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January is turning out to be an eventful and potentially crucial month in the relationship between China and the United States. Secretary of Defense Robert Gates was in Beijing last week for discussions with Defense Ministry officials. Chinese President Hu Jintao arrives in Washington for a summit meeting with President Obama this week. These trips come on the heels of various spats over economic and military issues that have created a chill in the bilateral relationship.

The process of repairing that relationship appears to be off to a rocky start. A key objective of Secretary Gates was to get China's military leadership to agree to a wide-ranging dialogue on strategic issues, including nuclear weapons, ballistic missile defenses, space weapons, and cyber warfare. His hosts rebuffed his initiative, agreeing only to a very limited dialogue on such second-tier issues as combating piracy and cooperating on international peacekeeping missions. Chinese officials indicated that Washington would need some policy changes -- especially moderate its willingness to sell arms to Taiwan -- before a dialogue on larger strategic issues could take place. The most the Defense Ministry would agree to do in the meantime was "study" Gates' broader proposal.

The lack of a meaningful military dialogue frustrates a persistent U.S. goal -- to get Beijing to be more transparent regarding both the level of its military spending and the extent of its geopolitical ambitions -- especially in East Asia and the Western Pacific. Recent reports of China's possible breakthroughs in nuclear technology and stealth aircraft have intensified Washington's concerns.

If Secretary Gates does not make more progress, the meetings between Obama and Hu could prove to be both unproductive and testy. Both leaders will likely try to minimize the bilateral differences in public and stress mutual good will, but the substantive disagreements that became visible during the first two years of the Obama administration are not about to disappear. And they cannot be papered over for long.

Those disagreements include major economic issues, especially allegations that China deliberately manipulates the value of its currency to gain an artificial advantage for its

exports. But increasingly, the disagreements over strategic issues are even more pronounced than those over economic matters. Washington is unhappy with Beijing's posture regarding the nuclear proliferation problems that Iran and North Korea pose. U.S. leaders are uneasy about China's ambitious territorial claims in both the East China Sea and the South China Sea. And administration officials worry about the scope and intentions of Beijing's rapid military modernization.

For its part, China is frustrated by what it sees as Washington's unwillingness to be more flexible and conciliatory in its dealings with North Korea. Beijing also is suspicious about U.S. efforts to strengthen its long-standing military alliances with Japan and South Korea, as well as new moves toward strategic cooperation with such countries as India and Vietnam. From China's perspective, those actions look very much like an encirclement strategy -- a U.S.-led containment policy directed against China and its rise to great power status.

Since Richard Nixon's famous visit in 1972 ended the period of unrelenting mutual hostility, the complex U.S.-China relationship has always had elements of both partnership and rivalry. But the partnership component has tended to eclipse its more negative cousin, especially in the economic arena where the benefits to both parties were substantial and widely appreciated.

That now appears to be changing, with the balance shifting more toward the competitive end of the spectrum. There are many reasons for that change, including the generic tension that arises whenever an incumbent economic and military hegemon encounters a rapidly rising great power, and the specific tension that arises because of the sharply different political systems, histories, cultures, and agendas of the United States and China.

In any case, the shift to a relationship in which rivalry is a more prominent component poses challenges for leaders in both countries. Strategic and economic rivalry can easily escalate into regarding the competitor as an adversary, and even an outright enemy. Given the importance of the bilateral relationship, not only for the United States and China, but for the health of the international economic system and the future of global peace, it is imperative that both sides seek to manage and contain their disagreements. The meetings taking place this month offer an opportunity to advance that process, and one hopes that U.S. and Chinese leaders do not waste the opportunity.

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