

U.S.-China Relations:

Rice Visits Beijing, but Disappoints Her Hosts

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After years of entreaties by China to make a solo trip to the Middle Kingdom, National Security Adviser Condoleezza Rice unexpectedly decided to visit Beijing as well as Tokyo and Seoul in early July. Chinese leaders failed in their efforts to extract a commitment to reduce U.S. arms sales to Taiwan and intensify pressure on Taiwan President Chen Shui-bian to refrain from taking provocative steps toward the establishment of a legally independent state. The third visit to China by Chief of the U.S. Pacific Command Adm. Thomas Fargo was also dominated by discussions about the Taiwan Strait. The U.S. and China faced off in the United Nations Security Council twice this quarter over how to respond to the escalating violence in Sudan. China's foreign minister personally complained about the alleged beating of a Chinese citizen by officers of the U.S. Customs and Border Protection in Niagara Falls near the U.S.-Canadian border in late July. Finally, Beijing awaits the U.S. presidential elections with trepidation and ambivalence.

Condoleezza Rice visits Beijing

High-level interaction between U.S. and Chinese officials was active this quarter, despite the approaching U.S. presidential elections. In early July, Chinese Foreign Minister Li Zhaoxing met with Secretary of State Colin Powell on the sidelines of the ASEAN Regional Forum security talks in Jakarta. The global war against terrorism and the North Korean nuclear issue led the U.S. agenda for the talks, but the Chinese side focused on Taiwan. Li told Powell that Beijing opposed the Taiwan Relations Act and the selling of weapons to Taiwan "under any pretext." Li's harangue against U.S. Taiwan policy was harsh and was yet another reminder to Washington that Chinese confidence that Taiwan's President Chen could be deterred from pursuing Taiwan independence was waning and, thus, the danger of conflict was increasing.

In an effort to shore up Beijing's trust in President Bush and his handling of the cross-Strait situation, National Security Adviser Condoleezza Rice decided to head to Beijing to personally communicate Washington's unbending commitment to a "one China" policy and the high value that the U.S. places on further promoting a cooperative China-U.S. relationship. The Chinese leadership viewed her visit as an opportunity to convince the U.S. to modify its policy toward Taiwan, especially its approach to arms sales. They believed that U.S. difficulties in Iraq, the decline of American soft power globally, and

President Bush's need to demonstrate to U.S. voters the success of his East Asia policy provided Beijing with leverage that could be used to extract concessions on Taiwan.

Underscoring the high priority that China attaches to reunification with Taiwan, Li told Rice that "even if all problems in China were added up, the sum total would still not be heavier than the Taiwan issue." He demanded that the U.S. stop selling arms to Taiwan, halt its military and official relations with the island, and cease support for Taipei's participation in international relations that require sovereignty for membership. Jiang Zemin, in what would be his last meeting with a senior U.S. official as chairman of the Central Military Commission, noted China's "grave concern" and "dissatisfaction" over "recent U.S. moves" on Taiwan, especially sales of advanced weapons to Taiwan. He warned Rice that if "foreign forces step in and support" Taiwan independence elements, Beijing would "never sit idly by and do nothing." Chinese President and Chinese Communist Party (CCP) General Secretary Hu Jintao called for the U.S. to "turn its commitments into solid actions and refrain from sending wrong signals to the Taiwan authorities" to avoid undermining peace and stability in the Taiwan Strait. Vice Premier Tang Jiaxuan read a 45-minute prepared statement that focused exclusively on Taiwan in which he asserted that "proper handling" of Taiwan would ensure U.S.-Chinese bilateral ties develop "in a sound manner" while "improper handling" would "seriously affect" them.

Rice conveyed President Bush's commitment to maintain high-level contacts with Beijing to expand economic and trade relations and cooperation in the global war on terror. "Our relationship is developing in a very promising way," she observed. To allay Chinese concerns that U.S. policies on human rights, Hong Kong, Taiwan, and its military deployments add up to a strategy to contain China's rise, Rice indicated that instead of a weak China, the U.S. wants a strong, prosperous, and transforming China that the rest of the world would welcome.

Rice reassured Chinese leaders that President Bush fully understands the sensitivity of the Taiwan issue and will stick to his promise to abide by the "one China" policy, including adherence to the three China-U.S. communiqués, the Taiwan Relations Act, not supporting Taiwan independence, and opposition to unilateral action by either side to change the status quo. In response to China's contention that U.S. policy in the aftermath of President Chen's re-election had further encouraged him to press ahead with a Taiwan independence agenda, Rice explained that the Bush administration had worked to temper Chen's independence-oriented rhetoric. According to China's *Xinhua News Agency*, she also told Chinese leaders that Bush would "not tolerate attempts by Taiwan "to make any trouble for U.S.-China relations."

In what U.S. officials later described as an impromptu comment, Rice offered to help establish dialogue between Beijing and Taipei. She was not specific about what role the U.S. might play, however, and Bush administration officials subsequently denied that Washington was prepared to actively broker a compromise that could enable the resumption of cross-Strait talks. Moreover, Chinese leaders were not receptive to Rice's

suggestion that China agree to drop its insistence that Taiwan accept the “one China” principle as a precondition for dialogue.

On the issue of arms sales to Taiwan, the Chinese came up empty-handed. Their demands that the U.S. stop selling advanced weapons to Taiwan were firmly rebuffed. Rice insisted that arms sales were necessary because of the erosion of the military balance in the Taiwan Strait caused by China’s military buildup against the island. China’s only retort was that its defense budget is small compared to that of the United States.

Apart from Taiwan, which dominated all of Rice’s discussions with Chinese leaders, the two sides discussed North Korea, the humanitarian crisis in Darfur, Sudan, the war on terrorism, and human rights in China. Rice pressed the Chinese to improve their record on human rights and raised the cases of several political prisoners, including Jiang Yanyong, the elderly physician who exposed the government’s cover-up of the SARS outbreak last year. Jiang was released a few weeks later, after being held for 45 days under military detention. On North Korea, Rice urged the Chinese to use their leverage with the North Koreans to push them to follow Libya’s example and dismantle their nuclear weapons in a transparent and verifiable way. She stressed that time is a factor and that progress must be made soon. Rice also encouraged Chinese leaders to persuade Pyongyang to accept the U.S. proposal to dismantle its nuclear weapons in exchange for fuel and other benefits. The Chinese remained hopeful that further progress could be made in the next round of six-party talks that all parties had agreed would take place in September, but, subsequently, the North Koreans balked despite a reported pledge by China to ship an additional 10,000 tons of crude oil to Pyongyang. China’s Foreign Ministry spokesman absolved China of any responsibility for the failure to convene another round of talks as planned and instead placed blame equally on the U.S. and North Korea.

Washington judged Rice’s visit to China a success. The U.S. side achieved its goal of reaffirming President Bush’s one-China policy and his resolve to prevent instability in the Taiwan Strait caused by either Beijing or Taipei. Another round of high-level strategic dialogue had further cemented ties between the U.S. and China. From Beijing’s perspective, the visit by Rice was welcomed, but disappointing. She offered no new assurances about U.S. intentions toward Taiwan and had firmly ruled out reducing arms sales to Taiwan. Chinese leaders had succeeded in clearly conveying their concerns about Taiwan to Bush’s closest foreign policy adviser, but they had overestimated China’s leverage over the U.S. and overreached in their attempts to press for limits on U.S. arms sales to Taiwan and greater U.S. pressure on Chen Shui-bian.

In a rare news conference called by the Chinese Embassy spokesman in Washington just days after Rice returned from Northeast Asia, Sun Weide expressed concern that the Bush administration’s actions have undermined support for the “one China” policy that has governed U.S.-China relations for decades. “The important thing is for the U.S. to honor its commitments,” Sun said, calling the situation in the Taiwan Strait “severely tested.” Otherwise, he warned, China-U.S. bilateral ties would be harmed and

cooperation between the two countries on such issues as North Korea's nuclear weapons would be adversely affected.

Recognizing Chinese leaders' continuing anxiety over Taiwan, President Bush phoned Hu Jintao at the end of July to offer his personal reassurances. Expressing understanding of China's concern, Bush restated that the U.S. would follow a "one China" policy, observe the three China-U.S. communiqués, and not support Taiwan independence. "The U.S. stance on the issue will never change," *Xinhua* reported Bush as saying. He also reiterated that a strong and prosperous China is in the interest of the two countries and emphasized U.S. desire to maintain good relations with China. Hu indicated China's hope to further promote the China-U.S. constructive partnership. Reaffirming Beijing's opposition to U.S. sales of sophisticated weapons to Taiwan, Hu called for the U.S. and China to "act resolutely against the independence of Taiwan and any adventurous attempts by separatist organizations." He pledged that China would do its utmost to resolve the Taiwan issue by peaceful means, but reminded Bush that Taiwan independence would never be tolerated.

Adm. Fargo makes third visit to China

Adm. Thomas Fargo, chief of the U.S. Pacific Command, made his third visit to China July 21-25 on an Asia-Pacific tour that included stops in Guam, Mongolia, and Japan. Fargo met with Liu Zhenwu, commander of the Guangzhou Military Area Command, who officially hosted the visit, as well as PLA Chief of the General Staff Liang Guanglie, Deputy Chief of the General Staff Xiong Guangkai, and Foreign Minister Li Zhaoxing. The PLA General Staff's think tank, the China Institute for International Strategic Studies, organized a roundtable meeting for Fargo with senior military researchers and scholars from the Central Party School. Taiwan figured prominently in all the discussions, along with bilateral military ties and the North Korea nuclear weapons issue. Fargo's visit took place as concern in China about U.S. military pressure spiked due to an unprecedented seven U.S. carrier strike-group exercise around the globe called "Summer Pulse '04." The drill was designed to test a new U.S. Navy strategy known as the Fleet Response Plan, which aims to enhance the ability to quickly mobilize sea-based power in the event of an emergency or crisis. [For more details regarding "Summer Pulse '04," see the Regional Overview.] An editorial carried by *People's Daily*, the mouthpiece of the Chinese Communist Party, observed that the improvement in long-distance deployment capability and flexibility of U.S. forces stationed overseas would "play a positive role in maintaining non-traditional security," but at the same time the adjustment of the U.S. military strategy toward the Asia-Pacific poses "a hidden menace to peace and stability in the region."

Chinese Foreign Minister Li delivered a harsh warning to Fargo on Taiwan, insisting that the "steady development" of bilateral China-U.S. ties could be maintained "only if" the United States "clearly recognizes the seriousness and sensitiveness of the Taiwan situation, halts its advanced weapons sales to Taiwan, and stops its military exchanges and the upgrading of its substantial relationship with Taiwan." Fargo told Li and his other Chinese interlocutors that one of the objectives of his trip was to reiterate President

Bush's commitment to a "one China" policy and allay concerns that any changes had taken place in U.S. policy toward Taiwan.

According to Chinese scholars who participated in the roundtable meeting with Fargo, the chief of the Pacific Command also conveyed another message that was not reported by the Chinese media. In the event that China attacks Taiwan, the U.S. Pacific Command is prepared to comply with President Bush's order to use force to assist in the defense of Taiwan, Fargo apparently told the group of military and party school experts. One participant interpreted that statement as indicating that the United States would intervene with military force regardless of the circumstances. "Fargo's message had a big impact here," the researcher asserted.

Clash at the UN over Darfur

The United Nations Security Council (UNSC) devoted considerable attention this quarter to the escalating violence in Sudan. After years of skirmishes between African farmers and Arab nomads over land and water in Darfur, rebels began an uprising in February 2003, which the Sudanese government attempted to suppress through reliance on Arab militia. The militia, known as *Janjaweed*, is accused of killing up to 50,000 residents of Darfur, raping women and girls, destroying crops and polluting water supplies, and forcing 1.2 million people off their lands. The U.S. sought to rally support in the UNSC for imposing sanctions on Sudan if the government in Khartoum fails to take actions to stop the killing. The Chinese government opposed sanctions, claiming that they would only aggravate an already complicated situation.

Secretary Powell and Foreign Minister Li consulted on the Darfur crisis by phone at least twice this quarter, prior to the UNSC vote on UN Resolution 1556 in late July and again on the eve of the vote on UN Resolution 1564 in mid-September. NSC head Rice also raised the issue with Chinese leaders during her visit to Beijing. However, acute differences between the two sides in their perspectives and interests prevented effective cooperation. In addition to adhering to a traditional stance of opposing interference in another country's internal affairs, the Chinese did not share Washington's sense of urgency about the humanitarian crisis in Darfur and insisted that political negotiations could facilitate an early resolution to problem. China's commercial interests in Sudan were probably more important than political factors in Beijing's reluctance to consider putting too much pressure on the government in Khartoum. China is Sudan's largest trading partner and the main foreign investor in Sudan's oil industry. China National Petroleum Corporation has a 40 percent share in the international consortium extracting oil in Sudan and China relies on Sudan for almost one-quarter of its oil imports.

China, along with Pakistan, abstained in the July 30 vote on Resolution 1556, which called on the Sudanese government to disarm the *Janjaweed* militias and facilitate international relief for the humanitarian disaster. Then, lack of progress and continued bloodshed in Darfur the following month prompted the U.S. to officially label the violence "genocide" and press for a new UN resolution containing tougher language. The Chinese threatened to veto any resolution that called for the imposition of sanctions

in the event of noncompliance by the government of Sudan. China has not exercised its veto in the UNSC since the late 1990s when it vetoed two resolutions that related to Taiwan. In 1997, China vetoed a resolution authorizing military observers to help monitor the Guatemalan peace agreements, which China took exception to because Guatemala had allowed Taiwan to take part in the signing of the peace agreement. Two years later, China vetoed a resolution that would have extended the mandate of the UN Preventive Deployment Force in the Former Yugoslav Republic of Macedonia, which maintained diplomatic ties with Taiwan.

Beijing did not carry out its threat and instead abstained on Resolution 1564, which passed with an 11-0 vote on Sept. 18. The other countries that joined China in abstaining were Algeria, Pakistan, and Russia. The final text, which underwent four revisions, holds out the threat of sanctions on Sudan's leaders and its oil industry if the government fails to curb the ethnic violence and establishes an inquiry into whether that violence constitutes genocide. The U.S. accommodated the objections of some countries to sanctions by making the threatened imposition of sanctions more conditional and less automatic, and by adding language acknowledging the steps the Sudanese government had taken to ease restrictions on relief workers and promote cooperation with UN aid workers.

The Chinese said their decision to not veto the resolution was based on the provision of an expanded role and presence for the 53-member African Union in Darfur. China's decision to abstain was undoubtedly aided by the substitution of the term sanctions with a less explicit reference to an article of the UN Charter that outlines punitive economic and diplomatic measures as the likely consequence of noncompliance with the demands of the resolution. After the resolution passed, China's Ambassador to the United Nations Wang Guangya reiterated that China's position against sanctions remained unchanged.

If the humanitarian and security situation in Darfur doesn't show signs of improvement in the coming months, the U.S. and other UNSC members may press for harsher measures, including sanctions on the government of Sudan. If that occurs, Beijing may be forced to choose between avoiding a confrontation with the U.S. (as well as France and the United Kingdom) and protecting its commercial interests in Sudan's petroleum industry. From a broader perspective, this instance may be a harbinger of future disagreements between the U.S. and China in the international arena. As Chinese interests expand to parts of the globe that were previously marginal for Beijing, China and the U.S. may increasingly butt heads in ways that will pose new challenges to their respective governments.

China's foreign minister cries foul at beating of Chinese citizen

In an incident that received virtually no media attention in the United States, a Chinese businesswoman named Zhao Yan was allegedly beaten by an officer of the U.S. Customs and Border Protection in Niagara Falls near the U.S.-Canadian border in late July. Her assailant claimed that he mistook her and her two friends, who fled from the scene, for drug suspects and said that she had resisted arrest, compelling him to use physical force to restrain her.

The regrettable, but non-extraordinary incident, was elevated to a major diplomatic flap when Foreign Minister Li raised the mishap with Secretary Powell. In a phone call that opened with expressions of Chinese concern about U.S. policy toward Taiwan, Li demanded that the U.S. thoroughly investigate the violation of Zhao's human rights and severely deal with the perpetrators according to the law. Powell subsequently sent a letter to Li informing him that the accused officer had been suspended from his post and detained on assault charges. Powell added he was deeply disturbed by the mistreatment of Zhao and pledged that the U.S. government would investigate the incident according to U.S. laws.

Perhaps the Chinese government drew attention to the case to remind the U.S. that it should pay attention to rectifying contraventions of human rights in its own country rather than heap so much criticism on China. Or the Chinese Foreign Ministry, frustrated with its lack of success in eliciting U.S. concessions on Taiwan, may have seized on the Zhao Yan incident to demonstrate to the domestic audience that it is not toothless and can reliably protect the interests of Chinese citizens abroad.

The upcoming U.S. presidential elections

China awaits the November U.S. presidential elections with trepidation and ambivalence. On the one hand, the Chinese prefer that Bush be re-elected because his defeat would bring uncertainty along with the dreaded task of educating another U.S. president about the strategic importance of China. Moreover, the Chinese leadership has already established personal ties with Bush. Hu Jintao has met him several times and they talk on the phone occasionally. U.S. complaints about China's human rights record haven't been too sharp in Bush's first term and trade problems have been managed fairly well. If a Democrat enters the White House, friction over human rights and the yawning trade deficit are expected to increase. A Republican-controlled Congress would probably challenge the new president on many fronts, including demands for closer U.S. ties with Taiwan.

On the other hand, President Bush's unilateralist foreign policy and doctrine of preventive war have not redounded to Chinese interests. John Kerry would likely rely more on multilateral approaches to resolve regional and global problems, which Beijing favors. In addition, Kerry would agree to talk bilaterally with North Korea, which would increase the prospects for a peaceful solution to the challenge posed by North Korea's nuclear weapons that could bring greater stability to China's northeast border. A Democratic administration would probably accord a lower priority to missile defense, which would ease the threat to China's nuclear deterrent. The possibility of including Taiwan in a regional defense program would be dramatically reduced and some Chinese hold out hope that they could convince a Democratic administration to curb arms sales to Taiwan and reverse the trend of closer U.S.-Taiwan military ties.

Chinese scholars who favor an accelerated pace of political reform and democracy in China expressed unabashed preference for Kerry over Bush. In their view, the cause of promoting democracy in China has met with setbacks as a result of Bush's policies that

have given democracy a bad name and demeaned the reputation of the United States around the world. They hope that Kerry will become president, restore the positive U.S. image in the world, and increase pressure on the Chinese leadership to pursue a path of political liberalization.

Chronology of U.S.-China Relations July-September 2004

July 2, 2004: Foreign Minister Li Zhaoxing meets Secretary of State Colin Powell in Jakarta on the sidelines of the ASEAN Regional Forum Ministerial Conference.

July 8-9, 2004: U.S. National Security Advisor Condoleezza Rice visits Beijing on a trip that also includes Japan and South Korea.

July 8, 2004: Office of the U.S. Trade Representative issues a press release noting that the U.S. and China have agreed on a resolution to their dispute at the World Trade Organization regarding China's tax refund policy for integrated circuits.

July 15, 2004: U.S. House of Representatives passes a Concurrent Resolution stating "that the United States Government should reaffirm its unwavering commitment to the Taiwan Relations Act as the cornerstone of United States relations with Taiwan."

July 19, 2004: Chinese government releases Jiang Yanyong, the surgeon who exposed China's SARS coverup and condemned the 1989 crackdown on democracy protesters. He was held in military custody for 45 days.

July 20, 2004: The fifth China-U.S. conference on arms control, disarmament, and nonproliferation opens in Beijing.

July 23, 2004: Adm. Thomas Fargo, head of the U.S. Pacific Command, visits China as well as Guam, Mongolia, and Japan.

July 24, 2004: The U.S. and China sign a landmark air services agreement that will more than double the number of airlines that can fly between the two countries and will permit a nearly five-fold increase in U.S.-China air services over the next six years.

July 26, 2004: FM Li and Secretary Powell talk by phone to discuss the humanitarian crisis in Sudan, Taiwan, and the alleged beating of a Chinese citizen on July 21.

July 29-30, 2004: U.S. envoy for North Korean nuclear affairs, Joseph DeTrani, visits Beijing.

July 29, 2004: Secretary Powell promises in a letter to his counterpart Li that the U.S. government would thoroughly investigate, according to U.S. laws, the beating case of Zhao Yan by U.S. Customs and Border Protection police.

July 30, 2004: Presidents Bush and Hu Jintao hold a telephone conversation that focuses on U.S. policy toward Taiwan.

Aug. 3, 2004: Ted Stevens, president *pre tempore* of the U.S. Senate, leads a delegation to China to launch a formal exchange mechanism between China's National People's Congress (NPC) and the U.S. Senate.

Aug. 13, 2004: U.S. Assistant Secretary of Commerce William Lash holds a press conference in China where he commends China's economic achievements, but condemns continuing copyright piracy.

Aug. 29, 2004: Chinese FM Li and Secretary Powell talk by phone, discussing the issue of nuclear weapons on the Korean Peninsula and Taiwan.

Sept. 9, 2004: USTR rejects a petition filed by the AFL-CIO and organizations from the steel and textile industries requesting an investigation of China's currency rate policy under Section 301 of the Trade Act of 1974, stating that engagement is more likely to produce progress on this issue.

Sept. 9, 2004: U.S. Under Secretary of Commerce Grant Aldonas attends the Eighth China International Fair for Investment and Trade in Beijing and meets with State Council Vice Premier Wu Yi.

Sept. 13, 2004: U.S. House of Representatives passes a resolution condemning China for having not followed through on pledges of greater democracy set down in the China-British Joint Declaration of 1984.

Sept. 13-14, 2004: Asst. Secretary of State James Kelly stops in Beijing after holding talks in Tokyo in an attempt to firm up dates for the six-party talks.

Sept. 14, 2004: Under Secretary of Commerce Aldonas visits China.

Sept. 16, 2004: FM Li talks on the phone with Secretary Powell on how to properly handle the humanitarian crisis in the Darfur region of Sudan within the United Nations Security Council. Li also briefs Powell on his recent visit to several Arab states.

Sept. 19, 2004: At the fourth plenary meeting of the 16th CPC Central Committee, Jiang Zemin steps down from his post as chairman of the Central Military Commission and Hu Jintao is appointed CMC chairman.

Sept. 20, 2004: U.S. delays decision on imposing sanctions on China North Industries Corporation, extending the waiver for six months that was granted when sanctions were invoked one year ago. New sanctions are imposed on China's Xinshidai for weapons proliferation.

Sept. 30, 2004: After attending the UN General Assembly session in New York, FM Li visits Washington D.C. and meets with Secretary Powell.

Sept. 30, 2004: At the invitation of Treasury Secretary John Snow, Chinese Finance Minister Jin Renqing leads an official delegation to Washington D.C. to co-chair the 16th Session of the U.S.-China Joint Economic Committee. They discuss a range of topics, including macroeconomic policy, financial sector issues, and efforts to combat terrorist financing and money laundering,