

Tough and Smart on China

Preventing a New Cold War

A Third Way Message Memo by Sharon Burke, Director of the National Security Project

The Message:

George Bush and the congressional majority have failed to deal with the reality of a rising China. They've talked tough about protecting American interests, but they haven't been smart. They have ignored one of the most important strategic challenges we face in the 21st century, and as a result, we may be sliding toward a new and unnecessary Cold War. I will fight for a policy that is tough about protecting our economic and strategic interests and smart about building the partnerships we need to face China's rise.

Offering a New Plan

I believe that China's rise—political, economic and military—is one of the most important tests our nation faces in the 21st century.

I believe we cannot afford to have our relationship with China drift, as it has since George Bush took office. The Bush Administration's neglect is taking us down the path toward confrontation as we miss important opportunities to engage, fuel misperceptions, fail to deal with points of contention and neglect relationships across the Asia-Pacific region.

I believe we need a smart strategy that stands up for American values and economic interests, sustains important Asian alliances and provides the leadership to keep East Asia peaceful and China moving toward partnership and fair competition. We should do everything we can to prevent the slide toward a new Cold War, but we should also be prepared for all possibilities.

When elected to Congress, I will:

1. Engage with China

Problem:

The Bush Administration has no clear policy when it comes to China—in fact, they have three policies. Sometimes the Administration pursues a hostile policy of containment, sometimes a friendly policy of engagement and sometimes, they are just indifferent. The timing for this distracted policy couldn't be worse. With

explosive economic and political growth and huge demographic challenges, China is at a critical turning point. The United States has an opportunity to shape a relationship with China that will be mutually beneficial—or we can move down the path toward a confrontational relationship. We can maintain the influence we've had in East Asia since the early days of the Cold War, or cede primacy there to China, as the Bush Administration has done.

Solution:

The stakes are incredibly high: we have a rare moment in history when we can shape our relationship with a rising power to America's advantage. Failing to do so may hurt our economy, erode our leadership in Asia and around the world and someday even lead to a new Cold War. The United States must be tough about protecting our economic and strategic interests, but we also have to be smart about engaging with China.

Policy:

There should be a clear US policy toward China, and that is to build a mutually beneficial strategic and economic relationship. That policy should be made public through presidential statements, legislation and aggressive public diplomacy. We must engage with China on all fronts all the time, not just when there's a crisis or a high-profile visit, and we must treat these contacts with the gravity they deserve—without embarrassing breaches of etiquette. That means the US must work with China on political and economic reform, respect for human rights and responsible global leadership, including by stepping up technical assistance in areas such as legal and banking reform.

2. Enforce Trade Laws

Problem:

A strategy of engagement requires that the Chinese understand we will be firm about enforcing fair trade, one of the most significant aspects of our long-term relationship. There is growing anger in the US about Chinese competition, and the Bush Administration and congressional majority have failed to address those concerns. They have neglected to end Chinese currency manipulation or to enforce our own trade laws, made us a debtor to China and allowed the Chinese to freely steal our most important asset—our intellectual property.

Solution:

We need to make sure our workforce has a fair chance, and that means enforcing global trade laws and protecting American innovation and intellectual property. We can't wait for China to agree to look out for our interests, with the corrosive effect that has on the relationship. At the same time, we need to put our own house in order; our out-of-control spending has left us dependent on foreign banks, with a debt to China of \$260 billion and rising. We also must promote the

competitiveness of our industries, including through better education and lower health care costs.

Policy:

Pass legislation that directs the Bush Administration to use trade safeguards, which it has so far refused to do, and creates a senior appointed position at USTR to handle enforcement. Demand that the Chinese meet their WTO commitments, especially on Intellectual Property Rights, work with the WTO to enforce Intellectual Property Rights and be willing to take China to international arbitration when necessary. China should not be getting the benefits of WTO membership without meeting the requirements.

3. Build Asian Alliances**Problem:**

China is not America's enemy today, but there are no guarantees -- it may become a strategic competitor or worse. There are already disputes and strong differences, notably on Taiwan, trade and human rights. The Chinese are modernizing their military faster than any other nation in the world, and there are hard-line elements within China that see an adversarial relationship as inevitable. Even worse, there are hard-line elements within the Bush Administration and congressional majority that see the same thing, and yet they have weakened the regional relationships that are critical to our security and all but ceded leadership in East Asia to the Chinese. At the same time, the US stabilizing role in East Asia is increasingly important as the regional balance of power shifts.

Solution:

A hostile relationship is not inevitable, no matter what the Bush extremists say, but we do need to be prepared for that possibility. We need a tough strategy that maintains our military and economic superiority, and we need to be smart about sustaining our leadership in Asia. And while our traditional partnerships with Japan and South Korea must be strengthened, we also need to reach across the region, from Australia, throughout Southeast Asia, to India.

Policy:

Deepen the US military presence in Japan, Singapore and South Korea. Strengthen all trade and strategic partnerships and alliances across the region on the full range of issues, starting with but not limited to Japan and counter-terrorism. Take a leadership role in critical regional security concerns, such as North Korea's nuclear program. Block Chinese attempts to form regional groups that exclude and undermine the US by reinvigorating US participation in regional groups, such as the ASEAN Regional Forum and Asia-Pacific Economic Cooperation forum (APEC). Develop a strategic but sensible relationship with India based on mutual responsibilities and reasonable tradeoffs.

Criticizing Bush and the Congressional Majority

Despite the importance of the US-China relationship, Bush and his allies in Congress have never figured out a consistent China policy. Instead, they may well be leading us down the road toward a new Cold War. At the same time, the Administration's arrogant attitude has fanned the flames of global anti-Americanism to the point that China has surpassed America as the most respected nation in the world.¹

- The Administration has drifted around from hostility and containment to friendship and engagement to outright neglect.
- They haven't done enough to uphold our trade laws and safeguard our intellectual property from unfair competition. Since taking office, this Administration has only filed two complaints against China for intellectual property violations, while the US economy loses \$56 billion to piracy every year, much of it in China.
- They have failed to build up Asian alliances, and China is increasingly in the driver's seat in the Pacific as a result.

Responding to Attacks

Attack:

Liberals focus too narrowly on human rights. President Bush has done a good job of managing a complex relationship with China.

Response:

Since this Administration took office, our trade deficit is bigger, China's military is modernizing faster, China is expanding ties in Asia at our expense, and some of China's leaders openly say they regard the US as China's biggest potential threat. China has remained a repressive and abusive authoritarian country and yet nations all over the world see China as a benevolent partner of choice. That's all the product of neglect and poor diplomacy, not good management.

We need to be thoughtful and serious about how we deal with China—we need their support in areas like fighting terrorism and stopping North Korea's nuclear weapons program. We also need to make sure China knows we are serious about our interests, too—keeping the Pacific peaceful and promoting our own economic growth. There's too much at stake to play ideological games with our China policy.

Attack:

You're too soft on communist China to defend our democratic allies in Taiwan.

¹ Pew Global Attitudes Survey

Response:

The US has a consistent policy on Taiwan that Democrats and Republicans alike have maintained for more than two decades. The US, China and Taiwan all agree that China is one country with two systems of government. The US supports Taiwan's right to maintain its own system and has always said that we would view any threat to that from China with grave concern. It's the job of members of Congress to signal our strong support for Taiwan's democratic way of life—and it's the job of every US administration to make sure that way of life is not threatened.