This panel has been asked to address essentially two questions:

(1) What kind of strategic relationship should the United States have with China?

(2) What kind of strategic relationship can the United States have with China?

Implicit in both questions is the question of what constitutes stability in a strategic relationship.

In preparing for this session I looked up some dictionary definitions of stability; they include resistance to sudden change, dislodgement, or overthrow; constancy of character or purpose; tenacity; steadfastness; reliability; dependability. What is meant here is that a stable strategic relationship is one in which both sides gain knowledge about each other’s strategy such that they gain increased confidence that neither will dramatically alter the relationship, or at the very least one of the parties will have sufficient advance warning to be able to take corrective action.

If we take these definitions, or elements of a definition of stability, the answer to the first question posed for this panel should be obvious. The question is: What kind of strategic relationship should the United States want and can it have with China? We should want a
strategic relationship that is resistant to sudden change, dislodgement, or overthrow, one that has constancy of character or purpose; one that is based on reliability and dependability of behavior.

- The second part of the question for this panel – what kind of strategic relationship \textit{can} the United States have with China? – raises several issues that I will discuss. The answer to both questions lies in a discussion of the respective interests and goals of China and the United States and whether differences between the two countries in their respective interests and goals are a basis for instability rather than stability. The basis for instability is as old as the idea that Thucydides spelled out in his epic Peloponnesian War history about the clash between an existing great power and an aspirant great power. If this condition characterizes the strategic relationship between China and the United States, the prospects for stability will diminish in the decades ahead.

- In assessing the basis for Sino-American strategic stability we must ask what are our respective interests and goals. To answer this question there is a broadly held view in the United States that China has essentially three interrelated strategic goals:

  1. Regime survival;

  2. Asia/Pacific dominance as a springboard to growing global influence; and

  3. Preventing Taiwan’s independence and eventually reintegrating Taiwan as a part of China.
Furthermore, China views the United States as its principal strategic adversary and as a potential challenge to the regime’s legitimacy, specifically with regard to Taiwan. As far as the United States is concerned, we also have essentially three strategic goals:

(1) To retain a position of dominance in the Asia/Pacific area and in doing so to maintain a strong relationship with other countries in the region and allies and coalition partners;

(2) To thwart North Korea’s nuclear ambitions and to preserve South Korea’s independence;

and

(3) To prevent the forceful reunification of Taiwan with Mainland China. Therefore, on the sets of interests and goals outlined above, China and the United States have a complex relationship that has elements of cooperation and elements of competition, as I will discuss.

- As we all know, our relationship is multidimensional. China and the United States are deeply intertwined economically. The United States is China’s most important trading partner. The United States is the principal source of technology for China’s modernization. Much of the manufacturing base for products sold in the United States lies in China and therefore the United States has a huge investment in China. A trip to Wal-Mart provides vivid evidence of this situation. China is the purchaser of huge amounts of the U.S. debt. I could go on and on. China’s continued (or resumed) high rates of economic growth depend vitally on exports to the United States. The U.S. economic future rests with China continuing to purchase U.S. treasury bonds. Maintaining a positive relationship with the United States – at least for some time to come – is deemed desirable to enable China to achieve other national objectives, especially sustained economic development.
Having stated this background, we can now turn for a few moments to China’s military modernization and its implications for strategic stability. Here it is essential to remind ourselves that China does not publish detailed statements, as the United States does, about its modernization or even what motivates China’s strategic force modernization. In fact, we publish far more extensive information about China than China publishes about itself in the area of military forces and modernization. What we do know, however, is that, as the latest 2009 Department of Defense Military Power of the People’s Republic of China points out, China is making steady progress in developing offensive nuclear, space, and cyber-warfare capabilities. China is both qualitatively and quantitatively improving its strategic missile forces. This includes land-based forces that are mobile as well as an SSBN fleet that performs strategic patrols. China is also engaged in a variety of space activities, including ASAT programs, as evidenced by the January 11, 2007 direct ascent satellite intercept as well as a manned space and lunar program and the launch of small satellites. The 2009 Report also points to extensive Chinese writing on information warfare, including its methods and uses, as well as electronic countermeasures. China appears also to be orchestrating a vast cyber warfare operation aimed at many U.S. targets in and outside government as we have witnessed in recent years. At the same time China is engaged in overseas industrial and defense espionage in order to acquire advanced technology for economic and military modernization.
• China’s military programs are consistent with its emphasis on power projection in and beyond the Asia-Pacific area. In other words China’s military programs are what you would expect to see in light of such strategic priorities.

• The pace and extent of China’s military modernization are shaped by a desire to counter the U.S. presence in the Asia-Pacific area and military capabilities including U.S. reliance on carrier battle groups for power projection and U.S. dependence on space as well as information and the Internet. China is pursuing offensive capabilities in such critical areas as anti-space, anti-ship, and offensive cyber technologies. China is transforming its military from a manpower-based land army to a technology-based and professionally proficient world power. In the area of strategic nuclear modernization, China’s nuclear arsenal apparently reflects the importance assigned by Beijing to strategic forces as the umbrella under which its political-military interests will be advanced in and beyond the Asia-Pacific area.

• This brings me back to the question of what type of strategic relationship can the United States have with China. If China seeks to extend its power and influence in and beyond the Asia-Pacific area, it follows that it will attempt to do so by building capabilities not so much to counter U.S. strengths but instead in order to exploit U.S. vulnerabilities. This is the meaning of the term asymmetrical warfare and it accords fully with the writings of Sun Tsu setting for the age-old strategic principle that you should exploit an enemy’s weakness, not his points of strength. To quote from an article published in the Liberation Army Daily in 1999:
(A) strong enemy with absolute superiority is certainly not without weakness… [our] military preparations need to be more directly aimed at finding tactics to exploit the weaknesses of a strong enemy.

China’s extensive investment in missiles, submarines, naval mines, counterspace systems, and special operations force seems to underscore this emphasis on asymmetrical warfare. In fact, Chinese military writings refer to “assassin’s mace” as acquiring asymmetric capabilities designed to give a technologically inferior state advantages over a technologically superior power. This seems to be a guiding principle for China’s strategic modernization across the board.

- This, then, leads me to the conclusion that to the extent that the United States perpetuates its vulnerabilities, it provides an open invitation to Chinese efforts to exploit such vulnerabilities. Let me be more specific. There is considerable discussion to the effect that the United States should maintain or develop with China a strategic relationship based on mutual vulnerability and that increased emphasis, notably, on missile defense on our part will lead China to increase its own programs to order to counter such U.S. systems. Aside from the shaky empirical basis for such an assertion, the Chinese emphasis on exploiting U.S. vulnerabilities argues logically for efforts on our part to cut off such U.S. vulnerabilities wherever possible in the forces that will shape the China-U.S. strategic relationship in the years ahead. In fact, I could even argue that the conscious perpetuation of U.S. vulnerability in the mistaken belief that the result will be strategic stability makes no sense. It may even
encourage China to attempt to exploit U.S. vulnerability at a time of crisis and lead to undesired escalation based on miscalculation.

- I conclude on the note that the dynamics of the China-U.S. strategic relationship as I have outlined it are such that we should obviously seek to avoid crisis miscalculation and do what we can to control escalation should we ever face a political-military crisis in which China will attempt to shape U.S. responses by working to ensure and exploit U.S. vulnerabilities. For the United States strategic stability can best be enhanced by reducing vulnerabilities, including a strategic nuclear posture that includes deterrence by denial.

- Therefore, deterrence of China has both offensive and defensive elements. We will need to take seriously China’s perception of its growing nuclear weapons capability as tools of military power and political intimidation regardless of whether this is China’s motivation for such modernization or if this is the consequence of China’s military modernization.

- This also means rejection of a mutual vulnerability relationship with China in the mistaken belief that this will lead China to forego modernization options. In fact, if my analysis is correct, we will only encourage China to exploit those vulnerabilities that we are perpetuating, having therefore the reverse of the intended effect. Instead, we should work to reduce U.S. vulnerabilities. Specifically, this would mean placing greater emphasis on missile defense; reinforcing extended deterrence to allies, especially Japan; and the continued U.S. ability to project power into the Asia-Pacific area – in order to enhance stability in what will be a dynamic and changing security setting in the years ahead.
Not only is strategic stability not served by offering China an assurance that the United States accepts mutual vulnerability as the basis for the strategic relationship. To the contrary, such an assurance could have the reverse effect contributing to miscalculation and undesirable crisis escalation – the opposite of the definitions of stability set forth at the beginning of my presentation.