U.S.- CHINA RELATIONS: DIPLOMACY, ENGAGEMENT AND NEGOTIATIONS

LORRAINE TAKAHASHI

APRIL 30, 1992

LONG PAPER PROJECT (REVISED)

Report Documentation Page

Form Approved
OMB No. 0704-0188

1. REPORT DATE	2. REPORT TYPE	3. DATES COVERED
30 APR 1992	**N/A**	**-**

4. TITLE AND SUBTITLE	5a. CONTRACT NUMBER
U.S. - China Relations: Diplomacy, Engagement and Negotiations	5b. GRANT NUMBER
	5c. PROGRAM ELEMENT NUMBER
6. AUTHOR(S)	5d. PROJECT NUMBER
	5e. TASK NUMBER
	5f. WORK UNIT NUMBER
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) **National Defense University National War College Fort McNair Washington, DC 20319**	8. PERFORMING ORGANIZATION REPORT NUMBER
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)	10. SPONSOR/MONITOR'S ACRONYM(S)
	11. SPONSOR/MONITOR'S REPORT NUMBER(S)

12. DISTRIBUTION/AVAILABILITY STATEMENT
Approved for public release, distribution unlimited

13. SUPPLEMENTARY NOTES

14. ABSTRACT

15. SUBJECT TERMS

16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT	18. NUMBER OF PAGES	19a. NAME OF RESPONSIBLE PERSON
a. REPORT	b. ABSTRACT	c. THIS PAGE			
unclassified	**unclassified**	**unclassified**	**UU**	**22**	

INTRODUCTION

The Tiananmen Square crackdown in June, 1989 caused shock waves throughout the internaticnal community, raising serious human rights concerns with respect to the People's Republic of China (PRC) and casting grave doubts regarding the value of our bilateral relationship with the country.

In swift reaction to public outrage and strong Congressional pressure as a result of the incident, President Bush shortly thereafter imposed a series of punitive measures to protest the crackdown on the pro-democracy movement as well as to influence the Chinese leadership to moderate its policies. Nearly three years later, however, the efficacy of these U.S. actions remain highly debatable.

Moreover, the dramatic developments on the international political landscape stemming from the collapse of communism in Eastern Europe and the former Soviet Union have altered the manner in which the United States views China's geostrategic importance. That is, with the demise of the Soviet Union, China has become relatively less important to the United States as a counterweight to the Soviet threat. This new equation has allowed other contentious issues to advance to center court, ranging from questions pertaining to China's human rights abuses and predatory trade practices to its arms sales policies and nuclear assistance programs to Middle Eastern and South Asian countries.

In light of the Tiananmen incident, combined with the evolving new world order, this paper attempts to reassess relations

between the United States and the People's Republic of China and to discuss the implications and ramifications of different foreign policy options that the United States might pursue in connection with one of the world's few remaining communist monoliths.

BACKGROUND AND SETTING

The events surrounding the Tiananmen tragedy resemble in some important aspects the events leading up to the Great Proletarian Cultural Revolution (1966-1969). Both episodes represented an attempt to oppose pragmatism, economic reforms, and bureaucratic power in the name of ideology. Yet, despite the chaos generated by that great internal conflict, combined with the shifting winds in the international arena, China, eventually felt compelled to moderate its policies and focus its sights westward for assistance. Even Mao had recognized that isolation spelled danger.

Hence, China's reciprocal overtures to the West during the late sixties and early seventies -- while involving a fundamental metamorphosis in its foreign policy approach -- was ripe with opportunity. The recognition by both the United States and China of the benefits of a strategic alignment to counter Soviet expansionism or hegemonism in the region, coupled with the attainment of a secure and stable international order, constituted the primary catalyst for rapprochement between the countries.

In essence, China pursued a rational policy based on what it perceived to be in its own best interests, which happened at the time to coincide with those of the United States. In Henry Kissinger's words, "Peking needed us to help break out of its isolation and as a counterweight to the potentially mortal threat along its northern border. We needed China to enhance the flexibility of our diplomacy ... We had to take account of other power centers and strive for an equilibrium among them. The China initiative also restored perspective to our national policies. It reduced Indochina to its proper scale."[1]

Thus, it should not be surprising in our dealings with China that its leaders will continue to pursue policies in accordance with what they perceive to be in China's best interests at any given time. U.S. failure to fully appreciate this point will adversely impact on our own judgment and foreign policy responses.

While the bilateral relationship has experienced the full spectrum of euphoria and optimism as well as disillusionment and disagreement during the past two decades -- covering political, economic, commercial and social issues alike -- the bloodshed of Tiananmen Square generated the most intense debate regarding U.S.- Chinese relations since rapprochement between the two countries.

The harsh military response against peaceful demonstrators in Tiananmen Square severely tarnished China's image, both internally and externally. In pursuit of one major interest of key political

significance to the Chinese leadership, other Chinese interests were undercut either through involuntary modifications or postponement. On the domestic front, popular confidence in and support for the government and party fell dramatically while on the external front countries from around the world reacted with dismay and distrust for the current leadership.

In the eyes of many, the incident reflected Beijing's tendency to back-track periodically on its stated policies and programs, retighten controls at intervals and, in the process, undermine the accomplishments and credibility of its various reform programs. The incident also did little to calm the nerves of Hong Kong and Macau, both territories of which are scheduled to convert to Chinese sovereignty later in the decade. Similarly, the crackdown appeared to vindicate Taiwan's consistent fears of communist suppression and repression and engendered outside sympathy for its legitimacy.

Shortly after the incident, the Bush Administration -- yielding both to intense public and Congressional pressure -- imposed a series of economic, military and cultural sanctions against China to signal its extreme displeasure with the crackdown and in an effort to influence the future behavior of Chinese leaders. These measures were noteworthy in several respects: First, although they included a number of economic and aid sanctions, they did not affect China's most-favored-nation (MFN) trading status. Second, the sanctions reflected in large measure Congressional concerns and illustrated the growing tension between Congress and the Executive

Branch regarding foreign policy prerogatives. Third, while U.S. reaction appeared forceful in words, it was only a matter of time before the Administration began to work secretly behind the scenes to vitiate the impact of these punitive measures, thereby essentially undercutting the thrust of its public remarks and, in the end, incurring additional suspicion from the American public and Congress regarding the Administration's intent and handling of the bilateral relationship. The approach also sent mixed signals to China regarding U.S. consistency and reliability. While, undoubtedly, this more measured approach better served long-term U.S. interests with respect to China, one cannot help but question the manner in which the Administration handled the affair, with the exception of its position on MFN.

INTERESTS AND OBJECTIVES

Our evolving relationship with China is like no other. It has long retained a special, almost mysterious, aura, largely because U.S. policymakers, including Congressional leaders, have been unable to accurately gauge Chinese needs, perceptions and feelings within the cultural, including historical and sociological, context of that country.

U.S. response in the aftermath of Tiananmen illustrates the Administration's short-sightedness in the formulation of foreign policy actions with respect to China. U.S. tendency toward a

reactive as opposed to proactive, including long-term, approach to such types of events or crises does not augur well for our future relations with the PRC. What were our fundamental interests stemming from the situation? Were they so important or vital as to risk jeopardizing a steadily evolving relationship with a major world power and one of the few remaining bastions of communism?

In order to understand the wisdom or lack thereof of the Bush Administration policy, one must first review U.S. interests and objectives in China in the aftermath of Tiananmen.

U.S. interests in relation to China can be broken down in three broad categories:

(1) Strategic/global relationship: While the international political landscape has changed dramatically in the past two years and the overriding threat from an aggressive Soviet Union has dissipated, China's strategic relationship remains an important ingredient of the overall bilateral relationship.

The world is fraught with uncertainty, turbulence and instability, as evidenced by events in the Persian Gulf last year. In this connection, it is important that the United States continues to engage China, particularly as its international role evolves to encompass a broad range of global and regional security concerns, including, among others, resolution of the regional conflicts in Cambodia and the Korean Peninsula.

Moreover, over the long-term, a modernizing China at peace with itself and its neighbors is essential to security and stability in the region.

(2) Economic: Commerce and trade has enjoyed the most rapid expansion in the bilateral relationship during the post-normalization period. A broad series of economic agreements have facilitated trade and investment flows between the two countries. The United States is China's largest export market, accounting for nearly one-quarter of its total foreign trade. Similarly, China represents a significant export and investment market for U.S. business.

(3) Missile and nuclear non-proliferation: China is a nuclear power, having detonated a nuclear device in 1964. Interestingly, it was the first state to make a "no-first-use" pledge regarding the use of nuclear weapons. In 1986, it also pledged to abstain from any further testing of nuclear weapons in the atmosphere.

U.S. concerns here pertain to the proliferation of both conventional arms as well as nuclear assistance to Middle Eastern and South Asian countries. A central point of concern to the United States is the reliability of China's assurances that it does not approve of nuclear proliferation. Although China has been a signatory of the International Atomic Energy Agency (IAEA) since 1984 and recently acceded to the Nuclear Non-Proliferation Treaty (NPT), questions pertaining to its commitment concerning nuclear non-proliferation continue to arise.

For instance, China has periodically been charged with negotiating secret nuclear cooperation agreements without formally acknowledging the role of the IAEA in such matters, and allegations continue to surface regarding its role with respect to the supply

of certain nuclear-related materials to Libya.

Aside from these major U.S. interests, other issues have cropped up which have strained the relationship. Specifically, the U.S. has expressed frequent irritation over China's demands for special treatment and its increasingly public criticism of U.S. policies in the Middle East and Central America. Likewise, there is considerable disappointment in the business community concerning the terms and rewards for doing business in China, compounded by a number of Chinese predatory trade practices. And, as highlighted by the Tiananmen crackdown, there is growing and belated concern in the United States about China's human rights practices.

HUMAN RIGHTS: MAJOR OR MINOR U.S. INTEREST?

As each country has different national characteristics -- including a divergence of political systems, social structures, legal institutions, cultural heritages, religious beliefs, and historical experiences -- there are varying perceptions and practices with respect to human rights. For the United States to insist on uniformity is tantamount to imposing a Western-oriented political ideology or perspective regarding human rights on another sovereign entity. Nonetheless, responsible and civilized countries acknowledge that there are also some common needs, aspirations and standards among them for protecting human rights, as outlined in the U.N. Universal Declaration of Human Rights to which China is a signatory.

This is not to say that the United States should not register its deep concerns about human rights abuses in other countries. As the world's sole remaining superpower with a society which places much stock on individual liberties and freedoms, the U.S. has a responsibility to attempt to influence the behavior of other governments when such abuses and repressions occur. However, the manner in which the United States often chooses to exercise its influence has not been particularly consistent nor convincing. The Carter policy on human rights is a case in point. In pursuit of one noble cause or interest, U.S. policymakers occasionally have had to backtrack on other stated policies and vice-versa.

It appears that U.S. policy would have been better served had we concentrated our protest and actions against China in the context of a broader and more coordinated multilateral condemnation. In this manner, U.S. reaction -- while not distracting from other important elements of the relationship -- would not have been seen as somewhat unilateral or high-handed. In other words, our interests with respect to human rights practices in China need to be appropriately weighed against our strategic and long-term interests in the region.

CHINESE INTERESTS

As noted earlier in this paper, it should come as no surprise that China -- like the United States -- will pursue a policy in accordance with its own best interests.

Chinese leaders traditionally have been apprehensive about the consequences of extensive contact with the outside world, tending toward insulation and self-reliance -- the restriction and diversification of imports and foreign credits in order to avoid dependence. During the height of its tensions with the Soviet Union (1960's), however, China's leadership began to acknowledge the limitations to its inward looking approach. China maintains its consistent opposition to "superpower hegemonism," which has been targeted primarily at the Soviet Union and its proxies. In the past, China regarded the Soviet Union as the greatest threat to national security and to world peace. Subsequently (1982), it began to place increasing emphasis on a foreign policy independent of either superpower.

There are several reasons for China's movement away from its previously close links with the United States, but one which is frequently cited is the contention that the United States is not necessarily a reliable or pliable partner, and that it will occasionally take actions contrary to Chinese interests.

China also attaches much importance to its ties with the Third World and has continued to emphasize the need to oppose "hegemonism." In line with it moderate repositioning with the Third World, China often aligns its formal economic and political positions with the "Group of 77" and the Nonaligned Movement.

Another important aspect of China's foreign policy revolves around its recognition and standing in the world community. Simply put, China expects to be treated on an equal footing with other

major powers. In recent years, it has become a more visible player internationally, including a higher profile in the United Nations and other multilateral organizations.

In the Asia Pacific region, China has become more active in efforts to reduce tensions in the area through its special relations with North Korea, its broad ties with Japan, and a closer association with ASEAN and its members.

With an external debt exceeding $50 billion (1990 estimate), the current leadership recognizes that foreign trade and technology will continue to play a critical role in China's modernization strategy and economic development. Even in 1984, Deng Xiaoping blamed China's backwardness on its past international isolation, calling instead for liberalization of China's policies on foreign economic and cultural relations with the United States.

Nonetheless, while the authorities were prepared to make the necessary reforms in its economic, social and legal institutions and practices, efforts to reform the political structure have proven less successful, as evidenced by the Tiananmen incident. But according to recent press accounts, it now appears that Deng Xiaoping's economic reform policies, once again, are gaining ground, including the support of the Communist Party Politburo. The March 12th edition of the *People's Daily* emphatically reported the Politburo's decision to "speed up reform and opening up."

SHARED INTERESTS

The United States and the People's Republic of China have shared interests. Foremost, China places significant value on the U.S. security role in the Pacific region and elsewhere. In addition, for the United States, China's strategic role has evolved to encompass a broad range of global and regional issues, including missile and nuclear non-proliferation.

Bilateral economic ties continue to grow to mutual advantage. China needs Western aid, capital and technology to develop its infrastructure and industry. It is equally important for the United States that we integrate the Chinese economy into the international trading system.

As we enter the 21st century, it is clearly evident that economic and trade issues increasingly will command greater attention with respect to our own national security agenda. International trade is more important than ever to the United States and that of the rest of the world. Trade expansion will enhance economic development and growth, and hence the political stability and security of developing nations.

In short, China has no desire to become irrelevant or antagonistic toward U.S. concerns, suggesting possible accommodation on issues of mutual interest. On the other hand, it jealously guards matters pertaining to the internal affairs of the country, be that human rights, abortion, or forced labor.

STRATEGY

In light of the above, the United States should strive to build a relationship with China based on overlapping interests and shared goals. Just as Dr. Kissinger pointed out several years earlier, by harmonizing our respective understanding of international issues, cooperation becomes a psychological, rather than merely legal, necessity.

A long-term relationship that provides for good-will, trust and mutual respect will likely yield the most positive results. The Chinese generally are a persistent and patient people, although the leadership has demonstrated ample capacity to resort to swift, drastic and questionable measures when directly threatened, e.g. Tiananmen.

The Chinese tend to view conflict resolution in the broader picture. In other words, they prefer to settle differences based upon elements of a comprehensive package over the long-term rather than resort to piecemeal negotiations in the short-term. They also prefer to work out agreements behind the scenes, on the basis of give and take, consistency and, once again, long-term interest. Accordingly, given adequate time, one can expect a number of moderating influences, both internal and external, to impact favorably on China's human rights practices in the future.

We must always be realistic about our relationship with China, acknowledging the fundamental differences in ideology and institutions between our two societies. If we properly acknowledge

these differences, much can be accomplished toward greater accommodation of each other's problems.

The imposition of sanctions as punishment on matters for which China clearly views as part of its internal affairs will only stiffen the resolve of the Chinese leadership. Indeed, studies of crises between nations reveal that threats and/or punitive measures are least likely to succeed when the stakes are the highest, e.g. vital interests involving questions of sovereignty, territory and prestige.[2]

CRITIQUE

In considering the various foreign policy tools available to the United States when a conflict arises, U.S. interests and objectives need to be clearly identified and weighed against the problem or the conflict. The approach should be based on strategic concepts, rather than predominantly on ethics. Related to this function is the quantity and quality of one's capabilities and willingness to employ them.

The central issue here is whether the Bush Administration's policy with respect to China has been successful. Nearly three years after Tiananmen, the results are mixed.

Given the public outcry in the United States, coupled with strong Congressional pressure, the President had little alternative but to take some meaningful measures against China for its brutal suppression of the demonstrators. But the manner in which the

sanctions were announced and implemented, and later vitiated or reversed, only served to undercut America's credibility at home and overseas. Again, a more broad-based multilateral approach to the problem would have proven less confrontational and probably more effective.

While the United States successfully persuaded the European Community and Japan to institute parallel sanctions, the U.S. was seen by the Chinese leadership to be especially hard-nosed in its approach. Once the sanctions went into place, U.S. business interests were the first to complain of their ill effects.

It has been demonstrated repeatedly that unilateral U.S. restrictions on technology transfer and arms transfers have limited effect on the PRC. China has frequently managed to find other suppliers willing to satisfy its military and other procurement needs. For instance, within a few months after the Tiananmen incident, the French state-owned company Aerospatiale announced that it would proceed with its military program to China. Allegedly, China and the Russians have undertaken negotiations involving combat aircraft, and the Israelis continue their covert technology transfers. In sum, it appears that our actions may have hurt U.S. business more than the targeted country.

Eliminating China's MFN status also would have had consequences far greater than on China itself. Such action would have severely handicapped U.S. business in China, penalizing American workers and industry in this country. Moreover, the economic consequences for an innocent third party -- Hong Kong --

would have been considerable. Fortunately, the Bush Administration's position, including a subsequent Presidential veto, prevailed over Congress' position with respect to China's MFN renewal.

U.S. sanctions on high-level visits and exchange programs also had a greater adverse effect on American as well as on Western-oriented, reform-minded elements in China than on targeted Chinese authorities. Moreover, such punitive action could easily play into the hands of those opposing democracy and open market principles.

In our ongoing efforts to resolve grievances and conflict in the international arena, diplomacy will continue -- as in the past -- to be the first line of defense. Much can be accomplished through patient and arduous government contact and negotiations toward promoting a peaceful, productive and prosperous environment in China. On the other hand, hastily-derived U.S. punitive actions in response to problems of political sensitivity to China will further fuel our respective differences and likely invite retaliation.

While the Bush Administration receives high marks overall for its patience in its dealings with China, it has also displayed a number of foreign policy inconsistencies. The secret missions to Beijing by National Security Adviser Brent Scowcroft shortly following the Tiananmen crackdown, combined with the Administration's somewhat lenient interpretation and enforcement of its ban on military sales, led many critics, including the Chinese, to question the President's true intentions, policy and strategy.

BENEFITS OF ENGAGEMENT

Once tempers cooled down after the Tiananmen incident, the Chinese government appears to have been forthcoming on some issues of mutual interest: For example, China supported the American-backed United Nations Security Council decision condemning Iraq's invasion of Kuwait, although admittedly other factors unrelated to the U.S. position may have influenced Chinese behavior. Nonetheless, China has consistently respected the territorial integrity of sovereign nations.

In addition, the U.S. has witnessed considerable Chinese cooperation in the past few months with respect to arms transfers. On February 21, 1992, the Administration announced its intentions to lift specific sanctions imposed on China in June 1991 because of transactions by two Chinese companies involving missile technology covered by the Missile Technology Control Regime (MTCR) guidelines. These guidelines represent the key multi-national effort to limit ballistic missile technology. This decision followed written confirmation by China that it will abide by the MTCR guidelines and parameters which the U.S. views as an important step in securing Chinese support for ballistic missile non-proliferation.

China has also recently displayed some signs of accommodating President Bush's Middle East arms control initiative of May, 1991. The President's proposal called for the five major suppliers of conventional arms to the Middle East -- the United States, USSR,

France, Great Britain, and China -- to establish guidelines on responsible arms transfers, including conventional arms and weapons of mass destruction-related equipment and technology.

In this connection, while a number of outstanding issues remain on the agenda, China has begun moving in the right direction toward responsibility, transparency and consultation on matters pertaining to such arms transfers. Key elements of the new direction supported by China include the explicit acknowledgement that, as a major supplier of arms, it -- like the other four powers -- bears a special obligation for ensuring that its arms transfers do not undermine stability in the region. In this connection, China also acknowledged the importance of establishing a mechanism for exchanging and sharing information on arms sales. More importantly, it agreed to subject its arms transfer decisions to debate and criticism among the five parties and to adhere to common guidelines governing arms transfers.

This new approach clearly signals a positive trend on China's part toward accepting greater responsibility with respect to issues of serious importance to the United States.

Inasmuch as the United States has a keen interest in regional security, we should strive to accommodate Asia's geopolitical diversity and support cohesion where commonalities exist, particularly in the economic sphere.

We should also welcome a greater role for ASEAN as a possible loose collective security framework for the region. Although the Soviet threat base has been greatly diminished, there is a

continuing need to reduce conflict, tension and armaments in the region.

EPILOGUE

In a world fraught with uncertainty and instability, the United States needs to engage as many partners as possible to secure international peace. China is a special case: in all likelihood, it will retain its basically authoritarian and anti-democratic character, while paying little attention to human 2rights. But given its history, culture and sociological background, one could argue that a communist-oriented society may better suit the needs of the current Chinese population, at least for the foreseeable future. Over the longer-term, moderating influences stemming from the next stage of economic reforms should help transform Chinese society to a more Western-oriented mind-set.

Again, the Great Proletarian Cultural Revolution may yield some lessons. The chaos generated by that great internal conflict, combined with the shifting winds in the international arena, eventually compelled the Chinese leadership to moderate its policies more in line with Western expectations. The current leadership is acutely aware that isolation is not the answer.

No matter how the geostrategic setting in the new world order develops in the coming months, the U.S. would be remiss not to attach significant importance to China's role in that order.

Afterall, political engagement and open trade lead to peace and prosperity; whereas the alternative -- isolation and confrontation -- will inevitably lead to instability and deprivation.

# # # # # # # # #

NOTES

1. Henry Kissinger, White House Years (Little, Brown and Company, Boston, 1979) 1049.

2. K. J. Holsti, International Politics: A Framework for Analysis (Prentice Hall, Inc., Fifth Edition, 1988) 147.