



U.S.-China Relations: Challenged by New Crises

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Just one year after President Clinton's visit to China, which both American and Chinese governments hailed as a great success and a positive step toward establishing a constructive strategic partnership, bilateral dialogue and cooperation on a host of critical issues are at a standstill and relations are mired in mutual acrimony and distrust. The unfortunate tragedy of NATO's accidental bombing of the Chinese Embassy in Belgrade unleashed a nationalistic fervor and provoked a harsh response from the Chinese government. Domestic critics in both capitals are challenging the policies of their respective governments and making it difficult for leaders to follow a course that serves their country's national interests.

WTO Debacle

Failure to reach an accord on China's entry into the World Trade Organization during Premier Zhu Rongji's early April visit to the U.S. may prove to have been a colossal blunder by President Clinton. The concessions offered by Zhu were far greater than many expected, both in Beijing and Washington, and promised a pact that was regarded by most experts as overwhelmingly favorable to the United States. But President Clinton backed away from signing the accord, persuaded by a few of his advisers that the domestic political costs of closing the deal were too high. In choosing this course, he defied his own advice, delivered in a speech on the eve of Zhu's arrival in Washington. "The bottom line is this," Clinton had stated, "if China is willing to play by the global rules of trade, it would be an inexplicable mistake for the United States to say no."

Opponents of the WTO deal feared that a congressional battle would ensue and provide Republicans an opportunity to debate charges that China has stolen nuclear secrets and surreptitiously donated money to Democratic coffers. They also worried that any agreement with China would exacerbate differences among Democrats, enrage labor unions, and ignite a huge battle on Capitol Hill that the president would be unlikely to win. Clinton may also have been distracted by events in Kosovo and may not have devoted sufficient attention to the WTO issue prior to and during Zhu's U.S. tour, thus resulting in a decision that forfeited the best chance in years to achieve the administration's objective of integrating China into the global economic system.

After Premier Zhu's return to Beijing, he drew a barrage of criticism from vested domestic interests. The publication by the Office of the U.S. Trade Representative,

without Beijing's concurrence, of a 17-page list of Chinese concessions engendered charges from opponents of early entry into the WTO that Zhu had given too much and gotten little in return. University students compared Zhu's WTO concessions to the twenty-one demands imposed on China by Japan in 1915 and charged the premier with selling out Chinese interests. Indeed, Beijing's policy toward the U.S. in general increasingly came under attack for accommodating American concerns at the expense of Chinese interests and put Premier Zhu as well as his patron, Chinese President Jiang Zemin, increasingly on the defensive.

This was evident even before Zhu's departure for the U.S. during a series of Politburo meetings called to consider postponing the premier's trip because of anger over the NATO bombing of Yugoslavia and expectations of a hostile political atmosphere in Washington. Jiang and Zhu had insisted on going ahead with the visit in the hope of dispelling anti-China sentiment in the U.S. and putting a floor under the relationship to buffer it from growing criticism at home as well as from the inevitable attacks that would be launched by U.S. presidential hopefuls.

Senior Chinese leaders pinned their hopes on what they perceived to be President Clinton's commitment to building a constructive strategic partnership with China and the personal relationship that had been forged between the two presidents. After Zhu's U.S. visit, however, Chinese doubts grew about Clinton's credibility and his willingness to stand up to domestic critics of his China policy. One Chinese diplomat in Washington privately summed up his government's view, saying, "Clinton proved to have no backbone."

Embassy Bombing Ramification

In response to lobbying from the business community and moderates in Congress who complained that Clinton had foolishly rebuffed Zhu and rejected a favorable WTO deal, the administration dispatched a team to ensure that China would not renege on the concessions it had made so far and to continue the negotiations. But that effort was soon derailed by the accidental bombing of the Chinese Embassy in Belgrade on May 7, which killed three Chinese citizens. Students in many Chinese cities took to the streets hurling rocks, paint, and molotov cocktails at the Embassies and Consulates of the U.S. and Great Britain. In the southwestern city of Chengdu, protesters torched the residence of the American consul general. The specter of the U.S. Embassy and Consulates under siege with U.S. Ambassador James Sasser and his staff inside lessened American sympathy for the loss of Chinese lives due to the bombing.

The demonstrations were plainly organized and controlled by the Chinese government, which sought to channel potential popular discontent over unemployment and other social ills on the eve of the tenth anniversary of the Tiananmen tragedy away from the leadership and against a foreign target instead. Two days after the bombing and the inception of the anti-U.S. protests, Vice President Hu Jintao signaled that the demonstrations would not be permitted to get out of hand and would be short-lived. In a

nationwide broadcast, Hu said that the government supports “legal protest activities,” but noted that “we must prevent overreaction.”

While the protests were organized by the government—including selection of demonstrators and provision of buses to and from the demonstration sites—the public sentiment behind the processions and the shouting of government-approved slogans was genuine. This may have been due in part to the Chinese leadership’s concealment of the apologies offered by President Clinton and other senior members of his cabinet for several days, but it was also a consequence of pent-up public frustration over perceived U.S. mistreatment of China over the past decade. There is widespread belief in China that U.S. policy is aimed at preventing China from emerging as a great power in the 21st century able to challenge American interests regionally and globally. U.S. policies that support this objective, according to many Chinese experts, include: strengthening the U.S.-Japan defense alliance; developing a theater missile defense system that may provide coverage not only to U.S. allies, but also to Taiwan; continuing arms sales to Taiwan; and resuming sponsorship of a motion criticizing China’s human rights record in the United Nations Human Rights Commission after a one year hiatus.

Despite American insistence that the bombing of the Chinese Embassy was accidental, Chinese leaders and even well informed, liberal-minded institute analysts remained unconvinced. Chinese media ridiculed the explanation by the U.S. and NATO that the “error” was due to the use of old maps, on which the five-year old Chinese mission did not appear. Moreover, many Chinese conceive of the United States as the world’s most technologically sophisticated country and thus found it hard to accept that the precision-guided missiles didn’t actually land exactly where the U.S. wanted them to—especially since the vast amount of the damage was reportedly to the embassy’s communications and intelligence sections.

Conjecture in China abounded about U.S. intentions in deliberately targeting the embassy with five missiles. A popular conspiracy theory posited that an individual or group from American intelligence or military circles destroyed the embassy in an attempt to sabotage Sino-U.S. relations. Other speculation included that: the bombing was punishment for Beijing’s opposition to the NATO military action against Slobodan Milosevic’s government; Clinton was trying to destabilize China domestically by fueling a nationalistic fervor that might turn against the Chinese government; and the U.S. was seeking to promote an increase in China’s defense budget so it could have an excuse for adopting an explicit containment policy against China.

Mutual Frustration and Suspicion

Officially, the Chinese government responded to the embassy bombing by suspending military-to-military exchanges with the U.S., postponing bilateral talks on arms control and weapons proliferation, and breaking off bilateral discussions on human rights. Beijing also put on hold virtually all interchanges with Washington, including talks over China’s admission to the WTO, pending the Clinton Administration’s

fulfillment of China's four demands: that "the U.S.-led NATO apologize openly and officially," that it "conduct a complete and thorough investigation of the bombing," publicize the details, and "severely punish those responsible for the attack." China also indicated that it reserved the right to take further action. Privately, Chinese officials and institute experts urged the U.S. government to respond to the demands in a sincere and timely manner to enable the Chinese leadership to "save face" and "put this incident behind us."

Four days after the bombing, Jiang Zemin finally accepted a phone call from President Clinton, permitting him to personally offer his condolences on the tragic incident. According to informed Chinese, Clinton's initial public apology was deemed inadequate because he included a caveat that Serbian President Milosevic's attacks on ethnic Albanians in Kosovo were the justification for the bombing campaign. Delays in acknowledging American apologies may also have been due to a healthy wariness shared by Jiang and Zhu Rongji of appearing too eager to forgive the U.S. in the face of growing criticism of their policies by hard-line domestic political rivals. Nevertheless, the unwillingness of Chinese leaders to publicly air the repeated apologies made by the president and his aides had the unintended consequence of intensifying American exasperation with Chinese policies and behavior.

As U.S. officials debated how to convince the Chinese leadership that the attack on the embassy had indeed been a tragic mistake and how to finesse Beijing's demand that those responsible be publicly identified and punished, worries mounted in Washington that the Chinese would seek to use the incident to pressure the U.S. to modify its policies in ways that would make them more acceptable to China. Assistant Secretary of State Stanley Roth sought to put an end to any contemplation in China that such a strategy could be successful in Congressional testimony on May 27: "There are those who undoubtedly speculate . . . this trough in the U.S.-China relationship represents an opportunity for China to press for concessions from the U.S. on issues such as the terms for China's WTO accession, human rights, Tibet, and non-proliferation. These speculators are dangerously mistaken." The tough wording throughout Roth's statement was further evidence of the growing frustration felt by American policymakers dealing with China.

Meanwhile, in China, suspicions mounted about U.S. strategic intentions globally as well as toward China. The NATO military operation in Kosovo triggered an intense debate at all levels, including in the leadership, about the major trends in the international situation and their potential impact on Chinese security. The Chinese are worried that U.S. interventionism will increase in the aftermath of Washington's success in forcing Milosevic to submit to NATO's demands and possibly spread to East Asia. The Kosovo military operation alarmed Beijing because it undermined the role and authority of the UN, it reinforced a prevailing U.S. tendency to eschew diplomatic solutions in favor of military measures, and it bolstered links between the U.S. and its European allies at a time when China prefers an independent European pole that can counterbalance American power in the global arena. The Chinese now view the U.S. as occupying an unprecedentedly strong global position, pursuing policies aimed at augmenting American

power, and prolonging the duration of U.S. global supremacy. By contrast, China is judged to be in a vulnerable position, facing growing threats to its territorial integrity and domestic political stability.

As a consequence of Beijing's new recognition of the uncertain and potentially dangerous international environment that China faces, adjustments in Chinese foreign policy may already be underway that could affect Sino-American relations. It is unlikely that Chinese leaders will alter their policy of seeking a friendly, stable Sino-U.S. relationship. They will not opt to adopt a confrontational international posture toward the U.S. because it would put in jeopardy China's economic development, political stability, and in turn, the survival of the communist regime. But Beijing may in the future choose to cooperate with the U.S. only where it has vital interests at stake, while being less amenable on issues that in the past China has worked together with the U.S. for the primary purpose of promoting better Sino-U.S. ties. Thus, in areas like the Persian Gulf, South Asia, and the Middle East, China may no longer be willing to moderate its policy in the future to accommodate American concerns. Chinese cooperation on halting proliferation of weapons of mass destruction will likely be slowed and Beijing may seek to strengthen its relations with states on its periphery, including Russia, India, and North Korea, in an effort to increase Chinese influence in the region, position China to defend its interests, and gain leverage over the United States.

Cox Report Furor

The release of an unclassified version of the results of an investigation into Chinese espionage at U.S. nuclear labs by the House Select Committee on U.S. National Security and Military/Commercial Concerns With the People's Republic of China added to Chinese uncertainty and alarm about U.S. intentions toward China. Some of the most damning conclusions of the 800+ page "Cox Committee Report" were that China stole design secrets on the United States' most advanced thermonuclear weapons and used them to help develop miniaturized warheads; stole U.S. missile guidance technology with direct applications for China's ballistic missiles, including short-range missiles and ICBMs; and stole U.S. missile guidance technology that has direct applicability to its ballistic missiles and rockets. In a unsubstantiated analytical leap, the report concluded that China now possesses both the capability and intent to build a nuclear arsenal on par with that of the U.S. and forecast the deployment by China of 1,000 warheads atop land-based ICBMs within 15 years.

The Cox Committee Report's conclusions were seized upon by critics of Clinton's engagement policy with China and generated a political firestorm. Lost in the discussion was the fact that many of the report's judgments remained unproven and were not shared by U.S. intelligence analysts and prominent nuclear experts. Earlier in the year, in response to the recommendation of the Cox Committee's Report--then classified--an interagency team comprising all the major intelligence departments of the U.S. government and the nuclear laboratories conducted its own investigation of the damage resulting from China's acquisition of U.S. nuclear weapons information. An independent

panel of nuclear experts, chaired by Admiral David Jeremiah, reviewed the damage assessment and reached very different conclusions in April, notably that “China’s technical advances have been made on the basis of classified and unclassified information derived from espionage, contact with U.S. and other countries’ scientists, conferences and publications, unauthorized media disclosures, declassified U.S. weapons information, and Chinese indigenous development. The relative contribution of each cannot be determined.”

To the Republicans, the Cox Report and its message of China as a realistic threat may be viewed as a valuable card to play in next year’s presidential elections. The Clinton Administration will likely be charged with pursuing a naïve policy of striving to build a constructive strategic partnership with China and putting commercial interests above national security. Democrats will be portrayed as untrustworthy in managing relations with a potentially dangerous emerging adversary. The core message that Representative Christopher Cox and the other members of the bipartisan committee hoped to get across--that protection of sensitive nuclear weapons technology at American nuclear labs is woefully inadequate and needs to be strengthened--may sadly be lost in the process.

Other Issues

Congressional debate on renewing China’s Normal Trade Relations (NTR) status (formerly known as Most Favored Nation trade status) was kicked off this year by President Clinton’s June 3 expected announcement of a one year NTR extension for China. Although there are already signs that the debate will be rancorous this time around, it is widely expected that Congress will not vote down the extension. The significance of the vote this year lies primarily in the implications for an administration effort to get legislation passed to grant China permanent NTR status later this year, assuming that a bilateral accord were reached on China’s accession to the WTO. A negative or even close vote on the extension would signal that Congress is in no mood to bestow permanent NTR status on China, which could dampen Beijing’s enthusiasm for entering WTO this year, even if the Clinton Administration musters the political will to accept China’s offer.

The 10th anniversary of the Tiananmen incident passed without major demonstrations or unrest in China, but not without harassment, detainment, and arrests of Chinese dissidents and individuals who were allegedly planning to engage in commemorative activities. Some survivors and relatives of those killed appealed to the authorities to proclaim the date as a Condolence Day and to undertake criminal investigation into the circumstances of the events. The Chinese government once again reiterated that its forceful repression of the student demonstrators a decade earlier had been correct.

After a decent interval following the Tiananmen anniversary, Beijing signaled that it was ready to accept a delegation from the U.S. to present the findings of the U.S.

investigation into the embassy bombing. The administration dispatched Under Secretary of State Thomas Pickering to deliver the message that the attack resulted from a series of errors including mistaken location of the target, reliance on a flawed database, and a target review process that failed to identify either of the two errors. U.S. officials did not expect that Beijing would be persuaded by the evidence, not only because it was indeed fantastic that so many mistakes occurred coincidentally, but also because the Chinese government's handling of the incident had painted themselves into a corner that would require time and effort to emerge from. They hoped, however, that Pickering's trip would mark the beginning of a thaw in the period of icy hostility brought about by the embassy bombing and that discussions would soon resume on China's entry in the WTO and other important matters such as human rights and non-proliferation.

Policy Implications

The Chinese government rejected the U.S. explanation as "unconvincing" and "unacceptable," but the atmosphere of the meetings between Ambassador Pickering's delegation and their Chinese counterparts was amicable. Beijing indicated that it hoped the ongoing investigation would produce more persuasive evidence as well as find an individual or group responsible who would then be tried on criminal charges if the bombing was intentionally targeted or be subjected to disciplinary action if the incident was proven to be a mistake. Subsequent visitors to China were told that Beijing wanted to re-engage with the U.S., but that Chinese leaders needed U.S. help to provide "an elevator to bring them down." As American Ambassador Sasser prepared to leave his post at the end of June, he was given an unusually high-level send-off, meeting separately with President Jiang Zemin, Defence Minister General Chi Haotian and Premier Zhu Rongji. According to Sasser, Chinese leaders wanted "to send a signal quietly that, when they can, they want to get this relationship back on track."

It will no doubt take time, perhaps months, for Sino-U.S. relations to return to normal and the relationship will likely not be as warm as before, at least for the remainder of Clinton's term in office. Domestic political circumstances in both capitals pose constraints on what steps can be taken to improve relations in the near-term. Save for completing an agreement on China's entry into WTO, which American officials continue to believe is possible by November, hopes have faded on both sides that significant progress on specific issues is achievable during the remainder of the Clinton Administration. After the president's tour of China last summer, U.S. officials were optimistic that they would be able to gain Chinese agreement to join the Missile Technology Control Regime, the international accord governing the export of missile know-how. Now administration officials admit that there is no chance that China will enter the regime any time soon. On Beijing's side, after Clinton's 1998 visit, Chinese officials hoped that the U.S. would move to ease controls on American high-technology exports to China and lift all sanctions imposed in 1989. In the aftermath of the Cox Committee Report, if Congress acts to alter export controls, it will be to tighten them, not to relax them. With the United States entering a presidential election year, bilateral relations will do well to simply tread water and avert further deterioration.

Diplomatically, the events of the past few months have left U.S.-China ties badly scarred. Restoring relations to an even keel will be a major challenge, but one that both Beijing and Washington must take on. It remains vitally important to the interests of both countries that they avert entering into an adversarial relationship. Hopefully, American and Chinese leaders and politicians realize that their country's national interests are best served by maintaining a normal, stable relationship with the other while seeking to cooperate where those interests converge. Chinese leaders will meet in August for their annual retreat at Beidaihe where they will make key decisions on domestic priorities as well as foreign policies, including how to proceed in relations with the United States. The Clinton Administration should time a visit to China by National Security Adviser Sandy Berger to coincide with these leadership meetings to resume the high-level strategic dialogue between the two countries and pave the way for an announcement on China's admission to the WTO at Auckland in September.

Chronology of Sino-American Relations April-June 1999

April 6, 1999: Chinese Premier Zhu Rongji begins a 9 day visit to the United States.

April 7, 1999: President Clinton delivers a major foreign policy address on China at the Mayflower Hotel, the second such speech since assuming office.

April 8, 1999: Premier Zhu Rongji meets with President Clinton in Washington, D.C.

April 23, 1999: The U.N. Human Rights Commission decides not to condemn China for its human rights record. The commission votes 22 to 17 with 14 abstentions not to take up the motion that was jointly sponsored by the United States and Poland.

May 4, 1999: The unclassified version of the Department of Defense report to Congress on Theater Missile Defense Architecture Options for the Asia-Pacific Region becomes available.

May 7, 1999: NATO bombs the Chinese embassy in Belgrade. Anti-American demonstrations and attacks on the U.S. embassy and consulates in China began the following day.

May 10, 1999: In response to NATO's bombing of China's embassy, Beijing suspends military-to-military exchanges with the U.S., postpones bilateral talks on arms control and weapons proliferation, and stops bilateral discussions on human rights.

May 14, 1999: Chinese President Jiang Zemin agrees to accept a phone call from President Clinton, enabling Clinton to personally convey his regrets and condolences to the Chinese leader for the embassy bombing.

May 21, 1999: China denies requests by two U.S. warships scheduled to make port calls in Hong Kong.

May 25, 1999: The House Select Committee on U.S. National Security and Military/Commercial Concerns With the People's Republic of China releases an unclassified version, over 800 pages, of its investigation into Chinese espionage at U.S. nuclear labs.

May 25, 1999: The Defense Department announces the postponement of Secretary of Defense William Cohen's trip to China, which had tentatively been scheduled for mid-June.

June 3, 1999: President Clinton announces the extension of China's Normal Trade Relations status (formerly known as MFN) for another year.

June 4, 1999: The 10th anniversary of the Tiananmen incident of 1989 in which at least hundreds, if not thousands, of Chinese students were killed by the PLA.

June 17, 1999: Under Secretary of State Thomas Pickering led a U.S. delegation to Beijing and formally presented a report on the results of the investigation of the Chinese embassy bombing.