

**President Nixon and “The Week that Changed the World”:
The Challenge of Managing US-China Relations**

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I am honored to speak at this recognition of a major event in the history of our two countries: the fortieth anniversary of President Nixon’s trip to China in February 1972.

I was privileged to have played a supporting role in organizing the trip, as a member of Henry Kissinger’s National Security Council staff.

The president’s week-long visit to China concluded with publication of the Shanghai Communiqué, a unique joint political document that established the principles for normalizing US-China relations.

Looking back over four decades, it is clear that the President’s visit, and his discussions with Chairman Mao and Premier Zhou Enlai, fundamentally changed the political dynamic of the Cold War -- to the benefit of the security of both our countries. The Soviet Union was put on the defensive, and the US and China began to dismantle their decades-long confrontation. The visit represented one of the most dramatic and transforming diplomatic initiatives of the 20th century!

Full normalization of Sino-American relations was completed by President Carter and Deng Xiaoping in late 1978. This development made possible a dramatic advancement in our bilateral relationship – especially in the economic and cultural realms.

The “reform and opening” policies adopted at the Third Plenum of the 11th Central Committee succeeded in circumstances where China had developed open relations with the United States and most other countries of the world. The three decades since Deng Xiaoping’s policies were initiated has seen China rise to become the second largest economy in the world – an accomplishment of high-speed national development that is unprecedented in world affairs.

Where are US-China relations today? Some have characterized them as “strategically ambiguous.” We are neither allies nor adversaries. We have major areas of cooperation – especially in economic relations – but also significant areas of competition and disagreement. We share common interest in national security and a stable international environment; yet we have limited areas of cooperation and a significant measure of distrust.

Our relations today are in a contradictory state of opportunity and some antagonism. If our areas of disagreement are not carefully managed, we could again become adversaries.

As I will point out in this talk, the East Asian region is in danger of re-polarizing. Yet if we take advantage of opportunities to cooperate on the basis of shared interests, we can more fully attain the benefits of normal relations – for our two countries, for Asia, and for the world.

Breaking out of the cold war

To fully appreciate the significance of President Nixon's visit to China it is useful to put the event in historical context. From this perspective, the decision of Chairman Mao and President Nixon to break out of two decades of confrontation is one of historic significance. As I said, it is one of the few, great diplomatic initiatives of the 20th century!

It may be a surprise, but my first point about history is to recall a statement made over two centuries ago -- by the French emperor Napoleon. Napoleon was aware of the declining power of the Qing Dynasty when he said in 1803 that the world should let China sleep, for when she wakes she will "shake the world." That far-sighted observation was made shortly before the British imposed on the faltering Qing Dynasty the opium trade and the treaty port system. This set in motion for China a century-and-a-half of foreign interventions, revolutions and war.

We can debate when China's "awakening" began, but certainly the founding of the People's Republic in 1949 was an important part of the process of recovering from that bad past. As Chairman Mao put it at the time, "the Chinese people, led by the Communist Party of China, have quickly awakened." As you know, China then established a treaty relationship with the Soviet Union and began its economic reconstruction following the Soviet model of central planning.

It was in this situation – the beginning of the Cold War, which was made hot by the war in Korea -- that the United States and China became adversaries. You also know that by the late 1950s China's alliance with the Soviet Union began to break down, and in the following decade it degenerated into a military confrontation.

Given the Cold War atmosphere of the time, many in the United States welcomed the growing confrontation between Moscow and Beijing. One view was that the US should benefit from this situation by – as the Chinese saying goes – "sitting on the mountain and watching the tigers fight."

But President Nixon had a different view. He saw the Soviet Union as America's – and the world's -- major security threat; and he came to believe that the United States and China should cooperate against this threat. He also said many times that he saw no fundamental conflicts of interest between our two countries.

This view was difficult for many Americans to believe. At that time the US was mired in the war in Vietnam, and China was supporting north Vietnam. Moreover, within China the Cultural Revolution included strong attacks on “American imperialism.” The great significance of President Nixon’s China policy was that – in this confrontational environment -- he took a far-sighted and risky initiative to normalize relations with china. And no doubt there were also risks for Chairman Mao in seeking to end the confrontation with the United States.

Normalization talks began in July 1971, when Henry Kissinger made his famous secret trip to Beijing to hold an extended opening dialogue with premier Zhou Enlai. When his visit was made public, controversy developed in both countries!

In the US, we had a decades-old treaty relationship with Chiang Kai-shek’s government of Nationalist China going back to our cooperation in the war against Japan. Chiang, of course, retreated to Taiwan at the end of the civil war. There was strong opposition in Congress to betraying a long-term ally, much less to dealing with a hostile government in Beijing.

In China, there was opposition as well. Chairman Mao told President Nixon during his February 1972 visit: “In our country (china) there was a reactionary group which is opposed to our contact with you. The result was they got on an airplane and fled abroad” -- a reference to the lin biao affair.

Despite such opposition, both leaders proceeded to reduce the confrontation and develop areas of cooperation, even as they agreed to continue criticizing each other in public.

The Nixon visit was a highly orchestrated diplomatic event. Most notable was the use of television to build public support in the US – and around the world -- for normalization. Two satellite ground stations were sent to Beijing to broadcast TV coverage of the visit for the American people. Images of the Great Wall, the Forbidden City, and of Premier Zhou Enlai toasting President Nixon at the official welcoming banquet helped to dramatically change public attitudes about China in the US – from the chaos of the Cultural Revolution to China’s sophisticated diplomacy and ancient culture.

Henry Kissinger’s memoirs document the details of the Mao-Zhou-Nixon policy discussions. the most significant result of these talks was the agreement to cooperate against the Soviet Union – the Soviet “bastards” as Mao characterized the Russian leadership.

The issue of Taiwan’s future was set aside as of secondary importance. Mao told Nixon that the Taiwan issue could be resolved “in a hundred years,” and that while China would eventually have to fight to reunify the island with the mainland, in the meanwhile it was better that the US take care of Taiwan.

Nixon told Mao he intended to complete “normalization” of relations – that is, to break

formal diplomatic relations with Taiwan, and establish them with the PRC -- in his second term (which he never completed due to the Watergate scandal).

The Mao-Nixon talks shocked the Russians. They countered the US-China initiative with summit meetings and positive initiatives in arms control.

Despite the improvement in US-PRC relations, cooperation remained limited and fragile. China's domestic politics were still in the turmoil of the cultural revolution. By 1974 Zhou Enlai was dying of cancer, and Mao's health was deteriorating. A succession struggle developed between what Mao called the "Gang of Four" and political forces led by the recently rehabilitated Deng Xiaoping who were dedicated to Zhou Enlai's vision of the "four modernizations."

As well, distrust constrained the US-China relationship. Mao and Deng Xiaoping were concerned that the US was pursuing detente with the Soviet Union -- to China's disadvantage. Chairman Mao complained to Kissinger in 1974 that the US was "leaping to Moscow by way of our shoulders" in its efforts to counter Soviet power, thus increasing China's vulnerability to Soviet pressures.

Chairman Mao died in early September of 1976, and the Gang of Four was quickly purged. Yet continuing uncertainties about normalization limited efforts to strengthen and broaden the bilateral relationship. One example -- which is important to understanding the current challenges in managing the relationship -- is that US proposals to establish trading relations were rejected by a Chinese leadership still pursuing an economic development policy of autarky, and uncertain whether US-China relations would become fully -- legally -- normalized.

Deng Xiaoping and Development

After Deng Xiaoping consolidated his leadership in 1978, the bilateral relationship was dramatically transformed. In the summer of that year, Deng shocked a visiting American delegation by proposing that China send hundreds of students to the US. And by the end of the year he had negotiated full normalization of relations with the Carter administration.

In the decade of the 1980s, China's domestic political order also dramatically changed. "Politics in command" was replaced with Deng Xiaoping's pragmatism, and the xenophobia of the Cultural Revolution years was replaced by Deng's "gai ge" and "kai fang" policies of opening China to the world and promoting internal reform. China was now on the road to its dramatic economic takeoff

Apart from growing economic relations, concern about the "polar bear" -- as Deng characterized the Russians -- continued to hold the relationship together. the decade of the 1980s has been characterized as a golden era in US-China relations.

All that changed in a fundamental way, however, as the calendar turned to the 1990s. The

events of 1989 generated world-wide concern about the stability and direction of China's political system. And the collapse of the Soviet Union in 1991 removed the principal shared security threat. Moreover, China's growing economic impact around the world began to have unsettling consequences in both developed and developing countries – despite the benefits of a more open global trading system.

A New Era in International Affairs

Today we can see that in the two decades since the end of the Cold War the world has entered a new era. The great power conflicts and wars that dominated the 20th century have given way to a time of international economic integration – involving both mutual benefit and competition.

Today our security concerns are about regional interstate rivalries (north and south Korea; India-Pakistan; Israel-Iran), and weak states that permit the growth of terrorist groups. We work to prevent the proliferation of nuclear weapons and to deal with the corrupting influence of narcotics cartels; and pirates capturing ocean shipping for ransom. And worldwide, Ethnic and religious conflicts have replaced ideological rivalries as forces for political instability.

As well, our security is affected by issues that are not military in character: the integrity of our electronic systems – the brains and nerves of modern societies; dependable access to energy and other resources necessary for economic development; and the humanitarian impact of global climate change, pandemic diseases, pollution of the environment, and natural disasters. We are still learning how to deal with these challenges, especially where international cooperation is required.

And then there is a new force creating political change around the world: mass publics mobilized by the information revolution and social networking communications. In President Nixon's time the relatively new technology of television could be used to change public opinion "from the top down." Today, the Internet and social networking media give people the ability to exert political influence "from the bottom up."

The turmoil now transforming the Arab world is a global phenomenon. It is evident today in Russian politics, and even to some degree in the United States. Established political institutions are under public attack, and governments that resist change risk being swamped by the pressure of mass public opinion.

Today's Complex US-China Relationship

How to assess US-China relations in this new international context, three decades after Deng Xiaoping's reforms? China is now integrating into the international system – and, indeed, has become a major participant in multilateral institutions. Its economic takeoff has become a driving force for global growth. China is providing inexpensive consumer products to the world, and capital in support of its development strategy of export led growth. Trade and finance have become major factors tying together the United States

and China.

That said, there is serious concern around the world that China is distorting the international economic order to its own benefit: by managing its currency exchange rate; by restricting access to its domestic markets; by subsidizing certain export products; and by illegally acquiring foreign intellectual property.

At home, its dramatic growth is straining the natural environment – especially its own -- through pollution and infrastructure overload. And as the basic physical and economic needs of china’s people are met, they raise new demands for further advances in quality of life and social equity.

In matters of security, US-China normalization has improved regional stability. It has eased Cold War-era security burdens on both our countries. Yet, cooperation between the United States and China on matters of international security is limited. China is a reluctant partner in efforts to counter the proliferation of nuclear weapons. And it has become a major concern in matters of cyber security. its dramatic military modernization, in combination with heightened tensions over conflicting territorial claims in the East and South China Seas, has begun to re-polarize East Asia.

As well, there is the perception abroad that political reform has largely stagnated. this is creating uncertainty about whether China’s leaders will make the changes needed to sustain the country’s economic development.

However one assesses the relative balance among these consequences of China’s dramatic growth, two fundamental implications stand out: First China’s leaders are “riding the tiger” of high speed domestic development. For reasons of political stability it is imperative to sustain rapid growth.

Thus, American appeals to China’s leaders to adjust exchange rates, to open the economy more fully to foreign imports, to reduce their export bias, and adopt other policies that would reduce employment, are almost certain to be resisted – as they would be in our country if they were proposed by outsiders.

Secondly, the international consequences of China’s “rise,” however peacefully intended, are producing a defensive, if not fearful reaction abroad -- despite the appeals of Chinese leaders to the world to see the country’s growth as non-threatening. This reaction is now being accelerated by China’s military modernization and assertiveness on territorial issues.

And for the Future: Back to the Past?

History shows that serious economic problems, and even many security concerns, can be managed through determined diplomacy. Territorial disputes, however, are the kinds of issues that can lead to military confrontation -- if not war.

One of the outcomes of the Nixon/Mao talks of the early 1970s – as noted earlier -- was an agreement to defer resolution of Taiwan’s status in order to cooperate on the strategic security challenge from the Soviet Union. Failure to manage Taiwan’s future relationship with the mainland peacefully is the most likely source of a breakdown in the US-China relationship.

Having said that, over the past four decades there has been a remarkably positive evolution in cross-Strait relations. What had been a military confrontation derivative of China’s civil war, has now evolved into increasingly constructive economic and social dealings between the island and the mainland. There is open political communication between leaders in Taipei and Beijing, and a growing sense of common interest.

The outcome of the recent presidential elections in Taiwan indicates that people on Taiwan do not want to challenge Beijing on the issue of independence. They increasingly see the benefits of cooperation. They want stability. They want the current situation to be sustained.

The political challenge to all three parties involved in this situation is to build trust and reduce tensions to a point where a cross-strait military conflict is seen as contrary to everyone’s interest. In such a circumstance, a political accommodation between Beijing and Taipei becomes possible.

China now designates Taiwan as a “*zizhiqu*,” a self-governing territory. This conception, it seems to me, along with the “one country, two systems” policy and the so-called 1992 consensus, provides the basis for a favorable long- term evolution of the current situation.

If we take Chairman Mao’s perspective of 100 years to resolve this issue, we have 60 years to go. And we still share strategic concerns of high priority. The most costly outcome for all concerned, of course, would be an escalation of political tensions across the Strait, much less a return to military confrontation.

A Cooperative Agenda for the Future

What can be done to maximize the benefits of normal Sino-American relations – much less minimize prospects for a return to confrontation?

First is the necessity to vigorously confront the primary source of economic tension – the *shared* concern with “jobs, jobs, jobs.” In the Cold War era, the shared strategic concern with the Soviet threat helped pull the two countries together. Today, the common concern with jobs tends to pull the countries apart, although the reality is that globalization has created enormous numbers of jobs in both our countries.

The specific issues currently on the bilateral economic agenda – as noted earlier -- affect jobs in both countries. There are a number of well-institutionalized bilateral and international fora and dispute-management procedures for dealing with these issues -- most notably the annual U.S-China Strategic and Economic Dialogue.

Cooperation can be built on the basis of shared interest in sustaining access to foreign markets and capital, protecting intellectual property, promoting direct investment in both directions, and jointly working issues that can only be resolved through cooperative endeavors.

Both the US and China need an open international trading environment. And over time China will slowly make the transition from a development strategy of export-led growth to an economy with heightened domestic household consumption.

For its part, America has to invest more at home, do so intelligently, consume less, and generate the political will to manage, on a bipartisan basis, our fiscal challenges.

The second element of managing the U.S.-China relationship should be the construction of a positive agenda of economic and security cooperation: energy security; access to raw materials; countering the proliferation of weapons of mass destruction and terrorism; sea lane security; the impact of climate change; global health threats; etc.

These and many other issues of this new era in international affairs cannot be dealt with as “we win-you lose,” zero-sum challenges. Our leaders must be as bold in developing cooperative policies as Chairman Mao and President Nixon were in confronting the Soviet threat!

“The Week that Changed the World”

To conclude, President Nixon called his visit to China in 1972 “the week that changed the world.” Four decades later, it seems this was not an exaggeration. Or to go back even further in history, Napoleon was even more far-sighted in saying two hundred years ago that China would “shake the world” when aroused from her “sleep.” China today is indeed “shaking the world.”

China and the United States today, as two of the world’s major powers, are capable of reshaping this new international environment to mutual benefit. We are now locked into a relationship of economic interdependence, and we still have common security concerns.

The United States, in its own interest, has supported China’s modernization. A succession of senior American officials over eight administrations have asserted that a secure and developing China would be to America’s benefit, and a positive factor in world affairs. Yet we have significant differences that limit cooperation.

Apart from economic issues, there is concern – as noted earlier -- with China’s military modernization, and conflicting claims to disputed territories in the East and South China Seas.

For most of the 20th century the United States played a major role – at great cost -- in maintaining global stability. In its own security interests, and to the benefit of many

other countries, it confronted expansionist Germany, imperial Japan, and a threatening Soviet Union. Today, the US continues this role – countering terrorism and nuclear proliferation, and trying to stabilize critical regions and countries in many parts of the world.

It is from this perspective that America’s long time allies in East Asia today are seeking assurances that the United States will maintain a balance of forces in the region. They do not want confrontation with China; they seek an equilibrium of forces.

The Obama administration – after a decade of military engagement in Iraq and Afghanistan -- is now “rebalancing” the US presence in the Asia-Pacific – a region critical to America’s economic and security interests. But as history tells us, “equilibrium” or “balance” – if not well managed -- can degenerate into confrontation. Thus, there is risk that we could again become adversaries.

Only as leaders in *both* Beijing and Washington work to develop the positive factors in the relationship -- while managing the areas of conflict – can they avoid the great costs that would come with a return to confrontation. This is the great contemporary challenge of managing US-China relations.

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