Building Towards a New-Type China-U.S. Relationship

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Building towards a new big-power relationship is the consensus of the Chinese and US governments and leaders of the two countries for the goal of long-term development of bilateral relations. Such policy thinking is of great significance for the two countries and the world as a whole. However, there is no precedence in contemporary international relations in which emerging powers and established powers have ever found a path of long-term peaceful coexistence and win-win cooperation. That will certainly be a long-term endeavor. To achieve this unprecedented goal calls for China and the United States to make untiring efforts to explore a unique path and brave all risks and challenges with great wisdom and valor. There is no lack of doubts both at home and abroad whether China and the Untied States can stay clear of the beaten track of rise-and-fall of big powers in history.

Such doubts may serve as a warning that reminds one that history is not a blueprint drawn by a few people, but an outgrowth of the interaction of all objective and subjective factors. Success or failure to establish a new-type China-U.S. relationship depends, first and foremost, not on man’s will, but on whether there are necessary...
conditions and whether the two countries can make effective use of all favorable conditions and resolve the main problems existing in the bilateral relations.

I. Historical Lessons

In modern history, there were many tragedies of serious confrontations and bloody wars between big powers in their rise and fall. This may serve as a negative example for China and the United States to draw on useful historical experiences in building towards a new-type relationship. There are two main root causes of conflicts between established powers and emerging powers in both modern and contemporary history. One is that conflict of economic interests turned white-hot as in the case of the British-German War in the early 20th century, and the other is that the two sides are diametrically opposed to each other in power play as in the U.S.-Soviet rivalry in the Cold War years.

Britain and Germany came into conflicts and war under aggravating economic and political circumstances. Economically, Germany was fast catching up with or even exceeded Britain at the turn of the 19th and 20th Centuries in terms of both economic aggregate and per capita GDP (80% that of Britain). Germany’s overtake of Britain meant that the economic structure in the two countries was converging with more competitiveness than complementarity. Politically, the Western colonialist system had been by and large established at the time and Western powers had carved up all colonies. Such a system restricted the growth of the global market and the opening-up of raw material producing countries. The suzerain states monopolized the markets and raw materials of their colonies. Unlike the established colonialist and imperialist powers, Germany, as an emerging power, had few colonies with limited lebensraum. In order to grab more lebensraum
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and offset its disadvantage in international competition, it called for reparation of the colonies, which inevitably led to conflicts with the established colonialist powers. The conflict of economic interests between Britain and Germany gradually evolved into rivalry for the dominance of the international order, focusing on the necessity of a “reshuffle” in the global colonialist system, and especially resetting the control of markets and raw materials.

Unlike the British-German conflict, the Cold War between the United States and the former Soviet Union was an outgrowth of their political rivalry. There was always a quite large gap between the two countries in economic structure and development level with limited impact of the economic factor. Even in its heyday the Soviet Union’s economic aggregate was close to 60% that of the United States and the per capita GDP was one third of the latter. If they shared the same market, their complementarities would exceed competitiveness. But the fact was that the Soviet Union had little access to the capitalist market of Western countries.

The U.S.-Soviet confrontations emanated from sharp differences between the two sides in ideology and social system, and gradually evolved into deadly confrontation and fierce rivalry between the two political camps, military blocs and global markets and finally led to the confrontation between the two superpowers and “terror of peace” based on nuclear parity. The U.S.-Soviet rivalry was usually referred to as “Iron Curtain politics”. There were two Worlds behind the Iron Curtain not open to each other without exchanges and mutual understanding.

Whether or not China and the United States can transcend history would, first of all, depend on whether the two sides can prevent the outbreak of conflicts such as those between Britain and Germany and between the United States and the Soviet Union in the past. Fortunately, in view of the bilateral relations and economic, political
and security areas, major conflicts can be avoided, and war and confrontation are not inevitable.

II. Economic Cooperation and Benign Competition

With regard to the pessimistic views that China and the United States might take the beaten track of historical tragedies of major powers’ rivalry in rise and fall, most people are much concerned about their differences in the economic area. It is true that economic and trade frictions have intensified between the sides since the outbreak of the international financial crisis. The number of U.S. commercial proceedings and sanctions against Chinese companies has increased year by year; disputes over the RMB exchange rate, intellectual property rights, market and investment access, etc are widening.

Republican Presidential candidate Mitt Romney declared that he would regard China as an exchange rate manipulator the day after he assumed office in the White House; on the question of regional economic cooperation in Asia and the Pacific, the United States assumes a posture of rivalry for dominance, pressing for negotiations on TPP with a view to acting defiantly against East Asian regional cooperation framework such as the “10+3” in which China participates; on visits to Asian and African countries, senior U.S. officials including former Secretary of State Hillary Clinton have repeatedly accused China, without naming it, of pursuing a “neo-colonialist” policy towards developing countries. Against this backdrop, many people assume that China-U.S. rivalry is escalating in a worst-case scenario. They are afraid that China-U.S. economic ties would be beset in a zero-sum game. They even think that China and the United States would take the same disastrous path as the British-German war a century ago.

However, an in-depth analysis of China-U.S. economic ties
indicates that this will not happen for two main reasons:

One reason is that China-U.S. economic and trade frictions emerge in the course of growing economic cooperation and reflect only part of national interests of the two countries, and it is not the main stream. More importantly, the contemporary international order is far more progressive than those in modern times. In other words, gone are the days when nations would cross swords with one another because of commercial disputes (as in the case of the Opium War). The reason is: either under multilateral and international frameworks or under bilateral frameworks there are a wide range of relatively rational and fairly effective institutional mechanisms and norms under the contemporary international order, such as the World Trade Organization, G-20, China-U.S. Economic and Strategic Dialogue and others. These mechanisms and norms serve
as a useful means to handle economic and trade disputes through consultation, regulation and arbitration and directly provide or offer policy recommendations for preparing conditions for gradual easing of tensions.

Moreover, against a backdrop of globalization, the laws of the market play an enhanced role in regulating the world economy, so that many problems in international economic /trade imbalance can be more easily rectified under the impact of the market. That is precisely why many emerging economic and trade frictions eased or are being solved. Of the total annual China-U.S. trade amounting to about US$500 billion, the amount involving the bilateral commercial disputes is only a small fraction in several billions of US Dollars. With the steady appreciation of RMB and rising domestic prices in China, the RMB-US Dollar exchange rate is leveling off in proper balance. Though China still enjoys a fairly large surplus in its trade with the United States, the growth rate of U.S. exports to China is higher than that of U.S. exports to all other countries as is pointed out by President Obama.

Besides, as widely noted by people in Western media and academic communities, the proportion of trade surplus in China’s current account had reduced from more than 70% prior to the outbreak of the international financial crisis down to 2.8% in 2012, far below the 4% upper limit proposed by the G20 summit for rebalance of the world economy. This indicates that China has successfully fulfilled its international obligations. The attempt to reset the pattern of regional economic cooperation in East Asia may be wishful thinking on the part of the United States. It will possibly come to no avail and have no major negative impact on China. It may instead be an impetus for enhancing China-U.S. cooperation and mutual accommodation in larger regional cooperation organizations such as the APEC. Impetuous statements by some American politicians...
about China’s economy simply reflect their political need in the presidential campaigns and U.S. attempts to seek quick gains in diplomatic actions. Their impact on China-U.S. relations would be limited and short-lived.

The other reason is that in view of the underlying factors that affect bilateral economic exchanges, the main trend of China-U.S. relations is characterized by interdependence and deep cooperation. This is specifically manifested in the following:

First, the fact that the industrial structures in the two countries are highly complementary will not change in a long time to come. In terms of scientific and technological innovation, no other countries can replace the United States as the world’s No. 1 actor in the foreseeable future. Despite the fact that China has made giant strides in scientific and technological innovation in the reform and opening-up over the past three decades and more, China, in the words of Mr. Zhou Ji, President of China Engineering Academy, is “on the whole still at a lower middle level in international division of labor and industrial chains” and will “encounter a lot of difficulties and problems” before becoming a scientific and technological giant.

The fact that China and the United States are at different standings in the setup of international division of labor is a major foundation stone underlying their long-term economic complementarity. Another important factor that affects bilateral economic exchanges is the cost of manpower. Though China is now the world’s second largest economy, its per capita GDP is just one-eighth that of the United States, and it would increase to 20%-30% even if China can catch up with or exceed the United States in economic strength over the next couple of decades. This indicates that Chinese and American economies will remain complementary for a long time to come. Moreover, as China is in an advantageous position vis-à-vis other developing countries in infrastructure and products supply chains
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in terms of facilitation and scale, other developing countries cannot compete with China for an edge in the cost of manpower relative to that of the U.S. and other developed economies.

Second, as China’s per capita income continues to increase with gradual perfection of the social security system, China and the United States as the world’s largest markets will further promote the bilateral trade and investment and the two economies will be more interdependent. Due to the steady increase of labor cost in China in recent years, some Western investment capital has been retrieved back to home countries or transferred to other developing countries where labor cost is lower, but the majority of foreign investments will not flow out of China. The reason is, apart from China’s edge in infrastructure and products supply chains as mentioned above, and more importantly, that China has a huge market. Interdependence of the Chinese and U.S. markets cannot be found in the relationship of mixed interests between established powers and emerging powers in the past.

Third, re-balancing of the global economy is favorable for facilitating positive competition between China and the United States. Such competition will have an increasingly clear positive impact on the two countries and the world economy. After the outbreak of the international financial crisis, there were some important developments in the course of global economic rebalancing: for one thing, China and some other countries made a greater effort to stimulate domestic consumption for their export-oriented economies with more balanced foreign trade; a second development is that there was a trend of “re-industrialization” in the United States and a number of other countries in which “manufacturing industries are hollowing out”.

These countries would encourage their overseas companies to withdraw part of their investments in non-labor-intensive
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and non-energy-intensive manufacturing industries back to their home countries through technological innovation in energy and manufacturing sectors, which gave rise to a wave of some Western corporations retrieving their overseas investment; another trend is that China and some other emerging powers with large foreign exchange reserves have pooled an increasing amount of capital in overseas investment a significant portion of which is in the United States and other developed countries. Both China and the United States are major players in the process of this rebalancing and beneficiaries of such a trend which may create more jobs in the States and boot industrial upgrading in China.

One has never seen such economic complementarity, interdependence and positive competition between old and emerging powers in the past as between China and America today. From a perspective of economic interests, there are favorable conditions under which China and the United States may unprecedentedly turn a page in the history of irreconcilable conflicts between old and emerging powers.

III. More Common Grounds than Differences

True, China and the United States differ in political system, ideology, cultural heritage and development model, but their political relations are fundamentally different from U.S.-Soviet political relations with antagonistic contradictions. Such differences between the two sets of bilateral relationship are:

First, China and the United States share similar values in many important areas. They have a common market theory, abide by basic universal “rules of the game”, benefit from fruits of globalization

1 “Coming home: A growing number of American companies are moving their manufacturing back to the United States,” The Economist, January 19th -23rd, 2013.
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and encounter perceptions of basic values such as good governance, democracy, equality, freedom and the rule of law though they often have dissenting views and disputes in practices. Such differences in specific cases arise from different national conditions and development levels. As the gap in the socio-economic development level is gradually bridged over, the two sides will have more common ground in values and political philosophy and more mutual understanding so that the differences on certain issues will be further reduced and enable the two sides to promote mutual understanding and better communication through successful dialogue on an equal footing.

Second, both Chinese and American societies are open to each other. Bilateral exchanges have been increasing rapidly in all areas including economic cooperation and trade, education, culture, tourism, people-to-people exchanges in all wakes of life and between local communities in terms of scale, depth and frequency. One can find mutual economic and cultural influence at random in all respects of everyday life. Such mutual influence has become even inseparable in many respects. People-to-people exchanges and social intercourse are a powerful driving force and a profound foundation for building on China-U.S. relations and serve to provide enormous opportunities and avenues for both sides to iron out their differences and contradictions.

Finally, China and the United States have different cultural traditions with a wide gap in the length of historical process, but a common feature of their cultural traditions is that they are both highly inclusive of foreign cultures. Centuries-long Chinese civilization has drawn on the strengths of other civilizations. This is an important reason why China has been carrying forward its civilization while retaining the uniqueness and continuity of its own civilization. An important reason why Chinese civilization is full of vitality is that China has extensively learned from other civilizations to enrich its
own. The United States is a country with immigrants from all countries and is therefore able to absorb and learn from other civilizations and has become a multi-cultural society. It stands out prominently in Western civilizations. Openness and socio-cultural diversity are universally acknowledged as a source of national vitality. China and the United States should each learn from the other’s strengths to offset its own weaknesses and make concerned efforts for common development based on common ground and mutual inclusiveness, as they did in the past and will do in future. As the gap between the two countries in development level narrows down, bilateral exchanges and cooperation will expand accordingly, thereby promoting more harmonious relations while properly handling differences.

IV. Strategic Conflict and Confrontation Are Not Inevitable

China’s rise and the focus of U.S. global strategy shifting to the Asia Pacific are often referred as two opposite trends recently. It seems as if China-U.S. strategic conflict were approaching. But that is not the fact. From a strategic perspective, the possibility of a head-on conflict and confrontation would not significantly be affected by China’s continued development and the U.S. “re-balancing” strategy in Asia-Pacific. Strategic conflicts between big powers are invariably precipitated by strong dynamics.

Despite many differences and contradictions between China and the United States, there has been no force to date that would drive the two countries into conflict. Sustained development of China-U.S. relations in the economic and political fields indicates that they will not come into a head-on conflict driven by the differences or frictions in these areas. Drivers of potential conflicts lie mainly in the security area. Various factors concerning traditional competition may touch off a Sino-U.S. conflict. There have been some new
developments in the bilateral security relations in recent years, but things are still under effective control. As long as both sides make unswerving efforts and work in better cooperation to keep bilateral relations stable, nothing would inevitably precipitate a major conflict. More specifically, it should be noted as follows:

First, obviously, traditional security issues are now under better control. The Taiwan question is the most important and most sensible traditional security issue in China-U.S. relations over which there is a structural contradiction and antagonism between the two sides. Nevertheless, as China continues to grow in strength and peaceful development has become the mainstream in the cross-Strait relations, it will be more difficult for the United States to check China by taking advantage of the Taiwan question to check China, and the cross-Strait relations and the situation in the vicinity of Taiwan would be more stable and controllable, so that the Taiwan question would be a lesser factor that impacts and obstructs the overall China-U.S. relations.

Second, relations with third countries have an increased impact on Sino-U.S. relations, but it is limited by and large. The United States interferes directly or indirectly in the maritime disputes over the Diaoyu Islands, the South China Sea or elsewhere. This has become a new potential conflict in China-U.S. relations. However, the U.S. interference is a double-edged sword, because on the question of territorial disputes relating to China, the United States is not a directly concerned party. So it is not so easy for the United States to take advantage of its relations with the countries concerned and take a great risk. If it does, the latter would regard it as an opportunity to exploit the differences and reap gains from China, in a favorable strategic position.

On the part of the United States, it has to be reassured that the ensuing risks must be controllable. Otherwise, it would draw fire
against itself and lose more than it gains. The United States must cautiously take a balancing act to reassure the countries concerned of its security commitments while preventing its own strategic interests from being neutralized by other countries. Therefore, unless a major turn of events in China-U.S. relations impels the United States to fundamentally change its China policy, it is unlikely to take the risk of coming into a head-on conflict with China spurred by third-country factors.

Third, China-U.S. strategic confrontation arising from their regional and international competition is quite unlikely. Shifting the focus of the U.S. global strategy towards Asia and the Pacific has somewhat intensified China-U.S. competition. It is only normal that China and the United States may compete and contest with each other in safeguarding their own national interests while cooperating in international and regional affairs. The question is that as one sees signs of intensified Cold War mentality in China-U.S. relations accompanied by intense competition, some people tend to play up and exaggerate the competition, which creates a wrong impression as if such competition were escalating to hegemonistic rivalry and confrontation. In fact, this is hardly possible.

As far as China is concerned, it is not in a position, and nor does it intend, to rival against the United States for hegemony, either at present or in future. Given that development has been the top priority on China’s domestic agenda over the past several decades, the central mission of China’s foreign policy is to create a favorable external environment for it. Therefore, China is unable to be preoccupied in pursuit of world hegemony. As far as external conditions are concerned, China lacks adequate strategic depth underlying its pursuit of world hegemony. History proves that any hegemonic power cannot sustain itself all by itself without an overarching support system and the back-up of a corresponding strategic depth. Such a system and back-
up may take multiple structural forms, such as the colonial system, bilateral or multilateral alliances, division of spheres of influence or an extensive network of overseas military bases.

All these are essential for seeking hegemony. China has never had such “essential assets” and will never have them in future. China is not in a position to challenge the United States in strategic depth and is even far more inferior to Russia and Europe. Therefore, China’s support for peaceful development is not simply a moral proclamation. Rather, it builds on a strategic decision based upon the actual circumstances in China and the world as a whole and the historical development trends today as well as its solemn international commitments. Its essence is that China has declared it will never be a hegemonic power, but will never abandon the legitimate right to defend its core interests with force.

As for the United States, its strategy in Asia and the Pacific is aimed at maximally sharing and using the great vitality and development potential to strengthen its own competitiveness and maintain its dominance in the region and the world. A major element of this strategy is to countervail China’s rise, namely, by taking a series of actions to check China through diplomatic postures, military deployment and regional economic cooperation so as not to let the U.S. standing in Asia-Pacific be marginalized by China’s growing strength and retain its position as the strongest power in the region.

Meanwhile the strategy also attaches great importance to strengthening cooperation with China as the United States realizes that cooperation and coordination with China is vitally important and even indispensable in achieving its strategic objectives in Asia and the Pacific region. ¹ The United States is continuing to readjust its Asia-Pacific strategy in terms of doctrine and policy implementation.

¹ Hillary Clinton, “America’s Pacific Century,” *Foreign Policy*, November 2011; Remarks at the Naval Academy, April 10, 2012.
There is still bias in its understanding of China, the general trend is turning from a relatively radical approach to a more moderate one, and from highlighting U.S. balancing role in the region to refraining from excessively irritating China. This is a positive trend for China-U.S. relations.

V. Enhancing Mutual Strategic Assurance

The above analysis indicates that unlike the relationship between established powers and emerging powers in history, China-U.S. relationship is driven by a new logic of development. It may possibly move beyond history and embark on a new path characterized by mutual cooperation, common prosperity and harmony.

But history does not always evolve in a trajectory as rationally charted. The most difficult issue in China-U.S. relations today is that the two sides still lack mutual strategic assurance in changing circumstances. Mutual strategic assurance not only concerns the interests of both sides, but is directly related to mutual perceptions and psychological factors. It largely relies on how each side perceives the other and the world and on the two sides’ world outlooks. If the interests of the two sides converge, the more the views of both sides on some important issues conform to reality with more common ground, the easier it is for the two sides to enhance mutual assurance; Conversely, the more misperceptions each side has of the other, the more difficult it is to build on mutual assurance.

It should be noted that the underlying reason for the lack of mutual strategic assurance between China and the United States lies, to a great extent, in the misunderstandings of each other. These factors may lead both sides to make wrong judgments and suffer from irrational anxieties and deviate from the correct path. The ups and downs and zigzags in bilateral relations in recent years are not
irrelevant to the misperceptions and misunderstandings on the parts of both sides.

Some widespread perceptions of the balance of force between the two countries and their development levels are far from reality. According to polls taken in recent years by the Pew Center and other poll agencies both at home and abroad, many Americans think that China has already replaced the United States as the world’s largest economy and that China is close to the United States in development level. When the U.S. economy is in a dire strait, such misperceptions may have a profound negative impact on U.S.-China relations, and especially on the U.S. China policy, abet the “China threat” and spur unfriendly sentiments in the minds of American people.

There are many reasons for such conventional misconceptions in the United States. One reason is that some journalists, scholars or political figures make incorrect comments on or analyses of the Chinese economy and other emerging economies. For instance, they use the PPP (purchasing power parity) and other controversial economic indexes to describe the trend of changing balance of international forces. The IMF and some other international economic and financial institutions have two mechanisms for economic indexes and statistics of national economies. One is based on market rates and the other is based on the PPP, and there is often a wide gap in measuring the scale of the some economies, and particularly of an emerging economy.

There are many problems and different views regarding the PPP in statistics. The PPP is useful in that it reflects the development potential of an economy. But statistics based on market rates are undoubtedly more mature and reliable as they reflect the actual scale of an economy and its actual competitiveness on international markets. However, in order to emphasize the rapid growth of an emerging economy, some people often use the economic indexes based on
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the PPP without pointing out the significance and limitation of the two statistical methods. As a result, the actual economic scale and competitiveness of new emerging economies including China are amplified.

Secondly, there are also many misperceptions and incorrect comments on the prospects of China and U.S. economies. A prominent problem is that there is a tendency to describe the changing balance of forces between China and the United States and between new emerging economies and Western developed economies from a static rather than dynamic perspective.

For instance, some people foretell future growth of economic development of various countries in the next few years simply by referring to their economic performance in the past few years without fully understanding new problems in their economic development under changed circumstances, thereby underestimating the intricacies and complexities in the course of the changing international balance of forces. After the outbreak of the international financial crisis, fundamental and complicated changes have taken place in the world economy. A common challenging task facing all countries in the world today, including both developed economies and emerging economies, is to transform economic growth pattern and the development mode through reform.

News reports and commentaries in some countries overrated the gravity of the sovereign debt crisis in Europe and the United States as being at the brink of the precipice financially without taking the difficulties facing new emerging countries in pursuit of sustainable development into full consideration. This may easily lead some people to take a one-sided view of the prospects of development in certain countries.

In fact, despite the fact that the U.S. economy is still in a dire state, it is very unlikely to fall into a desperate recession. In medium-
and long-terms there are more and more favorable conditions under which the U.S. economy will turn the corner: the U.S. lead in scientific and technological strength and innovative power, and especially its mastery of the advanced technology for exploiting shale gas will probably have a revolutionary impact on the global energy distribution; technological innovation such as 3D printing will boost the process of economic resilience and bring about full recovery in the nest few years. 1 Though new emerging economies still have an edge in economic vitality and potential for development, they are all encountering bottleneck constrains in areas such as the “middle income trap”, eco-environmental degradation, slow-down of international market expansion, unsustainability of the existing growth mode, etc. They cannot grow rapidly in future at a rate as high as in the developed economies simply by relying on output increase rather than quality improvement. One cannot underestimate all these challenges and hardships. 2

Finally, there are also many misperceptions of and one-sided views on the future constellation of international relations and the roles of China and the United States in world affairs. They have, directly and indirectly, inflated the fallacies of “China threat” and “China shirking responsibility” and abetted the U.S. strategic hedging against China. The idea of G2 played up shortly after the outbreak of the financial crisis and the more recent concept of “neo-bipolarity” both assume that tomorrow’s world might be jointly dominated by the United States and China.

In academic discussions such arguments are tenable after all, no matter they are valid or not. The question is: the impact of any

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viewpoint on international pattern of relationship and the roles of the United States and China will not be confined to the academic community, but will spin off into all aspects of in China-U.S. relations and more broadly in international relations from both psychological and policy perspectives. A bipolar world under U.S.-China duopoly is a world in which rivalry for hegemony would be inevitable if the two powers cannot establish an entente. Such a train of thoughts would have an inestimable impact on many governments and political circles.

Some analysts in American academic circles conclude that Obama’s China policy has swung twice on a measurable scale since he came into office, to which such misperceptions might be relevant. In its earlier years the Obama Administration seemed to cherish an illusion of “U.S.-China duopoly”. When it found that it was unattainable, it turned to pursue a re-balancing Asia-Pacific strategy and assumed a tough posture towards China, thereby giving rapid rise to strategic anxieties on both sides of the Pacific. As the Administration received mounting criticisms both at home and abroad, it began to swing back to a more restrained policy towards China in the later months of its first term. 1 Reaction to “U.S.-China duopoly” from other countries was also very strong. The Russians had strong resentments while the Europeans were unhappy and worried. It indicates that U.S.-China world domination will not be endorsed and acknowledged by other international actors and that it is a gross misinterpretation of the future world order and the international roles of the United States and China.

Indeed, in view of so many global challenges and regional issues, it is unrealistic for China and the United States to take care of everything in the world. The future world will probably be in a somewhat

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unbalanced structure with multiple poles. One or two countries cannot manipulate world affairs and the distribution of international forces will be characterized by a multi-echelon formation: the United States would remain at the foremost echelon for long while other international actors would be at the second and third echelons, and China would probably be more likely than other countries to move close to the foremost echelon.

In this sense, China-U.S. relations will no doubt be the most important set of bilateral relationships between states in the future world. The two countries will play a more important and indispensable role in world affairs. No country, or a couple of countries, can manipulate the world. The international community should work in cooperation for common prosperity. Future world older will take shape in an objective, evolutionary course independent of man’s will. But taking objective perceptions of the world order and the international roles of China and the United States will put the two countries in a more poised disposition and enable them to better play their international roles for mutual benefits and minimize ups and downs in the bilateral relationship arising from irrational actions.

We can conclude from the above analysis that the lack of mutual strategic assurance between China and the United States at present attributes in no way simply to policy factors (such as transparency). It has a lot to do with perceptions or misperceptions. Asymmetrical, unobjective and incomprehensive information exchange may, more often than not, lead the two sides to have diametrically opposed views or perceptions of each other and pose an obstacle in promoting mutual understanding and seeking common ground.

It is imperative for the two countries to use every possible means to communicate more closely, promote mutual understanding and reduce or dispel all misunderstandings and misconceptions on many issues which affect their world outlook. This is by no means very
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easy. But the importance of long-term development of China-U.S. relations and the rapid increase of bilateral exchanges between the governments and people of the two countries provide objective favorable conditions.

VI. A Major Stake for the Destiny of China and the United States

As Sino-U.S. relationship is the most important relationship in the world today, how it evolves has a pivotal impact on the international order and the destiny of China and the United States. Guiding Sino-U.S. relations in the direction of a new-type relationship between two major powers is a historical mission incumbent on the two countries and a test to their ability and wisdom. To persist in the general orientation of Sino-U.S. relations from the strategic plane, it is imperative for the two sides to be good at learning from past experiences and lessons and detach from niceties of specific issues so as to make sure that Sino-U.S. relations will never lead astray. In this regard, the following three points are of unique importance:

First, China and the United States now have unprecedented opportunities to build towards a new-type big-power relationship. Trade serves to promote peace; open-mindedness enhances mutual forbearance, and communication with others makes one more reasonable—all are valuable lessons repeatedly verified in the history of international relations. How to learn from such lesson to prevent state-to-state conflicts, China and the United States have more favorable conditions in handling their bilateral relations than those rivaling powers in modern history.

Second, experiences accumulated over a long history of Sino-U.S. relations are useful for both countries to be reasonable in mutual perceptions and their respective international positions. An increas-
A growing number of Americans have come to realize that China is trying to resume its big-power status it used to enjoy for long in the world history, and that historically speaking, China appears to be more like an established power rather than a new emerging power. In China, more and more people perceive the United States as still a young emerging power, in terms of a long historical course, which will continue to develop for long before its decline. If this way of thinking becomes the common understanding of the overwhelming majority of people in both countries, there obviously will be more “senses and sensibilities” in China-U.S. exchanges.

Third, the history of Sino-U.S. relations has repeatedly proved that harmony brings mutual benefits whereas rivalry harms both sides. This also reflects the same, and more universal, logic and law, namely “if you cannot defeat your opponent, he should be your partner”. These historical lessons are of growing importance for Sino-U.S. relations in future, because as Sino-U.S. relations continue to develop and as both sides’ perceptions tend to be more reasonable and more sober-minded, China-U.S. cooperation will have a more powerful driving force whereas rivalry would be more meaningless.

Looking ahead, the next five years will be a critical period of time for building towards a new-type relationship between China and the United States. As leaders of both countries have changed guards before long and as the domestic political situation is relatively more stable in both countries, it is a propitious time for both sides to think hard and boldly test the waters for further development of bilateral relations, and rouse more and more energies to foster China-U.S. relations up to a still higher level.