The reason I insisted on retiring was that I didn't want to make mistakes in my old age. Old people have strengths but also great weaknesses—they tend to be stubborn, for example—and they should be aware of that. The older they are, the more modest they should be and the more careful not to make mistakes in their later years. We should go on selecting younger comrades for promotion and helping train them. Don't put your trust only in old age... When they reach maturity, we shall rest easy. Right now we are still worried.10

For all the matter-of-factness of Deng's prescriptions, there was about them the melancholy of old age, conscious that he would miss the fruition of what he was advocating and planning. He had seen and, at times, generated—so much turmoil that he needed his legacy to be a period of stability. For all his show of assurance, a new generation was needed to enable him, in his words, "to sleep soundly."

The Southern Tour was Deng's last public service. The implementation of its principles became the responsibility of Jiang Zemin and his associates. Afterward Deng retired into increasing inaccessibility. He died in 1997, and by then Jiang had solidified his position. Aided by the extraordinary Premier Zhu Rongji, Jiang carried out the legacy of Deng's Southern Tour with such skill that, by the end of his term in office in 2002, the debate was no longer over whether this was the proper course but rather over the impact of an emerging, dynamic China on world order and the global economy.

I

N THE WAKE of Tiananmen, Sino-U.S. relations found themselves practically back to their starting point. In 1971–72, the United States had sought rapprochement with China, then in the final phases of the Cultural Revolution, convinced that relations with China were central to the establishment of a peaceful international order and transcended America's reservations about China's radical governance. Now the United States had imposed sanctions, and the dissident Fang Lizhi was in the sanctuary of the U.S. Embassy in Beijing. And with liberal democratic institutions being embraced across the world, reform of China's domestic structure was turning into a major American policy goal.

I had met Jiang Zemin when he served as Mayor of Shanghai. I would not have expected him to emerge as the leader who would—as he did—guide his country from disaster to the stunning explosion of energy and creativity that has marked China's rise. Though initially doubted, he oversaw one of the greatest per capita GDP increases in human history, consummated the peaceful return of Hong Kong, reconstituted China's relations with the United States and the rest of the world, and launched China on the road to becoming a global economic powerhouse.

Shortly after Jiang's elevation, in November 1989, Deng was at pains to emphasize to me his high regard for the new General Secretary:
DENG: You have met the General Secretary Jiang Zemin and in the future you will have other chances to meet him. He is a man of his own ideas and of high caliber.

KISSINGER: I was very impressed with him.

DENG: He is a real intellectual.

Few outside observers imagined that Jiang would succeed. As Shanghai’s Party Secretary, he had won praise for his measured handling of his city’s protests: he had closed an influential liberal newspaper early in the crisis but declined to impose martial law, and Shanghai’s demonstrations were quelled without bloodshed. But as General Secretary, he was widely assumed to be a transitional figure—and may well have been a compromise candidate halfway between the relatively liberal element (including the Party ideologist, Li Ruibuan) and the conservative group (such as Li Peng, the Premier). He lacked a significant power base of his own, and, in contrast to his predecessors, he did not radiate an aura of command. He was the first Chinese Communist leader without revolutionary or military credentials. His leadership, like that of his successors, arose from bureaucratic and economic performance. It was not absolute and required a measure of consensus in the Politburo. He did not, for example, establish his dominance in foreign policy until 1997, eight years after he became General Secretary.\(^1\)

Previous Chinese Party leaders had conducted themselves with the aloof aura appropriate to the priesthood of a mixture of the new Marxist materialism and vestiges of China’s Confucian tradition. Jiang set a different pattern. Unlike Mao the philosopher-king, Zhou the mandarin, or Deng the battle-hardened guardian of the national interest, Jiang behaved more like an affable family member. He was warm and informal. Mao would deal with his interlocutors from Olympian heights, as if they were graduate students undergoing an examination into the adequacy of their philosophical insights. Zhou conducted conversations with the effortless grace and superior intelligence of the Confucian sage. Deng cut through discussions to their practical aspects, treating digressions as a waste of time.

Jiang made no claim to philosophical preeminence. He smiled, laughed, told anecdotes, and touched his interlocutors in order to establish a bond. He took pride, sometimes exuberantly so, in his talent for foreign languages and knowledge of Western music. With non-Chinese visitors, he regularly incorporated English or Russian or even Roman expressions into his presentations to emphasize a point—spontaneously without warning between a rich store of Chinese classical idioms and such American colloquialisms as “It takes two to tango.” When the occasion allowed it, he might punctuate social meetings—and occasionally official ones—by bursting into song, either to deflect an uncomfortable point or to emphasize camaraderie.

Chinese leaders’ dialogues with foreign visitors usually occur in the presence of an entourage of advisors and note takers who do not speak and very rarely pass notes to their chiefs. Jiang, on the contrary, tended to turn his phalanx into a Greek chorus; he would begin a thought, then throw it to an advisor to conclude in a manner so spontaneous as to leave the impression that one was dealing with a team of which Jiang was the captain. Well read and highly educated, Jiang sought to draw his interlocutor into the atmosphere of goodwill that seemed to envelop him; at least in dealing with foreigners. He would generate a dialogue in which the views of his opposite number, and even his colleagues, were treated as deserving of the same importance he was claiming for his own. In that sense, Jiang was the least Middle Kingdom—type of personality that I have encountered among Chinese leaders.

Upon Jiang’s elevation to the top ranks of China’s national leadership, an internal State Department report described him as “[u]rbane, energetic, and occasionally flamboyant,” and related “an incident in 1987 when he rose from the VIP rostrum at Shanghai National Day festivities to conduct a symphony orchestra in a rousing version of the Internationale, complete with flashing lights and clouds of smoke.”\(^2\)
During a private visit by Nixon to Beijing in 1989, Jiang had, unannounced, sprung to his feet to recite the Gettysburg Address in English. There was little precedent for this brand of informality with either Chinese or Soviet Communist leaders. Many outsiders underestimated Jiang, mistaking his avuncular style for lack of seriousness. The opposite was true. Jiang's bonhomie was designed to define the line, when he drew it, that much more definitively. When he believed his country's vital interests were involved, he could be determined in the mold of his titanic predecessors.

Jiang was cosmopolitan enough to understand that China would have to operate within an international system rather than through Middle Kingdom remoteness or dominance. Zhou had understood that as well, as had Deng. But Zhou could implement his vision only fragmentally because of Mao's suffocating presence, and Deng's was aborted by Tiananmen. Jiang's affability was the expression of a serious and calculating attempt to build China into a new international order and to restore international confidence, both to help heal China's domestic wounds and to soften its international image. Disarming critics with his occasional flamboyance, Jiang presented an effective face for a government working to break out of international isolation and to spare its system the fate of its Soviet counterpart.

In his international goals, Jiang was blessed with one of the most skillful foreign ministers I have known, Qian Qichen, and a chief economic policymaker of exceptional intelligence and tenacity, the Vice Premier (and eventual Premier) Zhu Rongji. Both men were unapologetic proponents of the notion that China's prevailing political institutions best served its interests. Both also believed that China's continued development required deepening its links to international institutions and the world economy—including a Western world often vocal in its criticism of Chinese domestic political practices. Following Jiang's course of defiant optimism, Qian and Zhu launched themselves into extensive foreign travel, international conferences, interviews, and diplomatic and economic dialogues, facing often skeptical and critical audiences with determination and good humor. Not all Chinese observers relished the project of engaging with a Western world perceived as dismissive of Chinese realities; not all Western observers approved of the effort to engage with a China falling short of Western political expectations. Statesmanship needs to be judged by the management of ambiguities, not absolutes. Jiang, Qian, Zhu, and their senior associates managed to navigate their country out of isolation, and to restore the fragile links between China and a skeptical Western world.

Shortly after his appointment in November 1989, Jiang invited me for a conversation in which he cast events through the lens of returning to traditional diplomacy. He could not understand why China's reaction to a domestic challenge had caused a rupture of relations with the United States. "There are no big problems between China and the U.S. except Taiwan," he insisted. "We have no border disputes; on the Taiwan issue the Shanghai Communiqué established a good formula." China, he stressed, made no claim that its domestic principles were applicable abroad: "We do not export revolution. But the social system of each country must be chosen by that country. The socialist system in China comes from our own historical position."

In any event, China would continue its economic reforms: "So far as China is concerned the door is always open. We are ready to react to any positive gesture by the U.S. We have many common interests." But reform would have to be voluntary; it could not be dictated from the outside:

Chinese history proves that greater pressure only leads to greater resistance. Since I am a student of natural sciences I try to interpret things according to laws of natural sciences. China has 1.1 billion people. It is large and has lots of momentum. It is not easy to push it forward. As an old friend, I speak frankly with you.
Jiang shared his reflections on the Tiananmen Square crisis. The Chinese government had not been “mentally prepared for the event,” he explained, and the Politburo had initially been split. There were few heroes in his version of events—not the student leaders, nor the Party, whom he described ruefully as ineffective and divided in the face of an unprecedented challenge.

When I saw Jiang again nearly a year later, in September 1990, relations with the United States were still tense. The package deal tying our easing of sanctions to the release of Fang Lizhi had been slow in implementation. In a sense, the disappointments were not surprising given the definition of the problem. The American advocates of human rights insisted on values they considered universal. The Chinese leaders were making some adjustments based on their perceptions of Chinese interests. The American activists, especially some NGOs (nongovernmental organizations), were not inclined to declare their goals fulfilled by partial measures. To them, what Beijing considered concessions implied that their objectives were subject to bargaining and hence not universal. The activists emphasized moral, not political, goals; the Chinese leaders were focused on a continuing political process—above all, in ending the immediate tensions and returning to “normal” relationships. That return to normalcy was exactly what the activists either rejected or sought to make conditional.

Lately a pejorative adjective has been entered into the debate, dismissing traditional diplomacy as “transactional.” In that view, a constructive long-term relationship with nondemocratic states is not sustainable almost by definition. The advocates of this course start from the premise that true and lasting peace presupposes a community of democratic states. This is why both the Ford administration and the Clinton administration twenty years later failed in obtaining a compromise on the implementation of the Jackson-Vanik Amendment from Congress, even when the Soviet Union and China seemed prepared to make concessions. The activists rejected partial steps and argued that persistence would achieve their ultimate goals. Jiang raised this issue with me in 1990. China had recently “adopted a lot of measures,” motivated importantly by a desire to improve relations with the United States:

Some of them are matters that even concern purely Chinese domestic issues such as the lifting of martial law in Beijing and in Tibet. We proceeded on these matters from two considerations. The first is that they are testimony to the Chinese domestic stability. Second, we don’t hide the fact that we use these measures to provide a better understanding for U.S.-China relations.

These moves, in Jiang’s view, had not been reciprocated. Beijing had fulfilled its side of Deng’s proposed package deal but had been met by escalating demands from Congress.

Democratic values and human rights are the core of America’s belief in itself. But like all values they have an absolute character, and this challenges the element of nuance by which foreign policy is generally obliged to operate. If adoption of American principles of governance is made the central condition for progress in all other areas of the relationship, deadlock is inevitable. At that point, both sides are obliged to balance the claims of national security against the imperatives of their principles of governance. Faced with adamant rejection of the principle in Beijing, the Clinton administration chose to modify its position, as we shall see later in this chapter. The problem then returns to the adjustment of priorities between the United States and its interlocutor—in other words, to “transactional” traditional diplomacy. Or else to a showdown.

It is a choice that needs to be made and cannot be fudged. I respect those who are prepared to battle for their views of the imperatives of
spreading American values. But foreign policy must define means as well as objectives, and if the means employed grow beyond the tolerance of the international framework or of a relationship considered essential for national security, a choice must be made. What we must not do is to minimize the nature of the choice. The best outcome in the American debate would be to combine the two approaches: for the idealists to recognize that principles need to be implemented over time and hence must be occasionally adjusted to circumstance; and for the “realists” to accept that values have their own reality and must be built into operational policies. Such an approach would recognize the many gradations that exist in each camp, which an effort should be made to shade into each other. In practice this goal has often been overwhelmed by the passions of the controversy.

In the 1990s, American domestic debates were replicated in the discussions with Chinese leaders. Forty years after the victory of Communism in their country, China’s leaders would argue on behalf of an international order that rejected the projection of values across borders (once a hallowed principle of Communist policy) while the United States would insist on the universal applicability of its values to be achieved by pressure and incentives, that is, by intervention in another country’s domestic politics. There was no little irony in the fact that Mao’s heir would lecture me about the nature of an international system based on sovereign states about which I, after all, had written several decades earlier.

Jiang used my 1990 visit for precisely such a discourse. He and other Chinese leaders kept insisting on what would have been conventional wisdom as late as five years earlier: that China and the United States should work together on a new international order—based on principles comparable to those of the traditional European state system since 1648. In other words, domestic arrangements were beyond the scope of foreign policy. Relations between states were governed by principles of national interest.

That proposition was exactly what the new political dispensation in the West was jettisoning. The new concept insisted that the world was entering a “post-sovereign” era, in which international norms of human rights would prevail over the traditional prerogatives of sovereign governments. By contrast Jiang and his associates sought a multipolar world that accepted China’s brand of hybrid socialism and “people’s democracy,” and in which the United States treated China on equal terms as a great power.

During my next visit to Beijing in September 1991, Jiang returned to the theme of the maxims of traditional diplomacy. The national interest overrode the reaction to China’s domestic conduct:

There is no fundamental conflict of interest between our two countries. There is no reason not to bring relations back to normal. If there can be mutual respect and if we refrain from interference in internal affairs, and if we can conduct our relations on the basis of equality and mutual benefit, then we can find a common interest.

With Cold War rivalries ebbing, Jiang argued that “in today’s situation ideological factors are not important in state relations.”

Jiang used my September 1990 visit to convey that he had taken over all of Deng’s functions—this had not yet become obvious, since the precise internal arrangements of the Beijing power structure are always opaque:

Deng Xiaoping knows of your visit. He expresses his welcome to you through me and expresses his greetings to you. Second, he mentioned the letter which President Bush has written to him and in this respect he made two points. First, he has requested me as General Secretary to extend his greetings through you to President Bush. Second, after his retirement last year he has entrusted all of the administration of these
affairs to me as General Secretary. I do not intend to write a letter in response to President Bush's letter to Deng Xiaoping but what I am saying to you, although I put it in my words, conforms to the thinking and spirit of what Deng wants to say.

What Jiang asked me to convey was that China had conceded enough, and now the onus was on Washington to improve relations. "So far as China is concerned," Jiang said, "it has always cherished the friendship between our two countries." Now, Jiang declared, China was finished with concessions: "The Chinese side has done enough. We have exerted ourselves and we have done the best we can."

Jiang repeated the by now traditional theme of Mao and Deng—China's imperviousness to pressure and its fearsome resistance to any hint of foreign bullying. And he argued that Beijing, like Washington, faced political pressure from its people: "Another point, we hope the U.S. side takes note of this fact. If China takes unilateral steps without corresponding U.S. moves that would go beyond the tolerance of the Chinese people."

China and the Disintegrating Soviet Union

An undercurrent of all the discussions was the disintegration of the Soviet Union. Mikhail Gorbachev had been in Beijing at the beginning of the Tiananmen crisis, but even while China was being rent by domestic controversy, the basis of Soviet rule was collapsing in real time on television screens all across the world as if in slow motion.

Gorbachev's dilemmas were even more vexing than Beijing's. The Chinese controversies were about how the Communist Party should govern. The Soviet disputes were about whether the Communist Party should govern at all. By giving political reform (glosnost) priority over economic restructuring (perestroika), Gorbachev had made inevitable a controversy over the legitimacy of Communist rule. Gorbachev had recognized the pervasive stagnation but lacked the imagination or skill to break through its built-in rigidities. The various supervisory bodies of the system had, with the passage of time, turned into part of the problem. The Communist Party, once the instrument of revolution, had no function in an elaborated Communist system other than to supervise what it did not understand—the management of a modern economy, a problem it solved by colluding with what it was allegedly controlling. The Communist elite had become a mandarin class of the privileged; theoretically in charge of the national orthodoxy, it concentrated on preserving its perquisites.

Glosnost clashed with perestroika. Gorbachev wound up ushering in the collapse of the system that had shaped him and to which he owed his eminence. But before he did, he redefined the concept of peaceful coexistence. Previous leaders had affirmed it, and Mao had quarreled with Khrushchev over it. But Gorbachev's predecessors had advocated peaceful coexistence as a temporary respite on the way to ultimate confrontation and victory. Gorbachev, at the Twenty-seventh Party Congress in 1986, proclaimed it as a permanent fixture in the relationship between Communism and capitalism. It was his way of reentering the international system in which Russia had participated in the pre-Soviet period.

On my visits, Chinese leaders were at pains to distinguish China from the Russian model, especially Gorbachev. In our meeting in September 1990, Jiang stressed:

Efforts to find a Chinese Gorbachev will be of no avail. You can see that from your discussions with us. Your friend Zhou Enlai used to talk about our five principles of peaceful coexistence. Well they are still in existence today. It won't do that there should only be a single social system in the world. We don't want to impose our system on others and we don't want others to impose theirs on us.
The Chinese leaders affirmed the same principles of coexistence as Gorbachev. But they used them not to conciliate the West, as Gorbachev did, but to wall themselves off from it. Gorbachev was treated in Beijing as irrelevant, not to mention misguided. His modernization program was rejected as ill conceived because it put political reform before economic reform. In the Chinese view, political reform might be needed over time, but economic reform had to precede it. Li Ruifan explained why price reform could not work in the Soviet Union: when almost all commodities were in short supply, price reform was bound to lead to inflation and panic. Zhu Rongji, visiting the United States in 1990, was repeatedly lauded as “China’s Gorbachev”; he took pains to emphasize, “I’m not China’s Gorbachev. I’m China’s Zhu Rongji.”

When I visited China again in 1992, Qian Qichen described the collapse of the Soviet Union as “like the aftermath of an explosion—shock waves in all directions.” The collapse of the Soviet Union had indeed created a new geopolitical context. As Beijing and Washington assessed the new landscape, they found their interests no longer as evidently congruent as in the days of near alliance. Then, disagreements had been mainly over the tactics of resisting Soviet hegemony. Now, as the common opponent withered, it was inevitable that the differences in the two leaderships’ values and worldviews would come to the fore.

In Beijing, the end of the Cold War produced a mixture of relief and dread. On one level, Chinese leaders welcomed the disintegration of the Soviet adversary. Mao’s and Deng’s strategy of active, even offensive, deterrence had prevailed. At the same time, Chinese leaders could not avoid comparisons between the unraveling of the Soviet Union and their own domestic challenge. They, too, had inherited an ancient multiethnic empire and sought to administer it as a modern socialist state. Though the percentage of non-Han population was much smaller in China (about 10 percent) than the share of non-Russians in the Soviet empire (about 50 percent), ethnic minorities with distinct traditions existed. Moreover, these minorities lived in regions that were strategically sensitive, bordering Vietnam, Russia, and India.

No American president in the 1970s would have risked confrontation with China so long as the Soviet Union loomed as a strategic threat. On the American side, however, the disintegration of the Soviet Union was seen as representing a kind of permanent and universal triumph of democratic values. A bipartisan sentiment held that traditional “history” was being superseded: allies and adversaries alike were moving inexorably toward adopting multiparty parliamentary democracy and open markets (institutions that, in the American view, were inevitably linked). Any obstacle standing in the way of this wave would be swept aside.

A new concept had evolved to the effect that the nation-state was declining in importance and the international system would henceforth be based on transnational principles. Since it was assumed that democracies were inherently peaceful while autocracies tended toward violence and international terrorism, promoting regime change was considered a legitimate act of foreign policy, not an intervention into domestic affairs.

China’s leaders rejected the American prediction of the universal triumph of Western liberal democracy, but they also understood that their reform program needed America’s cooperation. So in September 1990 they sent an “oral message” through me to President Bush, which ended with an appeal to the American President:

For over a century, the Chinese people were all along subjected to bullying and humiliation by foreign powers. We do not want to see this wound reopened. I believe that as an old friend of China, Mr. President, you understand the sentiments of the Chinese people. China cherishes Sino-U.S. friendly relations and cooperation which did not come easily, but it cherishes its independence, sovereignty and dignity even more.
Against the new background, there is all the more need for Sino-U.S. relations to return to normal without delay. I am sure that you can find a way leading to that goal. And we will make the necessary response to any positive actions that you may take in the interest of better Sino-U.S. relations.

To reinforce what Jiang had told me personally, Chinese Foreign Ministry officials gave me a written message to transmit to President Bush. Unsigned, it was described as a written oral communication—more formal than a conversation, less explicit than an official note. In addition, the Vice Minister of Foreign Affairs escorting me to the airport handed me written replies to clarifying questions I had raised during the meeting with Jiang. Like the message, they had already been conveyed at the meeting; they were given to me in writing for emphasis:

Question: What is the significance of Deng not answering the President's letter?
Answer: Deng retired last year. He already sent the President an oral message saying that all administrative authority over such affairs has been given to Jiang.

Question: Why is the answer oral rather than written?
Answer: Deng has read the letter. But since he entrusted these matters to Jiang, he asked Jiang to reply. We wanted to give Dr. Kissinger the opportunity to convey an oral message to the President because of the role Dr. Kissinger played in favor of U.S.-Chinese relations.

Question: Is Deng aware of the content of your reply?
Answer: Of course.

Question: When you mention U.S. failure to take “corresponding measures,” what do you have in mind?
Answer: Biggest problem is continued U.S. sanctions on China. Would be best if the President could lift them or even lift de facto. Also the U.S. has a decisive say in World Bank loans. Another point concerns high-level visits which was part of the package.

Question: Would you be willing to consider another package deal?
Answer: It is illogical since the first package never materialized.

President George H. W. Bush believed from personal experience that to carry out a policy of intervention in the most populous nation and the state with the longest continuous history of self-government was inadvisable. Prepared to intervene in special circumstances and on behalf of individuals or specific groups, he thought an across-the-board confrontation over China's domestic structure would jeopardize a relationship vital to American national security.

In response to Jiang’s oral message, Bush made an exception to the ban on high-level visits to China and encouraged his Secretary of State, James Baker, to visit Beijing for consultations. Relations steadied for a brief interval. But when the Clinton administration came into office eighteen months later they returned, for most of the new administration’s first term, to a roller coaster ride.

The Clinton Administration and China Policy
On the campaign trail in September 1992, Bill Clinton had challenged China's governmental principles and criticized the Bush administration for “coddling” Beijing in the wake of Tiananmen. “China cannot withstand forever the forces of democratic change,” Clinton argued. “One day it will go the way of Communist regimes in Eastern Europe and the former Soviet Union. The United States must do what it can to encourage that process.”

After Clinton took office in 1993, he adopted “enlargement” of
democracies as a principal foreign policy objective. The goal was, he proclaimed to the U.N. General Assembly in September 1993, to “expand and strengthen the world’s community of market-based democracies” and to “enlarge the circle of nations that live under those free institutions” until humanity achieved “a world of thriving democracies that cooperate with each other and live in peace.”

The new administration’s aggressive human rights posture was not intended as a strategy for weakening China or gaining a strategic edge for the United States. It reflected a general concept of world order in which China was expected to participate as a respected member. From the Clinton administration’s point of view, it was a sincere attempt to support practices that the President and his advisors believed would serve China well.

In Beijing, however, the American pressures, which were reinforced by other Western democracies, were seen as a design to keep China weak by interfering in its domestic issues in the manner of the nineteenth-century colonialists. The Chinese leaders interpreted the new administration’s pronouncements as a capitalist attempt to overthrow Communist governments all over the world. They harbored a deep suspicion that, with the Soviet Union disintegrating, the United States might do as Mao had predicted: turn from the destruction of one Communist giant to “poking its finger” in the back of the other.

In his confirmation hearings as Secretary of State, Warren Christopher phrased the goal of transforming China in more limited terms: that the United States would “seek to facilitate a peaceful evolution of China from communism to democracy by encouraging the forces of economic and political liberalization in that great country.” But Christopher’s reference to “peaceful evolution” revived, whether intentionally or not, the term used by John Foster Dulles to project the eventual collapse of Communist states. In Beijing, it signaled not a hopeful trend, but perceived Western designs to convert China to capitalist democracy without recourse to war. Neither Clinton’s nor Christopher’s statements were regarded as controversial in the United States; both were anathema in Beijing.

Having thrown down the gauntlet—without perhaps fully recognizing the magnitude of its challenge—the Clinton administration proclaimed that it was ready to “engage” China on a broad range of issues. These included the conditions of China’s domestic reform and its integration with the broader world economy. That the Chinese leaders might have qualms about entering into a dialogue with the same high American officials who had just called for the replacement of their political system was apparently not considered an insuperable obstacle. The fate of this initiative illustrates the complexities and ambiguities of such a policy.

Chinese leaders no longer made any claim to represent a unique revolutionary truth available for export. Instead, they espoused the essentially defensive aim of working toward a world not overtly hostile to their system of governance or territorial integrity and buying time to develop their economy and work out their domestic problems at their own pace. It was a foreign policy posture arguably closer to Bismarck’s than Mao’s: incremental, defensive, and based on building dams against unfavorable historical tides. But even as tides were shifting, Chinese leaders projected a fiery sense of independence. They masked their concern by missing no opportunity to proclaim that they would resist outside pressure to the utmost. As Jiang insisted to me in 1991: “[W]e never submit to pressure. This is very important [spoken in English]. It is a philosophical principle.”

Nor did China’s leaders accept the interpretation of the end of the Cold War as ushering in a period of America as a hyperpower. In a 1991 conversation, Qian Qichen cautioned that the new international order could not remain unipolar indefinitely and that China would work toward a multipolar world—which meant that it would work to
counter American preeminence. He cited demographic realities—including a somewhat threatening reference to China’s massive population advantage—to bolster his point:

We believe it is impossible that such a unipolar world would come into existence. Some people seem to believe that after the end of the Gulf War and the Cold War, the U.S. can do anything. I don’t think that is correct. . . . In the Muslim world there are over 1 billion people. China has a population of 1.1 billion. The population of South Asia is over 1 billion. The population of China is more than the populations of the U.S., the Soviet Union, Europe and Japan combined. So it is still a diverse world.

Premier Li Peng delivered possibly the most frank assessment of the human rights issue. In reply to my delineation of three policy areas in need of improvement—human rights, weapons technology transfer, and trade—he stated in December 1992:

With regard to the three areas you mentioned, we can talk about human rights. But because of major differences between us, I doubt major progress is possible. The concept of human rights involves traditions and moral and philosophical values. These are different in China than in the West. We believe that the Chinese people should have more democratic rights and play a more important role in domestic politics. But this should be done in a way acceptable to the Chinese people.

Coming from a representative of the conservative wing of the Chinese leadership, Li Peng’s affirmation of the need for progress toward democratic rights was unprecedented. But so was the frankness with which he delineated the limits of Chinese flexibility: “Naturally in issues like human rights, we can do some things. We can have discussions and without compromising our principles, we can take flexible measures. But we cannot reach a full agreement with the West. It would shake the basis of our society.”

A signature China initiative of Clinton’s first term brought matters to a head: the administration’s attempt to condition China’s Most Favored Nation trade status on improvements in China’s human rights record. “Most Favored Nation” is a somewhat misleading phrase: since a significant majority of countries enjoy the status, it is less a special mark of favor than an affirmation that a country enjoys normal trade privileges. The concept of MFN conditionality presented its moral purpose as a typically American pragmatic concept of rewards and penalties (or “carrots” and “sticks”). As Clinton’s National Security Advisor Anthony Lake explained it, the United States would withhold a benefit until it produced results, “providing penalties that raise the costs of repression and aggressive behavior” until the Chinese leadership made a rational interest-based calculation to liberalize its domestic institutions.

In May 1993, Winston Lord, then Assistant Secretary of State for East Asian and Pacific Affairs, and in the 1970s my indispensable associate during the opening to China, visited Beijing to brief Chinese officials on the new administration’s thinking. At the close of his trip, Lord warned that “dramatic progress” on human rights, nonproliferation, and other issues was necessary if China were to avoid suspension of its MFN status. Caught between a Chinese government rejecting any conditionality as illegitimate and American politicians demanding ever more stringent conditions, he made no headway at all.

I visited Beijing shortly after Lord’s trip, where I encountered a Chinese leadership struggling to chart a course out of the MFN conditionality impasse. Jiang offered a “friendly suggestion”: 
China and the U.S. as two big countries should see problems in the long-term perspective. China's economic development and social stability serve China's interests but also turn China into a major force for peace and stability, in Asia and elsewhere. I think that in looking at other countries, the U.S. should take into account their self-esteem and sovereignty. That is a friendly suggestion.

Jiang again attempted to dissuade the United States from thinking of China as a potential threat or competitor, thereby to reduce American incentives to try to hold China down:

Yesterday at a symposium I spoke about this issue. I also mentioned an article in The Times which suggested China will one day be a superpower. I’ve said over and over that China will never be a threat to any country.

Against the backdrop of Clinton’s tough rhetoric and the belligerent mood in Congress, Lord negotiated a compromise with Senate Majority Leader George Mitchell and Representative Nancy Pelosi that extended MFN for a year. It was expressed in a flexible executive order rather than binding legislation. It confined conditionality to human rights rather than including other areas of democratization that many in Congress urged. But to the Chinese, conditionality was a matter of principle—just as it had been for the Soviet Union when they rejected the Jackson-Vanik Amendment. Beijing objected to the fact of conditions, not their content.

On May 28, 1993, President Clinton signed the executive order extending China’s MFN status for twelve months, after which it would be either renewed or canceled based on China’s conduct in the interim. Clinton stressed that the “core” of the administration’s China policy would be “a resolute insistence upon significant progress on human rights in China.” He explained MFN conditionality in principle as an expression of American outrage over Tiananmen and continuing “profound concerns” about the manner in which China was governed.

The executive order was accompanied by a rhetoric more pejorative about China than that of any administration since the 1960s. In September 1993, National Security Advisor Lake suggested in a speech that unless China acceded to American demands, it would be counted among what he called “reactionary ‘backlash’ states” clinging to outmoded forms of governance by means of “military force, political imprisonment and torture,” as well as “the intolerant energies of racism, ethnic prejudice, religious persecution, xenophobia, and irredentism.”

Other events combined to deepen the Chinese suspicions. Negotiations over China’s accession to GATT, the General Agreement on Tariffs and Trade (later subsumed into the World Trade Organization, or WTO), deadlocked over substantive issues. Beijing’s bid for the 2000 Olympics came under attack. Majorities in both houses of Congress voiced their disapproval of the bid; the U.S. government maintained a cautious silence. China’s application for hosting the Olympics was narrowly defeated. Tensions were further inflamed by an intrusive (and ultimately unsuccessful) American inspection of a Chinese ship suspected of carrying chemical weapons components to Iran. All of these incidents, each of which had its own rationale, were analyzed in China in terms of the Chinese style of Sun Tzu strategy, which knows no single events, only patterns reflecting an overall design.

Matters came to a head with the visit of Secretary of State Warren Christopher to Beijing in March 1994. The purpose of Christopher’s visit, he later recounted, was to achieve a resolution of the MFN issue by the time the deadline for the one-year extension of MFN would expire in June, and to “underscore to the Chinese that under the president’s policy they had only limited time to mend their human rights.
record. If they wanted to keep their low-tariff trading privileges, there had to be significant progress, and soon.  

Chinese officials had suggested that the timing of the visit was inopportune. Christopher was scheduled to arrive the day of the opening of the annual session of China's legislature, the National People's Congress. The presence of an American Secretary of State challenging the Chinese government on human rights issues promised either to overshadow the body's deliberations or to tempt Chinese officials to take the offensive to prove their imperviousness to outside pressure. It was, Christopher later conceded, "a perfect forum for them to demonstrate that they intended to stand up to America."  

And so they did. The result was one of the most pointedly hostile diplomatic encounters since the U.S.-China rapprochement. Lord, who accompanied Christopher, described Christopher's session with Li Peng as "the most brutal diplomatic meeting he'd ever attended"—and he had been at my side during all the negotiations with the North Vietnamese. Christopher related in his memoirs the reaction of Li Peng, who held that

China's human rights policy was none of our business, noting that the United States had plenty of human rights problems of its own that needed attention. . . . To ensure that I had not failed to appreciate the depth of their unhappiness, the Chinese abruptly canceled my meeting later in the day with President Jiang Zemin.

These tensions, which seemed to undo two decades of creative China policy, led to a split in the administration between the economic departments and the political departments charged with pressuring the human rights issues. Faced with Chinese resistance and American domestic pressures from companies doing business in China, the administration began to find itself in the demeaning position of pleading with

Beijing in the final weeks before the MFN deadline to make enough modest concessions to justify extending MFN.

Shortly after Christopher's return, and with the self-imposed deadline for MFN renewal at hand, the administration quietly abandoned its policy of conditionality. On May 26, 1994, Clinton announced that the policy's usefulness had been exhausted and that China's MFN status would be extended for another year essentially without conditions. He pledged to pursue human rights progress by other means, such as support for NGOs in China and encouraging best business practices.

Clinton, it must be repeated, throughout had every intention to support the policies that had sustained relations with China for five administrations of both parties. But as a recently elected President he was also sensitive to domestic American opinion, more so than to the intangibles of the Chinese approach to foreign policy. He put forward conditionality out of conviction and, above all, because he sought to protect China policy from the swelling congressional onslaught that was attempting to deny MFN to China altogether. Clinton believed that the Chinese "owed" the U.S. administration human rights concessions in return for restoring high-level contacts and putting forward MFN. But the Chinese considered that they were "entitled" to the same unconditional high-level contacts and trade terms extended to them by all other nations. They did not view the removal of a unilateral threat as a concession, and they were extraordinarily touchy regarding any hint of intervention in their domestic affairs. So long as human rights remained the principal subject of the Sino-American dialogue, deadlock was inevitable. This experience should be studied carefully by advocates of a confrontational policy in our day.

During the remainder of his first term, Clinton toned down the confrontational tactics and emphasized "constructive engagement." Lord assembled America's Asian ambassadors in Hawaii to discuss a comprehensive Asia policy balancing the administration's human rights
goals with its geopolitical imperatives. Beijing committed itself to renewed dialogue, essential for the success of China's reform program and membership in the WTO.

Clinton, as George H. W. Bush had before him, sympathized with the concerns of the advocates for democratic change and human rights. But like all his predecessors and successors, he came to appreciate the strength of Chinese leaders' convictions and their tenacity in the face of public challenge.

Relations between China and the United States rapidly mended. A long-sought visit by Jiang to Washington took place in 1997 and was reciprocated by an eight-day visit by Clinton to Beijing in 1998. Both Presidents performed ebulliently. Extended communiqués were published. They established consultative institutions, dealt with a host of technical issues, and ended the atmosphere of confrontation of nearly a decade.

What the relationship lacked was a defining shared purpose such as had united Beijing and Washington in resistance to Soviet "hegemonism." American leaders could not remain oblivious to the various pressures regarding human rights that were generated by their own domestic politics and convictions. The Chinese leaders continued to see American policy as at least partially designed to keep China from reaching great power status. In a 1995 conversation Li Peng sounded a theme of reassurance, which amounted to calming presumed American fears over what objectives a resurgent China might seek: "[T]here is no need for some people to worry about the rapid development. China will take 30 years to catch up with the medium level countries. Our population is too big." The United States, in turn, made regular pledges that it had not changed its policy to containment. The implication of both assurances was that each side had the capability of implementing what it reassured the other about and was in part restraining itself. Reassurance thus merged with threat.

The Third Taiwan Strait Crisis

The tensions surrounding the granting of Most Favored Nation status were in the process of being overcome when the issue of Taiwan reemerged. Within the framework of the tacit bargain undergirding the three communiqués on which the normalization of relations had been based, Taiwan had established a vibrant economy and democratic institutions. It had joined the Asian Development Bank and APEC (Asian Pacific Economic Cooperation) and participated in the Olympic Games with Beijing's acquiescence. For its part, Beijing had put forward, beginning in the 1980s, proposals for unification in which Taiwan was to be given total internal autonomy. So long as Taiwan accepted its status as a "Special Administrative Region" of the People's Republic (the same legal status that Hong Kong and Macao were to have), Beijing pledged, it would be permitted to retain its own distinct political institutions and even its own armed forces.19

Taipei's reaction to these proposals was circumspect. But it benefitted from the People's Republic's economic transformation and became increasingly economically interdependent with it. Following the loosening of restrictions on bilateral trade and investment in the late 1980s, many Taiwanese companies shifted production to the mainland. By the end of 1993, Taiwan had surpassed Japan to become the second-largest source of overseas investment in China.20

While economic interdependence developed, the two sides' political paths diverged significantly. In 1987, Taiwan's aging leader, Chiang Ching-kuo, had lifted martial law. A dramatic liberalization of Taiwan's domestic institutions followed: press restrictions were lifted; rival political parties were allowed to stand for legislative elections. In 1994, a constitutional amendment laid the groundwork for the direct election of the Taiwanese President by universal suffrage. New voices in Taiwan's political arena that had had their activities circumscribed by the martial law-era restrictions now began advocating a distinct
Taiwanese national identity and potentially formal independence. Chief among them was Lee Teng-hui, the mercurial agricultural economist who had worked his way up the ranks of the Nationalist Party and was appointed its chairman in 1988.

Lee incarnated everything Beijing detested in a Taiwanese official. He had grown up during the Japanese colonization of Taiwan, taken a Japanese name, studied in Japan, and served in the Imperial Japanese Army during World War II. Later he had received advanced education in the United States, at Cornell University. Unlike most Nationalist Party officials, Lee was a native Taiwanese; he was outspoken about regarding himself as “a Taiwan person first and a Chinese person second,” and was a proud and insistent proponent of Taiwan’s distinct institutions and historical experience.21

As the 1996 election drew nearer, Lee and his Cabinet engaged in a series of acts designed step by step to increase what they described as Taiwan’s “international living space.” To the discomfort of Beijing (and many in Washington), Lee and other senior ministers embarked on a course of “vacation diplomacy” that found large delegations of Taiwanese officials traveling “unofficially” to world capitals, occasionally during meetings of international organizations, and then maneuvering to be received with as many of the formal trappings of statehood as possible.

The Clinton administration attempted to stand apart from these developments. In a November 1993 meeting and press conference with Jiang Zemin in Seattle, on the occasion of an APEC summit of nations from both sides of the Pacific, Clinton stated:

In our meeting I reaffirmed the United States support for the three joint communiqués as the bedrock of our one China policy....

The policy of the United States on one China is the right policy for the United States. It does not preclude us from following the Taiwan Relations Act, nor does it preclude us from the strong economic relationship we enjoy with Taiwan. There’s a representative [of Taiwan], as you know, here at this meeting. So I feel good about where we are on that. But I don’t think that will be a major stumbling block in our relationship with China.22

For Clinton’s approach to work, Taiwan’s leaders needed to exercise restraint. But Lee was determined to push the principle of Taiwan’s national identity. In 1994, he sought permission to stop in Hawaii to refuel his plane en route to Central America—the first time a Taiwanese President had landed on American soil. Lee’s next target was the 1995 reunion at Cornell, where he had obtained his economics PhD in 1958. Vigorously urged by the newly elected Speaker of the House, Newt Gingrich, Congress voted unanimously in the House and with only one dissenting vote in the Senate to support Lee’s visit. Warren Christopher had assured the Chinese Foreign Minister in April that approving Lee’s visit would be “inconsistent with American policy.” But in the face of such formidable pressure, the administration reversed itself and granted the request for a personal and unofficial visit.

Once at Cornell, Lee delivered a speech straining the definition of “unofficial.” After a brief nod to fond memories of his time at Cornell, Lee launched into a rousing talk on the aspirations of Taiwan’s people for formal recognition. Lee’s elliptical phrasings, frequent references to his “country” and “nation,” and blunt discussion of the imminent demise of Communism all exceeded Beijing’s tolerance.

Beijing recalled its ambassador from Washington, delayed the approval of the American ambassadorial nominee, James Sasser, and canceled other official contacts with the American government. Then, following the script of the Taiwan Strait Crises of the 1950s, Beijing began military exercises and missile tests off the coast of southeast China that were equal parts military deterrent and political theater.
In a series of threatening moves, China fired missiles into the Taiwan Strait—to demonstrate its military capabilities and to warn Taiwan's leaders. But it used dummy warheads, thus signaling that the launches had a primarily symbolic quality.

Quiescence on Taiwan could be maintained only so long as none of the parties challenged the three communiqués. For they contained so many ambiguities that an effort by any party to alter the structure or to impose its interpretation of the clauses would upset the entire framework. Beijing had not pressed for the clarification, but once it was challenged, it felt compelled to demonstrate at a minimum how seriously China took the issue.

In early July 1995, as the crisis was still gathering momentum, I was in Beijing with a delegation from the America-China Society, a bipartisan group of former high officials dealing with China. On July 4, we met with then Vice Premier Qian Qichen and the Chinese ambassador to the United States, Li Daoyu. Qian laid out the Chinese position. Sovereignty was nonnegotiable:

Dr. Kissinger, you must be aware that China attaches great importance to Sino-U.S. relations, despite our occasional quarrels. We hope to see Sino-U.S. relations restored to normal and improved. But the U.S. government should be clear about the point: we have no maneuver-room on the Taiwan question. We will never give up our principled position on Taiwan.

Relations with China had reached a point where the weapon of choice of both the United States and China was the suspension of high-level contacts, creating the paradox that both sides were depriving themselves of the mechanism for dealing with a crisis when it was most needed. After the disintegration of the Soviet Union, each side proclaimed friendship with the other less to pursue a common strategic objective than to find a way to symbolize cooperation—at that moment, in defiance of its actuality.

The Chinese leaders conveyed shortly after my arrival their desire for a peaceful outcome by one of the subtle gestures at which they are so adept. Before the formal schedule of the America-China Society began, I was invited to give a talk at a secondary school in Tianjin that Zhou Enlai had once attended. Accompanied by a senior Foreign Ministry official, I was photographed near a statue of Zhou, and the official introducing me used the occasion to recall the heyday of close Sino-American cooperation.

Another sign that matters would not get out of hand came from Jiang. While the rhetoric on all sides was intense, I asked Jiang whether Mao's statement that China could wait one hundred years for Taiwan still stood. No, replied Jiang. When I asked in what way not, Jiang responded, "The promise was made twenty-three years ago. Now only seventy-seven years are left."

The professed mutual desire to ease tensions ran up, however, against the aftermath of the Tiananmen crisis. There had been no high-level dialogue, nor a ministerial visit, since 1989; the only high-level discussion for six years had been at the sidelines of international meetings or at the U.N. Paradoxically, in the aftermath of military maneuvers in the Taiwan Strait, the immediate issue resolved itself into a partly procedural problem of how a meeting between leaders could be arranged.

Ever since Tiananmen, the Chinese had sought an invitation for a presidential visit to Washington. Both Presidents Bush and Clinton had evaded the prospect. It rankled. The Chinese, too, were refusing high-level contacts until assurances were given to forestall a repetition of the visit to America by the Taiwanese President.

Matters were back to the discussions at the end of the secret visit twenty-five years earlier, which had briefly stalemated over the issue of
who was inviting whom—a deadlock broken by a formula by Mao, which could be read as implying that each side had invited the other.

A solution of sorts was found when Secretary of State Christopher and the Chinese Foreign Minister met on the occasion of an ASEAN meeting in Brunei, obviating the need of determining who had made the first move. Secretary Christopher conveyed an assurance—including a still classified presidential letter defining American intentions—regarding visits to America by Taiwanese senior officials and an invitation for a meeting of Jiang with the President.

The summit between Jiang and Clinton materialized in October, though not in a manner that took full account of China’s amour propre. It was not a state visit nor in Washington; rather, it was scheduled for New York, in the context of the fiftieth anniversary celebration of the United Nations. Clinton met with Jiang at Lincoln Center, as part of a series of similar meetings with the most important leaders attending the U.N. session. A Washington visit by a Chinese President in the aftermath of Chinese military exercises in the Taiwan Strait would have encountered too hostile a reception.

In this atmosphere of inconclusive ambivalence—of veiled overtures and tempered withdrawals—Taiwan’s parliamentary elections, scheduled for December 2, 1995, raised the temperature again. Beijing began a new round of military exercises off the Fujian coast, with air, naval, and ground forces conducting joint maneuvers to simulate an amphibious landing on hostile territory. This was accompanied by an equally aggressive campaign of psychological warfare. The day before the December legislative election, the PLA announced a further round of exercises to take place in March 1996, just prior to the Taiwanese presidential election.

As the election approached, missile tests “bracketing” Taiwan hit points just off key port cities in the island’s northeast and southwest. The United States responded with the most significant American show of force directed at China since the 1971 rapprochement, sending two aircraft carrier battle groups with the carrier Nimitz through the Taiwan Strait on the pretext of avoiding “bad weather.” At the same time, walking a narrow passage, Washington assured China that it was not changing its one China policy and warned Taiwan not to engage in provocative acts.

Approaching the precipice, both Washington and Beijing recoiled, realizing that they had no war aims over which to fight or terms to impose which would alter the overriding reality, which was (in Madeleine Albright’s description) that China “is in its own category—to too big to ignore, too repressive to embrace, difficult to influence, and very, very proud.” For its part, America was too powerful to be coerced and too committed to constructive relations with China to need to be. A superpower America, a dynamic China, a globalized world, and the gradual shift of the center of gravity of world affairs from the Atlantic Ocean to the Pacific required a peaceful and cooperative relationship. In the wake of the crisis, relations between China and the United States improved markedly.

As relations began to approach previous highs, yet another crisis shook the relationship as suddenly as a thunderclap at the end of a summer day. During the Kosovo war, at what was otherwise a high point in U.S.-Chinese relations, in May 1999, an American B-2 bomber originating in Missouri destroyed the Chinese Embassy in Belgrade. A firestorm of protests swept over China. Students and the government seemed united in their outrage at what was assumed to be another demonstration of American disrespect for China’s sovereignty. Jiang spoke of “deliberate provocation.” He elaborated with defiance revealing a latent disquiet: “The great People’s Republic of China will never be bullied, the great Chinese nation will never be humiliated, and the great Chinese people will never be conquered.”

As soon as Secretary of State Madeleine Albright was informed, she asked the Deputy Chairman of the Joint Chiefs of Staff to accompany her to the Chinese Embassy in Washington, though it was the middle
of the night, to express the regrets of the U.S. government.\textsuperscript{26} Jiang felt obliged by the public mood, however, to express his own outrage but then to use that expression to restrain his public (a pattern similar to that of American Presidents on the human rights issue).

Chinese indignation was matched on the American side by arguments that China needed to be faced down. Both viewpoints reflected serious convictions, and illustrated the potential for confrontation in a relationship in which both sides were drawn by the nature of modern foreign policy into tensions with each other around the world. The governments on both sides remained committed to the need for cooperation, but they could not control all the ways the countries impinged on each other. It is the unsolved challenge of Chinese-American relations.

China’s Resurgence and Jiang’s Reflections

In the midst of the periodic crises recounted above, the 1990s witnessed a period of stunning economic growth in China, and with it a transformation of the country’s broader world role. In the 1980s, China’s “Reform and Opening Up” had remained partly a vision: its effects were noticeable, but their depth and longevity were open to debate. Within China itself the direction was still contested; in the wake of Tiananmen some of the country’s academic and political elites advocated an inward turn and a scaling back of China’s economic links with the West (a trend Deng ultimately felt obliged to challenge through his Southern Tour). When Jiang assumed national office, a largely unreformed sector of state-owned enterprises on the Soviet model still constituted over 50 percent of the economy.\textsuperscript{27} China’s links to the world trade system were tentative and partial. Foreign companies still were skeptical about investing in China; Chinese companies rarely ventured abroad.

By the end of the decade, what had once seemed an improbable prospect had become a reality. Throughout the decade China grew at a rate of no lower than 7 percent per year, and often in the double digits, continuing an increase in per capita GDP that ranks as one of the most sustained and powerful in history.\textsuperscript{28} By the end of the 1990s average income was approximately three times what it had been in 1978; in urban areas the income level rose even more dramatically, to roughly five times the 1978 level.\textsuperscript{29}

Throughout these changes, China’s trade with neighboring countries was burgeoning, and it played an increasingly central regional economic role. It tamed a period of dangerously escalating inflation in the early 1990s, implementing capital controls and a fiscal austerity program that were later credited with sparing China the worst of the Asian financial crisis in 1997–98. Standing, for the first time, as a bulwark of economic growth and stability in a time of economic crisis, China found itself in an unaccustomed role: once the recipient of foreign, often Western, economic policy prescriptions, it was now increasingly an independent proponent of its own solutions—and a source of emergency assistance to other economies in crisis. By 2001, China’s new status was cemented with a successful application to host the 2008 Olympics in Beijing, and the conclusion of negotiations making China a member of the WTO.

Fueling this transformation was a recalibration of China’s domestic political philosophy. Traveling further along the reformist road Deng had first charted, Jiang undertook to broaden the concept of Communism by opening it from an exclusive class-based elite to a wider spectrum of society. He spelled out his philosophy, which became known as the “Three Represents,” at the Sixteenth Party Congress in 2002—the last Congress he would attend as President on the eve of the first peaceful transfer of power in China’s modern history. It laid out why the Party that had won support through revolution needed now to represent as well the interests of its former ideological foes, including entrepreneurs.
Jiang opened the Communist Party to business leaders, democratizing the internal governance of the Communist Party in what remained a one-party state.

Throughout this process, China and the United States were becoming increasingly intertwined economically. At the beginning of the 1990s the total volume of U.S. trade with mainland China was still only half the volume of American trade with Taiwan. By the end of the decade U.S.-China trade had quadrupled, and Chinese exports to the United States had increased sevenfold. In 2008 would become the largest foreign holder of American debt.

In all this China was surging toward a new world role, with interests in every corner of the globe and integrated to an unprecedented degree with broader political and economic trends. Two centuries after the first mutually miscomprehending negotiations over trade and diplomatic recognition between Macartney and the Chinese court, there was a recognition in both China and the West that they were arriving at a new stage in their interactions, whether or not they were prepared for the challenges it would pose. As China’s then Vice Premier Zhu Rongji observed in 1997: “Never before in history has China had such frequent exchanges and communications with the rest of the world.”

In earlier eras—such as Macartney’s or even the Cold War era—a “Chinese world” and a “Western world” had interacted in limited instances and at a stately pace. Now modern technology and economic interdependence made it impossible, for better or for worse, to manage relations in such a measured manner. As a result, the two sides confronted a somewhat paradoxical situation in which they had vastly more opportunities for mutual understanding, but, at the same time, new opportunities to impinge on each other’s sensitivities. A globalized world had brought them together, but also risked more frequent and rapid exacerbation of tensions in times of crisis.

As his period in office moved toward its conclusion, Jiang expressed his recognition of this danger in a personal, almost sentimental, way not generally found in the aloof, conceptual, self-contained manner of the Chinese leadership. The occasion was a meeting in 2001 with some members of the America-China Society. Jiang was in the last year of his twelve-year tenure but already seized by the nostalgia of those who are leaving activity in which, by definition, every action made a difference for a world in which they will soon be largely spectators. He had presided over a turbulent period, which had begun with China substantially isolated internationally, at least among the advanced democratic states, the countries China most needed to implement its reform program.

Jiang had surmounted these challenges. Political cooperation with America had been reestablished. The reform program was accelerating and producing the extraordinary growth rate that would, within another decade, turn China into a financial and economic global power. A decade that began in turbulence and doubt had turned into a period of extraordinary achievement.

In all of China’s extravagant history, there was no precedent for how to participate in a global order, whether in concert with—or opposition to—another superpower. As it turned out, that superpower, the United States, also lacked the experience for such a design—if indeed it had the inclination for it. A new international order was bound to emerge, whether by design or by default. Its nature and the measures for bringing it about were the unsolved challenges for both countries. They would interact, either as partners or as adversaries. Their contemporary leaders professed partnership, but neither had yet managed to define it or build shelters against the possible storms ahead.

Now Jiang was encountering a new century and a different generation of American leaders. The United States had a new President, the son of George H. W. Bush, who had been in office when Jiang
was elevated so unexpectedly by events no one could have foreseen. The relationship with the new President started with another unsought military clash. On April 1, 2001, an American reconnaissance plane flying along the Chinese coast just outside Chinese territorial waters was being tailed by a Chinese military aircraft, which then crashed into it near Hainan Island off China’s southern coast. Neither Jiang nor Bush permitted the incident to torpedo the relationship. Two days later, Jiang left on a long-planned trip to South America, signaling that he, as head of the Central Military Commission, did not expect crisis action. Bush expressed regret, not for the reconnaissance flight but for the death of the Chinese pilot.

Some foreboding of the danger of drifting events seems to have been in Jiang’s mind during the meeting with America-China Society members, as he meandered on in a seemingly discursive statement quoting classical Chinese poetry, interjecting English phrases, extolling the importance of U.S.-Chinese cooperation. Prolong as his utterances were, they reflected a hope and a dilemma: the hope that the two countries would find a way to work together to avoid the storms generated by the very dynamism of their societies—and the fear that they might miss their chance to do so.

The key theme of Jiang’s opening remarks was the importance of the Sino-American relationship: “I am not trying to exaggerate our self-importance, but good cooperation between the U.S. and China is important for the world. We will do our best to do that [said in English]. This is important for the whole world.” But if the whole world was the subject, were any leaders really qualified to deal with it? Jiang pointed out that his education had started with traditional Confucianism on a trajectory that included Western education, then schools in the former Soviet Union. Now he was leading the transition of a country that dealt with all these cultures.

China and the United States were confronting an immediate issue, the future of Taiwan. Jiang did not use the familiar rhetoric to which we had become accustomed. Rather, his remarks concerned the internal dynamics of the dialogue and how it might be driven out of control, whatever the intention of the leaders, who might be urged by their publics to actions they would prefer to avoid: “The biggest issue between the U.S. and China is the Taiwan issue. For example, we often say ‘peaceful resolution’ and ‘one country, two systems.’ Generally speaking, I limit myself to saying these two things. But sometimes I add that we cannot undertake not to use force.”

Jiang could not avoid, of course, the issue that had caused a deadlock in over 130 meetings between Chinese and American diplomats before the opening to China or the deliberate ambiguities since. But while China refused to abjure the use of force because it would imply a limitation of its sovereignty, it had in practice refrained from it for thirty years by the time of the conversation with Jiang. And Jiang had put forward the sacramental language in the gentlest of manners.

Jiang did not insist on an immediate change. Rather, he pointed out that the American position contained an anomaly. The United States did not support independence for Taiwan nor, on the other hand, did it promote reunification. The practical consequence was to turn Taiwan into “an unsinkable aircraft carrier” for America. In such a situation, whatever the intentions of the Chinese government, the convictions of its population might generate their own momentum toward confrontation:

In the nearly twelve years I’ve been in the Central government, I’ve felt very strongly the sentiments of the 1.2 billion Chinese people. Of course we have the best aspirations toward you, but if a spark flares up it will be hard to control the emotions of 1.2 billion people.

I felt obliged to reply to this threat of force, however regretfully and indirectly formulated:
If the discussion concerns use of force it will strengthen all the forces that want to use Taiwan to harm our relationship. In a military confrontation between the U.S. and China, even those of us who would be heartbroken would be obliged to support our own country.

Jiang replied not by repeating the by now traditional invocation of the imperviousness of China to the danger of war. He took the perspective of a world whose future depended on Sino-American cooperation. He spoke of compromise—a word almost never used by Chinese leaders about Taiwan, even when it was practiced. He avoided making either a proposal or a threat. And he was no longer in a position to shape the outcome. He called for a global perspective—precisely what was most needed and what each nation’s history made most difficult:

It is not clear whether China and the U.S. can find common language and resolve the Taiwan question. I have remarked that if Taiwan were not under U.S. protection, we would have been able to liberate it. Therefore, the question is how we can compromise and get a satisfactory solution. This is the most sensitive part of our relations. I am not suggesting anything here. We are old friends. I do not need to use diplomatic language. In the final analysis, I hope that with Bush in office our two countries can approach U.S.-China relations from a strategic and global perspective.

The Chinese leaders I had previously met had a long-range perspective, but it drew a great deal from lessons of the past. They also were in the process of undertaking great projects with significance for a distant future. But they rarely described the shape of the middle-term future, assuming that its character would emerge from the vast efforts in which they were involved. Jiang asked for something less dramatic but perhaps even deeper. At the end of his presidency, he addressed the need to redefine the philosophical framework of each side. Mao had urged ideological rigor even while making tactical maneuvers. Jiang seemed to be saying that each side should realize that if they were to cooperate genuinely, they needed to understand the modifications they were obliged to make in their traditional attitudes. He urged each side to reexamine its own internal doctrines and be open to reinterpreting them—including socialism:

The world should be a rich, colorful, diversified place. For example, in China in 1978 we made a decision for reform and opening up. . . . In 1992 in the Fourteenth National Congress I stated that China’s development model should be in the direction of a socialist market economy. For those who are accustomed to the West, you think the market is nothing strange, but in 1992 to say “market” here was a big risk.

For that reason, Jiang argued that both sides should adapt their ideologies to the necessities of their interdependence:

Simply put, the West is best advised to set aside its past attitude toward communist countries, and we should stop taking communism in naive or simplistic ways. Deng famously said in his 1992 trip to the South that socialism will take generations, scores of generations. I am an engineer. I calculated that there have been 78 generations from Confucius until now. Deng said socialism will take so long. Deng, I now think, created very good environmental conditions for me. On your point about value systems, East and West must improve mutual understanding. Perhaps I am being a bit naive.
The reference to seventy-eight generations was intended to reassure the United States that it should not be alarmed at the rise of a powerful China. It would need that many generations to fulfill itself. But political circumstances in China had certainly changed when a successor of Mao could say Communists should stop talking about their ideology in naive and simplistic ways. Or speak of the need for a dialogue between the Western world and China over how to adjust their philosophical frameworks to each other.

On the American side, the challenge was to find a way through a series of divergent assessments. Was China a partner or an adversary? Was the future cooperation or confrontation? Was the American mission the spread of democracy to China, or cooperation with China to bring about a peaceful world? Or was it possible to do both?

Both sides have been obliged ever since to overcome their internal ambivalences and to define the ultimate nature of their relationship.

CHAPTER 18

The New Millennium

The end of the Jiang Zemin presidency marked a turning point in Sino-American relations. Jiang was the last President with whom the principal subject of the Sino-American dialogue was the relationship itself. After that, both sides merged if not their convictions then their practice into a pattern of cooperative coexistence. China and the United States no longer had a common adversary, but neither had they yet developed a joint concept of world order. Jiang’s mellow reflections in the long conversation with him, described in the last chapter, illustrated the new reality: the United States and China perceived that they needed each other because both were too large to be dominated, too special to be transformed, and too necessary to each other to be able to afford isolation. Beyond that, were common purposes attainable? And to what end?

The millennium was the symbolic beginning of that new relationship. A new generation of leaders had come into office in China and the United States: on the Chinese side, a “fourth generation” headed by President Hu Jintao and Premier Wen Jiabao; on the American side, administrations led by Presidents George W. Bush and, beginning in 2009, Barack Obama. Both sides had an ambivalent attitude toward the turmoil of the decades that preceded them.