

U.S.-China Relations:

Clinton and Jiang Hail PNTR Passage, but Agree on Little Else

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The 20-year old practice of annually reviewing China's trade status came to an end with the U.S. Senate's passage of Permanent Normal Trade Relations (PNTR) for China, paving the way for China's entry into the World Trade Organization and boosting Sino-U.S. economic ties. Presidents Clinton and Jiang met in New York at the UN Millennium Summit and reviewed the course of their bilateral relationship during Clinton's two terms in office. As usual, they were at odds on many issues, including human rights and religious freedom in China, Taiwan, and U.S. missile defense programs. U.S.-Chinese defense ties advanced with Defense Secretary Cohen's visit to China, where he concentrated on engaging in strategic dialogue with Chinese military and civilian leaders. Sino-U.S. talks on arms control and non-proliferation resumed after a 14 month hiatus, but the two sides failed to narrow their differences on missile proliferation. Beijing closely followed the U.S. presidential campaign and began to get jittery over the upcoming elections.

Senate Votes PNTR for China

The passage by the U.S. Senate of permanent normal trading privileges for China on September 19 marked the crowning achievement of President Clinton's policy toward Beijing. The 83-15 vote, coupled with the House's approval last May, ends the annual congressional review of China's trade status, which opponents of PNTR maintained was essential to compel the Chinese government to improve its record on human rights, religious freedom, and non-proliferation. In a statement following the vote, President Clinton hailed the outcome as a victory, not just for American businesses and consumers who will benefit from the opening of Chinese markets and the lowering of tariff barriers on U.S. exports to China, but also for "those within China who fight for higher labor standards, a cleaner environment, human rights, and the rule of law." Clinton maintained that greater competition and the spread of the information revolution in China would accelerate the demise of China's huge and inefficient state-owned enterprises and bolster the expanding private sector, which, in turn, would "liberate the potential" of the Chinese people.

Amendments to the trade bill calling for China to improve human rights, religious freedom, labor standards, and non-proliferation practices were defeated by large margins,

even though the issues they raised were supported by many senators. In the end, the vast majority feared that further delaying the legislation could jeopardize the bill's passage, which most believed to be in the best interests of the United States. A decision to not provide PNTR to China would not have prevented China from joining the World Trade Organization (WTO), but would have left Beijing with the option of withholding some trade benefits from the United States that it extends to other members of the global trading group. Even the amendment sponsored by Senators Thompson and Torricelli to impose harsh sanctions on Chinese companies that sell nuclear, chemical, and biological weapons and long-range missiles was defeated 65-32 despite widespread congressional concern about Chinese assistance to weapons of mass destruction programs in Iran and Pakistan.

Chinese officials expressed their gratitude for the Senate vote and declared the decision a victory for Sino-U.S. relations. The spokesman of China's Ministry of Foreign Trade and Economic Cooperation (MOFTEC) said that China "appreciates the great efforts made by American people of vision from the Democratic Party and the Republican Party as well as people of all circles concerned." A spokesman from the Chinese Foreign Ministry voiced Beijing's hope that the bill's passage would represent "a new starting point" for U.S.-Chinese ties. There were signs, however, that the Chinese were disgruntled by the Clinton administration's pitch that promoting economic freedom would advance individual political liberties in China. An editorial in a pro-Beijing newspaper published in Hong Kong portrayed U.S. policy on the PNTR issue as evidence that the "fundamental goal" of Washington's China policy is to "transform China according to the U.S. standards" and "make China a 'partner' that would not challenge the United States." The editorial maintained that "through the prism of the PNTR, China's understanding of the United States has surely advanced by a big step."

Clinton-Jiang New York Summit

Just ten days prior to the Senate vote on PNTR, Presidents Clinton and Jiang met on the fringes of the United Nations Millennium Summit in New York. By all accounts, no breakthroughs were expected and none was achieved. According to a senior U.S. official who provided a background briefing on their talks, the topics the presidents touched on included cross-Strait relations, missile proliferation, PNTR and China's entry into the WTO, Tibet, religious freedom in China, Korea and the North-South summit, and an overall review of U.S.-China relations during Clinton's two-term tenure in office. In official parlance, the two leaders had a "back and forth, frank and friendly discussion of issues." On some issues where sharp differences exist, however, their exchange was without doubt quite prickly.

In the discussion of religion, for example, President Clinton expressed concern about restrictions on the practice of religion in China, suggesting that greater religious freedom would be beneficial to the Chinese people. President Jiang Zemin apparently launched into a historical review of the arrival of various religions in China, emphasizing that Christianity was accompanied by imperialist foreign incursions. The two presidents also differed in their perspectives on the protection of culture, language, and religion in Tibet

and the safeguarding of human rights in China, with Jiang focusing on China's progress in those areas and Clinton insisting that repression of religion and human rights violations in China remain serious problems. In the area of non-proliferation, President Clinton urged Jiang to curb China's exports of missiles and missile technology, especially to Iran and Pakistan. Jiang asserted that Beijing is adhering to its commitment to abide by the Missile Technology Control Regime (MTCR).

On the sensitive subject of Taiwan, Clinton indicated concern that the window of opportunity created by the election of a new leader in Taiwan who has assiduously avoided confrontation with China may be closing, due to growing pressure on Chen Shui-bian from his domestic political constituencies. He urged Jiang to restart the cross-Strait dialogue or risk a hardening of positions on both sides that could make future talks more difficult to arrange or conclude. To the dismay of U.S. officials, a Chinese foreign ministry spokesman declared that Clinton had criticized Taiwan's president for "retrogression," suggesting that the two presidents had agreed that Taipei's intransigence was the major obstacle to the improvement of cross-Strait relations.

Jiang and Clinton also discussed the contentious issue of U.S. plans to build a national missile defense system (NMD). Jiang Zemin expressed opposition to the U.S. deployment of NMD, holding that it would trigger a new arms race and have an adverse impact on world peace and development. Clinton asserted that a missile threat does indeed exist and is growing, and stressed that it is essential to be prepared. He also stated, however, that the question of building NMD will be left to the next U.S. president to decide and he promised that he would encourage his successor to continue to hold a dialogue with China and other countries on this question. Clinton also urged Jiang to plan for the probability that a national missile defense system would be put in place in the future.

While in New York, Jiang delivered a luncheon address to top business executives and foreign affairs experts in which he sought to portray China as eagerly joining the information revolution and actively protecting the rights of its citizens. "There are over 16 million netizens, more than 27,000 worldwide web sites, over 70,000 Chinese domain names, and 61 million mobile phones in China," he said in a speech delivered entirely in English. Jiang insisted that more than 100 million people are religious believers in China and promised that "no state agencies, social groups, or individuals shall force citizens to believe in or not to believe in a religion." To facilitate the development of U.S.-China relations in the future, the Chinese leader prescribed efforts to "get a better understanding of each other, in terms of the country and the people." He maintained that China is making an effort to "know the U.S. better," and urged the United States to do likewise.

Military Ties Advance with Cohen Visit

In mid-July, William Cohen made what will likely be his final visit to China as secretary of defense in the Clinton administration. The visit was billed as having three main objectives: to promote U.S.-Chinese military ties as part of the overall bilateral relationship; to conduct high-level policy dialogue on a broad range of global, regional, and bilateral issues; and to improve the lines of communication between the U.S. and Chinese leaderships. In contrast with Secretary Cohen's previous visits, he did not tour

any Chinese military installations, in part because the People's Liberation Army (PLA) did not propose a visit to any previously unseen facility that would have provided an opportunity to display greater Chinese transparency.

In his talks with Chinese leaders, Secretary Cohen discussed a wide range of security issues, with Taiwan as a major focus. PRC Defense Minister Chi Haotian reaffirmed Beijing's position that it would not relinquish its sovereign right to use force against the island, but distinguished between retaining the option to use force and the intention to attack. Cohen's entourage found that interpretation reassuring, even as Chi insisted that the deployment of short-range ballistic missiles against Taiwan was "entirely China's own business" and charged that U.S. estimates of Chinese missile deployments were exaggerated. Chi and other Chinese leaders also demanded an end to U.S. arms sales to Taiwan. Cohen, in turn, urged the Chinese to reduce the missile threat to Taiwan, which would ease pressures on the U.S. to provide additional defense equipment to Taipei.

Discussion during Cohen's visit of the dangers of global missile proliferation and U.S. plans to build a national missile defense system failed to narrow differences between the two sides. The Chinese reiterated their worries about the destabilizing global impact of NMD and remained unconvinced that the NMD program was aimed at coping with emerging threats from states of concern such as North Korea and not at China. Cohen's visit was to some extent marred by the announcement of Israel's decision to cancel a \$250 million deal with China for a Phalcon Airborne Warning and Control System (AWACS) in response to strong U.S. pressure. President Jiang raised the issue in his meeting with Cohen, criticizing U.S. interference in China's bilateral relations with other countries.

On the positive side of the ledger, Cohen and Chi signed a formal agreement to promote cooperation between the U.S. and Chinese militaries in activities relating to the environment. The pact calls for exchanges of information on environmental protection research and development, with details to be worked out at a future date. Reciprocal ship visits were also announced which took place in August with the docking of the Navy guided-missile cruiser USS Chancellorsville in Qingdao followed by a visit to Hawaii and Seattle by a Chinese missile destroyer in September.

Cohen also made some progress in persuading the Chinese to increase their participation in multilateral regional activities. Beijing agreed to send military officers to join programs at the Asia-Pacific Center for Security Studies in Hawaii and indicated its willingness to cooperate on several humanitarian initiatives. Armed with the hope that Beijing would favorably consider participating in an Asia Pacific multilateral military exercise, Cohen proposed joint training drills in September in an interview on a flight to Seoul, one of six stops on an Asian tour. The Chinese rebuffed the initiative, however, reiterating their position that alliances are a Cold War "relic." "Strengthening military alliances and engaging in joint military exercises are not conducive to promoting peace and stability in the Asia Pacific region," a Chinese Foreign Ministry spokesman told a press conference.

Apart from formal meetings with Chinese leaders, Cohen also delivered a speech at China's National Defense University (NDU) and visited the Shanghai Stock exchange.

At NDU, he appealed to a group of PLA officers to reconsider their characterization of the U.S. as a country determined to dominate the world and to contain China, which he contended was false. Addressing the subject of remaining sanctions on China that were imposed after the 1989 Tiananmen Square massacre, Cohen stated that arms sales bans and other sanctions “could be eased or lifted to the extent that progress is made toward extending human rights in China.”

Talks Resume on Arms Control and Non-Proliferation

Fourteen months after China suspended dialogue with the U.S. on arms control and non-proliferation matters, John Holum, the State Department’s undersecretary for international security affairs, arrived in Beijing in early July to address a growing list of American concerns. Chinese ongoing assistance to Pakistan’s missile program topped the agenda. In the months prior to Holum’s visit, pressure on the administration from Congress to halt China’s aid to Pakistan and other countries or impose sanctions had increased as evidence of Beijing’s illicit activities mounted. U.S. intelligence reports leaked to the press cited Chinese supplies of weapons-grade steel and missile guidance systems as well as provision of technical advice to Pakistan. A series of classified briefings on Chinese aid to Pakistan’s effort to build long-range missiles that could carry nuclear warheads was held, including a session just days prior to Holum’s departure for China, further sounding the alarm on the issue of Chinese proliferation.

Holum sought to gain commitments from Chinese leaders to strengthen monitoring of its exports of missile and nuclear technologies. He also hoped to persuade Beijing to agree to extend its commitment to not export MTCR-class missiles to cover missile components and technologies. Jiang Zemin had promised President Clinton at their 1998 summit that China would “actively consider” joining MTCR, but Beijing’s interest in cooperation with Washington on missile proliferation waned considerably in the aftermath of the accidental bombing of the Chinese embassy in Belgrade in May 1999. U.S. announcement of its intention to build national and theater missile defense systems in January last year also increased resistance in China to concede to U.S. demands.

Following lengthy discussions with Chinese negotiators led by Vice Foreign Minister Wang Guangya and a separate meeting with Lt. Gen. Xiong Guangkai, deputy chief of the PLA general staff, Holum gave a press briefing in which he noted that “detailed, substantive discussions” had been held on the missile issue and asserted that progress had been made. Nevertheless, he admitted that “the issue remains unresolved,” adding that the two sides agreed to hold further expert level talks in the near future. The lack of progress was underscored by a Chinese Foreign Ministry spokesman statement that insisted reports of continuing Chinese assistance to Pakistan are “unfounded.” Holum maintained that the Clinton administration and the Chinese government concur that the two sides share an interest in stemming the proliferation of weapons of mass destruction and their means of delivery and would continue to work on narrowing their differences on the best means of achieving that common goal. In mid-September, at the close of a two-day track two U.S.-China bilateral conference on arms control, disarmament, and non-proliferation, Assistant Secretary of State Robert Einhorn and Sha Zukang, the head of the Chinese Foreign Ministry’s arms control department, held another round of

consultations on nonproliferation of weapons of mass destruction, but neither side revealed the outcome of their discussions.

Holum's talks with Chinese officials also covered the growing global threat posed by progress in several countries' long-range ballistic missiles programs, most notably North Korea. He presented the U.S. case for building a national missile defense shield and developing theater missile defense (TMD) systems for protecting forward-deployed American troops. The Chinese expressed serious concerns about both U.S. NMD and TMD programs both publicly and privately. Chinese Premier Zhu Rongji declared in a press conference in Rome just days prior to Holum's arrival in Beijing that China was "categorically opposed to the TMD system, claiming that such a system "would aim to put Taiwan in a sphere of protection" which "would be blatant interference in Chinese affairs." Undeterred by Chinese criticism of U.S. policy, Holum bluntly told reporters following his meetings in Beijing that the U.S. does not "rule out the possibility that some time in the future Taiwan may have TMD capabilities."

President Clinton's September 1 announcement that a decision on deployment of an NMD system would be deferred to the next U.S. administration was subsequently well received by Beijing. China's Foreign Ministry spokesman termed the U.S. decision "wise," and expressed China's hope that Washington would hold more discussions with other countries on the matter "so as to make a decision which will accord with the fundamental interests of countries and peoples all over the world." In Geneva, however, Chinese Ambassador Hu Xiaodi cautioned delegates at the 66 nation Conference on Disarmament that Clinton's decision did not mean that the U.S. had abandoned its plan and warned of "the grave consequences of its development and deployment." Hu dismissed the argument that an NMD system is necessary to defend against emerging missile threats from certain "countries of concern," saying that those countries "are simply not in a position to pose any military threat in the foreseeable future to the militarily most powerful country in the world, given [its] military capacity and technology, or [its] overall national strength."

In another attempt to rally other countries to attack the U.S. NMD plan, Chinese Foreign Minister Tang Jiaxuan addressed the issue at length in a speech to the UN General Assembly on September 15. Claiming that the plans for a missile shield were "aimed at seeking unilateral military and strategic supremacy and thus a typical example of the Cold War mentality," Tang warned that the system "will only bring serious negative consequences to the security of the whole world" and asked the UN to "take necessary measures to stop this dangerous development."

What Comes Next?

In the final months of the Clinton administration, neither Beijing nor Washington expects major breakthroughs in their bilateral relationship. Seeking further cooperation from China on urgent proliferation matters will no doubt remain high on the U.S. agenda. Finalizing China's entry into the WTO will be accorded considerable attention by both sides. The two presidents will meet yet one more time at the Asia Pacific Economic Cooperation (APEC) Leaders' Meeting in November in Brunei.

As the U.S. presidential campaign enters the final stretch, China is getting jittery about the upcoming election and possible changes in U.S. policy next year. The Chinese clearly prefer Democratic candidate Albert Gore because they anticipate relative policy continuity and more accommodating policies toward China under a Gore administration. George W. Bush's characterization of China as a "strategic competitor" of the United States rather than a strategic partner has unnerved Beijing. Bush's unbending commitment to building a "robust" national missile defense system is another source of concern. China also worries that a Bush administration would sell more weapons to Taiwan, including Aegis-equipped destroyers, and further enhance Taiwan's missile defense capabilities.

No matter who is elected the next U.S. president, Sino-American relations are likely to face old as well as new challenges. Disputes over human rights, religious freedom, and proliferation will continue to plague the relationship. After China becomes a full WTO member, new problems will likely arise in the implementation phase of China's WTO agreements. U.S. decisions on national and theater missile defense programs will increase Chinese suspicions of U.S. global strategic objectives and intentions toward China and provoke negative responses from Beijing, both diplomatically and militarily. Chances are better than even that tensions will flare in the Taiwan Strait as Beijing becomes increasingly impatient about Chen Shui-bian's unwillingness to endorse the existence of only "one China." Finally, preparations for China's leadership succession in 2002 will intensify internal political rivalry and have an uncertain impact on Chinese foreign policy and its approach to dealing with the United States.

Chronology of U.S.-China Relations July-September 2000

July 7-8, 2000: U.S. State Department's senior arms control adviser John Holum holds two days of talks with Chinese negotiators led by Vice Foreign Minister Wang Guangya on arms control and non-proliferation.

July 11-14, 2000: Secretary of Defense Cohen visits Beijing and Shanghai.

July 28, 2000: Chinese Foreign Minister Tang Jiaxuan meets with U.S. Secretary of State Madeleine Albright in Bangkok on the sidelines of the seventh ASEAN Regional Forum.

July 31-Aug. 5, 2000: Commander in Chief, U.S. Pacific Fleet, Adm. Thomas B. Fargo visits Beijing and Qingdao as a guest of Adm. Ding Guige, the deputy commander of the PLA Navy's Northern Fleet.

Aug. 2-5, 2000: The Navy guided-missile cruiser USS Chancellorsville makes a ship visit in Qingdao.

Aug. 13, 2000: Taiwan President Chen Shui-bian makes a transit stop in Los Angeles on his way to Central America. China protests the transit as violating the three Sino-U.S. communiques and as sending the wrong signal to Taiwan independence and separatist forces.

Aug. 17, 2000: General Xiong Guangkai, deputy chief of the General Staff of the Chinese People's Liberation Army, meets a capstone delegation of the U.S. National Defense University led by General Sennewald (retired), former commander of U.S. Forces in Korea.

Aug. 18-Sept. 1, 2000: A delegation from China's Academy of Military Sciences tours the U.S., with stops at military bases, schools, and the Pentagon.

Aug. 26, 2000: Twenty-five senior Chinese military officers arrive at the John F. Kennedy School of Government for a two-week training course. This is the third group of colonels to attend Harvard as part of its "China Initiative."

Aug. 27, 2000: A delegation consisting of seven top leaders of Buddhism, Taoism, Islam, Catholicism, and Christianity in China concludes a goodwill visit to the United States with stops in Los Angeles and Washington, D.C.

Aug. 30, 2000: Li Peng, chairman of the National People's Congress Standing Committee, delivers a speech at the Millennium Conference of Presiding Officers of National Parliaments in New York.

Sept. 2, 2000: China's foreign ministry spokesman welcomes President Clinton's September 1 announcement that a decision on deployment of an NMD system would be postponed until the next U.S. administration.

Sept. 4, 2000: A Chinese missile destroyer and supply ship arrive at Pearl Harbor for a four-day visit followed by several days in Seattle. The Chinese flotilla is led by Rear Admiral Lu Fangqiu, chief of staff of the North Sea Fleet of the PLA Navy.

Sept. 6, 2000: President Jiang Zemin delivers a speech at the UN Millennium summit.

Sept. 8, 2000: Presidents Clinton and Jiang meet in New York and hold an in-depth exchange of views on Sino-U.S. relations and on major international and regional issues of common concern. Jiang also gives a luncheon address to American top business executives and leading foreign affairs experts.

Sept. 15, 2000: At the close of a two-day track two U.S.-China bilateral conference on arms control, disarmament, and non-proliferation, Assistant Secretary of State Robert Einhorn and Sha Zukang, the head of the Chinese Foreign Ministry's arms control department, hold a round of talks on nonproliferation of weapons of mass destruction.

Sept. 19, 2000: U.S. Defense Secretary William Cohen proposes that the U.S., PRC, and Japan hold multilateral military drills as a means to ensure greater stability in the Asia-Pacific region.

Sept. 19, 2000: By a vote of 83-15, the U.S. Senate overwhelmingly passes the bill providing Permanent Normal Trade Relations (PNTR) to China.