

## **VOLATILITY OF U.S-CHINA RELATIONS**

**SEBIN K PUNNOOSE\***

---

### **Abstract**

The US-China relations have moved through different stages exhibiting its own complexities and potentials. Their presence as strong nations and relations between them dictated the global order and had decisive impacts on the global power structure. Now the world witness a complex and conflictual relations between the U.S and China. Is it for the first time? The answer is no. There is frequent ups and down in U.S – China relations. The article analyses the volatility on the basis of the history of U.S –China relations.

### **Relations before Second World War**

The history of US-China relations can be traced from the initial stages of the establishment of America in the present form. In 1784 the first merchant ship called Empress of China sailed to the present Guangdong in China. At first, the economic motives drive the relations. But the British were hostile to the Americans. But later it was the Christian missionaries who reformed the relations in the interest of having new converts from China. At the same time, Chinese people perceived the U.S as a great destination for their opportunities. The Chinese immigrants stimulated the construction of the Transcontinental Railway. The American government welcomed the immigrants. The leaders like Sun Yat-sen were influenced by the ideals of American national leaders like Abraham Lincoln which inspired the Sen to include the famous proposition called "of the people, by the people, and for the people" form part of the new republic's constitution (Chang 1984).

---

**\* Post Graduate Student, School of International Relations and Politics, M.G University Kottayam, Kerala, India**

According to Robert G Sutter, the relations between U.S and China in the 19<sup>th</sup> century were limited. The American traders and missionaries had to accommodate the repressive practices followed by the Qing dynasty. As a result of foreign treaties imposed on China the nation was open to a number of powers. Extraterritoriality was gained through new treaty system. But in reality, the scope of American trade and its profit was in low profile. It was the Christian missionaries who were in great numbers in China. The China diplomatically at the end of the 19<sup>th</sup> century became important owing to the presence of a number of European powers and Japan. But after the First World War, the European powers withdrew their respective forces from China and Japan remained only influential power. It made Manchuria under its control. Due to the limited presence in China, U.S was not in confrontation with Japan. But to a great extent, U.S argued for the integrity of China. The U.S was viewed to a great extent benign to China as compared to Japan and European powers who were in continuous confrontation with the Chinese army. The U.S government supported a number of projects and programmes owing to the welfare of the Chinese especially brought tens of thousands of students to America. Later owing to the mistreatment of the Chinese immigrants in America protests erupted. America supported the territorial integrity of China especially proclaimed it through the Washington Conference of 1921-22. But it did little response when Japan conquered Manchuria leading to the suspicion in the mind of Chinese leaders (Sutter 2013).

The 1900s witnessed a great transition in China's presence in the international relations through an assertive policy. During the First World War, it followed neutrality. In 1911 after the Xinhai Revolution U.S recognized the Republic of China (ROC) government as the sole legitimate government. This government was lead by the Kuomintang (KMT). Later in 1917 declared a war against Japan. China asserted its claims on Shantung Peninsula which Japan claimed. They also issued a document called 21 demands claiming territorial and trade privileges in China. China accepted it but America rejected it citing that it is against the open door policy. In 1921 the Chinese Communist Party(CCP) was formed based on the Marxism and Leninism against the Kuomintang. Both the KMT and CCP claimed to be the real government of China leading to a civil war in 1927. America recognized KMT as the legitimate government of China. In 1937, diminishing the ideological differences KMT and CCP joined against the Japanese invasion of Manchuria. The Japanese atrocities led to the U.S and European powers to offer support to the

Chinese nationalists. The U.S extended \$25 million later in 1940 extended to \$100 million as an aid to Chinese nationalists(Monroe 2013).

### **History of U.S China Relations: Post Second World War**

China in the present form is established after the victory of Chinese Communist Party (CCP) in the Chinese civil war on October 1, 1949, under the leadership of Mao Zedong. From the clutches of imperial political background, China converted into a more sophisticated political entity under the leadership of CCP. Even though there is no complete omission of domestic politics from the U.S China relations, but to a great extent especially the events followed imminently after the second world war was more focussed on single-minded national security concerns (Hachigian 2013: 7-8).

In the initial stages of U.S-China relations especially after the formation of People's Republic of China (PRC) for the leaders in Beijing, the People's Republic of China has no eternal allies or perpetual enemies. Only it has permanent interests. It defined and redefined enemies based on its perceptions and needs. From 1949 until late 1960s PRC leaders were vehemently anti-Americans. They viewed America as their arch-enemy. The period witnessed the cold war between the capitalist bloc led by the U.S and the socialist bloc lead by the USSR. Naturally, China inclined towards the socialist bloc and had an alliance with the USSR. To deal with the American containment policy until 1979, China depended on hard power as well as soft power (Foot, R. 2006). The major contending issues which strained the relations was the occupation of Taiwan by the United States and relations with Chinese Nationalist Kuomintang (KMT), they attacked the United States for reviving Japanese militarism. The Chinese government criticized the U.S as an enemy of world peace. Washington believed that China was an aggressive, expansionist power that threatened the security of its non-communist neighbours (Chang, 1984).

Korean War in early stages strained the relations with U.S and China. In 1950, The Soviet-backed North Korean People's Army invaded South Korea. The United Nations and the United States rush to South Korea's defence. In response to the Soviet-backed North Korean invasion of South Korea, the United Nations Security Council was convened and passed UNSC Resolution 82, declaring war on North Korea unanimously. The resolution was passed successfully because

of the absence of the Soviet Union as part of a protest. The Soviet Union was in protests for the inclusion of People's Republic of China (PRC) as a permanent member of the Security Council against the inclusion of Republic of China (ROC). China, in support of the communist North, retaliated when U.S, UN, and South Korean troops approach the Chinese border. In order to strengthen its position against the U.S, Mao Zedong concluded a treaty with Stalin a 30-year Friendship, Alliance and Mutual Assistance on February 14, 1950. It was also in short run against excessive Japanese militarism. The treaty served as a protective umbrella for China which deterred the U.S from directly attacking the mainland China. The treaty was crucial in China in its position against the U.S in the Korean War. The Korean war resulted in the disappearance of any hope of a relationship between the two countries. The U.S retaliated by imposing an embargo against China and expanding more relations with other communist states (Tucker 2012).

The first Taiwan Crisis of 1954 led to conflictual and confronting relations between U.S and China. Truman administration announced on January 5, 1950, that the United States would not become involved in any dispute about Taiwan Strait, and would not intervene in the event of an attack by the PRC. President Dwight Eisenhower lifts the U.S. Navy blockade of Taiwan in 1953, leading Chiang Kai-shek to deploy thousands of troops to the Quemoy and Matsu islands in the Taiwan Strait in August 1954. Mainland China's People's Liberation Army responded by shelling the islands. Washington signs a mutual defense treaty with Chiang's Nationalists. This conflict situation is important as it led to the nuclear threatening by the U.S against China. It is important that Moscow, who was an important friend and ally of China did not come forward to safeguard the Chinese position. After Stalin, Khrushchev followed a policy of de-Stalinization in which the aggressive moves against the west were avoided and a policy of peaceful coexistence was followed to a great extent. But this policy severely affected the existence of China's position. That diplomatic failure and the presence of U.S. nuclear weapons in the Republic of China (Taiwan) led Mao to a Chinese foreign policy of confrontation with the U.S (Luthi 2008).

The United States constructed an off-shore line of military alliances along China's eastern and southern borders. These included the U.S. alliances with Japan, South Korea, and the Nationalist government on Taiwan. Establishment of military alliances with the countries in the region was

important in countering China's progress in the region. Several developments in Asia between 1949 and 1951 helped to change U.S. perceptions about the utility of a formal security arrangement. The formation of South East Asian Treaty Organization (SEATO) in 1954 is important in this regard. Its members were United States, France, Great Britain, New Zealand, Australia, the Philippines, Thailand, and Pakistan. The purpose of the organization was to prevent communism from gaining ground in the region. Although called the "South-east Asia Treaty Organization," only two South-east Asian countries became members. The Philippines joined in part because of its close ties with the United States and in part out of concern over the nascent communist insurgency threatening its own government. Thailand joined after learning the concern about the potential for Chinese communist subversion on its own soil. Great Britain and France had long maintained colonies in the region and were interested in developments in the greater Indochina region. For Pakistan, the appeal of the pact was the potential for receiving support in its struggles against India, in spite of the fact that neither country was located in the area under the organization's jurisdiction. As the conflict in Vietnam unfolded, the inclusion of Vietnam as a territory under SEATO protection gave the United States the legal framework for its continued involvement there.

In April of 1951, U.S. President Harry Truman announced that negotiations on a tripartite security treaty between the United States, Australia, and New Zealand would occur concurrently with the negotiations for a final peace treaty with Japan. Both treaties were concluded in mid-1951, and the ANZUS Treaty was ratified by the United States and entered into force in 1952. In 1954 creation of the South-east Asian Treaty Organization (SEATO) included all of the ANZUS powers, as well as Britain, France, and several other Asian powers, eliminating the impetus to change the foundation of the ANZUS Treaty. The members met annually and most important topic in their discourse was the spreading of communism in the Asian region. Both Australia and New Zealand sent forces to support the U.S. effort in Vietnam, though without formally invoking the treaty.

The issue of human rights was promoted by the U.S against the communist regime in China during the same time. Nine years after the People's Republic of China asserts control over Tibet, a widespread uprising occurs in Lhasa. Thousands die in the ensuing crackdown by PRC forces

and resulted in the Dalai Lama fled to India. The United States joins the United Nations in condemning Beijing for human rights abuses in Tibet. The PRC claims that Tibet has been a part of China since the Yuan dynasty. China accuses U.S of its involvement in the issue against it, especially the CIA has a role in this unrest which is a move to destroy its territorial integrity and sovereignty.

### **Wedging Strategy Since the 1960s**

America also followed a wedge strategy during the early stages, especially after the 1960s. This means encouraging the disputes and discordances in the relationship between the Soviet Union and China. The two powers remained as the bulwark of communism. From the formation of the People's Republic of China, Soviet Union were its warm supporter and provider of security. It is evident in the Sino – Soviet Treaty of Friendship of 1950. From this treaty, China got about \$ 300 million as a loan in addition to the transfer of colonies of Russia to China and a 30-year long military alliance. It was successful, because such a split did occur, becoming evident in around 1960 and worsening thereafter. Through the alliance, Beijing also secured much Soviet material and technical assistance for China's economic development in the 1950s.

China which gives prime importance to its national interests began to show rift in the relation between the Soviet Union. At the same time the foreign policy of China was based on three objectives; containment of Soviet expansionism, acquisition of foreign capital and technology to stimulate its modernization process, and Taiwan's reunification with the mainland. Along with this, there are many factors which caused the relations between Moscow and Beijing in dilemma. In the economic sphere, there was a problem between the two nations. Moscow provided only two loans-a five-year, \$300 million loans in 1950 and another credit of \$130 million in 1954-and was unwilling or unable to extend further assistance for China's economic development. Beijing pointed out that "far from being gratis, Soviet aid to China was rendered mainly in the form of trade, and it was certainly not a one-way traffic." Beijing also asserted that the prices of many of the Soviet goods were much higher than those on the world market. Most important in the relations between Soviet and China was in regard to the view of America. There were also issues that affected China's national security. Moscow was a failure in the backing of Beijing in the 1958 Quemoy Crisis while the U.S raised nuclear threat against China. Along with this Soviet

Union unilaterally terminated 1957 agreement to assist China's development of the atomic weapon. Soviet Union's also decided to pursue détente with the U.S as manifested in Khrushchev's meeting with the Eisenhower at Camp David in September 1959. Moscow also decided to sign the 1963 Limited Nuclear Test Ban treaty with the United States, which in the view of Beijing was a U.S.-Soviet collusion against China (Chang, 1984). Moreover, during the 1962 war of China against India, USSR was on the side of India.

Along with these factors, the events that appeared between 1968 and 1970 forced Beijing to redefine China's friends and enemies. These events were the Soviet invasion of Czechoslovakia. Along with this USSR also proclaimed the Brezhnev Doctrine, which justifies Soviet intervention in other socialist states. There were bloody Sino-Soviet border clashes. In March 1969, a contingent of People's Liberation Army (PLA) soldiers raided a Soviet border outpost on Zhenbao Island, killing dozens and injuring scores. The incident brought Russia and China to the brink of war, a conflict that might have led to the use of nuclear weapons. But after two weeks of clashes, the conflict trailed off (Farley 2016). In March 1969 the split transformed into open conflict as troops from each side clashed along the Amur and Ussuri rivers and the possibility of a Soviet nuclear strike on China began to appear.

These factors necessitated the Chinese policymakers to have better interaction with the west especially the U.S in order to have the deterrent capability on the Soviet Union. The culmination of which is viewed as a joint operation with the US, Japan and NATO against the USSR since the 1970s.

### **Full Diplomacy**

The first step to normalizing relations between U.S and China was the initiative of President of U.S, Richard Nixon. Nixon paid a weeklong visit to China in 1972 to have better relations between the two. Nixon's historic visit began the slow process of the re-establishing diplomatic relations between the United States and communist China. It was a time when the public of U.S was frustrated with the Vietnam War when the Nixon surprised the American people by announcing a planned trip to the PRC in 1972. The two nations had been bitter enemies. PRC and U.S. troops fought in Korea during the early-1950s, and Chinese aid and advisors supported

North Vietnam in its war against the United States. The situation in Vietnam has changed, the Soviets, not the Chinese, had become the most significant supporters of the North Vietnamese regime. The American fear of a monolithic communist bloc was disappearing with the escalation of conflicts between China and the Soviet Union. Nixon and National Security Advisor Henry Kissinger saw a unique opportunity in these circumstances—diplomatic overtures to the PRC might make the Soviet Union more malleable to U.S. policy requests. That is to pressure the Soviets to make North Vietnam sign a treaty acceptable to the U.S. For the PRC, they realized that it is the American support which maintained the existence of Taiwan as an independent entity (Foot 2006).

Thus PRC became an important tool for the U.S. The United States could use closer diplomatic relations with China as leverage in dealing with the Soviets, particularly on the issue of Vietnam. In addition, the United States might be able to make use of Chinese as a counterweight to North Vietnam. Despite their claims of socialist solidarity, the PRC and North Vietnam were, at best, strongly suspicious allies. As historian Walter LaFeber said, "Instead of using Vietnam to contain China, Nixon concluded that he had better use China to contain Vietnam." The relations will benefit not only the U.S position but also significant for China. President Nixon's visit to China has resulted in promoting Beijing's international status and strengthened its diplomacy in Asia and at the global level. 1972 onwards, a number of states in Asia such as Japan; in Europe such as Germany; and in Africa and Latin America established diplomatic ties with PRC or switched its relation from Taipei to Beijing. Better interactions with the U.S were a gateway for China to have a better relationship with other nations in the west. Along with diplomatic level, at security level also relations with the U.S were positive. It removed the U.S threat and is able to concentrate only on one superpower that is USSR. For China, U.S has become a successful counterweight against the USSR. When Vietnam draw closer to the Soviet Union especially through a treaty of friendship in 1978 establishing extensive commercial and military ties, China ended its aid to Vietnam. It was the presence of the U.S that had made the confidence in China to attack Vietnam. The Chinese action was followed after a few weeks when Deng Xiaoping made a visit to the U.S. There he openly spoke of teaching Vietnam a lesson and conveyed a strong impression of the U.S being the supporter and master brain of this move (Chang 1984). To a great extent, the deterrence has worked as the Soviet does not react even after the attack on



Vietnam who is an ally of Soviet Union. The improved Sino-US relation enabled the Chinese to play a balance of power game against the USSR. Doak Barnett (Barnett, *China and the Major Powers*, 227–228.), the American Political Scientist argued in the 1970s that it represents a realistic balance of power in politics. There was a common aim for the states, protecting of national interests and balancing of Soviet Union.

Another important aspect of the improved relations between the China and U.S was the technological requirement of China. China at that time was in the campaign of modernization, which was a great challenge to Deng Xiaoping leadership which was a top government priority. China needs good western technology. Deng and his associates count on the West, especially the United States, to help train a new generation of Chinese scientists and engineers and hope to use Western capital, technology, and expertise to speed up Beijing's program of modernization. The U.S admitted more than 12,000 students or researchers from the mainland of China to its universities for advancement and research in the fields of science, technology, and engineering. Since 1983, the Reagan administration has relaxed controls on U.S. exports and has put the PRC in the category of non-aligned but friendly nations-which also includes Egypt and India-in order to facilitate the transfer of technology to the PRC. Along with this, the admission to UN was allowed to China just before the normalization of relations between the US and China. UN helped to pursue more relations with the west and to have patents in the advanced sector (Chesneaux 1979).

The ideological shift is also relevant while considering the engaging of China towards U.S. Soviet invasion of Czechoslovakia in 1968 was the critical event which caused China to identify the Soviet Union as a 'socialist-imperialist' country. Beijing identified the "socialist-imperialist" Soviet Union as the most dangerous among all imperialist countries in the world, a rapprochement with the imperialist United States, an enemy less dangerous in comparison, became feasible and justifiable for Beijing's leaders even in ideological terms'. Within this new theoretical framework, U.S. imperialism remained China's enemy but no longer the primary one. The Soviet invasion of Czechoslovakia has brought fears in the policy round of China. The new Brezhnev doctrine proclaimed that Soviet has rights to intervene in the socialist states that had departed from the Soviet understanding of the correct socialist path. This doctrine left the

Chinese in a dilemma that Soviets viewed Chinese version of communism under Mao as a perversion of socialism and feared an invasion. The Sino-Soviet border conflicts which were suddenly after the announcement of Brezhnev doctrine also made the thoughts credible (Chang 1984).

### **U.S – China Economic Relations after Full Diplomacy**

However, as early as 1984 the U.S. had become China's third-largest trading partner, trailing only Japan and Hong Kong, then still a British colony. On the other hand, as America's 14th-largest trade partner, China accounted for a paltry 1.7 percent of total American foreign trade in 1988 and 2.2 percent in 1990. China was marginal to world trade in 1971 when President Richard Nixon announced his upcoming visit to China. In 1972, it stood at a mere US\$4.7 million. In March 1971, the State Department eased restrictions on U.S. citizens visiting China, and the following month American table tennis players toured the country in what became known as "ping-pong diplomacy" (Wang 2013). In April, the Nixon administration announced five measures aimed at removing restrictions on commerce and travel between the United States and China. Under this initiative, the United States expedited visas for visitors from the People's Republic. U.S. currency controls were also relaxed, allowing American citizens to remit money to Chinese citizens or organizations without prior Treasury Department approval. In June 1971, Nixon officially ended the U.S. trade embargo on China. U.S. companies were allowed to export certain non-strategic goods directly to China. Between 1972 and 1979 imports to China from the U.S. was of \$1.94 billion and exports was \$887 million (Foot 1995). With full diplomatic relations established in 1979, the two governments moved to eliminate the remaining legislative and administrative hurdles to commercial relations.

On January 24, 1980, Congress passed a trade agreement conferring contingent Most Favoured Nation (MFN) status on China. This exempted Chinese exports to the United States from the high tariff rates stipulated by the Smoot-Hawley Act of June 1930, a measure that was long used to distinguish friends from foes among U.S. trading partners. During the mid-1970s, about 400 Chinese came to the United States for technical training, and some Americans also were living in China. In 1982 Ronald Reagan, the American President issued the Six Assurances to Taiwan including the pledges that it will honor the Taiwan Relations Act. But later the Reagan signed

and affirmed that they follow One China Policy. The improved relations were based on the improving expansionism of Soviet Union and curb its growth.

### **Impediments after 1979 Reforms**

But despite China's MFN trade status, new legal and political impediments to Sino-American trade relations arose. Under U.S law, trade with the People's Republic fell within the purview of the Jackson-Vanik Amendment contained in Title IV of the 1974 Trade Act. The Jackson-Vanik Amendment linked trade benefits with the human rights policies of Communist (or former Communist) countries. Not only did it deny preferential trade relations to offending nations, but those nations could not receive credits or credit or investment guarantees from the U.S. government. The U.S. president retained the authority to waive application of the Jackson-Vanik Amendment to a particular country, but Congress was required to review semi-annual reports on that country's continued compliance in upholding freedom of emigration. In short, the amendment provided the legal grounds for the annual congressional renewal of China's Most Favored Nation status until 2001, when China joined the WTO, whose rules prohibit members from imposing additional trade restrictions on other members (Wang 2013).

Even though there were some impediments in the trade, there was also an upward surge in the trade. There were some restrictions was there on the transfer of technology to China from the U.S. The American trade constituted not more than one percent of American global trade. The trade doubled by the end of the 1970s. The normalization of political relations between the two countries and China's economic reforms paved the way for acceleration in the American-Chinese transfer of goods, values, ideas, personnel, and technology. From the U.S point of view, China trade was still small. America's 14th-largest trade partner, China accounted for 1.7 percent of total American foreign trade in 1988 and 2.2 percent in 1990. The import from China was worth \$3,861.7 million and exports \$ 3,855.7 million in 1985. In 1990 it reached \$4806.4 million as exports and \$15237.4 million in imports from China (United States Census Bureau (USCB) 1985, 1990). American statistics show that 1986 was a turning point, with a US\$1.664.7 million trade deficit against the United States, which resulted in, the quarter-of-a-century trade deficit with China (USCB 1986). As years proceeds the deficit in trade widened.

From the late 1980s, the China-US relations began to undergo changes and to witness a dissension between the political and strategic aspects and expanded ties in trade, culture, religion, and society. The foreign policies of both the nations undergo simultaneous changes owing to the changes in international structure, especially the disappearance of Soviet Union. From George H.W Bush (1989–93) and Clinton (1993–2001), in the US side and under President Jiang Zemin (1989–2002) and Premier Zhu Rongji led to a number of decisive events which also had implications on their economic relations (Wang 2013).

### **The Tiananmen Crisis and Human Rights**

Since the rapprochement, the relations between the two nations went to a situation of deterioration with the Tiananmen crisis of 1989. The military action of China against the student protests has led to the breakdown of relations between U.S and China. It had a decisive impact on Chinese foreign policy. The pressure from the U.S led to the withdrawal of aid by World Bank and Asian Development Bank. The situation for official dialogue between China and West has disappeared (Harding 1990). As the result of the crisis, President Bush imposed sanctions on China. Also other measures such as suspension of any arms sales or other exports to China and suspension of exchanges between military leaders of both nations (Xuefeng 2006). From late 1970s China pushed arms to the international arena, mainly offering to Pakistan, Vietnam and North Korea free of charge. From ideological support of the third world by Mao Zedong, it developed into an economic activity especially after the reforms of Deng Xiaoping. From 1980 to 1987 China was ranked fifth on the delivery of arms to the third world (Woon 1989). He also urged a sympathetic review of requests by Chinese students in the United States to extend their stay and offered humanitarian and medical assistance through the Red Cross to those injured during the Chinese army's assault on the square. In addition, he ordered a review of other aspects of the bilateral relationship (Wang 2013).

It was the Chinese leadership and its decision which maintained the equilibrium and not in a total antagonism with the U.S which showed prospects for developing relations. After the Tiananmen incident, the relations between America and China became complex. The issue over Taiwan and Human rights came around the discussions while formulating the policies. But the leaders were remained for developing a strategic partnership. The human rights agenda got more support in

the U.S. The annual renewal of Most Favoured Nation (MFN) status for China quickly became a vehicle for American debate over human rights, tougher economic sanctions, and revocation of China's MFN position. For China, the issue remains important as it is going for more growth through new technology after the economic reforms of 1979. The proximity to the west is an important component of its technological requirements. China's priority since the late 1970s has been to take advantage of the relatively peaceful international environment for its modernization programs. But however, by 1993 the European and American investors came back to China. According to Deng China designated in 1989 China as a "big piece of meat" that foreign business cannot resist (Tucker 2012, 39-40)

On May 28, 1993, Clinton bypassed Congress and issued Executive Order 128590 which renewed China's MFN status to seven conditions tied to human rights issues. These conditions were free emigration, cessation of exports manufactured by prison labor, observance of the UN Declaration of Human Rights, preservation of Tibetan indigenous religion and culture, access to prisons by international human rights organizations, permission for international radio and TV broadcasts, and the release of prisoners held on political and religious grounds. Clinton appeared rather different from George W Bush. Clinton formulated the policy to deal with China which was also in favor of the American businessman. He decoupled human rights issues from MFN, an approach that enjoyed the support of American business. If China was reacted in a negative way it will affect its quest for strategic dominance in the world (Wang 2013). At the same time, China and U.S cooperated on many strategic issues at international level amidst crisis. One of the events was Chinese tolerance in U.S troops in Kuwait. When 14 resolutions were passed China supported 12. It is argued that in order to provide a moral and legal basis for the U.S led multinational force China abstained on Resolutions 678 and 686 which authorizes UN troop for action. Another instance is regarding the nuclear weapons. It joined Nuclear Non-proliferation Treaty (NPT) in 1992 and also missile Technology Control Regime (MTCR) which was in exchange for the elimination of three U.S sanctions against China. In the case of establishing peace in Cambodia, China cooperated with America (Xuefeng 2006). Chinese leadership followed rationality and calmness avoiding confrontational positions in the inadvertent bombing of Chinese embassy in 1999 and mid-air collision between a Chinese jet fighter US EP-3

surveillance plane in 2001 (Zhao 2014). These are instances showroom for cooperation at the helm of conflict between two powers.

### **China's Entry into the WTO**

After the disappearance of Soviet Union from the international politics the power structure of world also underwent great changes. The Soviet Socialism began to give way to liberalism. America provided global support for flourishing the globalization and liberalization which follows it. The opening of the economy was key for the existence of a nation in the modern world. In the foreign affairs, most Americans tend to be liberals. In the new world, they argued for economic interdependence, international institutions, and democratization. China's entry into the World Trade Organization (WTO) on December 11, 2001, established a new order in its export-driven economy and in American-Chinese relations. It took 15 years of negotiations (1986–2001) for China to become the 143rd member of the WTO. The liberals believed that more economic exchanges between the nation result in good relations between the states at the international level. Joining forces with China, the United States was the prime mover in China's accession to the WTO (Friedberg 2005). WTO came into being on January 1, 1995, its predecessor, the General Agreement on Tariffs and Trade (GATT), dates back to 1948. China was one of the original signatories of the GATT. In 1971, the GATT revoked Taiwan's membership in line with UN recognition of the People's Republic of China as the legitimate government of China and PRC accession to membership in the Security Council (Wang 2013).

In 1986, China formally applied to join the GATT. Negotiations with the U.S. over China's entry into the WTO were complex. The WTO talks were postponed due to the Tiananmen crisis. For China, the membership in WTO is important as it will able to evade the sanctions which are imposed on them. While China was eager to be part of the WTO, it sought to join as a developing country and insisted that the balance between obligations and rights be respected, especially by developed member states. China favored it as the responsibility of developed nations for more flexibility while leading with the developing countries. China's entry into the WTO has contributed to the development of a new phase in the history of international trade and investment and U.S China economic relations. The commercial operations got sophisticated not

only inside China but also overseas. In 2005, China became the third largest trading nation in the world after the United States and Germany. In 2012 it became the largest one (Wang 2016).

As a result, investments began to increase. In 1978 the total value of imports and exports made by China was only 20.6 billion U.S. dollars which only accounted one percent of the world trade and 32<sup>nd</sup> rank in world trade. But the situation has undergone great changes after the entry in WTO. As per the data of 2010 value of China's import and export reached 2.974 trillion U.S. dollars which is 144 times greater than that of 1978, which represents average annual growth of 17.2 percent. The total value of its import was 1.3962 trillion U.S. dollars, showing a 16.4 percent annual growth on average. China had been the world's largest exporter and second-largest importer for two consecutive years by the end of 2010 (China's Foreign Trade – White paper, 2011).

### **Twenty-first Century**

The century is noted for the existence of a unipolar world after the disappearance of USSR in the 1990s. In the twenty-first century rather than discussions on human rights or authoritarian regime in China the relations between U.S and China had developed to a great extent. It is the economic aspect which was given prime importance rather than political. Keeping development and technological innovations were a prime concern for China. China wants to emerge as a superpower which was left in vacuum by the demise of Soviet Union. Economic development will make China a world power, through non-conflictual means of strengthening its economy (Rej 2017). For the United States engaging with China was mainly on economic motives. At the strategic level, the two powers remain at two divergent sides. The trade deficit is one of the major impediment in the economic relations between the two nations. Also, there are also frequent complaints of Chinese goods flooding in the markets. Though at the economic level there remains a reliance on two powers at the strategic and military level the alliance is different.

The year 2005 was important in the history of U.S China relations. then then-Deputy Secretary of State Robert Zoellick urged China to become a "responsible stakeholder," This maintains that China has a role to dictate international status quo. The concept of responsible stakeholder implies it should become a supplier of the public good as America had done after the First World

War. China should have the ability to contribute to international public goods, including economic stability and growth, non-proliferation, and regional security. Thwarting the nuclear threat of North Korea is one instance. Sudan can be cited as a good example as China has shifted from its noninterventionist stand (Carnegie Endowment for International Peace, 2007).

A notable radical shift in the history of U.S China relations was in 2011 by the announcement of 'Pivot to Asia' by U.S Secretary of State Hillary Clinton. According to the secretary of state, the most important strategy of U.S over the next decade is increased investment, diplomatic, economic, strategic, and otherwise in the Asia-Pacific region. The Asia-Pacific is characterized by key engines of the global economy. In this context for the building of mature security and economic architecture that promote stability and prosperity, the U.S is essential in this region. The open markets in Asia are beneficial to Americans, for investment trade, commerce and access to cutting-edge technology. Strategically maintain the status quo, that enables navigation in the South China Sea and countering the nuclear threats of North Korea which will bring military transparency in the region was aimed at this policy. This policy, according to Hillary Clinton, is composed of "strengthening bilateral security alliances; deepening our working relationships with emerging powers, including with China; engaging with regional multilateral institutions; expanding trade and investment; forging a broad-based military presence; and advancing democracy and human rights." It also envisages a Trans-Pacific Partnership (TPP) which brings together the countries across the Pacific into a single trading community (Clinton 2011). In 2012 the leadership change has occurred in China. The new leadership under Xi Jinping views foreign policy as important part of the government as contrary to the previous leaders who focused on domestic politics. The policy of China's peaceful rise has been reformulated under the new leadership. It provided more importance for the national interest which also overlaps with developmental interests. Another important aspect is a peaceful development which is premised on reciprocal commitments with other countries. The third aspect is to create a stable external environment that serves China's interest (Zhang, 2015).

The trends of enhancing co operations especially regarding one of the most conflictual subject were the environment. Both the power has its own stand regarding the mitigating environmental issues. In the joint statement issued in 2014 announce to "work constructively" for the common



good. They accept the common but differentiated responsibilities (the United States, Office of the Press Secretary 2014). But the treaty has undergone with the arrival of new leadership in the U.S under Donald Trump. For him, environmental issue is a hoax (Beckwith, 2017).

As the history of the U.S- China relations portrays there is up and down in the relations. Each of them is in a position to enhance their interests at global level. This sometimes may be leading to a conflict in relations. But at times both of them consider the relation beneficial especially regarding the economic realm. Even though there was a tenor of trade war in the beginnings of 2018 and even Trump announced for an executive order. But later he had to move backward as the China also exhibited a position to retaliate on the same coin. This is what actually happens today.

## References

- Barnett, Doak A (1977): *China and the Major Powers in East Asia*, : Brookings Institution.
- Beckwith, Ryan Teague (2017): "President Trump Won't Say If He Still Thinks Climate Change Is a Hoax. Here's Why," *Time*, at: <http://time.com/4959233/donald-trump-climate-change-hoax-question/>. [Accessed 7 Feb. 2018].
- Carnegie Endowment for International Peace. (2007): "China as a Responsible Stakeholder," at <http://carnegieendowment.org/2007/06/11/china-as-responsible-stakeholder-event-998> [Accessed 1 Feb. 2018].
- Chang, P (1984): "U. S.-China Relations: From Hostility to Euphoria to Realism," *The Annals of the American Academy of Political and Social Science*, 476: 156-170
- Chesneaux J (1979): "China: The People's Republic 1949-1976," Hassocks, Harvester Press, *The China Business Review*. "Shifting Gears", Nov-Dec.
- Clinton, Hilary(2011): "America's Pacific Century," *Foreign Policy*. At <http://foreignpolicy.com/2011/10/11/americas-pacific-century/>. [Accessed 7 Feb. 2018].
- Farley, Robert (2014): "Asia's Greatest Fear: A U.S.-China War," *The National Interest* at <http://nationalinterest.org/feature/asia-flames-us-china-war-10621>. [Accessed 7 Feb. 2018].

- Foot, Rosemary (1995): *The Practice of Power: US Relations with China Since 1949*: Oxford University Press.
- Foot, Rosemary (2006): “Chinese Strategies in a US-Hegemonic Global Order: Accommodating and Hedging,” *International Affairs (Royal Institute of International Affairs 1944-)*,82(1): 77-94.
- Foot, Rosemary (2006): “Chinese Strategies in a US-Hegemonic Global Order: Accommodating and Hedging,” *International Affairs (Royal Institute of International Affairs 1944-)*,82(1): 77-94.
- Friedberg, Aaron L (2005): “The Future of U.S.-China Relations: Is Conflict Inevitable?,” *International Security*,30(2): 7-45.
- Hachigian, Nina (2013): *Debating China*, Oxford University Press: 7-8.
- Harding, Harry (1990): “The Impact of Tiananmen on China's Foreign Policy, China's Foreign Relations After Tiananmen: Challenges for the U.S” *NBR Analysis*, Vol 1, No.3 December: 5-17
- Luthi, Lorenz (2008): "*Mao's Challenges*". *The Sino-Soviet Split: Cold War in the Communist World*, Princeton, NJ: Princeton University Press.
- Monroe, Erin (2013): "U.S.-China Relations: A Brief Historical Perspective," U.S.-China Policy Foundation.
- Rej,Abhijnan (2017): “In search of China’s grand strategy,” *Observer Research Foundation*, at <http://www.orfonline.org/expert-speaks/in-search-of-china-grand-strategy/>. [Accessed 8 Feb. 2018].
- Sutter, Robert.G (2013): *U.S.-China relations: Perilous past, uncertain present*, Lanham: Rowman and Littlefield: 13-18
- The United States, Office of the Press Secretary (2014): *2014 U.S.-China Joint Announcement on Climate Change*
- The United States, Office of the Press Secretary (2014): *2014 U.S.-China Joint Announcement on Climate Change*
- Tucker, Nancy Bernkopf (2012): “The Evolution of U.S -China Relations,” in David Shambaugh(eds), *Tangled Titans: The United States and China*, Lanham: Rowman & Littlefield.
- United States Census Bureau (2018): *Top Trading Partners - January 2018 at*

<https://www.census.gov/foreign-trade/statistics/highlights/toppartners.html>

- United States Census Bureau (USCB) (1986): *1986: U.S. trade in goods with China*: U.S Department of Commerce
- United States Census Bureau (USCB) (1990): *1990: U.S. trade in goods with China*: U.S Department of Commerce
- United States Census Bureau(USCB) (1985): *1985: U.S. trade in goods with China*: U.S Department of Commerce
- Wang, Dong (2013): "US-China Trade, 1971-2012: Insights into the U.S China Relationship", *The Asia Pacific Journal*, Volume 11, Issue 24, Number 4
- Wang, Dong (2016): "U.S-China Economic Relations," in Andre T.H. Tan (ed) *Handbook of US-China Relations*, Northampton: Edward Elgar Publishing
- White Paper (2011): *China's Foreign Trade*, Information Office of the State Council, at [http://english.gov.cn/archive/white\\_paper/2014/08/23/content\\_281474983043184.html](http://english.gov.cn/archive/white_paper/2014/08/23/content_281474983043184.html)
- Woon, Eden Y (1989): "Chinese Arms Sales and U.S.-China Military Relations," *Asian Survey* 29, no. 6: 601-18.
- Xuefeng, Sun(2006): "The Efficiency of China's Policy towards the United States," *The Chinese Journal of International Politics*, Volume 1, Issue 1, July: 57–81
- Zhang, Jian. (2015): "China's new foreign policy under Xi Jinping: towards 'Peaceful Rise 2.0'?" *Global Change, Peace & Security*, 27(1): 5-19.
- Zhao, Suisheng (2014): "A New Model of Big Power Relations? China-US strategic rivalry and balance of power in the Asia–Pacific," *Journal of Contemporary China*, 24(93): 377-397.