

U.S.-China Relations:

Terrorist Strikes Give U.S.-China Ties a Boost

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The Sept. 11 terrorist attacks on the World Trade Center and the Pentagon provided a new strategic focus for U.S.-China relations. Chinese President Jiang Zemin immediately condemned the terrorist actions and offered China's support for the Bush administration's global counterterrorism effort. A week following the attacks, Chinese Foreign Minister Tang Jiaxuan arrived in Washington to prepare for President Bush's late October summit with President Jiang that was to be held in Beijing following the Asia Pacific Economic Cooperation (APEC) Leaders' Meeting in Shanghai. After the Tang visit, Beijing sent a delegation of counterterrorism experts to share intelligence with U.S. officials that might aid the Bush administration's war on terrorism. An important step aimed at avoiding future mid-air collisions was taken when Chinese and American military delegations met on Guam in a special meeting of the Military Maritime Consultative Agreement (MMCA). Earlier in the quarter, discord over China's alleged transfer of missile components to Pakistan that resulted in the imposition of sanctions on a Chinese company. U.S. Secretary of State Powell traveled to Beijing in July for talks with Chinese leaders and reassured the Chinese people that the United States views China as a friend, not as an adversary.

Tang Jiaxuan Visits Washington to Confer and Prepare for the Summit

The Sept. 11 terrorist attacks on the World Trade Center and the Pentagon provided a new strategic focus for U.S.-China relations. U.S. President George W. Bush recognized the need for consultation and cooperation with Beijing as part of a U.S. effort to build a global coalition against terrorism. President Jiang seized on the opportunity to strengthen bilateral ties and reaffirm China's importance as a permanent member of the UN Security Council. Just hours after the United States suffered the deplorable terrorist attacks, Jiang sent a telegram to Bush that, apart from expressing condolences to the U.S. government and grief for the victims, reiterated the Chinese government's consistent opposition to terrorism. The following day President Bush telephoned Jiang and stated that he looked forward to combating terrorism together with President Jiang and other world leaders.

A week following the attacks, Foreign Minister Tang arrived in Washington for a long-planned visit to prepare for President Bush's late October summit with President Jiang following the APEC meeting in Shanghai. Tang's meeting with Secretary of State Colin Powell was devoted in part to planning the summit agenda and included discussion of nonproliferation, human rights, Taiwan, and missile defense. Terrorism was also a key part of the talks. Tang told reporters after the talks that "We firmly oppose and strongly condemn all forms of terrorism in all their evil acts, and both sides agree to carry out even better cooperation on this question in the future." Powell stressed that China "has knowledge and information" as well as influence in Central Asia that "might be of help to us." In subsequent meetings with President Bush, Vice President Dick Cheney, and National Security Adviser Condoleezza Rice, Tang reaffirmed China's willingness to enhance consultations and cooperation in the fight against terrorism together with the United States and with the international community.

In his meetings, Tang set out criteria for U.S. military action against the perpetrators. In combating terrorism, he said, there should be conclusive evidence against the perpetrators; attacks should be made at specific targets based on reliable information; collateral damage to civilians should be avoided; the U.S. should comply with the United Nations charter; and the UN Security Council should play its "proper" role. These criteria signaled Chinese wariness of a possible unilateral response by the U.S. and a few close allies as well as concerns that U.S. retaliatory strikes might be widespread and based on insubstantial proof. They represented Chinese principles regarding an appropriate response, however; they did not embody preconditions for Beijing's consent and cooperation. Moreover, despite statements by Chinese officials prior to Foreign Minister Tang's visit that China hoped for U.S. "support and understanding in the fight against terrorism and separatists" from Taiwan, Tibet, and Xinjiang, Tang did not request any *quid pro quo* for Chinese cooperation.

The Chinese press reported that Powell and Tang reached the following five-point consensus: First, both the Chinese and U.S. sides committed to making concerted efforts to ensure the success of Bush's visit to China and his summit meeting with Jiang. Second, both sides stressed the importance of consultation and cooperation in opposing terrorism and agreed to strengthen their coordinated efforts in the UN Security Council. Third, both sides held that routine dialogues between the foreign ministries of the two countries are of great significance to the development of Sino-U.S. ties and agreed on visits to the United States next year by Chinese Vice Foreign Ministers Li Zhaoxing and Wang Yi. Fourth, the U.S. and China agreed to strengthen international cooperation in preventing and curing AIDS. Fifth, an agreement was reached to hold an official bilateral dialogue on human rights in the near future.

Following Tang's Washington visit, China sent a delegation of counterterrorism experts to share intelligence with U.S. officials that might aid the Bush administration's war on terrorism. U.S. and Chinese interests overlap in combating terrorism, but also potentially conflict. Beijing worries about instability in Tibet and Xinjiang, where pro-independence Islamic extremists periodically stage terrorist attacks and bombings. Eliminating the Taliban government in Afghanistan might help eradicate this terrorist threat to China's

western regions. At the same time, however, China fears that violence in its backyard carries the potential to destabilize the region in ways that could spill across the border into China. Chinese experts say that a limited U.S. military intervention in Afghanistan would be justified, but warn against a NATO occupation of the country that would bring a U.S. military presence close to China's southwest border. More generally, Beijing doesn't want the U.S. global campaign against terrorism to bolster America's position as the sole superpower in a unipolar world.

Wrapping Up the EP-3 Incident

U.S.-China relations had started to improve in July, beginning with the removal of the EP-3 surveillance plane, which had made an emergency landing on Hainan Island on April 1 after colliding with a Chinese F-8 jet fighter over the South China Sea. Beijing refused to permit the plane to be repaired and flown out, instead insisting that it be cut up into pieces and placed aboard a Russian AN-124 cargo plane. China then presented a bill for \$1 million to the U.S. to cover the costs incurred in housing the plane and taking care of the 24-person crew while they were detained for 11 days. The Bush administration considered the bill excessive and agreed only to pay \$34,567 for "services rendered and assistance in taking care of air crew, some materials, and the contract to remove the EP-3 itself," according to Pentagon spokesman Rear Adm. Craig Quigley. China deemed the U.S. offer "unacceptable" and expressed "resolute opposition" to the U.S. side, but the Pentagon insisted that the amount was non-negotiable.

Both sides agreed to disagree on the issue of U.S. reimbursement to China, but Beijing only publicly declared that the matter was no longer a sticking point in the relationship on the eve of Tang Jiaxuan's visit to Washington. In a press conference, He Yafei, deputy chief of mission in the Chinese Embassy in Washington, D.C., acknowledged that the payment issue remained unresolved, but proclaimed that the EP-3 incident is "behind us." He underscored the importance of taking into account "the big picture of our bilateral relationship" and stressed U.S.-China common interests in building a safer and prosperous world in the 21st century.

An important step aimed at avoiding incidents such as the April mid-air collision was taken in mid-September, when Chinese and U.S. military delegations met on Guam in a special meeting of the Military Maritime Consultative Agreement (MMCA). Representatives from the two militaries discussed general principles of international law and treaties as well as principles and procedures for the safety of military aircraft and military vessels operating in the vicinity of one another. In addition, both sides agreed on the importance of continuing to use the MMCA process to reduce the possibility of air and maritime incidents.

Secretary of State Powell Seeks to Set Relations on Right Track

Following the annual session of the ASEAN Regional Forum (ARF) in Hanoi in July, Secretary of State Powell traveled to Beijing for talks with Chinese leaders. China's decision to expeditiously release three individuals who had been convicted of spying for

Taiwan, one American citizen and two U.S. green card holders, markedly improved the atmosphere for the visit. Nevertheless, Powell raised U.S. concerns about China's respect for human rights and the rule of law in every meeting in Beijing. He congratulated Jiang Zemin on Beijing's successful effort to host the 2008 Olympics, but put China on notice that its government would be under scrutiny in the coming years. "The United States looks forward to seeing the changes in the next seven years that this historic event is bound to stimulate," Powell told Jiang.

In his separate meetings with President Jiang, Premier Zhu Rongji, and Vice Premier Qian Qichen, Powell stressed that "President Bush seeks to build constructive, forward-looking relations with the People's Republic of China" and is looking forward to his visit in the fall. In a 24-minute interview that was broadcast on a state-run national television network, but only after the government cut small sections of the interview that included Powell's remarks on human rights and freedom of religion, the secretary of state reassured the Chinese people that the United States views China as a friend, not as an adversary. After returning from his Asian tour, Powell further distanced himself from those who label China as a "strategic partner" or a "strategic competitor." In a CNN interview, he maintained that such phrases were "not helpful" and instead insisted that U.S.-China ties be described as "a complex relationship with a broad agenda."

Powell apparently went to great lengths to explain the Bush administration's plans to build a missile defense system and tried to persuade his Chinese interlocutors that such a system would not threaten China's nuclear deterrent. Although Beijing remained unconvinced, the Chinese Foreign Ministry spokesman opted to play down the differences between the two sides on missile defense by declining to repeat China's long-standing objections to U.S. missile defense plans. Instead, the spokesman noted only that the Chinese government's position had not changed and emphasized that Beijing was willing to continue bilateral discussions on the subject. Chinese leaders also sought to smooth relations with the U.S. by telling Secretary Powell that they welcome an American presence in the Asia-Pacific region as a stabilizing factor.

At the close of Powell's visit, officials of the two countries announced in separate news conferences that agreement had been reached on holding a series of bilateral meetings on economic and trade issues. The first of these meetings – the 14th China-U.S. Joint Economic Committee meeting – was subsequently held in September and co-chaired by U.S. Treasury Secretary Paul O'Neill with Chinese Finance Minister Xiang Huaicheng. Tang and Powell agreed to convene a meeting of military experts to discuss maritime safety, which also took place in September. The two sides also reached agreement to restart a formal bilateral dialogue on human rights that was suspended after the United States accidentally bombed China's embassy in Belgrade during the NATO action against Serbia in May 1999. Finally, the U.S. and China decided to hold expert-level talks on weapons proliferation.

Disagreement over Proliferation Results in Sanctions

Differences on proliferation matters intensified in this quarter, as Washington accused Beijing of violating its commitments to the Clinton administration and China insisted that U.S. charges were “groundless” and based on erroneous intelligence. Under a Sino-U.S. pact forged in November 2000, China promised not to help any country develop nuclear-capable ballistic missiles. Beijing also agreed to set up comprehensive export controls on missiles and missile-related technology, especially to Pakistan and Iran. In return, the U.S. had offered the carrot of resuming the issuance of licenses for U.S. companies to launch their satellites on Chinese rockets or transfer satellite technology to China.

In August, U.S. intelligence officials leaked to the press that they had evidence of a dozen shipments of missile components since the beginning of the year by a Chinese state-run company to Pakistan. According to these reports, the China National Machinery and Equipment Import and Export Corporation (CMEC) had supplied the missile components for Pakistan’s Shaheen-1 and Shaheen-2 missile programs, both of which are strategic missile systems capable of carry nuclear warheads. During Secretary Powell’s visit to China, he raised this issue with Chinese leaders and underscored the importance of resolving the dispute. China’s willingness to meet with U.S. experts “moved the ball forward,” Powell asserted after his talks in Beijing.

The team of U.S. experts returned from Beijing in late August saying that they were not satisfied with Chinese explanations, however. China contended it had investigated the U.S. allegations and had failed to uncover any violations of the November agreement. One week later, the State Department slapped sanctions on CMEC and Pakistan’s National Development Complex, which was accused of receiving the missile components and technology. The sanctions bar the Chinese and Pakistani companies from importing U.S. items that the State Department and Commerce Department deem as having possible military use for two years. At the same time, the Bush administration invoked a ban on new licenses for U.S. companies to launch satellites on Chinese rockets.

In order for the sanctions to be lifted in time for President Bush’s visit to China in October, U.S. officials said that Beijing would have to meet four conditions for controlling the proliferation of missile technology. First, China must halt the exports to Pakistan by CMEC. Second, China must reaffirm its agreement last November to refrain from assisting other countries to develop missiles capable of delivering nuclear weapons. Third, China must drop its contention that missile contracts signed before November 2000 are not covered under the accord. Fourth, China must establish a system of export controls to regulate exports of missiles and missile technology as promised last year.

The Chinese government was taken by surprise by the Bush administration’s quick decision to levy sanctions without further consultations with Beijing. China’s Foreign Ministry spokesman expressed “strong indignation” and “resolute opposition” to what he termed Washington’s “hegemonic act of willfully imposing sanctions against other countries according to its own domestic laws.” On the eve of Tang Jiaxuan’s arrival in the United States, He Yafei from the Chinese embassy stated that China is still willing to

be constructive and engage in dialogue with the United States to find a mutually acceptable solution to the disagreement. He warned, however, that the sanctions would have to be lifted before talks can continue. “The U.S. side cannot expect, as with other countries, to continue with China on nonproliferation consultations while sanctions are in place,” He declared. Foreign Minister Tang did not repeat this condition when he gave an interview with *The New York Times* prior to his departure from Beijing. Instead, he suggested that the two sides hold another round of consultations and try to explore “a way of resolution.” China “can always be counted upon to live up to our commitments,” he added.

Enhanced Prospects for Sino-U.S. Cooperation

The terrorist attacks on the United States have injected new momentum into Sino-U.S. relations and raised the prospects for closer bilateral cooperation. To a significant degree, American and Chinese interests converge in fighting terrorism and Islamic extremism. Thus far, however, it is unclear what forms of assistance the Bush administration will ask China to provide and what Beijing can offer. As a permanent member of the United Nations Security Council, China’s vote on any future UN resolutions will be important. In addition, Beijing can urge Pakistan to remain steadfast in its support of U.S. actions. In the final analysis, however, China has only limited resources to contribute to the counterterrorism war and will not likely be a major player.

Nevertheless, Chinese leaders will likely seek to utilize their cooperation and common interests with the U.S. in fighting terrorism to strengthen the bilateral relationship. Ever since the collapse of the Soviet Union, China has searched for a new strategic basis on which cooperative ties with the U.S. could be founded. It hopes that Beijing’s willingness to join with the U.S. in the war on terrorism will raise the value of Sino-U.S. relations in the minds of Bush administration officials and improve China’s image in the eyes of the American public.

It is also in America’s interest to seize this opportunity to put Sino-U.S. relations on firmer footing. The early hawkishness of the Bush administration toward China has unnecessarily unnerved U.S. allies and friends in the region. While there are important differences between Beijing and Washington that require attention, there are also significant shared security interests and concerns. Both the U.S. and China would benefit from greater stability in East Asia, Central Asia, and South Asia. Chinese support for a U.S. military presence and influence in Asia and elsewhere will be difficult if not impossible to obtain if Bush administration policies convince China that it is the target of a revamped U.S. military strategy.

Chronology of U.S. - China Relations July-September 2001

July 3, 2001: The EP-3 surveillance plane that landed on Hainan Island April 1 after a collision with a Chinese F-8 fighter jet is flown out of China in pieces aboard a Russian AN-124 cargo plane.

July 5, 2001: President Bush calls President Jiang for the first time and holds a 20-minute discussion; Bush raises concerns about the arrests of U.S. citizens and green card holders by Chinese security forces.

July 13, 2001: At a meeting in Moscow, the International Olympic Committee awards Beijing the privilege of hosting the 2008 Summer Olympics.

July 14, 2001: China convicts Li Shaomin, a naturalized U.S. citizen and business professor, of spying for Taiwan and orders him expelled.

July 18, 2001: The House of Representatives votes 426 to 6 against compensating China for plane-related expenses or for housing the 24 crew members detained for 11 days.

July 19, 2001: The House of Representatives defeats an effort to suspend normal trade relations with China 259 to 169.

July 23, 2001: Clark T. Randt, a lawyer and former diplomat with 20 years of experience in Asia, takes up his post as U.S. ambassador to China.

July 25, 2001: Secretary of State Colin Powell and Chinese Foreign Minister Tang Jiaxuan meet in Hanoi while attending the annual session of the ARF.

July 26, 2001: Gao Zhan and Qin Guangguang, two Chinese citizens with United States residency who were sentenced in Beijing to 10 years' imprisonment for espionage, are granted medical parole.

July 28, 2001: Secretary Powell meets with a full array of top Chinese officials, including President Jiang Zemin, during a one-day stop in Beijing.

Aug. 7-10, 2001: U.S. Senate Foreign Relations Committee Chairman Joseph R. Biden tours Shanghai, Beijing, and Beidaihe.

Aug. 17, 2001: Two U.S. aircraft carriers, the USS Carl Vinson and the USS Constellation, hold a one-day exercise in the South China Sea while the PLA conducts major maneuvers off the east coast of China on Dongshan Island.

Aug. 20, 2001: The navy aircraft carrier Constellation and six other American warships begin a five-day port call to Hong Kong.

Aug. 24, 2001: Deputy Assistant Secretary of State Vann Van Diepen leads a U.S. delegation to Beijing to discuss China's alleged continued transfers of ballistic missile technology to Pakistan.

Sept. 1, 2001: The Bush administration imposes sanctions on China Metallurgical Equipment Corp., a major Chinese arms manufacturer, because it allegedly transferred sensitive missile technology to Pakistan despite assurances by Beijing last November that it would refrain from these exports.

Sept. 5, 2001: Ambassador Randt skips dinner with Beijing officials in protest over China's blacklisting of Credit Suisse First Boston Inc. The investment bank angered Beijing by inviting senior Taiwan government officials to speak at conferences it sponsored earlier this year.

Sept. 8-11, 2001: U.S. Treasury Secretary Paul O'Neill attends the Eighth Asia Pacific Economic Cooperation (APEC) Finance Ministers' Meeting in Suzhou and then travels to Beijing to co-chair the 14th China-U.S. Joint Economic Committee (JEC) meeting with Chinese Finance Minister Xiang Huaicheng.

Sept. 10, 2001: A U.S. delegation from the Departments of State and Defense arrives in China to provide briefings on U.S. ballistic missile defense programs.

Sept. 12, 2001: President Bush telephones President Jiang one day after the terrorist bombings in New York and Washington, D.C. Jiang sent Bush a message of condolence immediately following the bombings.

Sept. 14-15, 2001: U.S. and PRC military officials meet on Guam to discuss ways to avoid maritime incidents. Rear Adm. Steven Smith, director for strategic planning and policy for the U.S. Pacific Command, leads the U.S. delegation to the talks.

Sept. 17, 2001: The WTO Working Party on China approves terms that the PRC had negotiated to enter the trade body after almost 15 years of negotiations.

Sept. 20-21, 2001: FM Tang visits Washington, D.C.

Sept. 25, 2001: Chinese counterterrorism experts meet U.S. officials to share intelligence that might help the Bush administration's war on terrorism.