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## The Instability of China–US Relations

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China and the United States signed a joint statement during US President Barack Obama's four-day state visit to China in November 2009 in which President Obama and Chinese President Hu Jintao, 'reached agreement to advance China–US relations in the new era'.<sup>1</sup> These relations, however, soured after successive fallings-out over US trade sanctions on Chinese seamless steel tubes, Secretary of State Hilary Clinton's criticism of China's internet freedom, US arms sales to Taiwan, and Obama's meeting with the Dalai Lama in the White House—that began only one month after Obama's visit and carried on through to February 2010.<sup>2</sup> Just as political commentators began to understand the reasons for this 180-degree shift over such a short period they were taken back afresh on April 2 when the relationship made a rapid recovery, evident in the hour-long telephone conversation that day between President Hu and President Obama on cooperation.<sup>3</sup> Few appeared to have noticed that sudden deteriorations followed by rapid recoveries have been the norm in China–US relations since the 1990s. This article explains the enduring phenomenon using a theory of superficial friendship—namely the policy of pretending to be friends.

### Destabilizing Factors

Two explanations among the several for Sino–American disputes that arose so soon after Obama's visit are most frequently heard. One is based on the theory of growing nationalism in China; the other on the argument that

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- <sup>1</sup> 'China-U.S. Joint Statement', *Beijing Review*, No. 50, December 14, 2009, [http://www.bjreview.com.cn/document/txt/2009-12/14/content\\_234615.htm](http://www.bjreview.com.cn/document/txt/2009-12/14/content_234615.htm) (accessed 3 April 2010).
- <sup>2</sup> Windy Liu, 'New Theory: U.S. and China More Foe than Friend', *American Chronicle*, April 9, 2010, <http://www.americanchronicle.com/articles/view/149465> (accessed 30 April 2010).
- <sup>3</sup> Ed Payne, 'Obama, Hu Talk Nuclear, Economic Issues by Phone', *CNN*, April 2, 2010, <http://edition.cnn.com/2010/POLITICS/04/02/obama.china.hu/index.html> (accessed 7 July 2010).

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growth in power has made China bolder in its dealings with the United States.

The theory of rising nationalism in China is impotent in explaining the short-term declines in China–US relations. Conflicts between China and the United States are nonetheless often attributed to rising nationalism in China. Back in the mid-1990s, western analysts argued that the end of the Cold War created a power vacuum in East Asia which generated rising nationalism in China and conflicts in the region.<sup>4</sup> US political pundits also blame the decline in China–US relations in 2010, after Obama approved an arms sale package to Taiwan, on Chinese nationalism.<sup>5</sup> The rising nationalism theory has become so popular that even certain senior Chinese experts hold to it. For instance, one Chinese US hand said during an interview with *Newsweek* on the decline of China–US relations after President Obama’s visit to China that, ‘today’s [Chinese] government needs to be more responsive to rising nationalism among its own people’.<sup>6</sup>

Chinese nationalism originated in Western encroachments on China in the mid-19th century, and has developed throughout China’s modern history. It has hence existed for more than a century and a half. Even if we were to agree with the argument that nationalism has grown linearly in China’s modern history, we must acknowledge that neither deteriorations nor improvements in China–US relations, whether from 1949 when the People’s Republic of China (PRC) was founded or since the end of the Cold War in 1991, have not been linear but fluctuating, especially since the end of the Cold War. The decline in bilateral relations since President Obama’s visit is not the mildest or the most dramatic fall, but rather typical of the last two decades. It represents one more cut in an already indented relationship. Short-term improvements in China–US relations that have followed each short-term dip hence refute the theory of rising nationalism in China, because it neither explains nor accounts for these fluctuations. Those holding to this theory also need to explain why President Hu should ignore the social pressure that this so-called rising nationalism might be expected to engender after a three-month period of disputes with the United States by virtue of his decision to have a phone talk with President Obama.

The theory of China’s growing power has defects similar to that of China’s rising nationalism in accounting for the sudden decline and rapid improvement of China–US relations in the first half of 2010. The notion that China’s fast economic growth has emboldened it to adopt tougher foreign policy is

<sup>4</sup> Barry Buzan and Gerald Segal, ‘Rethinking East Asian Security’, *Survival*, Vol. 36, No. 2 (1994), pp. 3–21.

<sup>5</sup> Joseph S. Nye, ‘Zhongguo dui Meiguo de cuowu juece’, (‘China’s Wrong Policy toward the US’), March 12, 2010, [http://www.zaobao.com/yl/yl100312\\_011.shtml](http://www.zaobao.com/yl/yl100312_011.shtml) (accessed 30 April 2010).

<sup>6</sup> Melinda Liu, ‘U.S. of Who?’ *Newsweek*, February 15, 2010, p. 25.

indeed as longstanding as that on its rising nationalism. Certain western scholars claimed in the mid-1990s that China's growth from a weak, developing state to one strong and prosperous had brought about a more assertive foreign policy.<sup>7</sup> Around the same time, China threat theorists supported their argument that China's military strength is rising to a capability that threatens the United States and its allies on the economic grounds of the country's high gross domestic product (GDP) and annual economic growth rate since the Cold War.<sup>8</sup> There were also American observers that attributed the new round of decline in China–US relations after Obama's November 2009 visit to China's cockiness at having been the superior actor in the financial crisis. One said: 'The second cause of China's recent behaviour could be hubris and overconfidence. China is justly proud of its success in emerging from the recession with a high rate of growth.'<sup>9</sup> There were in addition to western media ascribing the decline of China–US relations to China's quick economic growth certain Chinese editorials calling for a tougher policy toward the United States in view of the dramatic growth in China's power.<sup>10</sup>

The global financial crisis of 2008–2009, however, did not qualitatively narrow the power gap between China and the United States. It is true that China suffered less during the crisis than the United States, but the power gap between them did not change fundamentally. In 2008, China showed a GDP of \$4.32 trillion and the United States a GDP of \$14.20 trillion, according to the World Bank.<sup>11</sup> China's GDP was hence 30.4% of the US GDP. In 2009, China's GDP grew 8.7% and that of the United States fell 2.4%.<sup>12</sup> China's \$4.7 trillion GDP thus rose to 33.9% of the US GDP of \$13.86 trillion, closing the GDP gap between China and the United States by 3.5 points compared to 2008. The suggestion that the main reason for China's tough response to America's detrimental policy towards it in early

<sup>7</sup> Denny Roy, 'Hegemon on the Horizon? China's Threat to East Asian Security', *International Security*, Vol. 19, No.1 (1994), p. 159.

<sup>8</sup> Richard Bernstein and Ross H. Munro, 'The Coming Conflict with America', *Foreign Affairs* (March–April 1997), p. 25; Nayan Chanda, 'Fear of the Dragon', *Far Eastern Economic Review*, April 13, 1995, pp. 24–29.

<sup>9</sup> Joseph Nye, 'China Seems to Have Made Wrong Call on Its Relations with US', May 17, 2010, <http://news.scotsman.com/comment/Joseph-Nye-China-seems-to.6157294.jp> (accessed 1 April 2010).

<sup>10</sup> 'Rang xifang shiyong 'qiangying de Zhongguo', ('Adapting the West to 'A Tough China'), *Huanqiu Shibao* (*Global Times*), February 2, 2010, p. 14.

<sup>11</sup> 'Gross Domestic Products 2008', *World Development Indicators Database*, World Bank, revised October 7, 2009, <http://siteresources.worldbank.org/DATASTATISTICS/Resources/GDP.pdf> (accessed 30 April 2010).

<sup>12</sup> Song Shengxia and An Baijie, 'Still Rolling: China's GDP Hits 8.7%', *Global Times*, January 22, 2010, <http://msn.huanqiu.com/bizchina/2010-01/696499.html> (accessed 1 April 2010); Finfacts Team, 'US GDP in Fourth Quarter of 2009 Surged to 5.7% Annual Rate', January 29, 2010, [http://www.finfacts.com/irishfinancenews/article\\_1018934.shtml](http://www.finfacts.com/irishfinancenews/article_1018934.shtml) (accessed 1 April 2010).

2010 is attributable to this negligible narrowing of the economic gap between them is unconvincing.

The Chinese government has kept to the principle of not challenging American world leadership through the financial crisis. Beijing understands that its economic achievements do not amount to a catch-up with the United States as regards comprehensive national power. Although China's economic achievements are admired by the rest of the world, Chinese policy-makers still conduct foreign policy on the principle of keeping a low profile and no making no attempt to undertake international leadership. This was the principle established in 1990 by the late leader Deng Xiaoping which has since guided China's foreign policy.<sup>13</sup> It remained unchanged throughout the financial crisis and the Chinese leadership's conduct of American policy. Although the Chinese government rhetorically protested Obama's policy of arms sale to Taiwan and meeting with the Dalai Lama, among other things, it undertook no substantial retaliation against the United States. For instance, the Chinese government sent a clear message of conciliation to the United States by not mentioning monetary sum of sanctions and any name of American companies in its announcement to impose sanctions on American companies involved in sales of arms to Taiwan on January 31.<sup>14</sup> China did not actually impose sanctions on any of these companies after the phone talk on April 2 between President Hu and President Obama, and did not bring the issue up again.<sup>15</sup> This sudden improvement of China-US relations refutes the theory that China's boldness has grown in tandem with its power, and also the argument attributing Obama's tough policy toward China to America's economic recovery in 2009.<sup>16</sup>

Instability is an important characteristic of the China-US relationship and embodies the superficial nature of the friendship between China and the United States. This article tries to explain the indented China-US relationship from the perspective of superficial friendship, thus avoiding the defects apparent in the theories based on China's rising nationalism and growing economic power. The fluctuating pattern of China-US relations started after the Cold War. We must thus pinpoint a post-Cold War factor that can explain the ups and downs of this relationship.

<sup>13</sup> Deng Xiaoping, *Selected Works of Deng Xiaoping*, Vol. 3 (1982-1992), (Beijing: Foreign Languages Press, 1994), p. 350; Zhen Qirong, *Gaige kaifang yilai de Zhongguo waijiao (1978-2008) (China Foreign Policy Since the Reform and Opening up)* (Beijing: Shijie zhishi chubanshe, 2008), p. 18.

<sup>14</sup> 'Zhongguo xuanbu sixiang duiMei fanzhi chuoshi zhicai shouTai wuqi gongsi', ('China Announces Four Retaliations Against the US, Including Sanctions on American Companies Selling Arms to Taiwan), January 31, 2010, <http://news.qq.com/a/20100131/000145.htm> (accessed 3 April 2010).

<sup>15</sup> Ed Payne, 'Obama, Hu Talk Nuclear, Economic Issues by Phone'.

<sup>16</sup> Yu Rongsheng, 'Obama shidai, ZhongMei guanxi weihe 'gaokai dizhou'? ('Why Do China-US Relations Have a 'High Start and Low Trend' in Obama Era?'), February 26, 2010, [http://www.zaobao.com/yl/yl100226\\_001\\_1.shtml](http://www.zaobao.com/yl/yl100226_001_1.shtml) (accessed 1 April 2010).

## Policy of Pretending to be Friends

Soon after the political event of 1989 in Beijing, the US government imposed all-round sanctions on China. Both the Chinese and American governments knew that their friendship of the 1980s had ended, especially after the collapse of the Soviet Union at the end of 1991. Nevertheless, neither of them was prepared for this sudden change of relationship, and each tried to create room for improvement. President Bush secretly sent his Security Adviser Brent Scowcroft to Beijing to keep open channels of communication and develop a road map for improvements in bilateral relations.<sup>17</sup> Since then, good will in the interests of improving bilateral relations has been the cornerstone of the policy of pretending to be friends. The inconsistency between the good will of both political leaders and their mutually unfavourable interests, however, has impeded policies from either country that could stabilize their relationship.

The false-but-nice description of China–US strategic relations started in the mid-1990s. The military confrontation across the Taiwan Strait during 1995–1996 alarmed both Beijing and Washington. To arrest the downward spiral of bilateral relations and reduce the possibility of confrontation, China and the United States looked for ways of showing their good will. Officials in both the Chinese and American governments searched for an ambiguous term to cloak their uneasy relationship and finally agreed on the phrase neither-friend-nor-enemy (*fei di fei you*). Both governments used the term to define their relationship, and it became widely accepted by experts in both countries. That it sufficed to express the nature of the China–US relationship for some time is apparent in the book on China–US relations from 1989 to 2000 published under the title, *Same Bed Different Dreams*, which has a similar neither-friend-nor-enemy connotation. The author believes that this title captures the essence of the Sino–American relationship.<sup>18</sup>

The resumed bilateral summit, however, changed the ambiguous nature of the China–US relationship into one more illusory. After June 1989, Chinese and American leaders did not hold another summit until October 1997, during which President Jiang and President Clinton issued a joint statement committing both nations ‘to build toward a constructive strategic partnership’ in the 21st century.<sup>19</sup> The term ‘constructive strategic partnership’ created a huge scope for conjecture on the friendship between China and the United States. One American scholar pointed out that, ‘While spelling

<sup>17</sup> David M. Lampton, *Same Bed, Different Dreams: Managing U.S.-China Relations, 1989–2000* (Berkeley, CA: University of California Press, 2001), p. 25.

<sup>18</sup> *Ibid.*, p. ix.

<sup>19</sup> White House, ‘Joint U.S.-China Statement’, October 29, 1997, [http://www.state.gov/www/regions/eap/971029\\_us\\_jtstmt.html](http://www.state.gov/www/regions/eap/971029_us_jtstmt.html) (accessed 30 April 2010).

out the content of “constructive strategic partnership” was left for the future, the slogan nonetheless conveyed the sense that the United States and China shared more interests than divided them.<sup>20</sup> This impression escalated with President Clinton’s state visit to China—the first of its kind in nine years—from June 25 to July 3, 1998.<sup>21</sup> Less than a year later, however, the American bombing of the Chinese embassy in Belgrade on May 8, 1999 shattered the fantasy of a ‘constructive strategic partnership’.<sup>22</sup>

After the September 11, 2001 terrorist attacks, the Bush administration looked for ways of improving its relations with China, which had been at a low ebb since the collision of Chinese and American military planes on April 1 of that year over the South China Sea.<sup>23</sup> In November 2003, US Secretary of State Colin Powell said at an official Sino–American bilateral seminar in Texas that China–US relations were at an historic apex.<sup>24</sup> His statement caused hot debate at the seminar because only a few days previously he had publicly shaken hands with Chen Shuibian, the Taiwan leader whom Beijing regarded as chief instigator of secessionism.<sup>25</sup> Although Powell’s statement was widely challenged, Bush’s people persisted in endorsing it, especially when in Beijing. For instance, Bush’s father and former 41st American president reiterated the idea at a public gathering a week before his son visited China in November 2005.<sup>26</sup> President Bush himself told Chinese Premier Wen Jiabao during his 2008 visit to Beijing for the Olympic Games that the China–US relationship was not a zero sum game that the two countries could develop together.<sup>27</sup> During his visit to China in January 2009, American Deputy Secretary of State John D. Negroponte also restated that the China–US relationship was at an historic apex.<sup>28</sup> President Obama’s administration having taken over Bush’s policy of

<sup>20</sup> David M. Lampton, *Same Bed, Different Dreams*, pp. 55–6.

<sup>21</sup> Policy Division of PRC Foreign Ministry, *Zhongguo waijiao 1999 (China’s Foreign Affairs 1999)* (Beijing: Shijie zhishi chubanshe, 1999), p. 442.

<sup>22</sup> Policy Division of PRC Foreign Ministry, *Zhongguo waijiao 2000 (China’s Foreign Affairs 2000)* (Beijing: Shijie zhishi chubanshe, 2000), p. 478.

<sup>23</sup> Policy Division of PRC Foreign Ministry, *Zhongguo waijiao 2002 (China’s Foreign Affairs 2002)* (Beijing: Shijie zhishi chubanshe, 2002), p. 377.

<sup>24</sup> ‘Zhuanti taolun: ZhongMei guanxi cishi cike’, (‘China-US Relations at This Moment’), December 20, 2003, <http://news.sina.com.cn/c/2003-12-20/09271387099s.shtml> (accessed 3 April 2010).

<sup>25</sup> *Ibid.*

<sup>26</sup> Yuan Yulin and Jia Jingfeng, ‘Meiguo qian zongtong Bush: xianzai ZhongMei guanxi shi lishishang zuihao shiqi’, (Late American President Bush: China-US Relations Are in the Best Historical Period), November 6, 2005, <http://www.chinanews.com.cn/news/2005/2005-11-16/8/652549.shtml> (accessed 15 April 2010).

<sup>27</sup> Fang Xiao, ‘Wen Jiabao: wulun shui ruzhu baigong ZhongMei guanxi douhui xiangqian fazhan’, (‘Wen Jiabao: China-US Relations Will Head Forward No Matter Who Holds the White House’), September 25, 2008, <http://news.sina.com.cn/w/2008-09-25/032514496290s.shtml> (accessed 15 April 2010).

<sup>28</sup> ‘Qin Gang jiu ZhongMei guanxi, bayi chongtu da jizhe wen’ (Qin Gang Answers Journalists’ Questions on China-US Relations and Conflicts between Israel and Palestine), January 8, 2009, [http://www.ce.cn/xwzx/gjss/gdxw/200901/08/t20090108\\_17909079.shtml](http://www.ce.cn/xwzx/gjss/gdxw/200901/08/t20090108_17909079.shtml) (accessed 15 April 2010).



pretending to be friends, American ambassador Jon Huntsman also echoed historic apex statement to media during the November 2009 visit to China.<sup>29</sup>

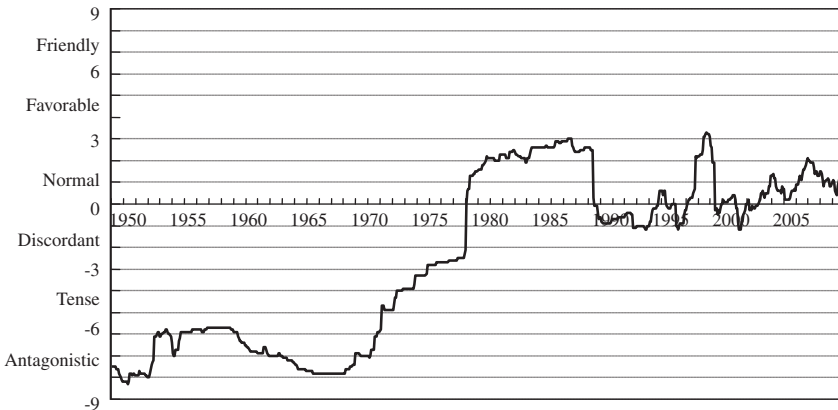
Although both Chinese and American governments knew that the best bilateral relationship they had enjoyed since the Chinese Communist Party came to power in 1949 was during 1978–1989, they preferred to promote a rosy picture of their post-Cold War relationship and to pretend to be friends. In responding to the American false-but-nice description of China–US relations, the Chinese government also denied the competitive nature of the China–US relationship. In his speech in September 2008 at a welcoming luncheon in New York organized by American friendly organizations Premier Wen Jiabao said: ‘China and the US never had so many common interests as today. . . China and the US are not competitors but cooperative partners and can also be friends.’<sup>30</sup> It seems, therefore, that both Chinese and American policy makers believe that a false-but-nice description of their relationship is of more help in stabilizing their relations than one consistent with reality.

The history of China–US relations in the last six decades refutes the assumption that presenting a rosy-but-false image of the relationship is beneficial to their stability. A quantitative assessment of the China–US relationship during the period 1950–2009 by the Institute of International Studies of Tsinghua University shows that the relationship was more stable in the 1960s, 1970s and 1980s than after the Cold War (see Figure 1).

We can divide Figure 1 into four sections 1950–1970, 1971–1977, 1978–1988, and 1988–2009. Among them, the period of fewest fluctuations is from 1978, when China and the United States established formal diplomatic relations, to 1988, the year before the 1989 political events in Beijing. During this period, China and the United States were more friends than foes. Figure 1 shows a swing in the relationship of less than two units. Figure 1 shows that the second most stable period was from 1950, when China and the United States fought the Korean War, to 1970, one year before the normalization of China–US relations. It shows a swing in the relationship during this period of 2.5 units. The period 1971–1977 shows the biggest swing of more than six units, but in an upward linear direction. The period of most fluctuations is that from 1989 to 2009. It shows a swing of more than four units and short, frequent fluctuations.

<sup>29</sup> Wu Ni, ‘Meiguo zhuhua dashi: ZhongMei guanxi zheng chuzai lishi zuigaodian’, (‘American Ambassador to China: China-US Relations Are at An Historical Apex’), December 18, 2009, <http://news.qq.com/a/20091118/000103.htm> (accessed 15 April 2010).

<sup>30</sup> Fang Xiao, ‘Wen Jiabao: China-US Relations Will Head Forward No Matter Who Holds the White House’. See fn. 27.



**Fig. 1** China–US Relationship 1950–2009.

Sources: The data of 1950–2005 is from *Zhongwai guanxi jianlian 1950–2005: Zhongguo yu daguo guanxi dingliang hengliang (China's Foreign Relations with Major Powers by the Numbers 1950–2005)* (Beijing: Gaodeng jiaoyu chubanshe, 2010), pp. 21–23. The data of 2006–2009 is based on the unpublished research of the Institute of International Studies, Tsinghua University.

## The Importance of China–US Relations

Officials in Washington and Beijing formulated the concept after Obama became president that China–US bilateral relations are the world's most important.<sup>31</sup> It was not long before politicians in both countries held fast to this idea.<sup>32</sup> This mutually held concept, however, conveyed the mistaken impression of China–US relations as being based on the two nations' common interests. Few understood that mutual unfavourable interests make contribution to the importance.

The importance of Sino–American relations lies mainly in their conflicting interests rather than shared ones. Those who are agreed that the China–US relationship is the most important in the world today do not address the question of why it should exceed in importance the bilateral relations between China and the United States with other major powers, and those between the other major powers. Bilateral relations between the two largest world powers are indeed the most important, but material power is not the prime consideration at this level. For instance, although the United States

<sup>31</sup> Tom Evens, 'China-US Relations Called the 'Most Important' in the World', November 16, 2009 <http://www.cnn.com/2009/WORLD/asiapcf/11/16/china.us.relations/> (accessed 15 April 2010); 'US-China Relationship Is Most Important and Complex', *Press Trust of India*, February 10, 2010, [http://www.ndtv.com/news/world/us-china\\_relationship\\_is\\_most\\_important\\_and\\_complex\\_us.php](http://www.ndtv.com/news/world/us-china_relationship_is_most_important_and_complex_us.php) (accessed 30 April 2010).

<sup>32</sup> 'China, US Agree Bilateral Relations as 'Most Important'', January 13, 2009, [http://www.china.org.cn/international/2009-01/13/content\\_17099194\\_3.htm](http://www.china.org.cn/international/2009-01/13/content_17099194_3.htm) (accessed 15 April 2010).



and Japan have been the two largest economies since the late 1980s, their relations have never carried the same global weight as Soviet–US relations did during the Cold War or China–US relations today.<sup>33</sup> This is not because there are fewer shared interests between the United States and Japan than there were between the United States and the Soviet Union, or are now between the United States and China, but for precisely the opposite reason. The United States and Japan are allies with more shared interests than conflicting ones. This large pool of common interests has enabled Japan to adopt a free-rider policy as well as a follow-the-US policy. US–Japan relations are hence unlikely to entail global impact beyond US policy because Japanese foreign policy is generally to carry out American goals.

The global importance today of China–US relations is similar to that of US–Soviet relations during the Cold War in being based on conflicting interests rather than common ones. Conflicting interests drove China and the Soviet Union to adopt policies different from those of the United States which compelled adjustments and compromises in US policy that had global impact. This is why US–Soviet bilateral relations were the most important in the world and China–US bilateral relations now are by virtue of their conflicting rather than common interests. For instance, during 2008–2009 China and Japan were the first two biggest creditors of the United States, the difference in credits owed to them each month less than 7%.<sup>34</sup> No one at that time, however, gave consideration to the possibility that Japan might use its US bonds as a bargaining chip in conflicts with the United States. There were, however, frequent reports that China might sell the lion's share of its US bonds in retaliation against American anti-China actions.<sup>35</sup> These facts explain why financial relations between China and the United States are more important than those between the United States and Japan. After the collapse of the Soviet Union, Russia–US relations maintained a greater impact upon world issues than Japan–US relations in general, even

<sup>33</sup> The GDPs of Japan and the Soviet were respectively US\$2.86 trillion and US\$1.32 trillion in 1988, according to *Shijie zhishi nianjian 1989/90* (Yearbook of World Affairs 1989/90) (Beijing: Shijie zhishi chubanshe, 1990), pp. 149 and 568; A Chinese expert believes that Japan's GDP surpassed that of the Soviet Union in 1988. See Zhou Rongsheng, 'Riben jingji: cong 1988 dao 2008' ('Japanese Economy during 1988-2008'), January 10, 2009, <http://www.chinavalue.net/Article/Archive/2009/1/10/154078.html> (accessed 30 April 2010).

<sup>34</sup> Tyler Burden, 'Rising Sun: Japan Overtakes China as the Largest Creditor to the US', February 16, 2010, <http://wallstcheatsheet.com/breaking-news/economy/rising-sun-japan-overtakes-china-as-largest-creditor-to-us/?p6856/> (accessed 30 April 2010).

<sup>35</sup> Dan Benning, 'China Warns US It Might Sell US Treasury Bonds', *The Daily Reckoning*, August 9, 2007, <http://www.dailyreckoning.com.au/china-warns-us/2007/08/09/> (accessed 30 April 2010); 'China Stimulus to Hit Bonds', November 12, 2008, <http://business.asiaone.com/Business/News/Story/A1Story20081112-100118.html> (accessed 30 April 2010); 'China Cancels American Credit Card', April 30, 2009, <http://www.presstv.ir/detail.aspx?id=93158&sectionid=3510203>; 'China Denies Discussing Dumping American Mortgage Bonds', *China Daily*, February 2, 2010, [http://www.chinadaily.com.cn/china/2010-02/02/content\\_9417350.htm](http://www.chinadaily.com.cn/china/2010-02/02/content_9417350.htm) (accessed 30 April 2010).

	Same in Content	Different in Content
<b>Mutually Favourable</b>	Common Interests <i>Military Allies</i>	Complementary Interests <i>Trade Partners</i>
<b>Mutually Unfavourable</b>	Confrontational Interests <i>Maritime Disputes</i>	Conflicting Interests <i>Ideological Rivalry</i>

Fig. 2 Types of Interest Relations

though the Russian economy was much weaker than Japan's. This was also mainly due to Russia in most cases adopting policy different from that of the United States.

There are more mutually unfavourable interests than mutually favourable ones between China and the United States. Mutually favourable and mutually unfavourable interests determine the strategic relationship between two nations. Strategic interests between China and the United States can be divided into four groups which fall, according to content and relationship, under the two broad headings of mutually favourable interests and mutually unfavourable interests. Common interests and complementary interests are mutually favourable, and conflicting interests and confrontational interests are mutually unfavourable (see Figure 2).

Common interests refer to those similar in content and mutually favourable. For instance, both China and the United States needed to contain Soviet military expansion in the 1970s and 1980s, a common interest that acted as the foundation upon which to establish their military alliance during that period. Complementary interests refer to those different in content but mutually favourable. For example, China needs the American market for its labour-intensive industry because it creates jobs at home and the United States needs China-made cheap products to maintain its high standard of living at low cost. In 2008, the United States was indeed China's largest trade partner by country and China the United States's second largest.<sup>36</sup> Conflicting interests refer to those that are both different in content and mutually unfavourable, as exemplified by the conflicting ideologies of communism and liberalism. Conflicting interests were the cause of the finger-pointing quarrels between China and the United States each year after 1989 on the issue of human rights. Confrontational interests are those similar in content but mutually unfavourable. For instance, both

<sup>36</sup> Daniel Workman, 'US Trade Partners 2008: United States Global Trade Statistics with G20 Countries', September 22, 2009, [http://import-export.suite101.com/article.cfm/us\\_trade\\_partners\\_2008](http://import-export.suite101.com/article.cfm/us_trade_partners_2008); The US-China Business Council, 'US-China Trade Statistics and China's World Trade Statistics', <http://www.uschina.org/statistics/tradetable.html> (accessed 30 April 2010).

Table 1 Strategic Interests between China and the United States

Issues/ Relationship	Security	Politics	Economy	Culture
<b>Common</b>	<ul style="list-style-type: none"> <li>• Peace between themselves</li> <li>• Denuclearization of the DPRK</li> <li>• Security of International shipments</li> </ul>	<ul style="list-style-type: none"> <li>• Reform of UN security council</li> </ul>	<ul style="list-style-type: none"> <li>• Joint Investment</li> <li>• High growth of global market</li> </ul>	<ul style="list-style-type: none"> <li>• Joint education</li> <li>• Joint cultural programs</li> </ul>
<b>Complementary</b>			<ul style="list-style-type: none"> <li>• Bilateral trade</li> <li>• US bond purchases</li> <li>• Tourism</li> </ul>	<ul style="list-style-type: none"> <li>• Education exchange programs</li> <li>• Education of English and Chinese</li> <li>• Cultural exchanges</li> </ul>
<b>Conflicting</b>	<ul style="list-style-type: none"> <li>• Arms sale to Taiwan</li> <li>• Arms embargo on China</li> <li>• Uyгур Terrorists</li> <li>• Solution of Iranian nuclear problem</li> <li>• US Deployment of NMD in East Asia</li> </ul>	<ul style="list-style-type: none"> <li>• Political ideology</li> <li>• Policy on religion</li> <li>• Human rights issue</li> </ul>	<ul style="list-style-type: none"> <li>• Intellectual property rights</li> <li>• Exchange rate &amp; trade surplus</li> <li>• Reform of Global financial system</li> <li>• Standard of CO<sub>2</sub> emissions reduction</li> </ul>	
<b>Confrontational</b>	<ul style="list-style-type: none"> <li>• Maritime control of South China Sea and Yellow Sea</li> <li>• Military modernization</li> <li>• Space R&amp;D</li> <li>• Arms exports</li> </ul>	<ul style="list-style-type: none"> <li>• Global leadership</li> <li>• Domination of East Asia</li> <li>• Influence in developing regions</li> <li>• Model of development</li> </ul>	<ul style="list-style-type: none"> <li>• Advantage of high-tech R&amp;D</li> <li>• Control of strategic economy</li> <li>• Control of strategic materials</li> </ul>	<ul style="list-style-type: none"> <li>• Competition for most Olympic gold medals</li> </ul>

China and the United States want military control of the South China Sea but only one can achieve it. This confrontational interest has generated several conflicts in this water area between China and the United States since the EP3 event—the collision of a US EP3 surveillance aircraft and a Chinese fighter jet—in 2001.<sup>37</sup>

If we look in detail at the strategic interests of China and the United States, we find more confrontational and conflicting interests than common and complementary ones (see Table 1). There are, for instance, more mutually unfavourable interests than shared ones in the area of international security. Both need to prevent war between themselves, denuclearize North Korea and protect the safety of international shipping, but they confront one another on a number of security issues, such as US arms sales to Taiwan, the arms embargo on China, maritime control of the South China Sea, US deployment of a missile defence system in East Asia, China's military modernization, resolving Uygur terrorism, competition in space R&D, arms exports and solving the Iran nuclear problem.

From the political standpoint, other than the common interest of maintaining the current permanent membership of the UN Security Council, China and the United States have interests that are mainly confrontational or conflicting. As China is a rising power and the United States has superpower status, China's endeavour to regain its historical place as world leading power and the United States's refusal to relinquish its sole-superpower status constitutes their greatest political conflict.<sup>38</sup> As one leading European scholar said, 'its [China's] rise cannot avoid threatening US sole-superpower status'.<sup>39</sup> China and the United States otherwise confront one another on issues such as political ideology, domination of East Asia, judgments on human rights, policy on religions, influence in developing regions, and model of social development. For instance, the Chinese government has published an annual report on American human rights every year since 1999 in retaliation against US criticism of China's human rights in the US State Department Annual Report on Global Human Rights.<sup>40</sup> In March

<sup>37</sup> Michael Richardson, 'Mid-air Collision between US and Chinese Military Planes', [http://www.cs.rpi.edu/~jix/public\\_html/China/AirCrash.html](http://www.cs.rpi.edu/~jix/public_html/China/AirCrash.html) (accessed 16 April 2010); 'Maritime Lines of Conflicts in South China Sea', <http://search.japantimes.co.jp/cgi-bin/eo20090315a3.html> (accessed 16 April 2010).

<sup>38</sup> 'Hu Jintao zai qingzhu Zhonghuarenmingongheguo chengli 60 zhounian dahui shang jianghua', ('Hu Jintao Delivers a Speech at the 60th Anniversary of the People's Republic of China'), October 1, 2009, [http://news.xinhuanet.com/politics/2009-10/01/content\\_12144182.htm](http://news.xinhuanet.com/politics/2009-10/01/content_12144182.htm) (accessed 16 April 2010); 'Transcript: Obama's State of the Union Address', *Washington File*, January 29, 2010, p. 26.

<sup>39</sup> Barry Buzan, 'China in International Society: Is 'Peaceful Rise' Possible?' *The Chinese Journal of International Politics*, Vol. 3, No. 1 (2010), p. 24.

<sup>40</sup> News Office of the State Council, '1999 nian Meiguo renquan jilu', ('Record of American Human Rights 1999'), February 27, 2000, [http://www.gov.cn/gongbao/content/2000/content\\_60087.htm](http://www.gov.cn/gongbao/content/2000/content_60087.htm) (accessed 16 April 2010).

2010, both governments published reports attacking one another's human rights.<sup>41</sup>

As regards economy, China and the United States have both mutually favourable and unfavourable interests. For instance, both benefit from joint ventures, high global market growth, China's purchase of US bonds, bilateral trade, and reciprocal tourism. But their economic cooperation, also generates conflict, manifest in quarrels over protection of intellectual property rights, the RMB-US\$ exchange rate, trade surpluses, CO<sub>2</sub> emission reduction standards, high-tech competition, control of national strategic economy, and reform of the global financial system.

On a cultural level, the two countries have more mutually favourable than mutually unfavourable interests, to the extent that they could be defined as cultural friends. Apart from the competition to see who could win the most Olympic gold medals, the two nations have reciprocally enjoyed a wealth of educational and cultural exchange programs.

Because more unfavourable interests exist in the field of high politics than of low politics, two different impressions exist of China–US relations at the people-to-people and government levels. People-to-people relations have been stably improved since the two countries normalized diplomatic relations in 1978. The two countries have had growing exchanges in the fields of academe, tourism, business, sports, and culture. At the people level, therefore, Chinese and Americans have a generally positive impression of one another, as regards culture and national character—one which has survived even the American bombing in 1999 of the Chinese Embassy in Belgrade. This good will, however, does not exist in government relations, which have shown alarming fluctuations since the end of the Cold War. These phenomena imply that Chinese and Americans are friends on an individual level, because people are more concerned about economic and cultural interests, but not at the government level, where the focus is on politics and security.

The popular belief that cooperation is based on common interests has also resulted in the mistaken impression that China and the United States are strategic friends. Cooperation between China and the United States can stem from any of the above four types of interest. Common and complementary interests provide a basis for positive cooperation; confrontational or conflicting interests are a basis for preventative cooperation. Positive cooperation aims at enlarging mutual favourable interests; preventative cooperation aims at reducing damage on their mutual unfavourable interests by preventing or restricting the detrimental effect on the relationship of potential conflicts or confrontations. For example, China–US cooperation

<sup>41</sup> 'Obama pinpin chuquan shanghai ZhongMei guanxi' ('Obama Damages Sino-American Relations through Frequent Attacks'), *Cankao Xiaoxi* (Reference), March 13, 2010, p. 1; News Office of the State Council of PRC, '2009 nian Meiguo de renquan jilu', ('Record of American Human Rights 2009'), March 12, 2010, <http://www.chinadaily.com.cn/micro-reading/china/2010-03-12/42983.html> (accessed 30 April 2010).

against Soviet military expansion in the 1980s was positive, whereas that in 1998 on mutually de-targeting nuclear missiles was preventative.<sup>42</sup> There was also extensive strategic preventative cooperation between the United States and the Soviets during the Cold War. The scale and amount of their cooperation today, therefore, gives no clue as to the essence of the strategic China–US relationship. To know this we need to look at ways in which they have cooperated.

Table 1 implies that if China and the United States are indeed able to cooperate in all types of interests, the cooperation between them must be more preventative than positive because they share more confrontational and conflicting interests than common and complementary ones. This is the best possible case scenario in China–US relations. The fact is that China and the United States have not developed preventative cooperation in every mutually unfavourable interest. For instance, they have not formulated any durable preventative cooperation on human rights since 1989. There should be many opportunities for China and the United States to develop cooperation if there are more positive than preventative cooperation between them at present because they have more mutually unfavourable than favourable interests for developing preventative cooperation.

## Financial Crisis and Superficial Friendship

The global financial crisis of 2008–2009 made China–US relations appear friendlier than they actually were. On the one hand, China and the United States understood the necessity of making collective efforts to resolve the financial crisis and the importance of their joint leadership in reforming the world financial system. On the other, each expected the other side to make the greater contribution to global economic recovery itself and to the financial reform in favour of other's interests.

The financial crisis of 2008–2009 created even more of an illusion of shared interests between China and the United States. Soon after it occurred, the United States hosted the first G20 financial summit in Washington, DC comprising leaders, including the Chinese and American presidents, of the world's 20 largest economies. All present agreed that their nations faced similar threats from the crisis and that joint efforts to resume the global economy with minimum delay were in their common interests.<sup>43</sup> The summit also reached a general consensus on how to cooperate in key areas such as strengthening economic growth, tackling the financial crisis, and laying foundations for reform to avoid any recurrence of it.<sup>44</sup> President Obama and President Hu attended the London G-20 Summit in April and

<sup>42</sup> Policy Division of PRC Foreign Ministry, *China's Foreign Affairs 1999*, p. 443.

<sup>43</sup> '2008 G-20 Washington Summit', [http://en.wikipedia.org/wiki/2008\\_G-20\\_Washington\\_summit](http://en.wikipedia.org/wiki/2008_G-20_Washington_summit) (accessed 30 April 2010).

<sup>44</sup> *Ibid.*



the Pittsburgh G-20 Summit in September 2009. By autumn 2009, the G20 summits had issued several statements emphasizing common interests and joint efforts to tackle the financial crisis. Summits and statements combined to create the illusion that the substantial common interests of China and the United States would equip them to act as joint leaders in regenerating global economic growth.

Although bilateral relations declined after the Copenhagen Conference of December 2009, there was still widespread assumption that China and the United States were working on a joint agenda to resume the global economy. One instance is that of the Annual Meeting of the World Economic Forum in January of 2010, and its six-person panel, including the author, of Chinese and Americans titled ‘US–China: Reshaping the Global Agenda’. Working under the assumption that the financial crisis had resulted in substantial shared strategic interests between China and the United States, every panellist other than me gave positive answers to questions from the audience on what they thought a joint China–US agenda could offer the world.

Then facts of the matter are that China and the United States both suffered in the financial crisis and it in no way made their mutually favourable interests larger than mutually unfavourable ones. In the face of declining exports, they are more competitors for the international market than partners in restoring the economy. High unemployment is an economic and social problem that exerts heavy political pressure on China and on the American government, and both of them looked for solution from larger exports. The slow global economy, however, does not meet their demands. As there seems little possibility of substantial increases in US domestic consumption in the short term, the Obama administration has formulated an export-oriented strategy of economic growth.<sup>45</sup> And as, according to the US Commerce report, China was the largest deficit trade partner of the United States in 2009,<sup>46</sup> it has been made the scapegoat for high US unemployment. Obama hence avowed in both February and March of 2010, in the interests of ensuring a less competitive market for American goods, to take a tougher stance on trade with China and the RMB exchange rate.<sup>47</sup>

The financial crisis thus fostered a misconstrued concept of G2 as China–US joint global leadership. The financial crisis engendered the concepts of ‘G2’ and ‘Chimerica’,<sup>48</sup> two terms that have many implications, such as that China is a new superpower in the same class as the United States; that China

<sup>45</sup> Merle David Kelierhals, Jr., ‘Obama Initiative Seeks Shift to Export-Driven Economy’, *Washington File*, March 11, 2010, p. 3.

<sup>46</sup> *Ibid.*, p.4.

<sup>47</sup> ‘Obama Vows to Get Tough with China on Currency’, *The Star*, February 4, 2010, [http://article.wn.com/view/2010/02/04/Obama\\_vows\\_to\\_get\\_tough\\_with\\_China\\_on\\_currency\\_4/?template=taipeipost%2Ftopstories.txt](http://article.wn.com/view/2010/02/04/Obama_vows_to_get_tough_with_China_on_currency_4/?template=taipeipost%2Ftopstories.txt) (accessed 30 April 2010); ‘Obama Damages Sino-American Relations through Frequent Attacks’.

<sup>48</sup> Niall Ferguson and Moritz Schularick, ‘The End of Chimerica’, *Working Knowledge*, December 16, 2009, <http://hbswk.hbs.edu/item/6094.html> (accessed 30 April 2010).

should take international responsibility in the same way as the United States; that China and the United States can provide joint world leadership; that China and the United States share many global interests; and that the China–US relationship is becoming more positive. But although the term G2 has positive implications, China nevertheless rejected it. Premier Wen Jiabao told President Obama during his 2009 state visit to China that China disagreed with the G2 concept.<sup>49</sup> He thus implied that China was not ready to share world leadership with the United States and did not believe that the United States was willing to share global leadership with China.

After the financial crisis the United States no longer regarded China as a developing country, but as a developed nation which it expected to take international responsibility as other Western major economies. Chinese economy suffered far less than that of any other major power during the crisis. Although its GDP growth fell to less than 10%, the economy still grew 9% in 2008 and 8.7% in 2009,<sup>50</sup> and there seemed little doubt that China would replace Japan as the second largest economy in 2010. The economies of other major powers, meanwhile, suffered negative growth. The US GDP having fallen 1.9% in 2008 and 2.4% in 2009,<sup>51</sup> it was no longer willing to identify China as a developing country. For instance, US climate envoy Todd Stern said at a press conference in reference to the development of an international fund to help developing countries cope with climate change that China should not be included among such countries.<sup>52</sup> His remarks soon provoked a strong backlash from Chinese official at the conference.<sup>53</sup> The imagined China–US joint leadership in climate control thus disintegrated.

The United States also expects China, in addition to taking economic responsibility, to help the United States in international security issues in the same way as other developed countries. For instance, American diplomats and strategists initiated discussions with Chinese counterparts on the possibility of signing an agreement, one which would represent a political achievement from Obama's visit to China, on Chinese military support for the War in Afghanistan in the same way as those countries having troops in Afghanistan. The significance of this lies not in whether or not China agreed, but in the United States imagining there could be any

<sup>49</sup> 'Wen Jiabao: China Disagrees to So-called G2', [http://www.chinatoday.com.cn/ctenglish/se/txt/2009-11/19/content\\_230354.htm](http://www.chinatoday.com.cn/ctenglish/se/txt/2009-11/19/content_230354.htm) (accessed 30 April 2010).

<sup>50</sup> 'China's GDP Grows by Seven-year Low of 9% in 2008', January 22, 2009, <http://www.china-embassy.org/eng/gyzg/jjmy/t533560.htm> (accessed 30 April 2010); Xing Zhiming and Zhang Jiawei, 'China's GDP Grows 8.7% in 2009', January 21, 2010, [http://www.chinadaily.com.cn/bizchina/2010-01/21/content\\_9354887.htm](http://www.chinadaily.com.cn/bizchina/2010-01/21/content_9354887.htm) (accessed 4 May 2010).

<sup>51</sup> 'Gross Domestic Product: Fourth Quarter 2009', January 29, 2010, <http://www.bea.gov/newsreleases/national/gdp/gdpnewsrelease.htm> (accessed 4 May 2010).

<sup>52</sup> David Corn, 'A China-US Smackdown at Copenhagen?', December 11, 2009, <http://motherjones.com/blue-marble/2009/12/china-us-smackdown-copenhagen> (accessed 5 May 2010).

<sup>53</sup> *Ibid.*

possibility of Chinese military support, bearing in mind the American arms embargo on China. Although the Obama administration only expected symbolic military support from China, this expectation nonetheless illustrates the superficial nature of the friendship between China and the United States.

Obama's personal characteristics increased mutual expectations and hence disappointment between China and the United States. Obama differs greatly from his predecessor in political character traits. President Bush was confrontational in spirit and determinative in deed; Obama is cooperative in spirit but hesitant in taking action. One American journalist said of Obama that he has 'more often failed to do things that have understandably disappointed various constituencies'.<sup>54</sup> President Obama is willing to promise cooperation with other countries but does not excel at making these promises reality. A strategy analyst at the Brookings Institution commented that 'there was no way he [Obama] could fulfil all those promises—not in his first year, not in his first term, not ever'.<sup>55</sup> In order to improve the US international image which President Bush's unilateralism so badly damaged, as soon as President Obama took over the White House he adopted a foreign multilateral policy.

His multilateralism comprises three major elements. They are: consulting with traditional allies before making a decision; communicating with major powers over differences; and talks with enemies before confrontational action. President Obama's cooperative rhetoric raised China's and the United States's expectations of one another's cooperative response. Obama is the only American president ever to have visited China in the first year of presidency. It was a decision that changed the established pattern wherein the China–US relationship suffers during the first year in office of a new American president. It also magnified the superficiality of China–US friendship. Both sides supposed that Obama's China visit would lay a new foundation for substantial improvements in China–US relations. It was on this basis that the Obama administration expected that China would, as a pay-off, agree to give the US military support to the War in Afghanistan; China's expectation was that the Obama administration would take a different approach from the Clinton and Bush administrations towards arms sales to Taiwan and meetings with the Dalai Lama.

The financial crisis accentuated Obama's policy of lip service rather than action in dealings with China. President Obama came to power in the middle of the crisis when the United States badly needed China's financial cooperation to deal with it. The tone of Obama's Chinese policy implied a

<sup>54</sup> Ruth Marcus, 'President Obama is Making Nobody Happy', *Washington Post*, April 3, 2010, <http://www.washingtonpost.com/wp-dyn/content/article/2010/04/02/AR2010040201758.html> (accessed 5 May 2010).

<sup>55</sup> *Ibid.*

promising cooperation with China in dealing with the global economic crisis, and Chinese policy makers were happy with the smooth transfer of bilateral relations from Bush to Obama. They agreed with Obama's judgment that the financial crisis was a common strategic threat to China and the United States, and that it provided an appropriate base for better and more durable strategic cooperation between them. During Obama's visit, China and the United States signed the joint statement: 'The two sides are of the view that in the 21st century, global challenges are growing, countries are more interdependent, and the need for peace, development and cooperation is increasing. China and the United States have an increasingly broad base of cooperation and share increasingly important common responsibilities on many major issues concerning global stability and prosperity. The two countries should further strengthen coordination and cooperation, work together to tackle challenges and promote world peace, security and prosperity.'<sup>56</sup> Only weeks after issuing this joint statement, however, both China and the United States were mutually disappointed at the unexpected policies that each adopted.

## The Instability of Superficial Friendship

Certain people might argue that the mutual delusion of friendship serves the interests of both China and the United States. This argument, however, lacks hard evidence as well as a logical supporting explanation. Contrarily, it is not difficult to explain why superficial friendship is less stable than real friendship or indeed than real or superficial enmity. The substance of a bilateral relationship is determined according to the consistence of two countries' knowledge of their interest relations and the reality. The relationship is substantive when the knowledge and the reality are in consistence; it is otherwise superficial. A superficial friendship is one where two nations imagine that they have more mutually favourable than unfavourable interests, when the reality is the opposite. Superficial enmity, in contrast, is inconsistency whereby two nations believe that they have more mutually unfavourable interests than favourable ones when the reality is vice versa. Inconsistence between knowledge and the reality is a main destabilizing factor in bilateral relations.

The stability of a bilateral national relationship is mainly determined by mutually favourable interests and mutual expectations of support (see Figure 3). That any two nations have both mutually favourable and unfavourable interests is a universal given. Mutually favourable interests engender mutual support between two nations, and mutually unfavourable interests cause conflicts. Both stable and unstable friendship and stable

<sup>56</sup> 'China-US Joint Statement', November 17, 2009, Beijing, <http://www.fmprc.gov.cn/eng/zxxx/t629497.htm>.

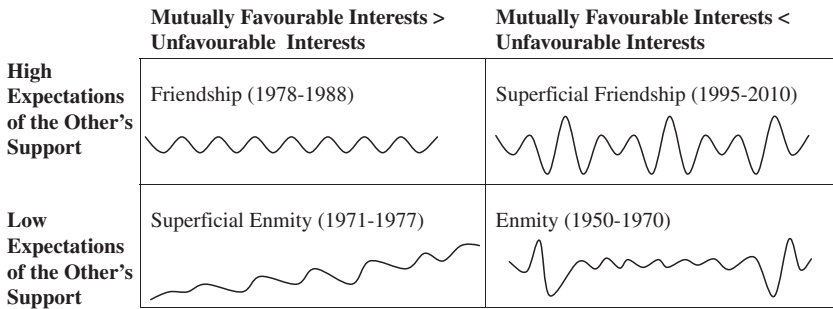


Fig. 3 Characteristics and Stabilities of China–US Relations in Four Periods

and unstable enmity can exist between two nations. Absence of mutual support, and imbalances between two nations' mutual expectations of support and that they actually receive can cause instability. Mutual support usually lives up to mutual expectations when two nations have more mutually favourable interests than unfavourable ones. An appropriate balance between mutual support and mutual expectations thus maintains the stability of the countries' bilateral relations.

If we examine China–US relations of the previous 60 years, we can find those from 1978 to 1988 were the most stable, mainly because their mutually substantial military support was approximately equal to their mutual expectations. China helped the United States to contain Soviet military expansion in both Asia and Africa, and the United States constrained the Soviet from attacking China in 1979 when China was at war with Vietnam.<sup>57</sup> Their different political systems, meanwhile, meant that China and the United States had no expectations of one another as regards cooperation other than containing the Soviets. For instance, the United States never expected to engage in dialogue with China on human rights dialogue as it does today. People may question about the qualification of China–US relationship during 1978–1988 as a real friendship in comparing with US–UK relationship or US–Japan relationship after the World War II. Nevertheless, it has been the best relationship China and the United States enjoyed since the PRC was founded and its character is different from other periods.

A superficial friendship is less stable than a real friendship, mainly because it is on the basis of more mutually unfavourable interests than favourable ones (see Figure 3). Nations that are superficial friends are those with more mutually unfavourable than favourable interests which adopt the policy of pretending to be friends instead of acknowledging their differences and proceeding on that basis. The policy of pretending to be friends engenders the

<sup>57</sup> Liu Liandi and Wang Dawei, *ZhongMei guanxi de guiji: jianjiao yilai dashi zonglan* (*Trajectory of China-US Relations: Major Events since Establishing Formal Diplomatic Relations*) (Beijing: Shishi chubanshe, 1995), p. 6.

expectation between two nations that one side will support the other in the same way as would a real friend. The reality, however, is that the mutually unfavourable interests that exceed favourable ones disenable the two nations from providing mutually substantive support. Each is hence often disappointed with the other's unfavourable decisions.

The present China–US relationship typifies this scenario. When China and the United States agreed to establish a strategic partnership, each expected the other's support in protecting its core interests, but did not consider the extent of support it would itself give to protecting the other's core interests. Beijing and Washington claimed in their joint statement of 2009 that, 'The two sides agree that respecting each other's core interests is extremely important to ensure steady progress in China–US relations.'<sup>58</sup> It goes without saying that national security is at the centre of a nation state's core interests, but as China and the United States have more unfavourable than favourable interests, they can hardly offer substantial mutual support. Specifically, China cannot support the United States either in the War in Iraq or in Afghanistan, and the United States cannot support China in counter-secessionism in Taiwan, Tibet and Xinjiang. This is why China so frequently complains that the United States has damaged Chinese core interests.<sup>59</sup> When China and the United States agreed to respect one another's core interests they did not specify what these interests were precisely because they conflict with one another. For instance, as China regards Taiwan as a part of its territory, preventing Taiwan from purchasing military equipments from foreign powers is one of its core interests. Meanwhile, the United States regards Taiwan as a military ally and providing it with military equipments as one of its core interests of maintaining military domination in East Asia.

Disregard for conflicting Chinese–American interests resulted in the Obama administration's notion that arms sales to the Taiwan would have no fundamental effect on bilateral relations as a whole.<sup>60</sup> This judgment is based on three beliefs.<sup>61</sup> The first is that President Obama and President Hu Jintao agreed to pursue a positive, cooperative and comprehensive relationship. Second, the China–US relationship is now mature. The Obama administration assumed that excluding the fighter planes of F-16 from the list of arms sales to Taiwan would adequately convey to China the United States's cooperative stance. Third is that US arms sales to Taiwan contribute to the regional peace that is at the basis of China's economic progress. An Obama administration official said: 'I don't think their [the Chinese] reaction goes

<sup>58</sup> 'China-US Joint Statement', November 17, 2009, <http://www.fmprc.gov.cn/eng/zxxx/t629497.htm>.

<sup>59</sup> Zhang Haizhou, 'China Warns US to be 'Cautious' Following Arms Sale', February 26, 2010, <http://english.cctv.com/20100226/101440.shtml> (accessed 5 May 2010).

<sup>60</sup> 'Transcript: State Department Officials Brief on Asia Security Issues', p. 8.

<sup>61</sup> *Ibid.*, pp. 6, 8 and 11.



beyond what we expected.’<sup>62</sup> A US State Department spokesman told reporters that the US arms sales to Taiwan reflect ‘long-standing commitments to provide for Taiwan’s defensive needs... We will, as always, pursue our interests but we will do it in a way that we think allows for positive and cooperative relations with China.’<sup>63</sup> These statements illustrated how superficial friendship between the two nations led to the US government’s assumption of a cooperative response from China, despite the certain knowledge that sales of arms to Taiwan are unfavourable to China.

Since the two nations adopted the policy of deluding themselves that they are friends, they have often covered up conflicts and resumed their superficial friendship in the short-term through fresh friendly rhetoric. For instance, to resume their relations, President Obama told President Hu just two months after authorizing arms sales to Taiwan that the United States acknowledges that the one-China principle is one of China’s core interests,<sup>64</sup> even though both sides understood that this acknowledgement did not mean that the United States would stop arms sales to Taiwan. This rapid improvement in relations did not settle conflicts caused by mutual unfavourable interests, but rather temporarily shelved them. There exist many such temporarily shelved conflicts, any of which could potentially reappear and cause a new round of quarrels when the situation arises. Nations that are superficially friends quarrel more frequently than states that are true friends. The difference between China–US relations and Japan–US relations during the two decades 1990–2010 supports this argument.

A superficial friendship between two nations is less stable than one of enmity, mainly because of the former’s high expectations of mutual support (see Figure 3). When two nations mutually regard one another as enemies, their expectations of cooperation are very low, or indeed non-existent. Thus prepared for unfavourable decisions, neither is disappointed, because hostile policy is within both sides’ expectations. Low or non-existent expectations make one side content with the other’s adoption of policy that is non-harmful rather than favourable. And as both sides are prepared for relations to worsen rather than improve, there is a lower possibility of unexpected actions that could further damage their relations. Because

<sup>62</sup> *Ibid.*, p. 9.

<sup>63</sup> Ben Blanchard and Paul Eckert, ‘U.S. Seeks Calm as China Fumes Over Taiwan Arms’, February 2, 2010, <http://www.mb.com.ph/articles/241525/us-seeks-calm-china-fumes-over-taiwan-arms> (accessed 5 May 2010).

<sup>64</sup> ‘Hu Jintao Obama tongdianhua, Mei quanmian queren fengxing yige Zhongguo zhengce’, (‘Hu Jintao and Obama Made a Phone Call and the US confirmed to Implement One-China Principle’), April 2, 2010, <http://politics.people.com.cn/GB/1024/11288416.html> (accessed 5 May 2010).

unfavourable interests exceed favourable ones, there is also less chance than in a superficial friendship of improvements in relations. Their relationship is thus steadily maintained at the level of enmity. Although it is true to say that an antagonistic relationship is worse than one of superficial friendship, the former is the more stable of the two.

For instance, when China and the United States fought the Korean War of 1950–1953,<sup>65</sup> their relationship was so bad that almost no event was capable of making it worse. The US air force frequently bombed the Chinese border city of Dandong along with its North Korean targets, but none of the attacks had such adverse affect on China–US relations as the 1999 bombing of the Chinese embassy in Belgrade (see Figure 1).<sup>66</sup> Hostility between China and the United States during the Korean War was hence too entrenched to change. The same applies to US–Iran relations over the past 30 years since 1980, when the two countries suspended diplomatic relations.<sup>67</sup>

Superficial enmity is more stable than superficial friendship and also provides more chances for improvements in bilateral relations because the nations have more mutually favourable interests than they realize (see Figure 3). Superficial enmity by definition refers to the relationship between two nations which regard one another as enemies, but whose mutually unfavourable interests are objectively smaller than their favourable ones, and who have more mutually favourable interests than they realize. As mutual expectations of support are low and mutually favourable interests lead to adoption of mutually favourable policy, it is quite possible that one of the nations in a relationship of superficial enmity might be surprised at the other's unexpected initiation of cooperation. There is hence a greater scope for improvement in such a relationship.

In 1971, Chairman Mao Zedong and President Richard Nixon shook hands in Beijing in the interests of combining efforts to contain Soviet military expansion. Although China and the United States did not fully normalize diplomatic relations until 1978, they gradually developed substantial common national security interests. The two countries did not recognize one another as friends, but an unexpected string of cooperative events nurtured their relationship. For instance, then American State Secretary Henry Kissinger informed Chinese Premier Zhou Enlai during his visit to Beijing in February 1973 that the United States would initiate reductions in arms sales to Taiwan, and that it also hoped to set up a liaison office in Beijing.

<sup>65</sup> Xue Mohong and Pei Jianzhang, eds., *Dangdai Zhongguo waijiao (Modern Chinese Diplomacy)* (Beijing: Zhongguo shehui kexue chubanshe, 1990), p. 37.

<sup>66</sup> *Yearbook of World Affairs 2000/2001*, p. 24.

<sup>67</sup> *Shijie zhishi nianjian 2008/2009 (Yearbook of World Affairs 2008/2009)* (Beijing: Shijie zhishi chubanshe, 2009), p. 228.

This initiation by the United States was beyond China's expectation. Mao Zedong authorized Zhou Enlai to get to work on this issue the same day it was reported to him.<sup>68</sup> When he met with Kissinger the next day, Mao told him in person that he liked the idea of liaison offices in the Chinese and American capitals.<sup>69</sup> China–India relations experienced similar improvements as superficial enmity after the Cold War.

## Explicit Policy and Strategic Stability

The purpose of this article is not to criticize the superficial friendship between China and the United States, but to understand why China–US relations have been so bumpy since the end of the Cold War, and to find a way of developing sustainable cooperation between the two countries. The theory laid out in the previous sections tells us that cooperation can develop from both mutual favourable and unfavourable interests, and unrealistic expectations of support are the cause of instability. This section explores ways of cooperation and reducing unrealistic expectations.

China and the United States should focus their efforts on enlarging mutually favourable interests rather than on adjusting concepts. Many believe that China–US relations will move in a positive direction as long as there is communication between them sufficient to reduce misunderstandings. One Chinese analyst has argued, for instance, that China and the United States can establish mutual confidence by adjusting their subjective judgments of one another's motivations and ignoring the other side's actions, because strategic confidence is a subjective matter.<sup>70</sup> Those holding to this kind of constructivist argument overlook the fact that the Joint Statement defining China and the United States as strategic partners failed to prevent the decline in China–US relations in 2010 just one month after Obama signed it. Constructive arguments can neither explain why conflicts have accompanied the heightened communications at all levels between the two countries in the last 20 years, nor the up-and-down relations since China suspended military contact with the US in early 2010.<sup>71</sup>

After Hu and Obama had a phone talk in April 2010, several events illustrated how impotent bilateral communications are in terms of improving

<sup>68</sup> Gong Li, 'ZhongMei gaoceng juece yu ZhongMei guanxi jiedong', ('Decision-making in China and the US and the Melt-down of China-US Relations') in Jiang Changbin and Robert Ross, eds., *Cong duichi zouxiang huanhe (From Confrontation to Rapprochement)* (Beijing: Shijie zhishi chubanshe, 2000), p. 708.

<sup>69</sup> *Ibid.*

<sup>70</sup> Niu Xinchun, 'ZhongMei zhanlu huxin: gainian, wenti ji tiaozhan', ('China-US Strategic Mutual Trust: Concept, Problems and Challenges',) *Xiandai Guoji Guanxi (Contemporary International Relations)* No. 3 (2010), p. 1.

<sup>71</sup> 'China Suspends Military Contacts with U.S. over Taiwan Arms', January 30, 2010, <http://en.riian.ru/world/20100130/157722956.html> (accessed 5 May 2010).

China-U.S. relations. In order to improve relations with the US, Hu visited Washington DC to attend the Nuclear Summit hosted by Obama in April 12–13, 2010 and put forward a five-point proposal for improving bilateral relations in a bilateral meeting with Obama.<sup>72</sup> Following the bilateral summit, the Second Round of the China-U.S. Strategic and Economic Dialogue (S&ED) was held in Beijing during May 24–25 and the two delegations respectively headed by Chinese Vice-Premier Wang Qishan and the U.S. Secretary of State Hillary Clinton had a comprehensive discussion about possible cooperation between these two countries.<sup>73</sup> Nevertheless, these communications could not prevent new conflicts from occurring. In less than two weeks after the S&ED, the People's Liberation Army (PLA) turned down U.S. Defense Minister's request to visit China and the two countries' military leaders quarreled publicly on the suspension of military-to-military relations at the Shangri-La Dialogue in Singapore during June 4–6.<sup>74</sup> Obama criticized China as having 'willful blindness' over Cheonan event in his speech on the sidelines of the G20 summit in which President Hu participated in Toronto in late June.<sup>75</sup> The PLA officially protested about U.S.-South Korean military maneuvers in the Yellow Sea in early July.<sup>76</sup>

China and the United States are keen to enlarge their cooperation on a limited base of mutually favourable interests. But growing branches is no less difficult than establishing roots. This article argues that China and the United States should enlarge their mutually favourable interests before they consider developing durable cooperation. Stabilizing China-US relations should serve the interests of both China and the United States. It is impossible to stabilize China-US relations at the price of the US interests because the United States is much stronger than China in comprehensive national power, and stabilizing bilateral relations at the cost of China's national interests is also meaningless. The goal of stabilizing bilateral relations should be to protect national interests. There are, however, certain Chinese commentators who reverse this logic by regarding stable relations with the United States as the paramount goal of China, and which merits the

<sup>72</sup> Li Xianzhi, 'Hu resents 5-point proposal for boosting China-U.S. ties', [http://news.xinhuanet.com/english2010/china/2010-04/13/c\\_13248090.htm](http://news.xinhuanet.com/english2010/china/2010-04/13/c_13248090.htm) (accessed 7 July 2010).

<sup>73</sup> Office of the Spokesman, 'U.S.-China Strategic and Economic Dialogue 2010 Outcomes of the Strategic Track', <http://www.state.gov/r/pa/prs/ps/2010/05/142180.htm> (accessed 7 July 2010); 'U.S.-China Strategic and Economic Dialogue Opening Session, May 2010', [http://www.cfr.org/publication/22201/uschina\\_strategic\\_and\\_economic\\_dialogue\\_opening\\_session\\_may\\_2010.html](http://www.cfr.org/publication/22201/uschina_strategic_and_economic_dialogue_opening_session_may_2010.html) (accessed 7 July 2010).

<sup>74</sup> Ian Storey, 'Shangri-La Dialogue Highlights Tensions in Sino-U.S. Relations', [http://www.jamestown.org/single/?no\\_cache=1&tx\\_ttnews%5Btt\\_news%5D=36532&tx\\_ttnews%5BbackPid%5D=13&cHash=a8ca273f7a](http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=36532&tx_ttnews%5BbackPid%5D=13&cHash=a8ca273f7a) (accessed 7 July 2010).

<sup>75</sup> "Obama Accuses China for 'Willful Blindness' Over Cheonan Sinking", Monday 28 June, 2010, <http://www.morningstaronline.co.uk/index.php/news/content/view/full/92121> (accessed 8 July 2010).

<sup>76</sup> 'China Protests against U.S.-South Korean Drills in Yellow Sea', RIA Novosti, 23:42 03/07/2010, <http://en.rian.ru/world/20100703/159678841.html> (accessed 8 July 2010).

sacrifice of Chinese interests. From this standpoint, China should agree on American arms sales to Taiwan for the sake of enhancing the stability of China–US relations. But stability at such a price is worthless to China. The sustained stability of China–US relations is actually determined by mutually favourable policy. One European scholar has raised the argument that the future of China–US relations depends on the policies of both China and the United States rather than of China alone.<sup>77</sup>

In March of 2010, I argued that the China–US relationship would be more stable if China and the United States replaced their policy of ambiguity towards one another with one of clarity.<sup>78</sup> Around the same time an American scholar raised the suggestion that to achieve mutually assured stability the Obama administration should abandon its policies of containment and engagement toward China and adopt instead a strategy of co-evolution. He said: ‘We can think of what we face as a choice between polite stasis and co-evolution, between stalemate and a commitment to a mutually assured stability that can mark our future with China as clearly as mutually assured destruction once marked our ties to the Soviet Union.’<sup>79</sup> I do not agree with this co-evolution approach because it tries to, ‘put China alongside the United States in thinking about these [global] new rules’.<sup>80</sup> It is hard to imagine that China would follow the United States on global issues such as Japan. I, however, agree with the judgment that tension between China and the United States is unavoidable, and that to stabilise contemporary China–US relations we need to borrow knowledge from the mutual-assured-destruction strategy that the United States and the Soviet Union carried out during the Cold War.<sup>81</sup> Although the character of China–US relations is different in many respects from that between the United States and the Soviet Union, they are nevertheless similar as regards power competition.

This article argues that as the extent of mutually favourable interests varies among different sectors, clarifying strategic relations according to different sectors would better serve both China and the United States. It would help to improve bilateral friendship at the people level, as well as enhance cooperation in education, sports, culture, science, technology and other social sectors, if China and the United States were to treat one another as *cultural friends*. The two nations should hence make cultural friendship the goal of their diplomacy, since the two countries have much larger mutually favourable interests than unfavourable ones in the field of culture.

<sup>77</sup> Barry Buzan, ‘China in International Society?’, p. 23.

<sup>78</sup> Deng Yuan, ‘Yan Xuetong: ZhongMei shi didayuyou de guanxi’, (Yan Xuetong: China and the US Are More Foes than Friends’) *Guoji Xianqu Daobao (International Herald Leader)*, March 22, 2010, p. 20.

<sup>79</sup> Joshua Cooper Ramo, ‘How to Think about China’, *Time*, April 19, 2010, p. 28.

<sup>80</sup> *Ibid.*, p. 31.

<sup>81</sup> *Ibid.*, p. 28.

China established cultural friendships with France in 2003 and Russia in 2006,<sup>82</sup> and China, France and India host governmental celebrations of one another's culture every two years. That is to say, China organizes a Russian or Indian cultural celebration a year after Russia or India has hosted a Chinese cultural feast. Although there is much more cultural integration between China and the United States than between China and Russia or China and India, this is not true of their governmental cultural relations. China–US cultural relations exist mainly at a people-to-people level, but governmental cultural relations play a political role that people-to-people relations cannot in stabilizing bilateral relations. For instance, a governmental cultural treaty might prevent the two sides from tightening the visa regulations applicable to one another's citizens at times of political dispute between the two countries.

In the interests of access to one another's markets and investment, China and the United States should redefine their economic relationship as that of *business partners*. There are more mutually favourable than unfavourable interests between them in the economic sector which have tremendous potential for growth. Former US Deputy Secretary of State Robert Zoellick defined the China–US relationship in 2007 as one between stake holders.<sup>83</sup> The term stake holders, however, gave the mistaken impression that China and the United States had large common strategic interests, whereas the common interests of stake holders—like investors—actually lie in business. Careful examination of the mutually favourable interests between China and the United States in the economic field shows that mutually favourable economic interests are mainly complementary rather than common. Actually, complementary interests generate different needs for each side which a third party could meet. For instance, the United States could import toys from ASEAN countries instead of from China, and China could replace the US dollar with the Euro as its foreign currency reserve. Taking into consideration that China–US economic cooperation is mainly based on complementary interests, it would be better for the two countries to treat one another as business partners. 'Business is business' is the golden rule for business partners, and there is a Chinese equivalent, 'Money matters should be accounted for even among brothers' (qin xiongdi ming suanzhang). Both ultimately mean that business partners are not friends. This identity keeps a sense of distance between the two nations and reduces their mutual expectations of unconditionally favourable policy. If China is prepared to be defined by the US government as a

<sup>82</sup> 'Zhong Fa wenhua nian', ('Cultural Year of China and France') <http://baike.baidu.com/view/91186.htm>; 'Zhong'E guojia nian', ('State Year of China and Russia') [http://baike.baidu.com/view/579567.htm?fr=ala0\\_1](http://baike.baidu.com/view/579567.htm?fr=ala0_1) (accessed 5 May 2010).

<sup>83</sup> 'Bumpy Road Ahead for Sustainable Sino-US Ties', *China Daily*, May 8, 2007, [http://english.people.com.cn/200705/08/eng20070508\\_372819.html](http://english.people.com.cn/200705/08/eng20070508_372819.html) (accessed 5 May 2010).



‘monetarily manipulative state’, and the United States to accept that China will not adjust its exchange rate policy under US pressure, neither side will be disappointed at the other’s resistance, and might consider discussing equal payoffs on the premise of a appropriate exchange rate between the RMB and US dollar.

Clarifying their political relationship as *political competitors* would avoid unexpected conflicts on bilateral or multilateral political matters. On the political level, China and the United States have more mutually unfavourable than favourable interests that disenable the two nations from being friends. To reduce unexpected conflicts, therefore, each should clearly define the other as political competitor. Most important is that they need to clarify their competitiveness as that between a rising super power and one with super power status. The United States aims to maintain its global dominance, and China to resume its world leading position. This structural conflict makes political competition between them inevitable. As long as the Chinese economy grows faster than that of the United States, the competition between them to offer the best development model is also inevitable. Clarifying their political relationship as competitors would stabilize China–US political relations in several respects. First, they could consider an agreement towards maintaining peaceful political competition. Second, each could get used to the other’s unfavourable policy and restrict any retaliation to within mutual expectations. Although this would not improve bilateral political relations, it would prevent any worsening of already unfriendly political relations. A stable unfriendly political relationship would be healthier than a fluctuating superficial friendship for both China and the United States during China’s rise.

Defining their security relationship as *military adversaries* would reduce the danger of military clashes between China and the United States and provide better conditions for preventative cooperation. China and the United States have more mutually unfavourable interests than favourable ones as regards military security. China is still under the sanction of the US arms embargo, a fact that signifies strong suspicions between the two countries. Defining the China–US military relationship as rivalry might be overstating the case, because Chinese military capability will be no match for that of the United States for the next 10 years. There is hence no substantial competition between them as regards military capability. But as their military interests are mutually confrontational, both would benefit in several respects from acknowledging their military relationship as adversarial. First, lower expectations of cooperation and good will would limit disappointments over one or the other’s unfavourable, or even unfriendly, security policy. Second, they could establish a crisis-management mechanism to prevent escalation of unforeseen military clashes arising from their differences. Third, taking as read one another’s military opacity and reconnaissance

would mean fewer rhetoric wars between the two countries. Fourth, the military adversary identity would amplify the credibility of mutual military deterrence, which would help stabilize strategic relations and prevent them from deteriorating to the point of return.

Owing to the complicity of their relations, China and the United States should define their general strategic relationship as that of positive competition and preventative cooperation. The world would benefit from competition between China and the United States since competition is an engine for social progress. Competition between China and the United States could provide the world with two models of development, both constantly improving by virtue of each country's efforts to provide a model more advanced than that of their competitor. Competing to present the best model of development would bring benefits to the peoples of both nations and to countries that learn from their expertise. China and the United States should compete to provide better world leadership. Expanding their international influence by expanding economic aid and taking international responsibilities could bring enormous global benefits, as could the two countries' competitive scientific research towards technical advances. Competition between China and the United States for the higher moral ground on climate control would also motivate global reductions of CO<sub>2</sub> emissions. When competition is peaceful it can be globally beneficial rather than detrimental. And as long neither of them can win a nuclear war, their competition will not escalate into war but a better world leadership.

Preventative security cooperation between China and the United States would help maintain world peace. As China is a rising power and the United States has super power status, their contrasting status makes it difficult to formulate strategic cooperation mainly founded on common threats or common interests. China needs to prevent war between itself and the United States in the interests of maintaining a durably peaceful environment in which to proceed with its economic construction. The United States also fears war against another nuclear power. Both sides, therefore, need to cooperate to keep conflicts and competition at a peaceful level. Although passive, this kind of cooperation is crucial to the world. As long as China and the United States do not go to war against each other, the world today is safe from outbreaks of major war, because other than China and Russia, all major powers are American military allies. China and Russia are semi-allies, but as Russia has neither the real nor potential capability that China possesses to challenge US hegemony, China is the only major power with the potentiality to challenge US global domination. World peace is thus guaranteed if the danger of war between China and the United States can be eliminated, and peoples of the world would benefit from the two countries' preventative security cooperation.

## Conclusion

This article argues that the instability of China–US relations since the end of the Cold War is mainly attributable to their fewer mutually favourable interests than unfavourable ones. The policy of pretending to be friends the two nations have adopted has resulted in dramatic fluctuations in their relations. Superficial friendship does not serve either of the nations well. Events in the last two decades refute the idea that improving mutual understanding or adjusting mentality can produce substantial and stable cooperation between China and the United States. To achieve stable improvements in their relations, China and the United States should consider developing preventative cooperation over mutually unfavourable interests and lowering mutual expectations of support, rather than on adjusting concepts or improving mutual understanding. Their relations will otherwise maintain a fluctuating pattern. China and the United States understand each other well but have found no effective way of dealing with their mutually unfavourable interests.

The theory developed in this article proposes that the instability of China–US relations cannot change until the two countries transform their superficial friendship. No one in the world wants China and the United States to change their superficial friendship to one of real enmity, because no one wants a return to the Cold War. It would also endanger the world if China and the United States were to become deadly enemies. The only two viable alternatives are those of real friendship and superficial enmity. The power competition between the two nations makes it seem unlikely that China and the United States could establish real friendship during the process of China's rise. The realistic alternative, therefore, is to transform their relationship from superficial friendship to superficial enmity. Most people ignored that being superficial enemies would be a better choice for China and the United States to stabilize and improve their relations when they have no way to become real friends.

As long as China and the United States are frank with one another over their mutually unfavourable interests, transforming their relationship from superficial friendship to superficial enmity would not be difficult. Giving more consideration to their mutually unfavourable rather than mutually favourable interests would enable them to lower unrealistic expectations of the other's support. Although perceiving one another as more foe than friend might also deviate from reality, superficial enmity would nevertheless have more positive impact on relations than superficial friendship. The complicity and reality of their relations requires that they generally define them as positive competition and preventative cooperation. Developing the concept that China and the United States are cultural friends, business partners, political competitors and military adversaries could also be helpful.

To enlarge mutually favourable interests, China and the United States should give up the policy of pretending to be friends. The two nations could benefit in four aspects. First, being psychologically prepared for the other side's unfavourable or unfriendly decisions would lessen the danger of escalation of conflicts. Second, increasing the credibility of the mutual deterrence strategy would generate more preventative security cooperation between them. Third, their relations would become more stable by reducing unrealistic expectations of one another's support. Fourth, they could improve their relations at a steadier rate by applying different principles according to specific aspects of their relations. Expecting China and the United States to change the policy of pretending to be friends in the near future may be unrealistic, but the narrowing power gap between them may help the two countries realize that a policy of clarity serves their interests better than one that is ambiguous.

The interests between China and the United States are very complicated. The four types of interests, namely, common, complementary, conflicting and confrontational, can exist in every aspect of their relations, namely, political, security, economic and cultural. The two nations should identify each specific issue according to type of interests before deciding upon which kind of cooperation to develop. They should spend more efforts to develop preventative cooperation based on mutual unfavorable interests rather than to constrain their cooperation on common interests only. Their relationship can be mutually stable and profitable if mutual expectations of bilateral cooperation are in consistence with the specific character of their interests in different sectors.