more enlightening reference index.

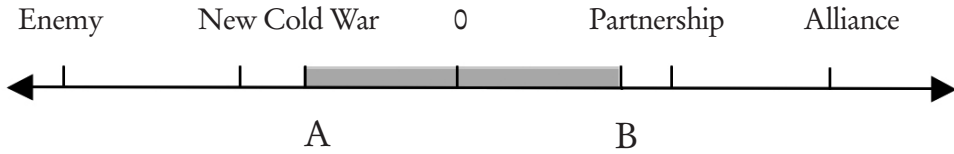


Figure 1: The bounds of the swing in Sino-U.S. relations.

Here the New Cold War refers to a state that two countries have engaged in serious partial confrontation in the fields of strategy and politics, while maintaining generally normal economic, trade and cultural relations. The New Cold War here differs from the all-out confrontation between two ideologies, two military alliances and two parallel markets during the Cold War period between the United States and the Soviet Union. Instead, it refers to the partial conflict in strategic and political fields. The U.S.-Russia relations after the Ukraine Crisis, the “cold politics and heating or warm economy” in the Sino-Japan relations over the recent years both embody the basic features of partial strategic confrontation and maintenance of overall relations characteristic of the New Cold War. By “partnership,” it means, on the other hand, two countries have maintained a relatively close and even collaborative relationship in major areas. Compared to the collaboration, conflicts and competition between the two powers is secondary. The United States maintains a partnership with Singapore and some other countries in the Asia-Pacific. On the part of China, it has built a broad “global network of partnership,” which means developing relationship of cooperation at a quite higher level. The current strategic partnership of cooperation between China and Russia can be said to meet the criteria for partnership.

Since the end of the Cold War, the pendulum of the Sino-U.S. relations not only swings between “enemy” and “friend,” but also between “New Cold War” and “partnership,” which are two sets of boundaries that it has never gone beyond. **The most striking difference between the “big fall” in the Sino-U.S. bilateral relationship from late 2013 to mid-2014 and the previous cases**

**is that this time it swung so close toward the negative end that it showed a sign of sliding towards a new Cold War.** The proposition that the relationship between China and the U.S. is good enough can be said to hold water, but people should be more cautious to the proposition that it is bad enough. The confrontation between China and the U.S. in the field of strategy and security in that period were quite fierce: the U.S. not only continued to employ the strategy of “regulation” (i.e., limiting China’s acts by stressing international regulations) and “hedge” (i.e., establishing close relations with powers around China to prevent any possible negative changes in Sino-U.S. relations in the long run), but also chose a more confrontational way of selective rollback,<sup>15</sup> that is, warning China and showing America’s determination by rivalry actions, such as sending B-52 bombers to challenge the ADIZ China set in the East China Sea, showing its loss of patience on the cyber security issue by prosecuting PLA officers, and intervening in the South China Sea issue and assisting some countries concerned in raising their military and maritime law-enforcement capability in order to balance China. In brief, in this period, the U.S. started to “rollback” China’s “expansive actions,” that it thought to be, in a more direct way. At the same time, this bilateral relationship generally remained normal. Of course, in this period the Sino-U.S. relationship had not deteriorated to the level of a New Cold War, but it displayed a tendency towards it, a tendency that has only been seen in recent years.

**Changes in the relative contrast of national strength between China and the U.S. prepares a sufficient condition for this sliding of the Sino-U.S. relations towards a new Cold War.** An obvious fact is that, if the gap in national strength between two countries is too great, the side that is in the absolute disadvantage will be disqualified to start a cold war or a new cold war with the powerful side. The strained relations between China and the U.S. since 2010 has coincided with the continuous narrow-down of the strength gap between the two countries after the global financial crisis. Coincidentally, according to the calculation of the IMF, i.e., calculating gross domestic product (GDP) with the purchasing power parity (PPP) method, the scale of China’s

economy had slightly exceeded that of the United States in 2014, meaning that China has become the world's largest economy.<sup>16</sup> Though not the cause of the tense bilateral relations between the two countries, it nevertheless provides a footnote to it. Viewed from the perspective of competition in national strength among the major powers, a qualitative change is taking place in the world pattern of "one superpower with a few major powers." China is gradually breaking itself from the rank of the major powers and getting closer to the only one superpower. At present, the actual size of China's economy is 60% of that of the U.S., and it is generally believed that it is only a matter of time for it to catch up with and even surpass the U.S. economy. Meanwhile, the Japanese economy, the third largest one in the world, is only half of the size of China's, and the gap is expected to continue to expand in the coming years. The narrowing gap in economic strength between China and the U.S. may lead to a shrinking of the gap in military power. In recent years, a rapid enhancement has also been witnessed in China's capability of creating and establishing international institutions, as shown by the establishment of the BRICS Summit mechanism, Asian Development Bank, and CICA (Conference on Interaction and Confidence-Building Measures in Asia). So, it can be said that, although the comprehensive national strength of the United States is still far ahead of China, the two powers are forming the first group in the competition of comprehensive national strength, and the gap between them and the second group is widening. So, viewed from the perspective of national strength contrast, it is likely that China and the U.S. are the most "qualified" to plunge into a "new cold war" in the coming few decades.

**Apart from the changes in objective relative strength contrast, mutual distrust has been deepening between the two countries on the other's overall strategic intention; this serves as a underlying cause for the bilateral relations between the two countries to slide toward a new Cold War since late 2013. Since 1978 when China launched its drive of reform and opening up, in terms of bilateral relations between the two countries, despite all the twists and turns, the strategists in both countries**

have maintained the basic assumptions or mainstream views that have run through the 30-plus years. On the part of the United States, the mainstream view is that the fundamental intention of China's external strategy to achieve its own rise "within the system" by way of integrating itself into the existing international system led by the U.S. and the west. China is a major beneficiary of the current international system and basically a country that is willing to "maintain the status quo." Domestically, it holds, along with the deepening of the reform towards a "socialist" market economy, the Chinese political system will get increasingly closer to that of the West. In China, the mainstream view is that, although the current international system and order are dominated by the U.S. and the West, it leaves considerable room for China to realize its own development; and it does more good than harm to China to expand cooperation with the U.S. and the West. It is precisely by proceeding from such an understanding that China has all along implemented a strategy of overall cooperation and integration with the U.S. and the West, while the U.S. has also adopted a China strategy with "contact" as the keynote. However, there is still a considerable gap between the two sides in their domestic strategic consensus. China is willing to rise inside the existing international system but it will never submit to peaceful evolution. Moreover, it worries that its efforts for development within the existing international system will sooner or later hit the "glass ceilings" of the block and sabotage by the hegemon. China doesn't wish to be the next Soviet Union, which was destroyed by peaceful evolution politically and strategically; or the next Japan, which has fallen economically since 1990s. But, the United States has always believed that China will transform, both politically and diplomatically, towards what it expects, which, if has not happened yet, will happen when the time is right. Therefore, although the premises of the two countries' strategy seem to fit well, they are actually expedients and bedfellows dreaming different dreams.

With China's rapid rise in the first decade of the 21st century, the overlapping part of the strategic consensuses of China and the United States began to reduce, with the part of "different dreams"

in their relations being gradually amplified. China was growing so fast that it makes the U.S. start to worry the moment it had been expecting may never come. *The China Fantasy*, a book written by James Mann, an American journalist and published in 2007, turned out to be an early voice questioning the above-mentioned premise of the U.S. China strategy.<sup>17</sup> The appearance of such views as “China being arrogant” and “China turning tough” since 2010 signals that more American strategy elites have come to hold that China’s foreign strategy has been undergoing significant changes. From 2012 to 2013, China promptly made new layouts, both domestically and globally, and this caught the U.S. strategic circles unawares, making some of them believing that Chinese new leadership would adopt a much “assertive” external strategy to challenge the U.S.-led international order and system actively and systematically. For instance, what China did on the East China Sea and South China Sea issues were regarded by many American strategic elites as “hard line” acts, still others considered these as asymmetrical response China made to such acts as Japan’s purchase of Diaoyu Islands and Philippines’ arrest of Chinese fishermen. But, China’s announcement of the establishment of the East China Sea ADIZ in November 2013, its launch of the South China Sea Zhongjiannan project in May 2014, and its efforts in the project to improve the infrastructure on the South China Sea Islands as of mid-2014 — all have been viewed by many Americans “proactive and systematic changes to the status quo” rather than “passive reactions.” Moreover, people in the U.S. strategic circles expressed great “confusion” about what the Chinese new leadership did to strengthening CPC’s leadership and ideological work domestically. Consequently, the suspicion towards China’s grand strategy had been continuously rising inside the U.S., reaching a climax in the first half of 2014. Recently, several new arguments surfaced, and these include “Chinese strategic deception program” of Michael Pillsbury,<sup>18</sup> “Chinese Crackup” of David Shambaugh,<sup>19</sup> and “Revising U.S. Grand Strategy toward China” by Robert D. Blackwill and Ashley J. Tellis.<sup>20</sup>

Although the above-mentioned arguments did not necessarily represent the mainstream of the U.S. strategic community, they

did give expression to the rising heat in U.S. domestic debate over U.S. China strategy.<sup>21</sup> Some people theorized that the consensus of America's China strategy was disintegrating. Corresponding to what have happened in the United States, a series of tough moves the U.S. made in the first half of 2014 have made more and more Chinese strategic elites believe that, in the fact of China's rapid growth, the United States started to make containment the major aspect of its dual China strategy. The Ukraine crisis has made the U.S. and Russia engage in confrontation, and the importance of its periphery has apparently increased in China's overall diplomatic deployment. All sorts of factors have prompted China to come up with a new strategic thinking, i.e., its external strategy should base on its own initiative rather centering around the U.S. and the West as well as the international system they have established. On the surface, the tension of the few military crises between China and the United States since the end of the Cold War was far beyond that in 2014. But, they mostly erupted either around regional issues (such as the issue of Taiwan) or were incidental to a certain extent; they did not involve the judgment of the other's grand strategic intentions. By this, it means that the United States didn't suspect China's overall strategic intention and orientation; and China's concern about America's possible tough China strategy was not as serious as it is recently, and moreover, to be objective, China's intention and capability to independently impact its periphery and establish its own strategic agenda are far greater than the past.<sup>22</sup> Therefore, the downslide of Sino-U.S. relations from late 2013 to mid-2014 was, in terms of nature, the most serious one since the conclusion of the Cold War, and also the one that truly showed signs towards a new Cold War.

Now, let's turn to the "big rise." The quick warming up of Sino-U.S. relations in the second half of 2014 has once again proved the strong will and ability of the two countries' top leaders on maintaining a stable relationship. Although what the U.S. did in the first half of 2014 caused deep concern on the part of the Chinese leadership, the major breakthroughs in China's peripheral diplomacy in 2014, the rebound of Sino-U.S. relations and the pragmatic achievements realized in this regard had all



indicated that the Chinese leadership still place a stable Sino-U.S. relationship in an extremely important position in China's foreign diplomacy. On the part of the U.S., despite the fact that its strategic community had grown more suspicious about China, no change has taken place in the keynote of the Obama administration's commitment to develop a stable Sino-U.S. relationship. In this period, the relationship between China and the U.S. warmed up, and a number of pragmatic achievements that were inconceivable several years ago were also reaped. For example, much improvement was witnessed in the negotiations on the China-U.S. Bilateral Investment Treaty and visa reciprocity that had not seen any major progress for years; bilateral military relations and climate change had previously remained obstacles in Sino-U.S. relations, but now they became new growth points for cooperation and "bright spots" in the bilateral relationship. These achievements indicate that major breakthroughs are entirely possible on some difficult and hot issues in Sino-U.S. relations which can be pushed towards a positive direction so long as the top leaders of both sides have sufficient political will. It was shown in China's accession to WTO more than a decade ago and has been shown in the recent development of the bilateral military relations and the two sides' cooperation on the climate change issue that, when political decisions are made, all concerns at the technical level before are often superfluous. Thus, it is still an important principle guiding the development of Sino-U.S. relations to "emancipate the mind" and "never be distracted by temporary problems."

The transition from a "big fall" to "big rise" over the past year and a half in Sino-U.S. relations showed that the leaders of the two countries still had the ability to stop this relationship from sliding toward a negative end when the leaders of both sides were still determined to increase input into Sino-U.S. relations, especially when there was still the mechanism of summit meetings to promote or highlight such input. Conversely, however, once the platform of summit meetings was absent, it seemed that the Sino-U.S. relations would "naturally" drift toward the negative end. Under the new historical conditions, such "natural" drifting of Sino-U.S. relations

would lead to more serious consequences than ever, never to be assumed that “Sino-U.S. relations are now bad enough.” **If drifting towards the negative end is made to become “natural” and any reversal of this trend would have to depend only on the willpower of the leadership, the medium- and long-term trend of Sino-U.S. relations will be quite dangerous,** as the strategic considerations of different leaders are sure to be different and there are bound to be certain adjustments. Particularly, there is no way to steer clear of the bi-partisan system and the political system of power separation in the U.S. — a change in the top leadership is likely to lead a change in the U.S. China strategy which may, in turn, cause Sino-U.S. relations drift towards a new Cold War.

### III. SEEKING STABILITY IN BOTH SIDES’ MACRO STRATEGIES

It is urgently necessary for Sino-U.S. relations to be switched from the “hand-steered” mode to the “autopilot” one. Since early 2012, the Chinese authorities have been repeatedly proposing the development of a new type of relationship between major countries with the United States. The U.S. authorities, though once having accepted it, have apparently turned lukewarm in attitude while distrust and opposition have turned increasingly widespread in the U.S. strategic community. There are many reasons that the United States lacks enthusiasm in the proposal. One of the reasons is that it is reluctant to make any concession on the “core interests” raised by China, and is unwilling to let China define the direction of the development of Sino-U.S. relations and hold the initiative in this regard. Another important reason is that the “new type of relationship between major countries” has not yet been fully conceptualized and sufficiently operated. Against the background that China has kept rising rapidly and the Sino-U.S. relations are likely to drive to a new Cold War, it is necessary for China and the United States to focus attention in the development of a new type of major country relationship on building a framework of macro strategic stability between the two countries.

**A framework of macro strategic stability between China and United States refers to, through a series of institutional**

arrangements and mutual understanding, forming stable shared ideas and institutional arrangements to narrow the range of the swing of the pendulum of Sino-U.S. relations and limit it within range between A and B (see Figure 1), so as to stay clear of a new Cold War. Sino-U.S. relations in this range can stabilize itself automatically and moving to a more positive side without the “pull” of the leaders of the two countries. Such a framework could be acceptable for both countries, as within it the two sides can engage in benign competition and carry out mutually beneficial cooperation under necessary conditions. China needs such an environment to attain its peaceful development, for in such an environment China will not worry that the United States will enforce an overall containment strategy on China just as it did to the Soviet Union, its old rival, or undermine China’s political stability and choke its economic development. The United States also needs such an environment to ensure that its global and regional leadership will not be “forcefully” challenged by China, for within this framework of macro strategic stability, a strategic consensus is formed in the strategic communities of the two countries, i.e., where each country goes will only depend on its own strategic success or failure, rather than on the “forceful” challenge and repulsion or containment and sabotage from the other side.

In view of the current Sino-U.S. relations, the development of bilateral relationship between the two countries should not eye at such high goals as developing a partnership. In the face of the possibility to drift to a possible new Cold War, it is not a bad choice to obtain a strategic stability between the two countries. In fact, in the global partnership network that China tries to build with the major powers, the “new type of major country relationship” represents a kind of partnership at a rather low level. For example, according to a Xinhua report on March 22, 2013, President Xi said in his first visit to Russia that Sino-Russia relations had been elevated from a new type of great power relationship in the 1990s that was different from what it was during the Cold War to an all-round strategic partnership gradually established in the first decade of the 21st century.<sup>23</sup> This statement shows that in the context of China, the level of cooperation under the new type of major country

relationship is lower than that under all-round strategic partnership. Moreover, what China proposes is that the two countries were to develop a new type of major country relationship, meaning that it is just a direction suggested. Therefore, in Figure 1 the most positive boundary of the pendulum of Sino-U.S. relations is set close to partnership but not to reach that end. If the relationship between China and the United States were to be stabilized within the range between A and B, and even between 0 and B basically in the long run, then it would be possible to build a medium- and long-term framework of macro strategic stability, namely, a new type of relationship between major countries.

To build such a medium- and long-term framework of strategic stability, efforts can be made in the following three aspects.

First, “gradually accumulating mutual trust” regarding the core interests and major concerns of each side. In recent years, China has repeatedly stressed that China and the United States should show respect to each other’s core interests and major concerns and this is exactly where the United States has the most misgivings.<sup>24</sup> **If the two major powers cannot achieve mutual trust over core issues the two sides show the greatest concern, there would be no way for the two countries to build a framework of macro strategic stability.** Therefore, this problem cannot be avoided for both countries. Yet, in the process it is necessary to pay attention to two things. First, it is necessary to clearly define the core interests and major concerns and narrow the scope as far as possible. China and America can each put forward one or two of its most concerned issues first to be discussed repeatedly between the two sides. For example, as the system of government and ideology of both countries are different, one of the major concerns of China is threat from the United States to its political and government security, attempting to carry out peaceful evolution or “color revolution” to westernize China. On the part of the United States, one of its major concerns is whether China will attempt to elbow the United States out of East Asia and establish an independent international system independent of the existing one. So, the two sides can discuss such issues. Second, it is necessary to uphold the principle of gradual progress. The difference between China and the United States over

core interests and major concerns as mentioned above has remained for quite a long time and there is even no solution to some of the problems. For instance, it is impossible for the United States not to engage in the so-called “value diplomacy” as it is one of the national traits of the United States. Similarly, it is also impossible for the changes brought by the rise of China to the international and regional institutions not to produce any influence on the position of the United States. Hence, it is unrealistic to ask one side to make major compromise to meet the demand of the other. It might be feasible for China and the United States to establish a mechanism of so-called “trust list check,” by which the two sides shall each first produce a short list of its major concerns and then frequently check them through Track II and even Track I talks. During these talks, one side can enumerate the words and deeds of the other side it thinks as causing damage to its core interests as well as the efforts it thinks it has made recently in the interest of the core interests of the other side. Through such checks, the two sides sort out what are misunderstandings, what are soluble contradictions and what are insoluble ones. In addition to clarifying misunderstandings and finding solutions to problems that can be solved, encouragement should be given to the other side to exercise restraint in relation to contradictions that are insoluble. In the next check of the list, a review will be made to see if the other side has adopted an attitude of restraint. If yes, some sort of positive response should be made; if the act(s) violating the core interest of one side continues, the other side can take retaliatory measures commensurate in strength. By frequently rewarding restraint and punishing breach of faith, the two sides can gradually accumulate mutual trust.

Second, “seeking stability of military strategy” in military security. It is necessary for China and the United States to realize effective strategic stability in such key strategic areas as nuclear, cyber and space. Both sides can now maintain an effective strategic deterrence to each other, and at the same time they both acknowledge that they themselves have certain security vulnerabilities. In the field of nuclear weapons, China and the United States now have asymmetric nuclear deterrence. Along with the development of technology, the scope of strategic stability

should be extended to other fields to ensure that the two sides have no intention and capability to confront with each other. First, since the United States is still much stronger in military power than China, it depends on the development of China's military power to seek a military strategic stability, because it is impossible to achieve stability without sufficient power. Second, China is still a developing country, and it is only feasible for it to seek a limited, asymmetric and effective strategic deterrence rather than an absolute balance of weapon systems with the U.S. in terms of both quantity and quality. Third, against the background of rapid growth of both sides' military power, it is necessary for the two countries to establish a series of Confidence Building Measures (CBMs) as well as measures to avoid and control crisis. The memorandum of understanding (MOU) on establishing "two mutual trust mechanisms" signed in 2014 represents a good start. In the future, it is still necessary to further enrich the content and expand the scope of the notification of major military activities confidence-building measures mechanism, and to formulate rules for behavior for safety of air and maritime encounters, and timely give consideration to formulate rules of behavior in the so-called exclusive economic zones.

Third, "a dual-leadership regime" in relation to international institutions. China is the world's largest developing country and the United States is the largest developed one; both are beneficiaries of the existing international system. The two countries should play a leading role in the establishment, reform and maintenance of international institutions. In 2014, China and the United States released the China-US Joint Announcement on Climate Change and reached consensus in Information Technology Associates (ITA) Scope Talks. Both serve examples that the two countries lead the establishment of international multilateral institutions by way of bilateral coordination. Regarding Sino-U.S. cooperation in the establishment of international institutions, on the one hand, it is to reform and improve the existing framework of international system and, on the other, to help the two sides to build up strategic confidence, both to be members of the same international system. The United States needs to assure China through cooperation



that the existing international institutions can impose constraints to countries all over the world, including the U.S., and it provides enough room for China to develop and rise; and China needs to assure the United States through cooperation that it has never attempted to establish another international system. It is highly important that both China and the United States to maintain macro strategic stability by upholding such strategic faiths. Of course, both sides will face profound challenges in their cooperation in relation to the establishment of international institutions. There are still considerable gaps between China and developed countries in terms of professional and knowledge reserves for international system construction, which turn out to be the soft spots that can be best described as “strong will but insufficient power.” On the part of the United States, as the No. 1 power in the world, if it is willing to establish a more inclusive and fair international system, it is necessary for it to release certain power and make certain adjustment. So, for the United States, the problem is “strong in power and weak in will.”

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It is necessary to understand that the “time window” for China and the United States to establish a medium- and long-term framework of macro strategic stability is not unlimited. At present, both the Chinese government and the Obama administration of the United States have the intention to stabilize Sino-U.S. relations. It is hard now to judge the direction of politics in the United States after 2017. In view that the U.S. strategic judgment concerning China and in its domestic political debates various current policies the Obama administration has adopted have provoked much criticism, the uncertainty of the United States’ future strategy towards China is possible to increase. In the coming decades, it is almost certain that the gap in comprehensive national strength will narrow, and this might increase objectively the possibility for the two countries to go into a new Cold War. Therefore, it is necessary for the two countries to seize this “window period” when both sides are willing to maintain a stable bilateral relationship, clearly define their respective overall strategic objectives as soon as possible, and preliminarily build a framework of medium- and long-term stability

in Sino-U.S. relations. President Xi's visit to the U.S. in September 2015 and President Obama's possible visit to China in 2016 are opportunities to further promote this framework, before the two countries set out to form a relatively comprehensive framework of medium- and long-term macro strategic stability in the next six to seven years.

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