China's ambition to achieve great power status faces daunting challenges. At home, regime security and territorial integrity are threatened by forces of social and cultural change that are connected to China's embrace of globalization. Around its borders, China contends with twenty immediate neighbors, some threateningly strong and others dangerously unstable. The wider Asia-Pacific region churns with complex political and military issues. And China's prosperity and political stability are increasingly dependent on global markets over which Beijing exerts little control. In all of these arenas, China faces the dominating presence of the United States, whose intentions it does not trust. These elements of vulnerability form the chief drivers of China's foreign policy. Despite its growing influence, China's prospects for dominance are weaker and its interest in the global status quo is stronger than proponents of the “China threat” theory recognize. Although miscalculation could lead China and the U.S. toward confrontation, there are good prospects that wise management of the relationship can nurture a new equilibrium in Asian-Pacific security relations.