

U.S.-China Relations:

Bilateral Relations on Reasonably Sound Footing as 2000 and the Clinton Administration Come to a Close

**by Bonnie S. Glaser
Consultant on Asian Affairs**

The U.S. and China wrapped up the year 2000 with some small but important accomplishments, leaving the bilateral relationship on reasonably sound footing for the transition to the Bush administration. Presidents Jiang Zemin and Bill Clinton held their final summit in Brunei on the sidelines of the Asia Pacific Economic Cooperation (APEC) Leaders' Meeting and agreed "in principle" to resume the bilateral human rights dialogue. The two sides cut a deal that holds out the promise of tighter controls on Chinese exports of missile-related items in exchange for a waiver of U.S. economic sanctions and resumption of commercial space cooperation between American and Chinese companies. Progress toward securing China's entry into the World Trade Organization (WTO) continued, but agreement on a multilateral accord among the working party members in Geneva was unattainable, despite concerted efforts by U.S. officials to conclude the pact by year's end. High-level military delegations were exchanged and the U.S. and China held the fourth round of Defense Consultative Talks at which they mapped out plans for military exchanges and cooperation next year that include high-level military and professional visits, confidence building measures, and Chinese participation in multinational events.

Snags in Geneva on China's WTO Entry

Progress toward China's entry into the WTO continued in the final quarter of 2000, but an agreement remained beyond reach. After signing into law the bill granting China permanent trading rights on October 10, President Clinton dispatched U.S. Trade Representative Charlene Barshefsky to Beijing to iron out remaining differences between China and the WTO working committee in Geneva so that China's accession could be finalized prior to Clinton's departure from office. Negotiations at the WTO's Geneva headquarters had stalled after three weeks of discussions in which Chinese negotiators appeared to be backpedaling on agreements made with the United States and other nations. Some reports put blame on Western officials for seeking to pry 11th hour concessions from China, but U.S. officials refuted the allegation. Chinese Premier Zhu Rongji assured Barshefsky that Beijing's commitment to the market-opening trade deals remained firm. "He made absolutely crystal clear, emphatically and with animation, that China would not back away from any agreement, absolutely," said Barshefsky, speaking at a press briefing after meeting Zhu.

Nevertheless, the last round of talks in 2000 of the China Working Party tasked with preparing a final pact on China's WTO entry ended on December 8 without the "agreement in principle" that the U.S. and other negotiators had hoped for. Forward movement was sustained with progress in non-tariff measures, licensing and transparency in services, and China's commitment to protecting intellectual property rights, but differences remained in key areas such as China's industrial subsidies and special safeguard measures. Diplomats anticipated that more than one session would be needed to wrap up the working party report, a prerequisite for approval of China's accession into the 140-member world trade body. The next round of talks is set for January 10-17, 2001. After a final agreement at the working party is reached, China's accession will be approved at the General Council, the WTO's second highest decision-making body. Beijing then must ratify the necessary documents for accession and will become a member 30 days after depositing the documents with the WTO secretariat.

At a press conference after the China Working Party talks ended, Chinese negotiator Long Yongtu was upbeat, but displayed no sense of urgency about completing the process of China's WTO entry. He described the round of talks as "constructive" and "cordial," but declined to speculate on when a final agreement might be reached. U.S. officials continued to hold out hope that the multilateral negotiations on the protocol would be wrapped up before January 20, however, allowing President Clinton to certify that the multilateral accord is at least as good as the bilateral deal before he leaves office.

A Final Summit Meeting in Brunei

In the last summit meeting of his term in office, President Clinton met with Chinese President Jiang Zemin in Brunei in mid-November after the conclusion of the APEC Leaders' Meeting. The meeting was brief, lasting only 35 minutes, and the two leaders spent much of the session recounting their joint accomplishments over the past eight years. According to the Chinese press, Jiang expressed gratitude to Clinton "for making positive efforts to improve and develop Sino-U.S. relations during his administration." Clinton thanked President Jiang for his cooperation and stated his hope that "the future of Sino-U.S. relations is a future of cooperation, not a future of conflict; a future of promoting each other, not a future of containing each other." Foreign Minister Tang Jiaxuan described the final Clinton-Jiang session as "quite emotional" with both men mindful of the fact that Mr. Clinton's two terms in office would soon come to a close.

The Chinese president emphasized that the history of Sino-U.S. bilateral ties for more than 20 years, including Clinton's eight-year term, has repeatedly proved that the Taiwan question is a major issue that "can shake the basis of Sino-U.S. relations." He called on the U.S. government to strictly abide by its commitments and explicitly support China's peaceful reunification. Clinton reiterated that the United States continues to observe a one-China policy and urged Jiang to resume dialogue with Taipei as soon as possible.

In addition to discussing Taiwan, the two leaders briefly exchanged views on the Korean Peninsula, non-proliferation of nuclear weapons, China's entry into the WTO, Tibet,

religious freedom, and bilateral U.S.-Chinese relations. Progress was made toward curtailing Beijing missile exports as the two presidents reviewed a deal worked out between U.S. and Chinese experts. Clinton pressed Jiang to resume the bilateral human rights dialogue, which Beijing had broken off in response to the accidental NATO bombing of the Chinese Embassy in Belgrade in May 1999. Jiang apparently agreed, saying “dialogue would be a useful way to go,” according to Assistant Secretary of State Stanley Roth. A specific date was not set for resumption of the human rights talks, however, and it was uncertain whether the dialogue would be restored under Clinton’s presidency. If postponed until the Bush administration, prospects for reconvening the talks will no doubt rest on the U.S. approach to censuring China’s human rights abuses at the UN Human Rights Commission in Geneva next spring.

High-Level Military Exchanges Cap Year End

Several important high-level visits took place in the military sphere of Sino-U.S. relations in the final months of 2000. Chairman of the Joint Chiefs of Staff General Henry H. Shelton visited Beijing in late October where he met with senior military leaders and delivered an address at China’s National Defense University. Shelton’s host, People’s Liberation Army (PLA) Chief of the General Staff Fu Quanyou, endorsed the further development of Sino-U.S. relations, but criticized U.S. arms sales to Taiwan as “sending a wrong signal” to Taipei and contributing to cross-Strait instability. Fu also insisted that the PLA resolutely supports the Chinese government’s basic principle of peaceful reunification, and one country and two systems, but would never relinquish its right to use force against the island.

In Nanjing, General Shelton observed military exercises involving thousands of Chinese troops in live fire, combined arms warfare drills, marking the first time a senior U.S. general has been permitted to view a large-scale war game. He also met with General Chu Wenquan, chief of staff of Nanjing military forces and China’s top expert on computer and information warfare. Chinese television reported on Shelton’s visit to the Nanjing Military Region and showed video of Shelton conversing with Chinese officers and soldiers following the exercise.

A month after his return from China, General Shelton raised the subject of U.S. policy toward China in remarks he delivered at the Asia Society. Shelton called for “all elements of U.S. power and diplomacy” to be focused on “ensuring that China does not become the 21st century version of the Soviet bear.” Washington must convince Beijing that a peaceful resolution on the Taiwan issue “is the only way ahead,” he added. Noting the contradiction inherent in Chinese leaders’ efforts to expand China’s increasingly capitalist economy while preserving a Communist political system, Shelton raised the prospect of internal instability in China that could threaten regional peace and prosperity. He also acknowledged that Beijing is mistrustful of U.S. intentions toward China and asserted that the Chinese are “aggressively modernizing their military forces, both conventional as well as nuclear.”

General Yu Yongbo, the PLA's top political commissar and the highest-ranking Chinese military official to visit the U.S. this year, headed a delegation for an 11-day tour of U.S. military bases in late November and early December. As director of the PLA general political department, Yu Yongbo is responsible for political education, welfare, and morale of PLA officers and troops. His portfolio also includes civil-military relations, the PLA military legal system, and a large portion of the PLA's educational institutions. At the Pentagon, General Yu called on Secretary of Defense William Cohen, where the two men discussed Asia Pacific security matters and the bilateral military relationship. Cohen reportedly reiterated the U.S. commitment to maintaining a forward deployed military presence in the region and stressed the need for increased transparency and better understanding between the Chinese and U.S. militaries. General Yu got a glimpse of life in the services on visits to West Point, New York; Bolling Air Force Base in Washington, D.C.; Fort Jackson, S.C.; and Patrick Air Force Base in Florida before making a final stop at the U.S. Pacific Command in Hawaii.

Also at the end of November, Mr. Walter B. Slocombe, under secretary of defense for policy, traveled to Beijing to co-host the fourth round of the U.S.-China Defense Consultative Talks. He and his Chinese co-chair, Deputy Chief of Staff General Xiong Guangkai, discussed a broad range of subjects including global, regional, and bilateral issues. They held a heated exchange on China's White Paper on National Defense, which had been released in mid-October. Slocombe welcomed the increased detail on China's defense policies and activities, but criticized references in the White Paper to the United States as a hegemon in the Asia Pacific region--as well as charges that the U.S. is pursuing neo-interventionism, neo-gunboat policy, and neo-economic colonialism--as "without foundation and unhelpful in building a positive relationship." Slocombe denied that it is U.S. policy to regard China as an enemy and reassured Chinese military officials that the U.S. does not follow a policy of containment, although it would defend U.S. interests and those of its allies in the region.

General Xiong related Chinese concerns about U.S. plans to develop and deploy theater and national missile defense systems and laid down markers on Taiwan, including warnings that grave consequences would follow a U.S. decision to transfer PAC-3 missile defense batteries or Aegis battle management systems to Taipei. The discussions also included issues on which the two sides hold considerable common interests and approaches, including developments on the Korean Peninsula and transnational threats such as proliferation of weapons of mass destruction, terrorism, drug trafficking, and environmental degradation. Both sides mapped out plans, subject to final approval, for more high-level visits between the Chinese and American militaries next year, China's participation in international defense forums, and discussions on the role of the military in disaster relief. In a statement delivered to the press in Beijing, Slocombe described the talks as "cordial and professional." He asserted that the Clinton administration leaves U.S.-China relations "both generally and in the military field on a solid basis." In addition to the formal consultations with General Xiong, Slocombe met with Minister of National Defense General Chi Haotian, Chief of the General Staff Department General Fu Quanyou, and Vice Minister of Foreign Affairs Yang Jiechi.

Non-Proliferation Cooperation Advances with Missile Deal

After years of internal squabbling in the U.S. government about whether sanctions should be imposed on China for supplying several dozen M-11 missiles to Pakistan in the early 1990s and other transgressions of the Missile Technology Control Regime (MTCR), Washington and Beijing reached a deal that averts sanctions and holds out the promise of curbing Chinese proliferation of missiles and missile technology. The deal, announced on November 21, involves a commitment by China not to export nuclear-capable missiles or their technologies and strengthen export controls on missile-related items. In return, the U.S. will waive the economic sanctions required under U.S. law due to past assistance by China to missile programs in Pakistan and Iran. Washington also agreed to resume the processing of licenses necessary for U.S. and Chinese companies to engage in commercial space cooperation.

Following an agreement in principle between the two presidents at their New York summit meeting last September to attempt to resolve the niggling missile proliferation matter, experts on both sides held talks in September and November. The accord that was reached was not as airtight as Washington had hoped, but it was the best that the U.S. could get with little leverage over China given the looming sanctions deadline and the few remaining months in the Clinton administration. In 1998, the two sides had begun to explore the possibility of China joining the MTCR, but after the Belgrade bombing incident, the Chinese were no longer interested in becoming MTCR members. U.S. officials had also tried to persuade Beijing to end all cooperation with Pakistan and Iran in the missile area, but China balked at singling out specific countries for separate, more restrictive treatment.

The most significant element of the deal is Beijing's pledge for the first time to publish "at an early date" a "comprehensive" list of missile-related and dual-use items whose export will require a government license. In issuing those licenses, according to a statement released by the Chinese Foreign Ministry, the Chinese government will consider the items' end-user and whether they might be used to develop missiles capable of carrying nuclear weapons. The statement also says that China will "exercise special scrutiny and caution, even for those items not specifically contained on the control list." It remains uncertain how closely China's list will match that of the MTCR, but the Foreign Ministry statement said that China would "take into account the relevant practices of other countries," and the range and payload guidelines specified by Beijing mirror those in the MTCR (missiles capable of delivering a payload of at least 500 kilograms to a distance of at least 300 kilometers).

Republican critics of the missile accord were angered that China had been let off the hook for past offenses in return for new promises of future good behavior. State Department officials admitted that the value of Beijing's commitments would depend on them being implemented "fully and conscientiously." The Department's spokesman Richard Boucher emphasized that while the U.S. is waiving sanctions that would otherwise be imposed for past transfers to missile programs in Pakistan and Iran, the waiver does not apply to any transfers that might occur in the future. A major uncertainty

about the new accord centers on the extent to which the Chinese Foreign Ministry wields influence over the missile-parts factories, which are run by the Chinese military. Another question is whether China will drag its heels in developing and publishing its new export control list to signal its unhappiness with U.S. policies toward Taiwan or on missile defense. Even if Beijing makes a good faith effort, there will likely be disagreements over the monitoring of end-users, which China still refuses to insist upon as a condition for the export of sensitive technology.

Stable Bilateral Relations Remain a Priority for Beijing

That Beijing agreed to proceed with the missile deal is noteworthy given Chinese misgivings about growing U.S. “hegemonism and power politics;” pending decisions on deployment of a U.S. national missile defense system (NMD); and continuing U.S. arms sales to Taiwan, along with Washington’s refusal to rule out further upgrading of Taiwan’s theater missile defense capabilities. Increased Chinese cooperation with the U.S. on non-proliferation matters, however, fits neatly into a pattern of Chinese diplomacy this year that suggests the Chinese leadership continues to attach high priority to preserving a stable relationship with Washington. China’s concessions to the U.S. to accede to the World Trade Organization, its agreement in principle to resume the bilateral human rights dialogue, and its pledge to tighten controls on exports of missile technology are all evidence of Beijing’s efforts to put bilateral relations on a firm footing in preparation for the transition to a new U.S. president.

On the eve of George W. Bush’s inauguration as the 43rd president of the United States, there is a degree of anxiety in Beijing about keeping bilateral relations on an even keel. Bush’s labeling of China as a “strategic competitor” during his campaign has left the Chinese uneasy. Beijing also is worried about closer U.S.-Taiwan relations and is bracing for a major political confrontation over U.S. arms sales to Taiwan next spring that could be triggered by Bush administration approval of the Aegis system or other advanced weapons. A decision by Bush to proceed with deployment of a robust NMD system would also complicate bilateral cooperation on security matters. Early signals from Bush’s cabinet members suggest, however, that although the new administration may strike a tough posture on some issues, it will continue to engage China and promote an overall cooperative relationship. Referring to relations with China and Russia, Secretary of State-designate General Colin Powell stated, “We will work with them not as potential enemies and not as adversaries, but not yet as strategic partners, but as nations that are seeking their way.”

Chronology of U.S.-China Relations October-December 2000

Oct. 3, 2000: The U.S. House of Representatives passes legislation that would prohibit the U.S. from providing debt relief for Moscow unless Russia agrees to stop all sales of SSN-22 Sunburn missiles to China.

Oct. 10, 2000: President Clinton signs into law H.R. 4444, granting China permanent normal trade relations with the United States.

Oct. 11, 2000: Secretary of the Navy Richard Danzig arrives in China to promote closer naval ties. He is the first U.S. Secretary of the Navy to make a trip to Beijing.

Oct. 12, 2000: U.S. Trade Representative Charlene Barshefsky meets with Chinese Premier Zhu Rongji in Beijing in an effort to iron out 11th hour differences between China and the WTO working committee in Geneva.

Oct. 16, 2000: The Information Office of China's State Council releases a white paper entitled "China's National Defense in 2000."

Oct. 23-24, 2000: Chinese Vice Foreign Minister Yang Jiechi holds vice ministerial-level consultations in Washington, D.C.

Oct. 25-Nov. 4, 2000: General Yu Yongbo, director of the Chinese army's General Political Department and a member of the Central Military Commission, heads a delegation to visit ordinary U.S. military bases to examine the support structure for health, welfare, morale, legal, entertainment, and religious services. He is the highest-ranking PLA official to visit the United States this year.

Oct. 26, 2000: Treasury Secretary Lawrence Summers and his Chinese counterpart, Finance Minister Xiang Huaicheng, co-chair the opening of the 13th session of the China-U.S. Joint Economic Committee in Washington, D.C.

Nov. 1, 2000: U.S. Ambassador Joseph Prueher and Chinese Assistant Foreign Minister Zhou Tianshun sign a memorandum of understanding furnishing each other with space for new embassies in their capitals.

Nov. 1-5, 2000: General Henry H. Shelton, Chairman of the Joint Chiefs of Staff, visits China as a guest of General Fu Quanyou, PLA Chief of the General Staff. He observes military exercises in Nanjing involving thousands of Chinese troops in live fire, combined arms warfare drills.

Nov. 6, 2000: Robert Einhorn, assistant secretary of state for non-proliferation, and Gary Samore, special assistant to the president for non-proliferation and export controls, visit Beijing in a quiet effort to negotiate an arms control agreement that would curb Chinese exports of missile technology.

Nov. 10, 2000: President Clinton signs into law the Foreign Operations, Export Financing, and Related Programs Appropriation Act of 2001 which authorized funds to support non-governmental organizations that seek democracy in the PRC and to buy land for Tibetan refugees living in northern India. It also requires the U.S. administration to consult with Congress on the sale of weapons to Taiwan.

Nov. 15, 2000: Secretary of State Madeleine Albright meets with Chinese Foreign Minister Tang Jiaxuan on the sidelines of a two-day APEC Leaders' Meeting in Brunei.

Nov. 16, 2000: President Jiang Zemin meets with President Bill Clinton at the APEC Leaders' Meeting and the two agree in principle to re-open the bilateral human rights dialogue. Separately, State Council Vice Premier Qian Qichen meets with Secretary Albright and NSC advisor Samuel Berger.

Nov. 21, 2000: U.S. and China announce a deal in which Beijing will strengthen its export controls on missile technology and the U.S. waives economic sanctions against China. Washington also agrees to resume the normal processing of commercial space licenses involving China and to re-start talks on extending a 1995 accord on international trade and commercial launch services.

Nov. 30, 2000: Under Secretary of Defense for Policy Walter B. Slocumbe and Deputy Chief of the PLA General Staff General Xiong Guangkai hold the fourth round of Defense Consultative Talks in Beijing and including Chinese participation in multinational events.

Dec. 6, 2000: Units from the Hong Kong Garrison of the PLA join forces with U.S. military specialists in an annual search and rescue exercise to provide training and familiarization to air traffic controllers, air crew, and other units likely to be involved in such operations.

Dec. 14, 2000: President Jiang Zemin sends a message of congratulations to George W. Bush for his election as the U.S. President.

Dec. 18, 2000: The Department of Defense releases the unclassified "Report to Congress on Implementation of the Taiwan Relations Act."

Dec. 19, 2000: The U.S. Department of State's Bureau of Educational and Cultural Affairs launches its first exchange program between secondary school students and teachers in the United States and China.