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U.S.-China Relations: Revisionist History Needs Revision

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There cannot be order in the world without an orderly and minimally productive U.S.-China relationship. Neither country will be able to realize its potential if the other's opposition impedes progress. The four decades of increasingly comprehensive engagement (1978-2018) brought both countries enormous benefits. Those who contributed need not apologize for the balance sheet from those four decades of policy. Indeed, there is much to celebrate in both nations. All this notwithstanding, there are big problems that both must address.

In America, it is wrong to attribute today's challenges to the presumed naiveté of those wrongly alleged to have argued that China would become "just like us," or democratic. For most of those involved in the growing relationship, peace and rising welfare in both societies, along with more humane governance in the PRC, were admirable and fully supportable gains.

In China, it is wrong for some to say that the last four decades of engagement were just the velvet glove hiding the iron fist of an underlying U.S. containment policy.

Each country's leadership pursued engagement because it was in its interests. Although the power relationship has changed considerably over the last four-plus decades, Beijing and Washington should not now pursue self-defeating initiatives based on the assumption that everything has changed and that past policy was constructed and pursued on false premises.

As we confront dramatic deterioration in bilateral ties, we should fix responsibility for the current slide where it belongs—on elites in both countries who are not living up to their national or global responsibilities. Both countries need reform in their domestic orders before they will act in ways compatible with either their own underlying interests or those of planet earth. Both countries' administrations are moving away from norms of internal governance that had characterized their predecessors, adopting instead belligerent foreign policies to compensate for deep domestic disquiet. Those in both nations arguing for more opening, not less, are the true guardians of their respective national interests.

In this essay, I first offer some reminders as to why both countries moved toward each other more than four decades ago and identify the range of positive entries in the engagement ledger. Second, I describe the dimensions of the precipitous deterioration we now are experiencing. Lastly, I suggest some

approaches to try to stabilize the situation until reform and opening impulses in both our societies reassert themselves—if they do.

Fundamentally, foreign policy has become hostage to domestic politics in both countries. It is entirely possible that one or both nations will fail to alter their domestic trajectories any time soon. Such failure will impose incalculable costs on both. The most troubling current development is the speed with which each nation is embracing the adversarial relationship and organizing itself to confront the other.

NORMALIZATION'S LOGIC AND ENGAGEMENT'S GAINS

The 1970's decade of foreign policy change that we celebrate at this convocation was a period in which some very important stars came into alignment. An improbable coincidence of perceptive leadership in both countries (The combination of Nixon and Mao was improbable!) saw the opportunities of realignment. Each built the domestic coalition necessary to create a remarkably durable, four-decade-long period of peace, stability, and growing prosperity for our two countries, Asia, and the world. In the United States, eight administrations (Nixon, Ford, Carter, Reagan, Bush, Clinton, Bush, and Obama) maintained basic policy continuity while four did so in China (Mao, Deng, Jiang, and Hu).

The underlying dynamic of this protracted improvement was that each country's leadership came to see that the other country could be useful in

addressing the domestic and international challenges of the utmost concern to itself. It was a very simple calculus—cooperating was more beneficial than contending. Initially, both nations enhanced security cooperation with respect to a common foe. This allowed the United States and the PRC to avoid further entrapment in wars on China’s periphery. Economically, China gained capital, technology, and markets and America gained gradually enlarging access to a rapidly growing market. Culturally and intellectually, America tapped new sources of brainpower and China made up time for a generation intellectually impoverished by the Cultural Revolution. The progress China made is astounding and America now has growing interests in aligning itself with mounting Chinese intellectual capacity—Xie and Freeman “find that in 2016, 20 percent of the authors [in Science and Nature, premier scientific journals] were Chinese—more than twice the share in 2000.”¹ The next era’s gains in artificial intelligence will go to the countries with big data—China has big data.²

I do not attribute gains in each of these zones exclusively to engagement, but without that set of policies these important advances would have taken much longer to achieve. Sometimes small examples reveal big things.

¹ Peter R. Orszag, “China Is Overtaking the U.S. in Scientific Research,” <https://www.bloomberg.com/view/articles/2018-09-12/chinese-researchers-are-outperforming-americans-in-science> (accessed September 13, 2018).

² Kai-Fu Lee, “What China Can Teach The U.S. About A.I.,” The New York Times, September 23, 2018, p. 5.

For example, take the fact that in 1985 China lost over half its fruits and vegetables between harvest and dinner table. That loss rate now probably is in the 10 to 20 percent range. This represents a thirty percent addition to China's supply of fruits and vegetables. In the mid-1980s, the U.S. National Academy of Sciences/National Academy of Engineering, in cooperation with American industry and U.S. land grant universities, worked with the Chinese Academy of Sciences and Chinese industry to improve the entire PRC food supply chain—aseptic packaging, cold storage and wholesaling systems, genetic modification of crops, and handling and storage practices. As a result, Chinese had (and have) more varied, higher quality, and more plentiful food to consume. American firms sold equipment and boosted China's technological level.³ Planet earth saved resources.

Or take air safety. The Federal Aviation Administration (FAA) of the United States and America's aerospace industry cooperated with China to build one of the world's safest and fastest-growing airline industries. In an expanding system, air traffic control and management is key. The U.S. and China cooperated to take one of the world's most unsafe air systems in the 1980s and transformed it into a

³ National Academy of Sciences/National Academy of Engineering, Postharvest Food Losses in Fruits and Vegetables, A US-China Science, Technology, and Economic Development Program (Washington, DC: National Academy Press, 1986).

system with a safety record at least equal to that of the United States. As NYU's Maron Institute put it,

In the late 2000s, the fatal-accident rates of Chinese airlines were lower than those of airlines in Europe and the United States, even as Chinese carriers spent more and more hours in the sky. The culture of safety in China's skies did not come from centuries of Confucian culture and respect for authority. It came from a decisive intervention that overhauled China's aviation sector inside of a decade.⁴

The commercial and humanitarian impact of this cooperation was enormous—you cannot fly an ever-growing number of aircraft in a poor traffic management and safety environment. The Boeing Company now estimates that China will need 7,690 new planes through 2037; that the PRC will be the number one aircraft market worldwide in about four years; and that the PRC already accounts for 13 percent of Boeing's worldwide revenue.⁵ One should also acknowledge Europe's role in this development, with Airbus playing a role in safety improvements.

Or finally, take Detroit, a city that went bankrupt (July 2013) in the after wash of the Great Recession, and saw more than a hundred Chinese firms invest in the auto parts industry there, thereby bringing more than 1,000 jobs back to the beleaguered city.⁶ More specifically, in FY 2017 GM sold almost 35% more

⁴ <https://marroninstitute.nyu.edu/blog/chinas-air-safety-overhaul> (Accessed September 13, 2018).

⁵ "Boeing's Bullish China Outlook Faces Trump's Trade War Headwind," <https://www.bloomberg.com/news/articles/2018-09-11/boeing-raises-china-forecast-but-trade-war-clouds-prospects> (Accessed September 13, 2018).

⁶ Melissa Anders, "See List of Chinese-owned companies in Michigan: mostly auto parts, mostly Detroit area," https://www.mlive.com/business/index.ssf/2013/09/as_gov_snyder_tries_to_recruit.html (Accessed September 13, 2018).

vehicles in China than in the United States.⁷ “In November [2017], GM sold 70% more vehicles in China than in the U.S.”⁸ China, rather than Washington bailouts, accounts for GM’s survival. Ask people in Dayton, Ohio what they think of the Fuyao Glass production in their city.

If critics of engagement were to retort that this is “small ball thinking,” pointing instead to the very real zones of current strategic competition and impending arms races, we also should simultaneously consider the strategic gains of comprehensive engagement. In 2007, Beijing played a constructive role in bringing some measure of peace to the South Sudan, for at least a time. Beijing also constructively contributed to the nuclear agreement with Iran (Joint Comprehensive Plan of Action, JCPOA) in 2015. And, about two years later, the PRC ratified the Paris climate change accord. Subsequently, the United States, under the Trump Administration, has withdrawn from the Paris and Iran agreements. If one believes that the management of transnational security issues requires multilateralism, then engagement with the PRC on many issues is essential.

⁷ “General Motors Company’s vehicle sales by key country in FY 2017 (in 1,000 units),” <https://www.statista.com/statistics/304367/vehicle-sales-of-general-motors...> (Accessed September 24, 2018).

⁸ Wolf Richter, Wolf Street December 6, 2017, <https://www.businessinsider.com/gms-business-is-booming-in-china-2017-12> (Accessed September 13, 2018).

In short, the balance sheet on engagement must include the last forty years' diversified gains in both societies and the resources and lives not wasted in quagmires on China's periphery. Sino-American cooperation also provided the environment in which Asia, as a whole, made remarkable economic, social, and political progress. Moreover, implicit U.S.-China macro-economic cooperation in 2008-09 kept global aggregate economic demand up sufficiently to get us through the biggest challenge to global growth since the 1930s. We will not even talk about what Sino-American educational cooperation has brought to many fields in the hard sciences, social sciences, and humanities. The approximately \$13 billion in tuition and fees paid by Chinese students to American institutions of higher education is an American export about the size of annual US soybean exports to China.

THE CURRENT DIMENSIONS OF DETERIORATION IN BILATERAL RELATIONS

Nonetheless, there no longer is consensus in either country about carrying forward policies associated with the heyday of constructive engagement, much less to pursue the goal presidents Bill Clinton and Jiang Zemin articulated in November 1997—"building a constructive strategic partnership oriented toward the Twenty-First Century." The mounting friction reflects a multi-dimensional elite failure in

both Washington and Beijing. Managing the U.S.-China relationship productively should be a litmus test for competence in both countries—both are grievously failing. Can it conceivably be in China’s interest to be in confrontation with its single largest national trading partner and the country of the most security importance to itself? Can it conceivably be in the interests of Americans to have both China and Russia aligned against it, forcing American allies and friends to choose between Washington and Beijing? As Michael Green points out in his By More Than Providence, the core of American strategy in Asia since the Republic’s earliest days has been to avoid having the Eurasian landmass and Pacific under the sway of a single hostile power or coalition.⁹ Recent very large-scale joint Russian-Chinese military exercises signal a sharp move toward deterrence thinking in Beijing, as does America’s adoption of the so-called Indo-Pacific strategy of “like-minded” countries and multiplying security measures.

Looking at the decade of the 1970s, Richard Nixon, Mao Zedong, Henry Kissinger, Zhou Enlai, Jimmy Carter, Deng Xiaoping, Zbigniew Brzezinski, and (perhaps) Hua Guofeng understood that improved relations would help their countries address their most pressing domestic and international problems, challenges having bearing on their personal success and regime legitimacy. For

⁹ Michael J. Green, By More Than Providence: Grand Strategy and American Power in the Asia Pacific Since 1783 (New York: Columbia University Press, 2017), p. 5.

Mao, improved relations with Washington removed China from the disadvantageous position of having two superpower enemies simultaneously and exerted some deterrence on Moscow's military adventurism. As for Deng, he added the momentous consideration that improved relations with America opened the path to improved legitimacy-enhancing economic performance in China.

For Richard Nixon, the United States stood to gain by dividing Soviet capabilities across two widely separated military fronts. Moreover, rapprochement with Beijing held out prospects for a face-saving withdrawal from Vietnam and pressing Moscow on arms control. For President Carter, in addition to the strategic gains of Sino-American normalization, economics became an important consideration, with Deng's China on the cusp of a monumental change of economic strategy—opening and reform.

The insights and policies that flowed from this epiphany endured for the next forty years, lasting longer than the first Cold War itself. Over time, the relationship gradually moved from being an elite-to-elite (or capital-to-capital) relationship to a society-to-society relationship.

Unfortunately, nothing lasts forever.

The signs of declining cooperation between Washington and Beijing over the last decade are everywhere. Tensions are rising in the Taiwan Strait amid more

PRC pressure on Taipei, more assertive behavior by Taipei in cultivating U.S. support for its aspirations, and tighter alignment of Washington and Taipei. With respect to the latter, most obvious is passage of the Taiwan Travel Act. Though key provisions were “sense of Congress” (not mandatory), President Trump signed it into law in March 2018, without making any signing statement expressing the intention to implement it in a way consistent with the Three Communiques and the Taiwan Relations Act.

Similarly, Beijing’s rough handling of Hong Kong has weakened the already dubious credibility of its “One Country, Two Systems” approach. It is hard to argue that Hong Kong has the promised “high degree of autonomy” when a Canadian citizen (Xiao Jianhua) is abducted from the Four Seasons Hotel there. All this, combined with Beijing’s clampdown in Xinjiang, following patterns not seen since the Cultural Revolution, trigger every individualist, rights-oriented, and humanitarian reflex in the United States, not to mention violating the PRC’s own constitution regarding religious freedom and tolerance. Simply put, with respect to social control, China is moving in ways opposed to Chinese and global values and moving in directions divergent from the PRC’s own reform thrust.

On the other hand, the United States for almost two decades has undermined its own greatest soft power asset—orderly governance at home and generally

responsible behavior abroad. A series of disastrous decisions created a sad trail with signposts reading Iraq War; domestic economic mismanagement and Global Financial Crisis; and, withdrawal from agreements Washington encouraged and signed. All this has simply reduced American credibility, not least in Beijing. America First, as currently implemented, is a doctrine with no attraction to anyone but a fraction of the American public.

Other signs of a deteriorating U.S.-China relationship abound. Sino-American trade frictions are inflicting pain on the global economy as well as our two peoples. Washington speaks increasingly of uniting with “like-minded countries,” by which it does not mean China. The PRC sees “hegemony” and “containment” as the ultimate aim of Washington’s policies. The alignment of Beijing and Moscow is becoming tighter as Washington seeks to construct a counter-alignment with its “Indo-Pacific Strategy,” thereby moving the relationship from the realm of mutual strategic suspicion toward strategic friction and mutual deterrence. Growing export and foreign investment controls and trade barriers in both directions represent tangible efforts to hobble one another’s economy. For example, consider the action-reaction imposition of tariffs, the recent tightening of U.S. Export Administration Regulations, and the National Defense Authorization Act FY 2019, which includes the Foreign Investment Risk Review Modernization Act (FIRRMA) of 2018. Further, both societies are

devoting increased attention to identifying and rooting-out spies and subversives; this was a principal purpose of the 2014 establishment of the PRC's National Security Commission¹⁰ and more recently the National Supervisory Commission. Empowered military and security players in both societies are rapidly leading us down the path of an action-reaction arms race, including competition in space (and cyber space), not to mention old standbys like aircraft carriers. Recent public opinion surveys indicate that citizens in each country increasingly view the other society as a "threat." Lastly, there now is an unmistakable trend in both the United States and China toward assuming that the other side's civil society and educational organizations working on one another's soil are instruments of subversion, not mutual understanding and shared benefit.

In both societies the wrecking ball is being taken to the three pillars supporting sound U.S.-China relations—security, economics, and culture.

The Security Pillar: Human societies give precedence to basic physical security, followed by economic improvement, followed by self-actualization needs—"higher order" needs generally are satisfied before "lower-ranking" ones.

¹⁰ David M. Lampton, Xi Jinping and the National Security Commission: Policy coordination and political power," *Journal of Contemporary China*, Vol 24, 2015 (No. 95), pp. 759-777; see also, FBI Houston, "FBI Warns Texas Leaders of Foreign Threats to Research and Academic Institutions," <https://www.fbi.gov/contact-us/field-offices/houston/news/press-releases/fbi-warns-texas-leaders-of-foreign-threats-to-research-and-academic-institutions>

Mounting security concerns will infect, and are infecting, every other dimension of a relationship. Economic and cultural gains cannot fully compensate for perceived security losses.

From 1972 until recent years (at least until about 2010), the United States and China managed to keep the security pillar of the overall relationship in serviceable condition through a sequence of rationales. To start, common opposition to Moscow provided the initial durable rationale until the USSR's demise. Thereafter, economics (the "peace dividend") sufficed to plug a decade-long gap until a *successor* security rationale took shape in the immediate aftermath of 9/11—cooperation to defeat terrorism. The Container Security Initiative (CSI) and intelligence sharing were emblematic of this admittedly thin cooperation. And then, for a fleeting moment in the current century, the two sides found limited common ground by trying to cooperate on global challenges such as climate change (though the PRC's rapidly growing military capacities and assertive behavior in the East and South China Seas soon undermined the heft of that rationale).

Security considerations now weigh against cooperation, in both societies. The Obama Administration's "Pivot" in late 2011 and the Trump Administration's National Security Strategy of December 2017 and its National Defense Strategy

(January 2018) reveal the trend line. Under Xi Jinping, assertive military behavior and large-scale exercises are not simply responses to American moves. More fundamentally, they represent a long-term effort to move the perimeter of China's defense farther and farther from its territory, make China the hub in the Asian economy, and actively pursue a legitimating, albeit vague, "China Dream," including reunification with Taiwan in a not indefinite future. Both America and China have to decide whether they will pursue "primacy" and "dominance," or seek regional balance and make room for one another. The latter approach seems feasible and advisable; the former does not.

Moreover, Russia and China are lumped together as bedfellows in a purposeful effort to, in the words of the December 2017 National Security Strategy, "Challenge American power, influence, and interests, attempting to erode American security and prosperity. They are determined to make economies less free and less fair, to grow their militaries, and to control information and data to repress their societies and expand their influence." In fact, Russia and China cooperate in some domains and are competitors in others.

For its part, China's defense budget has robustly marched upward¹¹ (as America's now is doing), China's pushback on Taipei has become more muscular,

¹¹ China Power Project, "What does China really spend on its military?", <https://chinapower.csis.org/military-spending/> (Accessed September 14, 2018).

and expansion on land features in the South China Sea has shown little regard for the interests or concerns of neighbors or the opinion of international tribunals. It was not reassuring to many to hear Beijing propose, “Let the people of Asia run the affairs of Asia, solve the problems of Asia and uphold the security of Asia.” To be direct, while Chinese complain that the U.S. will not “make room” for China internationally, Americans can rightfully ask what is the “room” Beijing currently envisions for America?

The Economic Pillar: This pillar has grown in importance in the relationship’s architecture over time, becoming a stabilizer in the 1990s and well into the 2000s. Throughout the 1990s and 2000s, China was the most rapidly growing export market for the United States. Over and above the massive growth of U.S. merchandise exports to China from 1992 on, the U.S. service sector has been a relatively small but growing (and surplus) part of the current account. By conservative estimate, U.S. subsidiaries in China sold \$223 billion in China during 2015, though these sales are not included in goods trade balances.¹² Moreover, in the second decade of the new millennium China’s direct foreign investment in the United States began to grow rapidly, reaching \$46 billion annually in 2016, before

¹² Daniel Moss, “US Earns More in China than Trade Numbers Reveal,” *Bloomberg*, April 17, 2018, <https://www.bloomberg.com/view/articles/2018-04-17/u-s-trade-deficit-does-not-reflect-subsidiaries-in-china> (accessed September 13, 2018).

contracting dramatically in 2017, as Sino-America relations soured.¹³ Perhaps the most substantial point to make is that China has been the biggest single contributor to global growth since the Global Financial Crisis.

Nonetheless, these positives have been politically overshadowed by the bilateral trade deficit. This trade deficit is not popularly understood to be the natural result of “comparative advantage” playing out, or a partial artifact of trade statistics methodology. Rather, most Americans believe it is the consequence of PRC non-tariff barriers and industrial policies systematically disadvantaging U.S. firms—and there is substantial merit in this view. The merchandise trade deficit has become a metaphor for what is widely viewed as a non-reciprocal, unfair economic relationship. The lack of perceived fairness has become politically toxic. As the long-time supporter of U.S.-China relations Hank Greenberg put it in an August 2018 Wall Street Journal opinion piece: “China cannot expect to continue receiving favorable trade and investment terms in foreign markets when it is unwilling to reciprocate.” In fact, non-reciprocity in the area of investment in China is a genuine problem.

¹³ Thilo Hanemann, Daniel H. Rosen, and Cassie Gao, Two-Way Street: 2018 Update (Rhodium Group and National Committee on US-China Relations, April 10, 2018), p. 27. <https://rhg.com/research/two-way-street-2018-update-us-china-direct-investment-trends/> (Accessed September 13, 2018).

Now, using a national security rationale, the Trump Administration has thrown-up barriers to economic intercourse ranging from stiffer export controls, to broader and tighter restrictions on Chinese inward investment, to higher tariffs. Given its own dissatisfactions with PRC policies and behavior, American business generally has stood on the sidelines, not prepared to go all-out to defend the sliding relationship. By the time American business began to more potently react in fall 2018, the momentum of a trade war had gained considerable strength. Increasing security, cultural, and diplomatic concerns have spilled over into the broad economic relationship. This brings us to the “Cultural Pillar.”

The Cultural Pillar: In China, as the security relationship has become more adversarial, the Beijing elite has become more concerned about “foreign subversion” at home. Establishment of the National Security Commission in January 2014, and the 2017 Foreign NGO Law, signaled this worry—supervision of foreign NGOs moved from the Ministry of Civil Affairs to the Ministry of Public Security. In the United States (and elsewhere including Australia, New Zealand, and some countries in Europe), recent controversies over Beijing’s so-called “influence operations,” and concern about the concentration of PRC nationals in U.S university STEM programs has mounted. The Committee of 100, an organization of prominent Chinese-Americans, released a study expressing alarm at accusations and prosecutions directed at Chinese Americans for alleged

spying.¹⁴ Confucius Institutes (funded by Beijing) in U.S. colleges and universities are coming under increasing pressure, as occurred at Texas A&M University with termination of the program entirely after two Members of Congress made inquiries. FBI Director Wray’s February 2018 statement to the Senate Intelligence Committee on Chinese academics and espionage is clear—

I think in this setting I would just say that the use of nontraditional [intelligence] collectors, especially in the academic setting, whether it’s professors, scientists, students, we see in almost every field office that the FBI has around the country. It’s not just in major cities. It’s in small ones as well. It’s across basically every discipline.

And I think the level of naïveté on the part of the academic sector about this creates its own issues. They’re [Chinese citizens in U.S. academic institutions] exploiting the very open research and development environment that we have, which we all revere, but they’re taking advantage of it. So one of the things we’re trying to do is view the China threat as not just a whole-of-government threat but a whole-of-society threat on their end, and I think it’s going to take a whole-of-society response by us. So it’s not just the intelligence community, but it’s raising awareness within our academic sector, within our private sector, as part of the defense.¹⁵

Turning to the mass media realm, the U.S. Department of Justice in September 2018 reportedly ordered Xinhua News Agency and China Global Television Network (CGTN) to register as “foreign agents.” Given China’s long-

¹⁴ NBC News, “Study Suggests Asians Not Likely To Be Charged With Espionage,” June 13, 2017, <https://www.nbcnews.com/news/asian-america/study-suggests-asians-most-likely-be-charged-espionage-n771836> (Accessed September 14, 2018).

¹⁵ Elizabeth Redden, “The Chinese Student Threat?,” *Inside Higher Ed*, February 15, 2018. <https://www.insidehighered.com/news/2018/02/15/fbi-director-testifies-chinese-students-and-intelligence-threats> (Accessed September 21, 2018)

standing counterproductive treatment of American journalists, such a move can be justified by appeals to both reciprocity and counter-intelligence requirements.

WHAT MIGHT BOTH NATIONS DO TO SLOW ESCALATING CONFLICT?

The developments enumerated above reveal a self-reinforcing process in which both nations are contributing to the emergence of ever wider and deeper zones of friction and conflict, each perceiving the other to be an increasingly serious threat, with each nation willing to devote ever more resources to hard security and enlisting other nations in common cause. The late-2016 election of Donald Trump, combined with the late-2017 Nineteenth Party Congress in China, are prominent signposts in this new era, though there were many antecedents extending back to at least 2008 and the global economic downturn.

Unwarranted perceptions of American weakness within the United States itself, as well as in Beijing, and exaggerated estimates of Chinese strength in China itself, as well as in the United States, compound the problems. Political struggles in each society also account for this descent toward friction. As deeply rooted as the causes of mounting conflict are, moving in several directions suggested below could help slow the downward spiral until more constructive forces in each society reassert themselves—if they do.

To start, a story line has emerged in both the United States and China among those opposed to engagement that those who promoted it in their respective societies over preceding decades acted on a naïve understanding of the other country. In the United States, the assertion is that promoters of engagement mistakenly presumed they could change China in our own image. Instead, detractors argue, the engagement they engineered empowered what has become a major threat to American interests. In China, the charge against engagers there is that they were in favor of “keeping a low international profile” long after China’s new-found power entitled it to a bigger say internationally and that they embraced forms of interaction with the West that contributed to China’s loss of ideological bearings and social cohesion. Some Chinese analysts argue that China has been too deferential to the western post-World War II order and should be more assertive in building countervailing alliances and conceive of the desired international system in more traditional, Chinese ways—as a hierarchy. The charge is that engagers in both societies failed to recognize threat and advance national interests.

Consequently, the first thing that is required is that there needs to be a more vigorous, rigorous, and full-throated accounting of “engagement’s” initial aims, gains, and setbacks in both societies. For its part, China needs to move off the “victimization” narrative and give equal weight to the past gains of cooperation.

Second, those in each society who would like to see a different path pursued ought not to support policies empowering the most confrontational elements in each of our societies. It has been illuminating, and disheartening, to see how many beneficiaries of internationalization in both societies have been quiet as nativism in both societies has gained steam.

Third, the degree of conflict at our respective national levels over bilateral relations is greater than the friction at lower levels in our respective administrative systems and societies. Localities in both countries are less obliged to focus on the negative. It is the local levels of each society where cultural and economic ties produce the most common interests. Localities and private sector actors in both countries should redouble their efforts to find areas of cooperation. It is worth noting that Vice President Pence, in an October 4, 2018, speech condemned such efforts by saying: “China is targeting U.S. state and local governments and officials to exploit any divisions between federal and local levels on policy.”¹⁶

Fourth, now is not the time to be fiddling with the One China formula. Beijing needs to remove the alienating pressure it is exerting on Taipei militarily, economically, and diplomatically and Washington needs to reaffirm its policies of

¹⁶ Vice President Pence, “Remarks delivered by Vice President Mike Pence on the administration’s policy towards China at Hudson Institute on October 4, 2018, p. 7.

the past, most clearly implemented in the George W. Bush Administration in December 2003.

Fifth, Beijing needs to heed American calls for progressively more reciprocity in economic relations and both nations need to reaffirm Economics 101—comparative advantage is still operative and the best principle on which to construct equitable and efficient economic relationships. Tariffs hurt everyone and the current action-reaction process of growing tariff walls in both countries is self-defeating. With respect to reciprocity more broadly, China's non-reciprocal treatment of foreign mass media needs to change if cooperation is to be improved.

Lastly, I am not arguing that the United States should establish a foreign policy objective of creating friction between Moscow and Beijing (which would be hard to do in any event). I am, however, asserting that it is not in Chinese or American interests to slide into a triangular relationship in which the United States is the strategically threatened odd-man-out. This is not in China's interests because it will drag Beijing into conflicts of Moscow's making, and it is not in Washington's interest to divert huge resources to fighting two continental-spanning powers simultaneously. The United States may end up with an adverse strategic triangle, but Washington ought not drive the PRC into Russia's arms.

In conclusion, on this fortieth anniversary of Sino-American normalization, it is fitting that we recognize past achievements, objectively acknowledge current dangers, and rededicate ourselves to a better future. We cannot simply replicate the formulas of the past, but we forget the past at our peril. The past suggests that more will be gained from cooperation than conflict; the Taiwan problem needs to be managed carefully; driving Russia and China into an embrace born of common opposition to the United States is disastrous; and, both nations prosper when they do not try to jettison the laws of economics. The cold, hard truth is that both our societies need reform. Only when they each do so, each in their own way and on their own calendar, will we each reliably act on its own underlying interests. Until that day arrives, we need dialogue at the highest levels focused on areas of common interest, indeed common necessity.