

# NUCLEAR THREAT REDUCTION AND THE DYNAMICS OF SINO-U.S. RELATIONS

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## INTRODUCTION

Sino-U.S. relations have been at their best since President Nixon’s historical 1972 visit to China. Not only are the two countries in regular and close consultation on issues ranging from anti-terrorism to North Korea’s nuclear weapons programs, Beijing and Washington were even in agreement on the controversial Taiwan referendum, with the U.S. side explicitly discouraging the Chen Shui-bian government from undertaking such a provocative act. This is a far cry from the (in)famous “whatever it takes” statement by President George W. Bush barely three years ago.

China and the United States have also sought to manage disputes that used to irritate bilateral relations with various degrees of success. These include trade, human rights, and proliferation of weapons of mass destruction. Bilateral security, arms control, and defense consultations are being institutionalized, enabling the two sides to discuss their differences through dialogue. Beijing for its part over the last two years issued a series of nonproliferation export control regulations and is now considering joining two multilateral export control regimes – the Nuclear Suppliers Group (NSG) and the Missile Technology Control Regime (MTCR).

The amicable atmosphere is due in no small part to Washington's post-9-11 efforts to seek major power cooperation in its campaign against international terrorism and to Beijing's desire to maintain a stable relationship with the U.S. However, fundamental differences between the two countries over military alliances, the role of nuclear deterrence, missile defenses, use of force, and the resolution of the Taiwan issue remain. Indeed, both continue to view each other's objectives and policies with caution and even suspicion, and neither has let up guard against future contingencies.

This paper examines the current dynamics in Sino-U.S. relations, from cooperation on resolving the North Korean nuclear issue, to issues that could drag the two into conflict – Chinese misgivings about the U.S.-Japan alliance, the controversies over missile defenses, and cross-Strait relations – and discusses the role of nuclear weapons in the bilateral relationship. It argues that the possibility of nuclear threat reduction between the two countries – which in itself should be a worthy goal to pursue – will depend on two sets of variables. The first is whether the issues in question are merely perceptual or fundamentally irreconcilable ones. Better communication and strategic dialogue could help resolve perceptual misunderstanding. Otherwise, arms control and conflict management would be the more appropriate mechanisms. The second refers to the relative importance that the two countries ascribe to these issues and the degree of determination in protecting their interests, including the use of force (and even nuclear force). Prevention of such occurrence would be of utmost interests to policymakers in both Washington and Beijing.

#### COOPERATION AND CONFLICT

Sino-U.S. relations did not begin well with the incoming Bush administration. During the 2000 presidential campaigns, candidate Bush described China as a potential strategic competitor

for the U.S. The new administration vowed to strengthen its alliance relationships and downplayed the importance of China in its Asia policy. Then came the April 2001 EP-3 incident and the largest U.S. arms sales to Taiwan in a decade. The bilateral relationship dropped to the lowest point. The September-11 terrorist attacks on the United States provided a “strategic window of opportunity” for re-building tattered Sino-U.S. relationship. The Bush administration’s international focus is now on the war against terrorism, not on the possibility of a future challenge from China.<sup>1</sup> Chinese analysts recognize that the challenge for Beijing would be to maximize the benefits and minimize other negative impact such as growing U.S. global military presence and preemptive use of force.<sup>2</sup> For the time being at least, common interests in fighting global terrorism and defusing the North Korean nuclear crisis have seen Beijing and Washington enjoying a period of stable relationship.

At the same time, China and the U.S. have different objectives and priorities for the post-Cold War Asia.<sup>3</sup> For Beijing, the end of the Cold War has removed a major threat (from the Soviet Union) to its territorial security and a peaceful environment is conducive to its goals of economic development and building the country into a stable, prosperous regional power. Economic security, political stability, and national unity have become major Chinese foreign policy objectives. The United States, on the other hand, seeks to maintain its primacy in the region through its alliance systems and by strengthening its military presence. Washington is determined to prevent any power from rising to challenge its interests and looks to emerging

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<sup>1</sup> Jia Qingguo, “The impact of 9-11 on Sino-US relations: a preliminary assessment,” *International Relations of the Asia-Pacific* 3:2 (August 2003), pp.159-177; David M. Lampton, “Small Mercies: China and America after 9/11,” *The National Interest* (Winter 2001/2002), pp.106-113.

<sup>2</sup> Wang Jisi, “Xinxingshi de zhuyao tedian he zhongguo waijiao [Main Characteristics of the New Situation and China’s Diplomacy],” *Xiandai guoji guanxi [Contemporary International Relations]*, No.4 (April 2003), pp.1-3; Liu Jianfei, “Zhanlue jiyuqi yu zhongmei guanxi [The Period of Strategic Opportunity and Sino-US Ties],” *Liaowang [Outlook Weekly]*, January 20, 2003, pp.56-57; Yuan Peng, “9.11 shijian yu zhongmei guanxi [September 11<sup>th</sup> and Sino-U.S. Relations],” *Xiandai guoji guanxi [Contemporary International Relations]*, No.11 (November 2001), pp.19-23, 63.

<sup>3</sup> Adam Ward, “China and America: Trouble Ahead?” *Survival* 45:3 (Autumn 2003), pp.35-56.

democratization and continued marketization as the pillars to ensure regional stability.<sup>4</sup> Three contentious issues have emerged to dominate the Sino-U.S. strategic discourse: the U.S.-Japan alliance, missile defenses, and Taiwan.

### *The North Korean Nuclear Crisis*

The crisis over North Korea's nuclear weapons program has provided the opportunity for Sino-U.S. cooperation, even though Beijing's initial reactions were rather passive. When the crisis first broke out, China stated its positions on the issue as follows: (1) peace and stability on the Korean Peninsula should be preserved; (2) the peninsula should remain nuclear-free; and (3) the dispute should be resolved through diplomatic and political methods between the United States and the Democratic People's Republic of Korea (DPRK). These positions form the core of Chinese approaches to the resolution of the nuclear issue. Chinese officials and analysts maintained that the key to resolving the crisis would be direct dialogue between North Korea and the United States. Instead of blaming North Korea for the collapse of the 1994 Agreed Framework, Beijing had been calling for *both* Pyongyang and Washington to resolve their dispute through dialogue. The Chinese hoped that face-saving ways could be found for Pyongyang and Washington to return to the negotiating table.<sup>5</sup>

Beijing worries that hard-line positions in Pyongyang and Washington and continued stalemate could push North Korea to take even riskier steps. A military confrontation on the Korean Peninsula not only will cause much destruction it would also bring down the North Korean regime, costing China a strategically important buffer. The environmental devastation

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<sup>4</sup> Zalmay Khalilzad *et al.*, *The United States and a Rising China: Strategic and Military Implications*. MR-1082-AF (Santa Monica: RAND, 1999); Zalmay Khalilzad *et al.*, *The United States and Asia: Toward a New U.S. Strategy and Force Posture*. MR-1315-AF (Santa Monica: RAND, 2001); Bates Gill, *Contrasting Visions: United States, China, and World Order* (Washington, DC: The Brookings Institution, 2004).

<sup>5</sup> Bates Gill and Andrew Thompson, "A Test for Beijing: China and the North Korean Nuclear Quandary," *Arms Control Today* 33:4 (May 2003) <[http://www.armscontrol.org/act/2003\\_05/gillthompson\\_may03.asp](http://www.armscontrol.org/act/2003_05/gillthompson_may03.asp)>; Jing-dong Yuan, "China and the North Korean Nuclear Crisis," Center for Nonproliferation Studies, January 22, 2003 <<http://cns.miis.edu/research/korea/chidprk.htm>>.

would be severe and massive refugee flight into China, where an estimated 100,000 to 300,000 illegal North Koreans residents.<sup>6</sup> A hastily unified Korea following the collapse of the North Korean regime would present Beijing with tremendous uncertainty. China could face the specter of a U.S. military presence right up to the Chinese-Korean border. A united Korea might inherit the North's nuclear and missile capabilities and rising Korean nationalism could also pose a challenge to Beijing's ability to manage its Korean ethnic minority in Jilin Province. Finally, there is also the specter of a nuclear chain reaction, with concerns over Japan's possible rearmament and nuclearization, using the North Korean nuclear issue as a pretext.<sup>7</sup>

These considerations led China to adopt a more active diplomacy in order to forestall the potentially negative consequences. Indeed, one could argue that Beijing's efforts – including twisting Pyongyang's arms – play no small part in getting Pyongyang to the April 2003 trilateral meeting in Beijing and to accept the subsequent two rounds of six-party talks in August 2003 and February 2004, respectively.<sup>8</sup> However, while the process for engaging North Korea has been kept alive and both China and the U.S. have found common grounds for continued cooperation and consultation, significant differences remain between the two countries over specific approaches and long-term objectives, which could in future strain bilateral relations.<sup>9</sup> The U.S. and North Korea's positions remain poles apart, as demonstrated by the second round meeting of

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<sup>6</sup> "North Korean refugees in China: The current situation and strategies for protection," Testimony by Joel R. Charny, Vice President for Policy, Refugees International to the Senate Committee on Foreign Relations November 4, 2003. <<http://foreign.senate.gov/testimony/2003/CharnyTestimony031104.pdf>>.

<sup>7</sup> Wang Yong and Teng Hongwei, "Jingti dongya xinlengzhann [Beware of a New Cold War in East Asia]."

<sup>8</sup> Andrew Scobell, *China and North Korea: From Comrades-in-Arms to Allies at Arm's Length* (Carlisle, Pennsylvania: Strategic Studies Institute United States Army War College, March 2004); Willy Wo-Lap Lam, "Beijing's New Urgency over N Korea," *CNN.com*, July 30, 2003; Jing-dong Yuan, "A Turning Point for Beijing," *International Herald Tribune*, September 2, 2002, p.6 <<http://www.iht.com/articles/108434.html>>; Robert Marquand, "China brings shift on nukes to Korean talks," *The Christian Science Monitor*, February 24, 2004 <<http://www.csmonitor.com/2004/0224/p01s02-woap.html>>.

<sup>9</sup> Phillip C. Saunders, "U.S.-China Relations in a Changing Nuclear Environment," in Jonathan D. Pollack, ed., *Sino-American Strategic Dynamics in the Early 21st Century: Prospects, Scenarios, and Implications* (Newport: Naval War College Press, 2003), forthcoming.

the six-party talks held in Beijing and China's patience may wear thin as it increasingly finds it frustrating in its role as a facilitator and honest broker.<sup>10</sup>

### *The U.S.-Japan Alliance*

Chinese attitudes toward the U.S.-Japan alliance have over the years shifted from outright condemnation and opposition in the 1960s, to tacit acquiescence in the 1970s and 1980s, to growing criticisms since the end of the Cold War. Beijing has reacted negatively to the April 1996 U.S.-Japan Joint Declaration on Security and the September 1997 U.S.-Japanese Defense Cooperation Guidelines. While in the past the alliance in Beijing's eyes served a useful purpose of keeping Tokyo from seeking re-militarization, it is now increasingly viewed as a security threat.<sup>11</sup>

Three issues stand out. First, Beijing considers the revitalized U.S.-Japan military alliance as part of Washington's containment strategy against China. After all, the alliance was established during the Cold War years with the defense of Japanese territories as its primary mission. Now the Cold War has ended, the very *raison d'être* – protecting Japan from Soviet aggression – no longer exists. The alliance therefore reflects Cold War mentality and actually justifies and facilitates continued U.S. military presence in the region with unmistakably clear objectives: to maintain American primacy against China as a potential future adversary.

Second, the new defense guidelines extend the alliance's defense perimeter to include the Taiwan Strait; China is understandably concerned with the possible intervention of the U.S.-Japan alliance in what it regards as its internal affairs and re-unification plans. Tokyo's

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<sup>10</sup> Mark Magnier, "Lack of Progress in N. Korea Talks Fodder for Accusations," *Los Angeles Times*, February 29, 2004

<sup>11</sup> Thomas J. Christensen, "China, the U.S.-Japan Alliance, and the Security Dilemma in East Asia," *International Security* 23:4 (Spring 1999), pp.49-80.

ambiguity regarding its defense perimeter based not on geography but on events only heightens Beijing's suspicions.<sup>12</sup>

Third, the revitalized alliance allows the Japanese Self Defense Force (SDF) to take on additional responsibilities. Beijing is increasingly worried that a more assertive Japan actively involved in the region's security affairs and seeking to be a "normal" power will emerge as a result.<sup>13</sup> The new defense guidelines in effect give Japan the green light to go beyond the original exclusive self-defense to a collective defense function, therefore providing justification for Japan to intervene in regional security affairs.<sup>14</sup> Japan already has one of the largest defense budgets in the world and has a reasonably sized (given its peace constitution) but the best-equipped military in the region. In addition, Japan's industrial and technological wherewithal will provide it with ready resources should it decide to become a military great power at short notice, including the acquisition of nuclear weapons.<sup>15</sup>

Indeed, Beijing is particularly attentive to Japan's growing military capabilities. The December 2001 National Defense Program Outline (NDPO) earmarked ¥25.16 trillion for the next five years, making Japan second to the United States in terms of overall defense spending and first on a per-soldier basis. Large allocations have been devoted to procuring major sea and air weapons systems and platforms. When JDA announced its participation in the 2000 Rim of the Pacific (RIMPAC) military exercises, the *Liberation Army Daily* commented that Japan "is casting off its peace constitution" and "the ghost of Japanese militarism is stirring on the

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<sup>12</sup> Liu Jianguo, "Xin 'rimei fangwei hezuo zhizhen' heyi lingren youlu [Why the New US-Japanese Defence Cooperation Guidelines Arouse Concerns]?" *Xiandai guoji guanxi [Contemporary International Relations]*, no.11 (November 1997), pp.7-12.

<sup>13</sup> Lu Zhongwei, "Ribei de guojia zuoxiang yu rizhong guanxi [Japan's Course of Direction and Its Relationship With China]," *Xiandai guoji guanxi [Contemporary International Relations]*, (July 2001), pp.2-7.

<sup>14</sup> Liang Ming, "Rimei xin fangwei jihua yinren zhumu [The New US-Japan Defense Guidelines Attracts Attention]," *The PLA Daily*, December 22, 2000 (internet version).

<sup>15</sup> "Opposition Leader Ozawa Says Japan Could Produce Nuclear Weapons," *Kyodo in English*, April 6, 2002. FBIS-JPP20020406000056.

Japanese archipelago.”<sup>16</sup> The dispatch of JSDF ships and personnel to the Gulf and Iraq since the Afghan War is a worrisome sign that Japan may have started on this path.<sup>17</sup> It is no coincidence that Beijing is also critical of Japanese intention to upgrade the Japan Defense Agency (JDA) to the ministerial level.<sup>18</sup>

### *U.S. Missile Defenses*

Another potential point of conflict between Beijing and Washington concerns the contentious U.S. missile defenses and their deployment in Asia.<sup>19</sup> Beijing has a number of specific concerns over the development and deployment of missile defense.<sup>20</sup> First, U.S. missile defenses can negatively affect China’s core national security interests, in particular their ability to undermine the credibility and effectiveness of China’s small-size nuclear retaliatory capabilities. Given Russia’s large nuclear arsenals, proposed U.S. missile defenses would not be able to neutralize Russian retaliatory capabilities. The apparent U.S. targets—the so-called rogue states—do not yet possess long-range missiles to threaten continental America, nor would they risk massive retaliation by attacking the United States first. The only explanation for the U.S. missile defense system, Beijing strongly suspects, is that it is aimed at China’s limited nuclear

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<sup>16</sup>Liang Ming, “Japan Seizes on a Pretext Again,” Beijing *Jiefangjun Bao* in Chinese May 8, 2000, p.5. FBIS-CPP20000508000054.

<sup>17</sup> Beijing Xinhua, “Ribei anbao tixi yanbian [Japan’s Evolving Security System],” February 22, 2004; “The ‘New Defense Group’ in Japanese Polity and the Adjustment in Security Strategy,” *Forum on International Studies*, No.3, 2003, pp.38-47.

<sup>18</sup> Pan Xiaoying, “Be Vigilant against Japanese Desire to Establish a Ministry of Defense,” Beijing *Renmin ribao* in Chinese, December 11, 2000, p. 2. FBIS-CPP20001211000026.

<sup>19</sup> General discussions include the Atlantic Council of the United States, *Missile Defense in Asia* (June 2003); Michael D. Swaine, with Loren H. Runyon, “Ballistic Missiles and Missile Defense in Asia,” *NBR Analysis* 13:3 (June 2002), pp.1-84.

<sup>20</sup> On Sino-U.S. disputes over the issue and Chinese positions, see Sha Zukang, “Some Thoughts on Non-Proliferation,” address given at the 7<sup>th</sup> Carnegie International Non-Proliferation Conference, 11-12 January 1999, Washington, DC. <http://www.ceip.org/programs/npp/sha/html>; Howard Diamond, “China Warns U.S. on East Asian Missile Defense Cooperation,” *Arms Control Today* 29:1 (January/February 1999), p.27; Evan S. Medeiros, *Missiles, Theater Missile Defense and Regional Stability*. Conference Report, 2<sup>nd</sup> US-China Conference on Arms Control, Disarmament and Nonproliferation (Monterey, CA: Center for Nonproliferation Studies, Monterey Institute of International Studies, July 1999); Jing-dong Yuan, “Chinese Responses to U.S. Missile Defenses: Implications for Arms Control and Regional Security,” *The Nonproliferation Review* 10:1 (Spring 2003), pp.75-96.

deterrent capability. This is particularly so in the context of the continued Sino-U.S. conflict over Taiwan and the declared U.S. commitment to Taiwan's defense. Indeed, one prominent Chinese missile defense analyst suggests that "China fears that if the USA believes that a first nuclear strike plus an NMD system could render impotent China's nuclear retaliatory capability, the USA might become less cautious during any crisis involving China."<sup>21</sup> That crisis, in most instances, would well be over Taiwan.

Second, the Chinese dismiss U.S. justification that missile defenses are a reaction to increasing ballistic missile threats from the so-called rogue states. Rather, Beijing sees it as yet another deliberate step that the United States has taken to further enhance its offensive as well as defensive capabilities. Beijing is aware that U.S. development of missile defense systems as a way to pursue absolute security comes at a time when major shifts are emerging in new U.S. defense policy, including the heightened role of nuclear weapons in the strategy of pre-emption. In this context, missile defenses could elevate the importance of military elements in international relations, resulting in greater U.S. unilateralism and the threat and use of force. It is part of U.S. global strategy of sustaining its post-Cold War primacy and absolute security through increased military interventions in regional affairs. U.S. abrogation of the ABM Treaty and its planned missile defense deployment could erode international arms control and invite regional arms races, further undermining international and regional security.<sup>22</sup>

While China tacitly acknowledges the role of TMD in protecting U.S. forward-deployed troops from missile attacks, it objects to an advanced TMD system that could extend to Taiwan and may also serve as a forward component of NMD.<sup>23</sup> In an interview with *Defense News* in

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<sup>21</sup> Li Bin, "The effects of NMD on Chinese strategy," *Jane's Intelligence Review* (March 2001).

<sup>22</sup> Zhu Feng, *Dandao daodan fangyu jihua yu guoji anquan* [Ballistic Missile Defenses and International Security] (Shanghai: Shanghai renmin chubanshe, July 2001).

<sup>23</sup> Sha Zukang, "Some Thoughts on Non-Proliferation," address given at the 7th Carnegie International Non-Proliferation Conference, January 11-12, 1999, Washington, DC. <<http://www.fmprc.gov.cn/eng/4061.html>>

February 1999, Sha Zhukang said that China was not concerned about “what we call genuine TMD.” Instead, “what China is opposed to is the development, deployment and proliferation of antimissile systems with potential strategic defense capabilities in the name of TMD that violate the letter and spirit of [the Anti-Ballistic Missile Treaty] and go beyond the legitimate self-defense needs of relevant countries.”<sup>24</sup>

Third, Japan’s participation in theater missile defense is also drawing increasing attention from China and elsewhere in Asia.<sup>25</sup> Since the North Korean Taepo-dong missile launch in August 1998 and recent nuclear developments, Japan has speeded up steps to acquire and deployment missile defense systems in addition to its ongoing research and development collaboration with the U.S.<sup>26</sup> China contends that regional (theater) missile defense (TMD) research and development encourage and provide a pretext for Japanese re-militarization.<sup>27</sup> Beijing’s suspicion of a post-Cold War assertive Japan is reinforced by Tokyo’s reluctance to be forthcoming on its historical records, its ambiguity regarding its defense perimeter, its potent and potential military capabilities, and its potential involvement in a Taiwan crisis.<sup>28</sup> Given Japan’s current naval capability (it already possesses four *Aegis* destroyers and has the strongest naval

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Howard Diamond, “China Warns U.S. on East Asian Missile Defense Cooperation,” *Arms Control Today* 29 (January/February 1999), p. 27. For a comprehensive analysis, see Evan S. Medeiros, “Missiles, Theater Missile Defense and Regional Stability,” Center for Nonproliferation Studies, Monterey Institute of International Studies, July 1999, <<http://www.cns.miis.edu/cns/projects/eanp/research/uschina2/index.htm>>.

<sup>24</sup> Quote from Howard Diamond, “China Warns U.S. on East Asian Missile Defense Cooperation,” *Arms Control Today* 29 (January/February 1999), p. 27.

<sup>25</sup> Michael Swaine, Rachel Swanger, Takashi Kawakami, Japan and Ballistic Missile Defense (Santa Monica: RAND, 2001); Norimitsu Onishi, “Japan Support of Missile Shield Could Tilt Asia Power Balance,” *New York Times*, April 3, 2004.

<sup>26</sup> “Japan Adopts Missile Defense System,” *Mainichi Daily News*, December 19, 2003 <<http://mdn.mainichi.co.jp/news/archive/200312/19/20031219p2a00m0dm007000c.html>>

<sup>27</sup> Hong Yuan, “The Implications of a TMD System in Japan to China’s Security,” Nuclear Policy Project Special Report, August 1999; Sun Cheng, *Riben yu yatai – shiji zhijiao de fenxi yu zhanwang* [*Japan and Asia Pacific – Analysis and Prospect at the Turn of the Century*] (Beijing: Shijie zhishi chubanshe, 1997).

<sup>28</sup> Hong Yuan, “The Implications of a TMD System in Japan to China’s Security,” Nuclear Policy Project Special Report, August 1999; Sun Cheng, *Riben yu yatai—shiji zhijiao de fenxi yu zhanwang* [*Japan and Asia Pacific—Analysis and Prospect at the Turn of the Century*] (Beijing: Shijie zhishi chubanshe, 1997).

fleet among Asian countries), TMD systems would equip Japan with both offensive and defensive capabilities.

Finally, China is strongly opposed to missile defense coverage of Taiwan for three reasons: (1) It encourages Taiwan independence; (2) It leads to de facto Taiwan-U.S. security alliance; and (3) It interferes with China's unification objectives. To quote Ambassador Sha Zukang, former director-general of the Department of Arms Control and Disarmament in Chinese Ministry of Foreign Affairs, "China's opposition to U.S. transfers of TMD to Taiwan is also based on ... its adverse impact on China's reunification. TMD in Taiwan will give the pro-independence forces in Taiwan a false sense of security, which may incite them to reckless moves. This can only lead to instability across the Taiwan Strait or even in the entire North-East Asian region."<sup>29</sup>

#### *Taiwan*

Despite the apparent common stands on the Taiwan referendum issue expressed by both Beijing and Washington in recent months, the stability of long-term Sino-U.S. will likely remain affected by their handling of the cross-Strait relations.<sup>30</sup> The U.S., while annoyed by Taipei's reckless and provocative postures that could disrupt the status quo and create unnecessary tension at a time when American capabilities are tied elsewhere, is nonetheless sympathetic to Taiwan's democratization and bound by the Taiwan Relations Act regarding the latter's defense. With the U.S., there are forces that are strongly pro-Taiwan and call for U.S. support of the independence course.<sup>31</sup> Indeed, even as Washington admonishes Taipei's referendum plan, officials in the Bush

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<sup>29</sup> Amb. Sha, "Some Thoughts on Non-Proliferation."

<sup>30</sup> Editorial, "Taiwan Issue Core of Sino-U.S. Ties," *People's Daily*, February 28, 2004; Michael D. Swaine, "Trouble in Taiwan," *Foreign Affairs* 83:2 (March/April 2004), pp.39-49.

<sup>31</sup> William Kristol and Ellen Bork, "The Bush Administration, Taiwan, and China: Why is the Bush administration siding with Beijing against Taiwan's democratic referenda?" *The Daily Standard*, February 10, 2004.

<http://www.weeklystandard.com/Content/Public/Articles/000/000/003/719aazqc.asp>

administration are also sending signals of reassurance to Chen's government.<sup>32</sup> The re-election of Chen Shui-bian for a second term and recent U.S. announcement of planned sale of long-range early-warning radar worth up to \$1.78 billion to Taiwan reinforce this concern.<sup>33</sup>

Indeed, long-term U.S. Taiwan policy remains the most serious security concern for Beijing. Since the mid-1990s, three trends have been particularly worrisome for the Chinese leadership. The first is U.S. deviation in recent years from the "One China" principle set forth in the three Sino-U.S. joint communiqués. In recent years, the U.S. has steadily upgraded its supposedly unofficial ties with Taiwan. High-ranking Taiwanese officials, including those between the two militaries, have been granted visas to make transit stops on their way to Central and South America. Transit stops granted to Chen Shui-bian, Taiwan's president and Annette Lu (vice-president) are also more frequently than during the Clinton administration. The U.S. has also openly supported Taiwan's bid to join the World Health Organization.<sup>34</sup>

The second is the continuing U.S. military sales to Taiwan, which is seen by China as contravening the spirit of the August 17, 1982 Sino-U.S. Communiqué.<sup>35</sup> Over the last two decades since the communiqué was issued, the U.S. has provided Taiwan with a full spectrum of military equipment, including F-16 air superiority fighters, Knox-class frigates, Kidd-class destroyers, anti-submarine S-2T, E-2T Hawkeye airborne early-warning aircraft, long-range early-warning radars, attack helicopters, Patriot-derived Modified Air Defense Systems; Hawk and Chaparral ground-based air defense systems, among others. The U.S. Department of Defense also runs exchange

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<sup>32</sup> See, for instance, statements by Richard Lawless, Deputy Assistant Secretary of Defense and Randy Schriver, Deputy Assistant Secretary of State at the U.S.-China Economic and Security Review Commission hearing on Military Modernization and Cross-Strait Balance, February 6, 2004.

<sup>33</sup> John Ruwitch and Jim Wolf, "China Scolds U.S. for Radar Sales to Taiwan," Reuters, April 1, 2004.

<sup>34</sup> See Robert Sutter, "Bush Administration Policy Toward Beijing and Taipei," *Journal of Contemporary China* 12:36 (August 2003), pp.477-492.

<sup>35</sup> Wei-Chin Lee, "US Arms Transfer Policy to Taiwan: from Carter to Clinton," *Journal of Contemporary China* 9:23 (March 2000), pp.53-75; John P. McClaran, "U.S. Arms Sales to Taiwan: Implications for the Future of the Sino-U.S. Relationship," *Asian Survey* 40:4 (July/August 2000), pp.622-640.

programs with Taiwan on C<sup>4</sup>I, air defense, anti-submarine warfare (ASW).<sup>36</sup> In April, 2001, President Bush caused quite a stir when he gave the controversial “whatever it takes” to help defend Taiwan statement.

Third and finally, there have been incessant congressional efforts at not only enhancing U.S.-Taiwan relationship, as is manifest in the Taiwan Relations Act (TRA) of 1979 but also expanding it to include closer security cooperation.<sup>37</sup> The 1999 Taiwan Security Enhancement Act, which was passed in the House in a landslide, would require even closer defense cooperation between the U.S. and Taiwan in the areas of defense planning, threat analysis, training program, and missile defense systems, all of which have been strongly opposed by Beijing.<sup>38</sup> The establishment of the Taiwan Caucuses in the U.S. Senate and the House of Representatives are the latest development. U.S. positions on its Taiwan policy over the next four years will be a critical element in both the stability of the Taiwan Strait and Sino-U.S. relations.

### THE NUCLEAR FACTOR

China developed its nuclear weapons program in response to U.S. nuclear blackmail. After detonating its first nuclear bomb in October 1964, China achieved the hydrogen bomb capability in 1967 and by 1981 had deployed its first-generation intercontinental ballistic missiles (ICBM) capable of reaching the United States. Over the next two decades, progress in

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<sup>36</sup> East Asia Nonproliferation Program, Center for Nonproliferation Studies, “Arms Sales to Taiwan: Statements and Developments 1979-2003 <<http://www.nti.org/db/china/twnchr.htm>>. Additional information regarding US arms sales to Taiwan can also be found at: <<http://taiwansecurity.org/TSR-Arms.htm>>

<sup>37</sup> James Mann, “Congress and Taiwan: Understanding the Bond,” in Ramon H. Myers, Michel C. Oksenberg, and David Shambaugh, eds., *Making China Policy: Lessons from the Bush and Clinton Administration* (Lanham: Rowman & Littlefield Publishers, Inc., 2001), pp.201-219.

<sup>38</sup> Julian Baum, “Silent Running,” *Far Eastern Economic Review*, July 1, 1999, p.28; George Gedda, “China Warns Against Sales to Taiwan,” *Associate Press*, October 14, 1999 <[http://www.washingtonpost.com/wp-5...ne/19991014/aponline163839\\_000.htm](http://www.washingtonpost.com/wp-5...ne/19991014/aponline163839_000.htm)>.

Chinese nuclear modernization has continued to be slowed down by technological issues.<sup>39</sup> The Chinese leadership's priority in economic development, coupled with an improved international security environment since the mid-1980s also contributed to the slow progress. Today, China has the third largest nuclear arsenals among the P-5 countries with over 400 weapons.<sup>40</sup> However, most of the systems currently in deployment are of the 1970s and 1980s vintage and their vulnerability to disarming first strikes remains an issue for Chinese strategic planners. Anticipating U.S. missile defense deployment and a new nuclear posture, China has renewed its efforts to develop and deploy new generations of nuclear missiles.<sup>41</sup>

#### *U.S. Nuclear Posture Review*

In January 2002, the Bush administration released the declassified summary of its Nuclear Posture Review (NPR). According to Chinese analysts, a number of fundamental trends in post-Cold War U.S. defense posture can be detected. These include Washington's reassessment of the new international security environment and major threats facing the United States and its allies; new strategic guidance for the U.S. nuclear force structure, size, and missions; and the move away from massive retaliation-based threats to the development of credible nuclear capabilities that could be put to use. Within this broad context, the Cold War nuclear triad of land-based ICBMs, airborne strategic bombers, and submarine-launched ballistic

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<sup>39</sup> John Wilson Lewis and Xue Litai, *China Builds the Bomb* (Stanford: Stanford University Press, 1988); Lewis and Xue, *China's Strategic Seapower: The Politics of Force Modernization in the Nuclear Age* (Stanford: Stanford University Press, 1994).

<sup>40</sup> "Chinese Nuclear Forces, 2003," *The Bulletin of the Atomic Scientists* 59:6 (November/December 2003), pp.77-80.

<sup>41</sup> Robert A. Manning, Ronald Montaperto, and Brad Roberts, *China, Nuclear Weapons, and Arms Control: A Preliminary Assessment* (New York: Council on Foreign Relations, 2000); Bates Gill, James Mulvenon, and Mark Stokes, "The Chinese Second Artillery Corps: Transition to Credible Deterrence," in James C. Mulvenon and Andrew N.D. Yang, eds., *The People's Liberation Army as Organization: Reference Volume v.1.0* (Santa Monica, CA: RAND, 2002); Mark Stokes, "Chinese Ballistic Missile Forces in the Age of global Missile Defense: Challenges and Responses," in Andrew Scobell and Larry m. Wortzel, eds., *China's Growing Military Power: Perspectives on Security, Ballistic Missiles, and Conventional Capabilities* (Carlisle, PA: Strategic Studies Institute, U.S. Army War College, 2002), pp.107-168; Phillip Saunders and Jing-dong Yuan, "China's Strategic Force Modernization: Issues and Implications for the United States," in Michael Barletta, ed., *Proliferation Challenges and Nonproliferation Opportunities for New Administrations*. Occasional Paper No. 4 (Monterey, Calif.: Center for Nonproliferation Studies, Monterey Institute of International Studies, September 2000), pp.40-46.

missiles (SLBMs) are to be replaced with the new strategic triad of offensive systems (nuclear and non-nuclear), active and passive defenses, and the defense-industrial infrastructure. This new U.S. defense posture would thus enable Washington to reserve massive retaliatory capabilities (even after the significant reduction of its strategic nuclear force) against the other major nuclear powers, to confront and neutralize threats from the so-called “rogue” states through its missile defense systems, and to deal with any potential opponents effectively by applying precision-guided munitions.<sup>42</sup>

U.S. nuclear policy is of considerable concern to China. The NPR reveals that it contains contingency plans to use nuclear weapons against China and six other countries.<sup>43</sup> Chinese strategic analysts focus particularly on what they consider as fundamental shifts in post-Cold War U.S. strategic posture. One is the nuclear threshold. The elevation of the role of nuclear weapons is particularly worrisome to Chinese analysts. In the past, nuclear weapons were always the weapon of last resort, of deterrence against the use of nuclear weapons. However, the new posture suggests the use of nuclear weapons against hardened, difficult-to-penetrate targets, and as retaliation against WMD use. Perhaps the most serious concern to Beijing is the potential nuclear use “in the event of surprising military developments,” including a war between China and Taiwan.<sup>44</sup>

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<sup>42</sup> See Zhu Qiangguo, “Meiguo heweishe zhanlue de tiaozheng—hetaishi shenyi baogao pingxi [Readjustment of U.S. Strategy of Nuclear Deterrence—An Analysis of the Nuclear Posture Review],” *Xiandai guoji guanxi* [Contemporary International Relations], No.148 (February 2002), pp.28-31; Zhu Qiangguo, “US Seeks Absolute Military Superiority,” *China Daily*, March 13, 2002. FBIS-CPP20020313000030 Beijing China Daily (Internet Version-WWW) in English 13 Mar 02; Zhou Jianguo, “Nuclear Strategy of Bush Administration Moving Gradually From Deterrence to Actual Combat,” *Jiefangjun bao* [PLA Daily], March 18, 2002, p.12.

<sup>43</sup> Paul Richter, “U.S. Works Up Plan for Using Nuclear Arms,” *Los Angeles Times*, March 9, 2002 <<http://www.latimes.com/news/printedition/la-000017501mar09.story>>; William M. Arkin, “Secret Plan Outlines the Unthinkable,” *Los Angeles Times*, March 10, 2002 <<http://www.latimes.com/news/opinion/la-op-arkinmar10.story>>

<sup>44</sup> Zhu Feng, “Meiguo zhunbei fadong hegongji [US Prepared to Launch Nuclear Attack]?” *Zhongguo ribao wangzhan*, March 11, 2002 <<http://www1.chinadaily.com.cn/worldrep/2002-03-11/20220.html>>; interviews with Chinese security analysts, March 2002, Beijing and Shanghai.

Current Chinese discussions of the NPR remain confined to academic analysis. One of the most clearly articulated views is that China needs to maintain and enhance its deterrence proficiency in terms of capability, credibility, and survivability. The Chinese government has yet to articulate its position beyond mere initial reactions. Indeed, one would wonder about the heretofore relatively low-key responses from the official channel, given the fact that China probably would be the most negatively affected by a change in U.S. policy. This ambivalence may reflect the dilemma Beijing faces in developing viable counterstrategies, particularly in the international diplomatic arena. China would be all alone in opposing the U.S., well aware that it won't have any real impact. At the same time, there is the need to assess the overall effect of the new U.S. strategy on China's security interests. In this regard, Chinese reactions cannot be seen as merely responding to the NPR but also reflecting the general trends in U.S. nuclear strategy in the coming years.

#### *Chinese Nuclear Modernization*<sup>45</sup>

As mentioned above, China's nuclear modernization over the years since the early 1980s has been slow and sporadic. The pace and scope of Chinese nuclear modernization in the past have been affected by technological and economic constraints. While China demonstrated a remarkable feat in achieving a nuclear detonation, an MRBM flight, and a hydrogen bomb explosion within a short span of three years (1964-1967 – generating great expectations of its future nuclear weapons developments – the actual experiences suggest that such optimism was not well founded.<sup>46</sup> Economic constraints and political turmoil such as the Cultural Revolution of 1966-1976 may have contributed to slow progress, and a technological bottleneck may have been a key impediment to the development of new-generation ICBMs and miniature nuclear warheads,

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<sup>45</sup> The following discussion draws on Phillips C. Saunders and Jing-dong Yuan, "China's Strategic Force Modernization: Three Scenarios and Their Implications for the United States," unpublished manuscript.

<sup>46</sup> John Lewis and Hua Di, "China's Ballistic Missile Programs: Technologies, Strategies, Goals," *International Security* 17 (Autumn 1992).

prompting the Cox Report charges of Chinese nuclear espionage. While finding the necessary resources presents few obstacles given China's growing economic capabilities, technological deficiencies will remain a serious impediment to what China can achieve in its strategic nuclear force modernization and at how fast a pace.

However, new U.S. nuclear policy and its planned missile defense deployment could prompt Beijing to re-energize its efforts. Of the various responses China could adopt, one of the most feasible would be to expand the number of current missile forces to avoid a potential decapitating first strike. A higher number will also give China psychological reassurance as well as sustain the level of uncertainty that the United States must cope with. This short-term makeshift measure could be paralleled by accelerated development, testing, and deployment of the road-mobile DF-31s and DF-31As to enhance survivability of China's retaliatory capability. A three-stage, solid-fuel, mobile ICBM mounted on a transporter-erector-launcher (TEL), the 8,000-kilometer DF-31 has been flight-tested several times since 1999.<sup>47</sup> The extended range version of the DF-31, the DF-31A, would have a range of at least 12,000 km. An SLBM derivative, JL-2, with a range of about 8,000 km, is also under development and will be deployed on the next-generation fleet ballistic missile submarine (SSBN), the Type 094.<sup>48</sup>

The exact number will likely depend on the types of missile defenses that the United States is going to deploy, the estimated ICBMs surviving a first strike, and the ability of the remaining missiles to penetrate missile defenses with or without penetration aids, such as decoys and other countermeasures. The July 2003 DoD report put the number at 60 ICBMs, while the

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<sup>47</sup> Norris and Arkin, "NRDC Nuclear Notebook: Chinese Nuclear Forces, 2001," pp. 71-72; Howard Diamond, "Chinese Strategic Plans Move Forward With Missile Test," *Arms Control Today*, Vol. 29, No. 5, (July/August 1999), p. 27 < [http://www.armscontrol.org/act/1999\\_07-08/chija99.asp](http://www.armscontrol.org/act/1999_07-08/chija99.asp)>; and *Global Security.org*, "DF-31," <http://www.globalsecurity.org/wmd/world/china/df-31.htm>.

<sup>48</sup> Gill *et al.*, "The Chinese Second Artillery Corps."

December 2001 NIE report projected 75-100 by 2015.<sup>49</sup> China might also retain older missiles in its inventory for longer periods instead of retiring them. The same DoD report on Chinese military power suggests that the DF-5A, Mod-2 will likely be deployed over the next few years. Chinese responses likely will remain proportionate to the size and types of missile defenses the U.S. will deploy.

The ways in which China's responses take place will also be determined by whether it will seek to enhance the survivability of its limited nuclear forces, thus maintaining the uncertainty principle, or reformulate its nuclear doctrine to adopt a limited deterrence posture or launch on warning. The latter would also have significant impact on China's no-first-use (NFU) principle and its ability to develop smaller nuclear warheads, raising questions about its commitment to a nuclear test moratorium. It also raises the issue of its nuclear transparency.<sup>50</sup> Missile defenses would make submarines more attractive as a means of increasing missile survivability and for launching from locations and depressed trajectories where missile defenses have limited coverage.

The new-generation ICBMs could be armed with countermeasures, such as decoys. Once deployed, these new capabilities will enable China to achieve real credible minimum deterrence, even under a U.S. missile defense environment. It could deploy MRVs or MIRVs to increase the number of warheads that could penetrate U.S. missile defenses. U.S. missile defenses would also make the deployment of penetration aids essential. However, MIRVing requires smaller nuclear warheads. Without nuclear tests, the technical hurdles involved in MIRVing could prevent its introduction in the near term. China has tested multiple reentry vehicles (MRVs), decoys, and

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<sup>49</sup> U.S. Department of Defense, *Annual Report on the Military Power of the People's Republic of China*, July 28, 2003 <<http://www.defenselink.mil/pubs/20030730chinaex.pdf>>.

<sup>50</sup> Paul H.B. Godwin, "Potential Chinese Responses to US Ballistic Missile Defense," Report No. 43 (Washington, DC: The Henry L. Stimson Center, January 2002) <<http://www.stimson.org/china/pdf/godwin.pdf>>

penetration aids, but has not deployed these capabilities on operational missiles.<sup>51</sup> While Beijing may still face significant technological hurdles in adopting these measures, it could also turn to Russia for technical assistance in developing countermeasures and even develop its own missile defense systems. China and Russia may also pool their resources together to develop means to overcome U.S. missile defenses.<sup>52</sup>

Indeed, technical assistance from Russia could significantly speed up China's modernization. There have been unconfirmed reports of Ukrainian missile experts working in China, and Russia may have shared technical data on its own 4th-generation ICBM (SS-18 and SS-25).<sup>53</sup> While such information is difficult to verify, recent developments in Sino-Russian and Sino-Ukrainian military cooperation are openly reported. From the Russian/Ukrainian perspective, there is much to gain through such assistance. It could further strengthen the so-called strategic partnership, and it serves to alleviate concerns about what it views as a recent tilt toward the United States. Economic factors are also important as Russia and Ukraine seek to maintain the viability of their defense industrial complexes. R&D on future weapons development could also be funded through greater cooperation with and assistance to China.

#### AVOIDING NUCLEAR MISUNDERSTANDING

U.S. decisions on ballistic missile defenses and the changing role of nuclear weapons in its nuclear strategy will directly shape Chinese decisions about force structure. While chances for nuclear confrontation between major powers in the post-Cold War are remote, uncertainties and

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<sup>51</sup> John Wilson Lewis and Hua Di, "China's Ballistic Missile Programs: Technologies, Strategies, Goals," *International Security*, vol.17, no.2, Autumn 1992; James A. Lamson and Wyn Q. Bowen, "'One Arrow, Three Stars,': China's MIRV Program, Part I," *Jane's Intelligence Review*, May 1997, pp.216-218; and James A. Lamson and Wyn Q. Bowen, "'One Arrow, Three Stars,': China's MIRV Program, Part II," *ibid.*, June 1997, pp.266-269.

<sup>52</sup> "China, Russia could team up on U.S. missile shield: official," *Kyodo*, May 11, 2002. FBIS-JPP20000511000045; Andrey Ivanov, "Sha Threatens United States [sic]," *Kommersant* (Moscow), May 12, 2000. FBIS-CEP20000512000106

<sup>53</sup> Private correspondence with former Soviet/Russian officials.

concerns remain and miscalculations cannot be completely ruled out in the Sino-U.S. context, especially given the contentious issues between them. For one thing, a vastly expanded and much modernized Chinese nuclear force can raise questions about the credibility of U.S. nuclear umbrella to its allies in the region; it can also confirm allegations within the U.S. that China is driving for regional hegemony. Military conflicts over the Taiwan Strait also exist and a China with inferior conventional forces has greater incentive to rely on nuclear deterrence. These factors must be addressed.<sup>54</sup>

U.S. strategic interests in Asia call for strengthened alliance relationships, forward military presence, and efforts to prevent WMD proliferation.<sup>55</sup> Washington seeks to be a force of stability and here Beijing may share some of its more immediate goals such as the de-nuclearization of the Korean Peninsula. Resolution of the crisis could forestall a potential Northeast Asian nuclear chain reaction, with Japan going nuclear as the most serious threat to Chinese security interests. While China is concerned with Japan's growing military role, it also recognizes the values of continued U.S. engagement in the region as a check on unbounded Japanese re-militarization. It is here that greater consultation not only between Washington and Beijing but a trilateral process that also involves Tokyo would be very helpful in addressing issues and concerns ranging from the missions of the U.S.-Japan security alliance, the exact role for the Japanese SDF, and the perimeter and limitation of its new responsibilities. Such efforts are already underway, albeit at lower governmental level and mostly involve Track-II activities.<sup>56</sup>

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<sup>54</sup> Brad Roberts, *China-U.S. Nuclear Relations: What Relationship Best Serves U.S. Interests?* Institute for Defense Analyses and Defense Threat Reduction Agency, August 2001.

<sup>55</sup> U.S. Department of Defense, *The United States Security Strategy for the East Asia-Pacific Region 1998*. <<http://www.defenselink.mil/pubs/easr98/index.html>>

<sup>56</sup> Morton I. Abramowitz, Funabashi Yoichi, and Wang Jisi, *China-Japan-US: Managing the Trilateral Relationship* (Tokyo: Japan Center for International Exchange, 1998); 'Dialogue: U.S.-Japan-China Relations and Asian-Pacific Stability' (Washington, DC: United States Institute of Peace, September 1998); *U.S.-Japan-China Relations: Can*

Although technology and resource constraints have shaped and often limited China's strategic modernization efforts, political and strategic factors have played an equally important role. Perceived nuclear threats from the United States prompted China's initial decision to develop nuclear weapons.<sup>57</sup> During the Korean War and the 1954/1958 Taiwan Strait crises, the Truman and Eisenhower administrations had threatened use of nuclear weapons against China.<sup>58</sup> In the 1960s, the Kennedy administration even contemplated preventive strikes to destroy China's nascent nuclear programs.<sup>59</sup> Concerns in the early 1980s about the potential impact of the Strategic Defense Initiative prompted Chinese efforts to develop the new strategic weapons systems that will be deployed in this decade. The United States cannot dictate the size of China's nuclear forces, but Washington's decisions about its own nuclear forces, nuclear doctrine, and political relationship with China will have a large influence on the decisions Chinese leaders make about the size and composition of China's future strategic forces. U.S. nuclear decisions and international actions will also influence the overall health of the global arms control and nonproliferation regime, another factor in Chinese strategic decision-making. The United States needs to recognize this strategic interaction, and take China's likely reactions into account when deciding the role that nuclear weapons should play in U.S. security.<sup>60</sup>

The United States could address China's concern over its missile defenses by clarifying the technical parameters of its planned BMD architecture and discussing China's responses.

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*Three Part Harmony Be Sustained* (Honolulu: CSIS Pacific Forum, September 1998); David M. Lampton and Gregory C. May, *A Big Power Agenda for East Asia: America, China, and Japan* (Washington, DC: The Nixon Center, December 2000).

<sup>57</sup> Lewis and Xue, *China Builds the Bomb*; Robert S. Norris, Andrew S. Burrows, and Richard W. Fieldhouse, *Nuclear Weapons Databook, Vol.5, British, French, and Chinese Nuclear Weapons* (Boulder, Colo.: Westview, 1994); Shu Guang Zhang, *Deterrence and Strategic Culture: Chinese-American Confrontations, 1949-1958* (Ithaca and London: Cornell University Press, 1993).

<sup>58</sup> Thomas J. Christensen, *Useful Adversaries: Grand Strategy, Domestic Mobilization, and Sino-American Conflict, 1947-1958* (Princeton: Princeton University Press, 1996).

<sup>59</sup> William Burr and Jeffrey T. Richelson, "Whether to 'Strangle the Baby in the Cradle': The United States and the Chinese Nuclear Program, 1960-64," *International Security* 25:3 (Winter 2000/01), pp.54-99; Gordon Chang, "JFK, China, and the Bomb," *Journal of American History* 74:4 (March 1988), pp.1289-1310.

<sup>60</sup> Roberts, *China-U.S. Nuclear Relations*.

Strategic dialogue is important because differing assessments of BMD's effectiveness mean that many Americans will view China's response as excessive, even if China feels it is being restrained. The goal should be to minimize damage to bilateral relations through mutual strategic reassurance.<sup>61</sup> The United States might offer assurances about the ultimate scope of its BMD system; China might offer greater transparency about its modernization plans (possibly including force structure levels keyed to specific missile defense architectures). Open-ended U.S. plans for BMD expansion or an explicit effort to nullify China's nuclear deterrent would have a devastating impact on bilateral relations that would foreclose prospects for future security and arms control cooperation. Addressing Chinese concerns without allowing Beijing to dictate U.S. policy could help avert misperceptions (and potentially moderate the size of China's nuclear build-up). However, any serious strategic dialogue requires a minimum degree of reciprocity. Greater transparency on China's part about its views on nuclear deterrence without revealing details in its planned nuclear force structure could go a long way toward dispelling U.S. and regional concerns.

The two countries must address the issue of nuclear misunderstanding and their long-term nuclear relationship. Here the determining factors will be whether the two view each other as strategic foes with irreconcilable differences over fundamental issues, competitors with potential conflict of interests but with each ascribing differing degree of importance and commitment to some rather than others, or potential partners on general international and regional security issues. The history of the bilateral relationship suggests that all three scenarios are possible and indeed have manifested themselves at one time or another. Obviously, the reality today is a combination of the latter two descriptions but the first scenario can not be completely ruled out and one that

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<sup>61</sup> Banning Garrett, "The Need for Strategic Reassurance in the 21st Century," *Arms Control Today* 31:2 (March 2001), pp. 9-14 < [http://www.armscontrol.org/act/2001\\_03/garrett.asp](http://www.armscontrol.org/act/2001_03/garrett.asp)>.

both countries should try hard to avert and avoid. The successful management of this critical bilateral relationship would also say a great deal and perhaps contribute to the existing debates in international relations theories.

Over the past few years, the process of bilateral security dialogue has been established between Beijing and Washington. However, that process needs to move beyond being a forum where the U.S. presents its Chinese interlocutors with long lists of the latter's WMD proliferation violation to mutually beneficial and frank exchanges. This "new" dialogue is apparently taking place since 9/11 and the two countries' shared interest in defusing the North Korean nuclear crisis provides a basis to put nuclear threat reduction on the bilateral agenda. A model that could be followed may be the kind of strategic dialogue that developed over the years between the former Soviet Union/Russia and the United States. A key element of superpower arms control negotiations during the Cold War years was the development of communication channels that could address potential misperceptions and miscalculations that might trigger a nuclear exchange. A corollary of that process was the formation of what analysts later called an epistemic community that shared a culture of hard-nosed but professional exchanges on substantive life-and-death issues in the nuclear age.<sup>62</sup> This kind of strategic dialogue is currently lacking between the United States and China.<sup>63</sup> For instance, Chinese officials have repeatedly expressed the view that strategic political relationships will have a major impact on how China perceives U.S. BMD deployments.

Nuclear threat reduction can take a number of forms ranging from confidence building to de-targeting, to reduction of weapons. One form of confidence building can start with a mutually agreed pledge for "no-first use" between the two countries. For instance, the two countries have

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<sup>62</sup> Emanuel Adler, "The Emergence of Cooperation: National Epistemic Communities and the International Evolution of the Idea of Nuclear Arms Control," *International Organization* 46:1 (Winter 1992), pp.101-145.

<sup>63</sup> Banning Garrett, "Facing the China Factor," *Arms Control Today* 20:8 (October 2000), pp.14-16 <[http://www.armscontrol.org/act/2000\\_10/garrettoct00.asp](http://www.armscontrol.org/act/2000_10/garrettoct00.asp)>.

also signed the Military Maritime Consultative Agreement (MMCA), a confidence building measure modeled on U.S.-Soviet Incidents at Sea Agreement.<sup>64</sup> De-targeting is another method. In the late 1990s, Beijing and Washington did negotiate an agreement on nuclear de-targeting but later events such as the Cox Report on Chinese nuclear espionage, the bombing of the Chinese embassy in Belgrade, and the generally deteriorating atmosphere diminished if not completely nullified the largely symbolic agreement.<sup>65</sup> Arms control is yet a third, and one would argue, very critical mechanism in managing the U.S.-China nuclear dynamic.

Thomas Schelling and Morton Halperin defined arms control as to “include all the forms of military cooperation between potential enemies in the interest of reducing the likelihood of war, its scope and violence if it occurs, and the political and economic costs of being prepared for it.”<sup>66</sup> According to Jeffrey Larsen,

*Arms control* can be defined as any agreement among states to regulate some aspects of their military capability or potential. The agreement may apply to the location, amount, readiness, and types of military forces, weapons, and facilities. Whatever their scope and terms, however, all plans for arms control have one common factor: they presuppose some form of cooperation or joint action among the participants regarding their military programs.<sup>67</sup>

Contemporary arms control practices evolved from the U.S.-Soviet negotiations during the Cold War in their efforts to manage arms competition.<sup>68</sup> In the broader European context,

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<sup>64</sup> Julian Schofield, “The Prospects for Sino-American Incidents at Sea Agreement,” *The Korean Journal of Defense Analysis* XI:1 (Summer 1999), pp.87-100.

<sup>65</sup> Steven Erlanger, “U.S. Seeks Pact with China on Targeting Missiles,” *The New York Times*, July 14, 1998; Howard Diamond, “Sino-U.S. Summit Yields Modest Advances in Arms Control Agenda,” *Arms Control Today* (June/July 1998), p.23.

<sup>66</sup> Thomas C. Schelling and Morton H. Halperin, *Strategy and Arms Control* (New York: A Pergamon-Brassey’s Classic, 1985), p.2.

<sup>67</sup> Jeffrey A. Larsen, “An Introduction to Arms Control,” in Larsen, *Arms Control*, p.1.

<sup>68</sup> Michael O. Wheeler, “A History of Arms Control,” in Larsen, *Arms Control*, pp.19-39; Forrest E. Waller, Jr., “Strategic Nuclear Arms Control,” *ibid.*, pp.99-117.

arms control mechanisms initially could be more accurately described as confidence building measures. Indeed, some even suggest that conflict avoidance measures (CAMs) may be the more appropriate term. Initial steps can be modest in that they meet “the minimal requirements of not worsening any state’s security and not increasing existing levels of hostility.” The objectives are to prevent crises from occurring, facilitating disengagement, and based on a building block approach, with modest aims first.<sup>69</sup> Both China and the United States could benefit from starting such a process.

## CONCLUSION

Chinese analysts point out that the new Chinese leadership faces serious challenges in the coming years. These include unprecedented U.S. global dominance and its impact on China’s security interests re Taiwan; economic adjustments and dislocation after WTO entry; China’s security concerns in Northeast Asia, including the Korean nuclear issue and the rise of a normal Japan; and Taiwan independence. Handling these challenges requires that China maintain a stable working relationship with the U.S. to advance China’s interests. Certainly Beijing should not seek confrontation with Washington. Challenging U.S. unipolarity only reinforces “China threats” advocates in the U.S. government.<sup>70</sup> China’s responses to U.S. dominance remain low-key, and focus on key areas of fundamental security interests such as Taiwan. At the same time, Beijing is seeking opportunity to expand the cooperative aspects in its relations with the U.S. to

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<sup>69</sup> Michael Krepon, “The Decade for Confidence-building Measures,” in Michael Krepon et al., eds., *A Handbook of Confidence-Building Measures for Regional Security* (Washington, D.C.: The Henry L. Stimson Center, September 1993), pp.3-5.

<sup>70</sup> Shi Yinhong, “Zhongguo de waibu kunnan he xinlingdao jiti miandui de tiaozhan [China’s External Difficulties and Challenges Faced by the New Leadership],” *Zhanlue yu guanli [Strategy and Management]*, No.3 (May 2003), pp.34-39.

advance its short- to medium-term interests – continued economic development and strengthening of comprehensive national power.<sup>71</sup>

Hence the primary goals of Chinese foreign policy should continue to be sustaining benign international environment for development and strengthen China's power; unipolarity will remain a fact of life in international politics for some time to come. China should oppose hegemony but at the same time avoid direct confrontation with the U.S.; unilateralism and preemption, while deplorable, are not directly targeted at China and therefore confronting unipolar hegemonism should not be China's strategic priority. China's security interests are better served by seeking and developing strategic dialogue with the U.S. to reduce mistrust and better address China's security concerns.<sup>72</sup> Beijing's efforts in cooperating with Washington on the North Korean nuclear and anti-terrorism issues, and its participation in the U.S. Container Security Initiative are guided by such recognition.<sup>73</sup>

At the same time, the U.S. is focused on global terrorism and WMD proliferation. The new U.S. national security strategy emphasizes the importance of major power cooperation. However, as much as both countries seek to maintain a stable bilateral relationship, there remain issues that could drag them into conflicts. Due to the asymmetry in both nuclear and conventional capabilities, miscalculations and incentives for nuclear use exist. Beijing and Washington need not repeat the Cold War U.S.-Soviet nuclear arms race that resulted in huge nuclear arsenals on both sides that threatened the entire human kind. Indeed, their efforts to avoid future nuclear confrontation would make significant contribution to global and regional

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<sup>71</sup> Denny Roy, "China's Reaction to American Predominance," *Survival* 45:3 (Autumn 2003), pp.57-78.

<sup>72</sup> Zheng Yu, "Shijichu zhongguo waijiao shouyao mubiao [The Key Objectives of China's Diplomacy at the Turn of the Century]," *Renminwang [People's Daily Online]*, September 5, 2003  
<<http://www.people.com.cn/GB/paper68/10097/925403.html>>

<sup>73</sup> "Bonner Says China Will Help with Container Security," *Washington File*, U.S. State Department, August 5, 2003.

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peace and stability. Managing their differences over the U.S.-Japan alliance, missile defenses, and the cross-Strait relations would be the test to start with.