

**National Committee on American Foreign Policy Roundtable with the
China Institute of Contemporary International Relations
October 7, 2003**

Summary Report

**by Donald S. Zagoria
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The National Committee on American Foreign Policy hosted a delegation from the China Institute of Contemporary International Relations in New York on October 7, 2003. The CICIR group, led by its president, Lu Zhongwei, had previously visited Washington D.C. where, through arrangements made by the National Committee, the group visited various think tanks, the National Security Council, the State Department, and the Vice President's office.

A list of participants is appended.

Summary

There was a consensus among American and Chinese participants that there has been a major improvement in U.S.-China relations since September 11, 2001 as a result of a sea change in the global strategic environment. But it is not yet clear whether this improvement represents a

fundamental change or is merely a temporary upturn. What is clear, however, is that there is U.S.-China cooperation against terrorism, proliferation of weapons of mass destruction and the North Korean nuclear threat. Also China has not reacted negatively to U.S. military deployments in Central Asia or to NATO enlargement. The improvement in relations means that there is now a promising period of opportunity to strengthen relations for the longer term.

There was also agreement that the North Korean nuclear issue is very dangerous and needed to be resolved soon. And that there is a basis for U.S.-China cooperation in developing a peaceful solution through the six party talks.

On the Taiwan issue, there was a consensus that there is increased economic integration between Beijing and Taipei, but also that a political stalemate continues. There was discussion about the upcoming presidential election in Taiwan in March 2004, and how the results of that election may influence the cross-strait situation. Most participants believe that regardless of which candidate wins the election, there will not be a dramatic breakthrough in relations between Beijing and Taipei.

U.S.-China Relations: An American Perception

An American participant said that there was a major improvement in U.S.-China relations after September 11, 2001, but it is not yet clear whether this represents a fundamental change or is

merely a temporary upturn. He himself is in the latter camp. There has not yet been a fundamental change in the relations and the Bush Administration's rhetoric on the subject is overblown. Still the improvement in relations means that there will now be a promising period of a few years in which there will be an opportunity to strengthen relations for the longer term.

During the first two years of the Bush Administration, there were both Aengagers@ and Aconfrontationists@ in the Bush Administration. But the attacks on the World Trade Center led to a new world which erased talk about the AChina threat.@ Now there is U.S.-China cooperation against terrorism, North Korea=s nuclear threat, and the proliferation of weapons of mass destruction. Also, China did not react negatively to U.S. military deployments in Central Asia or to NATO enlargement. On Iraq, China supported the first UN resolution and kept quiet about the second. China also now has a more restrained policy toward Taiwan and it has welcomed an envoy from the Dalai Lama. China's behavior on Hong Kong's new security law is also restrained. And the strong common economic interests between the United States and China remain. So there is now a more benign view of China from the Bush Administration than there was a few years ago.

The American participant went on to discuss his perception of China's policy towards the United States. China, he said, quickly grasped the opportunity offered by America's elevation of the terrorist threat and diminution of the China threat. China, he said, wants a stable relationship with the United States until it gets much stronger. Also China has a number of domestic problems, including a weak banking system, high rates of unemployment, and mounting grievances concerning corruption. China therefore needs a period of quiet in the international arena. To achieve this it needs good relations with the United States.

The U.S. participant sees several promising trends for the next few years. Given the Bush Administration's preoccupation with Iraq and the terrorism problem more generally, as well as its concerns about the growing anti-American feeling in the world, it does not want trouble on the China front. Indeed it wants Chinese help on both terrorism and on the North Korean nuclear issue. China, for its part, wants to concentrate on its domestic problems. And in the years leading up to its hosting of the 2008 Olympics, China is likely to be on its best behavior.

Still, there is a need to be realistic and sober about the U.S.-China relationship. The two powers are still in the process of adjusting to one another. China remains suspicious of U.S. intentions and the United States remains concerned about China's growing power. The trade deficit, currency problems, the Taiwan issue, and the North Korean issue all have the potential to threaten the relationship. On the Taiwan issue, the United States needs to be restrained and sensitive to Chinese concerns. Finally, it is very important for China to move forward on the issue of political reform. The speaker hopes that President Hu Jintao's recent speeches reflect

a determination to move forward on this issue. Moreover, it is in China's self-interest to do so.

The American speaker concluded by saying that there are three basic elements that will shape the future. First, there needs to be some restraint in U.S. foreign policy and a move back toward multilateralism. Second, there needs to be movement toward political reform in China. Finally, there needs to be joint cooperation on common problems such as the proliferation of weapons of mass destruction and the North Korean nuclear issue.

U.S.-China Relations: A Chinese Perception

A Chinese participant said that he basically agrees with the American's analysis. He said that one can look at U.S.-China relations from three levels of analysis C the individual level, the state

level, and the international system level. On both the individual and state level, there are major problems in the relationship having to do with deep mutual mistrust and conflicting national interests. But on the level of the international system, the global struggle against terrorism provides an opportunity for the two countries to narrow their differences.

The Chinese participant said that in the U.S. view of the world, there are seven categories for states: real allies, quasi-allies, states that can be used, states that need to be warned or cajoled, quasi-enemies, real enemies, and insignificant states. China, he said, was never a real ally of the United States. During the Cold War, China was a quasi-ally. After Tiananmen Square, the United States regarded China as a quasi-enemy. And in the early days of the Cold War, the United States regarded China as a real enemy. In the present period, he concluded, both sides are using each other. There is a mutual utilization. So he shares the American's view that the current positive state of U.S.-China relations should not be overblown but rather should be viewed as a long range opportunity to build a more solid foundation.

The North Korean Nuclear Issue: An American Perception

An American participant said that the North Korean nuclear issue is the most dangerous issue in

East Asia. There is the potential for a rogue state to engage in proliferation and to have nuclear weapons. This is unacceptable for the United States and should be so regarded by China, too.

There are four possible paths: a deal that will lead to a dismantling of North Korea's nuclear program; military preemption against North Korea; regime change in North Korea; or muddling through. A deal should be the obvious objective but it is going to be very difficult to get one. Such a deal will involve a dismantling of the North Korean nuclear program in exchange for a verification regime. There will also have to be a ban on proliferation of missiles and missile technology.

The speaker argued that the recently convened six party talks represent the beginning of a useful multilateral process and he said that the Chinese role was crucial in bringing this process about.

With regard to the future, he raised four questions. First, can the United States take Ayes@ for an answer if North Korea offers some kind of deal? Some in the Bush Administration, he said, do not want any kind of deal because they believe that North Korea cannot be trusted. On the other hand, to insist on an absolute verification regime with intrusive powers would be unacceptable to the North Koreans. The question is, therefore, how to structure a verification regime that is acceptable to both sides.

The second question is whether China can respond adequately to a North Korean Ano.@ If North Korea says it will never give up nuclear weapons, what will China do? A third question is whether the United States can manage the negotiations needed to reach a deal. The Agreed Framework signed in 1994 took fourteen months to negotiate. And it required the leadership of National Security Advisor Sandy Berger to keep the United States at the negotiating table. The North Korean regime, said the U.S. participant, is extremely difficult to negotiate with and often negotiates in bad faith.

Finally, the fourth question is how the United States and China will handle South Korea. The speaker had four conclusions. First, the issue will not be resolved quickly. Second, it is quite possible that there will be a crisis in the coming year or two. Third, managing this issue will require a great deal of work over the coming year. Fourth, a resolution of the issue has the potential to reshape strategic and political relations in all of Northeast Asia.

The North Korean Nuclear Issue: A Chinese Perception

A Chinese speaker said that of the four scenarios offered by the American, regime change is not

a solution and that Amuddling through@ does not meet United States or Chinese interests inasmuch as the matter cannot be prolonged. There needs to be a combination of options one and two: a deal and possible military preemption.

The Chinese speaker said that over the past year, there have been two phases. From the visit of U.S. Assistant Secretary Kelly to Beijing in October 2002, when there was a confrontation between Kelly and the North Koreans, until April 2003, the crisis had escalated. Then in April 2003, a turning point in relations occurred as a result of the agreement made to hold three party talks in Beijing between North Korea, China and the United States. Since April there has been an even more promising development with the beginning of the six party talks in Beijing. At the six party talks, all parties said that there can be a peaceful solution.

We are now beginning phase three, said the Chinese speaker. This phase needs to lead to a new Agreed Framework on which China and the United States cooperate. This phase cannot be prolonged. We need a deal within one year. The United States, the Chinese speaker continued, needs to put more effort into a political solution.

The Taiwan Issue: An American Perception

An American speaker said that there is growing economic integration between China and Taiwan, but also a continued political stalemate. China hopes that the pro-unification Pan Blue Coalition on Taiwan led by the Kuomintang (KMT) will win the upcoming presidential election in March 2004 and that the ruling pro-independence Pan Green Coalition led by the Democratic Progressive Party will lose. China is realistic however. The most that Beijing can expect even if the KMT wins is that Taiwan returns to the so-called 1992 Consensus on One China. China, moreover, is calm about the recent election year antics of the Chen Shui-bian government- e.g. moves to amend the Constitution. There are four reasons for this.

First, China is increasingly confident about its growing power and its leverage not only over Taiwan, but also over other countries, including the United States, with regard to policy toward Taiwan. Second, China has learned from past experience that a heavy-handed manner toward Taiwan is counterproductive. Third, China's military buildup across from Taiwan continues. Finally, the Bush Administration has both publicly and privately voiced displeasure with several steps taken by the Chen Shui-bian government that could increase instability. The United States has made it clear to Taiwan that its priorities are in Iraq and the Middle East and that it does not want tension in the Taiwan Strait.

The American speaker went on to say that U.S. relations with Taiwan are fundamentally sound. The United States is, however, disappointed with some of Taiwan's policies. Washington had hoped for political reform, modernization of Taiwan's defense policy, and an opening of relations with China - none of which it received.

Some of the strains in the U.S.-Taiwan relationship were caused by Taiwan's failure to consult the United States before taking steps that were insensitive to U.S. interests, e.g. the statements about one country on either side of the Taiwan Strait and the statements about amending the Taiwan Constitution. The United States does not like to be surprised on issues that have the potential to inflame U.S.-PRC relations. Moreover, there is growing concern in the United States about the widening military gap between China and Taiwan, as well as Taiwan's slow response toward dealing with this gap.

With regard to the upcoming presidential elections in Taiwan, the United States will remain firm in its commitment to the Taiwan Relations Act and to the defense of Taiwan. There will be no radical change in U.S. policy. There are four enduring factors. First, no Taiwan government will accept Beijing's formula of one country, two systems. Second, Taiwan will continue to consider itself an independent,

sovereign state. Third, Taiwan will continue to pursue a greater role in the international

community. Finally, national identity will remain a key issue in Taiwan politics.

Another American participant noted that there now seems to be more subtlety in the U.S.-China relationship. U.S.-China relations are improving despite the fact that U.S.-Taiwan relations are also improving. Does this mean that the U.S.-China relationship is moving into a new and more mature phase?

The Taiwan Issue: Chinese Perceptions

A Chinese participant said there are three points of note. First, U.S.-China relations are now progressing at the same time as U.S.-Taiwan relations. This is a new phenomenon. In the past, improved U.S.-China relations led to a souring of U.S. relations with Taiwan and improved U.S.-Taiwan relations led to a souring of U.S. relations with China. Now the United States is simultaneously developing relations with both China and Taiwan. This represents a diplomatic challenge for Beijing.

Second, while there is increased economic integration between Beijing and Taiwan there is the continuation of a political stalemate. This also is a political challenge for China.

Third, the Taiwan political development is more unpredictable. Even if the KMT's Lien Chan were to be elected, Taiwan would continue to have three camps: pro-independence, pro-unification, and moderates. The Chinese speaker concluded by wondering if it might be possible to revive the idea of an Ainterim agreement@ that an American proposed in the late 1990s at a National Committee roundtable.

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