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Grant in Part

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Visit of Secretary of Defense William Cohen to China  
July 11-15, 2000

Scope Paper

~~(S)~~ The purpose of your visit to Beijing and Shanghai is to engage in a security dialogue with the President of China and with counterparts at China's Ministry of National Defense and Foreign Ministry to demonstrate stability in the U.S.-China bilateral relations and re-engagement in military relations following the freeze after the Belgrade embassy bombing. The visit will enable frank exchanges of views in the aftermath of both the Taiwan inauguration and the PNTR vote and immediately prior to China's leadership retreat at Beidaihe in late July. While no major initiatives are intended to result from the visit, we would like to use the occasion to conclude the signing of the Military Environment Informational Exchange MOU, which has been pending for more than a year.

~~(S)~~ Your visit will also enable you to receive official perspectives of Chinese military and government leadership in Beijing and Shanghai, as well as key figures in semi-official organs such as the National Defense University and Association for Relations Across the Taiwan Strait. In Shanghai, you will have the opportunity to engage with a range of non-security-related figures to receive a broader perspective on developments within China, including legal reform, business entrepreneurial activity, and other social changes. You will also be able to visit the Stock Exchange which symbolizes Shanghai's economic leadership position in China. At the Stock Exchange, you will give a speech built around the theme of the advantages of PNTR.

Background

~~(S)~~ U.S.-China relations are recovering from the impact of the accidental bombing of China's embassy in Belgrade last May. The bombing led to a freeze in our bilateral military relationship, since resumed, and termination of discussions on human rights and nonproliferation, which remain suspended. Allegations of Chinese covert acquisition of U.S. nuclear secrets, in the so-called Cox Committee report released last April, as well as China's overall denunciation of U.S.-led NATO action in the former Yugoslavia as a fundamental violation of the principle of sovereignty, had previously shaken the foundations of the strategic relationship. To the Chinese, the embassy bombing provided the final straw and led to substantial internal debate over policy towards the United States.

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(C) Despite the delegation's effort, China's State Council released a new White Paper on Taiwan on February 21, just days after the delegation returned home. Beijing, in fact, lowered the threshold for use of force. The Paper stated that China now views an indefinite delay in Taiwan entering negotiations on reunification as a criterion for use of force. The traditional criteria are a Taiwan declaration of independence and foreign intervention on Taiwan. The timing and substance of the White Paper's release was considered troubling to the USG due to proximity to the Taiwan presidential election; pending U.S. Congress consideration of the Taiwan Security Enhancement Act and Permanent Normal Trading Relations (PNTR) status for China; and the proximity to the Talbott-led delegation visit to Beijing. The USG is also concerned that the new criterion for use of force signals increasing Chinese impatience with the status quo, and perhaps imposition of an explicit or general timeline for resolution of the Taiwan situation. We have repeatedly reiterated to the Chinese our strong concerns over implications of the White Paper. For their part, China has stated that the Paper does not represent a change in policy towards Taiwan. At the same time, we do not want the rhetoric over Taiwan to become extreme, and you will recall your statements in Hong Kong in March call on all sides to lower their rhetoric.

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(C) President Chen has moderated his rhetoric as well, calling for early talks on enhanced trade, communication and transportation ties with the mainland, and declaring his intention not to promote Taiwan independence. His inauguration speech on May 20 neither accepted the "One China" principle that Beijing sought nor asserted independence as a goal. In the speech, President Chen set forth five "no's" stating that Taiwan will not:

- 1) declare independence;
- 2) change the name of the nation (from the Republic of China);
- 3) change the Constitution to include the so-called "state-to-state" description (by former President Lee Teng-hui);
- 4) promote a referendum to change the status quo regarding the question on independence or unification; or
- 5) address the issue of the abolition of the National Reunification Council or the National Reunification Guidelines.

The speech's moderate tone was welcomed internationally and did not provoke China to take rash action, despite some predictably harsh rhetoric concerning the speech in its media. China's main short-term international goal was to win the PNTR vote in the U.S. House of Representatives, which took place on May 24. The House passed the PNTR

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legislation 237-197. (PNTR is expected to pass the Senate; the vote will reportedly take place in July.)

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(C) Despite differences over Taiwan, the U.S. and China maintain mutual interests in such areas as Korea, where both sides are committed to a stable, reconciled, non-nuclear Peninsula; South Asia, where the U.S. and China have condemned nuclear tests by both India and Pakistan and seek to arrest the development of nuclear weapons in this unstable region; Indonesia/East Timor, where both China and the U.S. have committed themselves to Indonesia's territorial integrity and contributed resources and manpower to the U.N. mission in East Timor; and other transnational security threats, such as terrorism, piracy, drug trafficking, and environmental protection.

*Global*

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~~(C)~~ Similarly, the Chinese have attacked what they perceive as U.S. "arrogance" and "unilateralism" given our status as the sole remaining superpower. China attacks our alliances as "relics of the Cold War" and, periodically, our regional force presence as hegemonic or unnecessary. (China's posture on our force presence varies, particularly when one raises the specter of an independent Japanese defense capability.)

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~~(C)~~ Your speech at the PLA's National Defense University will address global issues to provide reassurance on U.S. intent, actions, and orientation. Nonetheless, in your meetings, you should reaffirm our long-term commitment to sustaining our alliances and force presence in Asia, and re-emphasize that they are not directed at a third party but at the common regional interest to maintain stability and promote peaceful development.

#### Missile Defense

~~(C)~~ China's opposition to missile defense results from a mix of concerns: possible negation of its strategic deterrent most generally, and BMD's potential effect on Taiwan most specifically. China publicly states that missile defense will weaken the foundations of strategic stability and arms control, and may spur an arms race.

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~~(C)~~ Viewing NMD and TMD as two sides of the same coin, China believes that NMD, in conjunction with theater missile defenses on or covering Taiwan, would give Taiwan cover to press ahead with independence. In Beijing's eyes, NMD would deprive China of its nuclear deterrent against U.S. intervention on Taiwan's behalf in a cross-Strait conflict. In addition, Beijing recognizes the inherent danger NMD poses to China's limited ICBM force and views NMD as indicative of a U.S. desire to expand its global dominance, mainly at China's expense. China is skeptical of our stated motive for NMD – to counter the emerging ballistic missile threat from North Korea and other countries – believing that we overstate the threat.

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(S) U.S. policy is to be in a position technologically to decide on NMD deployment later this year, taking into account the threat, relevant technical and affordability considerations, and the implications of a deployment for the international strategic environment and arms control. You might stress that the limited NMD system under development is not intended to negate China's nuclear forces, and that the U.S. remains committed to the ABM Treaty as a cornerstone of strategic stability: we merely seek to adapt the Treaty to meet threats that did not exist when it was signed in 1972. We have also said that we do not expect U.S.-China relations to come to a point where the question of defending against a Chinese attack would arise.

Nonproliferation

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(C) In your discussions with Chinese counterparts, you may press how China intends to comply with the P-5 commitment to "increased transparency," considering that the other four nuclear weapons states have provided a great deal of information on their nuclear forces. You may also say that we look forward to discussions with Chinese nonproliferation experts on how we will implement the steps outlined at the NPT Review Conference, including transparency. You may also need to reinforce the message of

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Under Secretary Holum's trip, the exact nature of which we will know by the time of your arrival in China.

*Regional*

Korea

(S) Given geographical proximity, China has a strong interest in maintaining a stable Korean Peninsula free of nuclear weapons, and believes its relationships with both North and South provides leverage and flexibility in dealing with developments. China has registered strong support for the U.S. approach toward North Korea outlined in the Perry Report and for the upcoming North-South summit. China clearly benefits from the status quo of a divided peninsula, although political and economic instability in the North remains a threat to Chinese interests on its periphery.

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~~(C)~~ The U.S., likewise, has applauded the results of the Korean Summit. We were pleased that Kim Dae Jung emphasized the importance of U.S. forces in maintaining stability in Northeast Asia, and that he raised the subject of North Korea's missile and nuclear weapons development. The summit was a dramatic step forward on the Korean Peninsula, but we recognize the difficult path ahead towards true reconciliation and ending of the formal state of hostility between the two sides. DPRK missile and WMD development also continues.

~~(C)~~ In your discussions, however, you may reiterate the convergence of U.S. and Chinese interests in developments on the Korean Peninsula and encourage continued Chinese efforts to encourage the North to reform its economy and engage increasingly with the international community. You may take the opportunity to encourage the Chinese to use their contacts and unique relationship with the DPRK to underscore the importance of restraining their missile development and export as not only in the interest of the region but of North Korea's own interest in receiving international support.

#### Japan

~~(C)~~ China's relations with Japan remain cool. History, reminders of history (including inopportune statements periodically from the Japanese leadership, such as PM Mori's recent comment about the "divine" status of Japan), and concerns over Japan's relationship with the U.S. and Taiwan all contribute to continued Chinese distrust of Japan. For its part, the Japanese people have become increasingly impatient with China's lack of appreciation for Japan's financial aid, continued attacks concerning history, and aggressiveness toward Taiwan. Japan has also followed with concern China's military modernization efforts. However, bilateral relations are reportedly improving as Beijing has come to recognize the importance of cultivating its economic ties with Tokyo and seeks to hedge against Japan's warming ties with South Korea and the United States. The May 11 meeting in Tokyo between foreign ministers Tang and Kono went "unexpectedly well," as Tang chose not to raise contentious issues such as TMD or the U.S.-Japan Guidelines. They did discuss a possible Zhu Rongji visit to Japan in mid-October, and a return visit by Kono to Beijing in the autumn.

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#### Russia

~~(C)~~ China is fostering closer relations with Russia. In fact, President Putin will visit Beijing on July 18-19. Overall economic relations are far short of stated goals, but China



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is acquiring weapons and military production technology that Russia is selling to boost its faltering economy.

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Politically, the two countries are cooperating increasingly in international forums on such issues as NATO expansion, human rights, Iraqi sanctions, missile defense, and the principle of sovereignty.

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(S) As a general proposition, we support good ties between Russia and China as conducive to regional peace and stability. We do not have to extend that appreciation to their cooperation in negative arenas such as Iraq, NATO expansion, and NMD. In general, our approach has been to take these issues on their merits. We have not pushed at the arms sales since we would have virtually no influence. It would be worthwhile to discuss U.S. relations with Russia. You may also address the recent summit between the U.S. and Russia, including the suggestion that we are studying the Putin proposal for cooperation on missile defense in Europe. If appropriate, you may mention our cooperation with Russia in the area of sharing early warning data: a successful experience at the Y2K Center for Strategic Stability during the millennium rollover, and conclusion at the recent summit of a Memorandum of Agreement with the goal of bringing into operation within a year a Joint Data Exchange Center in Moscow.

#### South Asia

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South China Sea

~~(S)~~ Chinese fisherman and the Philippine Coast Guard continue to spar periodically in South China Sea waters. China's restrained response to recent such incidents, however, suggest that China is taking a more patient approach to the SCS issue. China recently announced a two-month (June-August) ban on SCS fishing as an example of good faith. China has engaged in regional (ASEAN-China) discussions at Hua Hin, Thailand, and Kuala Lumpur, concerning a proposed Code of Conduct for the area. Differences remain, particularly over the scope of such a Code: Vietnam seeks coverage of the entire SCS, China wants to exclude the Paracels.

~~(C)~~ China's basic assertion of sovereignty over the entire South China Sea, enshrined in its 1992 Constitution, remains in place.



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(C) RP President Estrada recently completed a visit to China in mid-May. The visit resulted in promulgation of a "Joint Framework Agreement for Cooperation in the 21<sup>st</sup> Century," in which the two countries reiterated their commitment to peaceful settlement of disputes, reaffirmed the principles of the 1995 Joint Statement on the South China Sea, and pledged to pursue bilateral and multilateral CBMs, including a regional Code of Conduct. The visit has led to reduction of tensions between the two governments but no substantive progress on the SCS issue.

(C) In your discussions, you should reiterate U.S. interests in peaceful resolution of conflicting claims in the South China Sea, the principle of freedom of the seas, and restraint from any unilateral actions in the area that will raise tensions. You should applaud the concept of a regional code of conduct. Our basic approach is to keep the South China Sea open to all and not subject to China's domination.

#### Multilateralism

(C) Despite some reluctance in the early stages, China has engaged actively in the ASEAN Regional Forum process over the past couple years. China now views the ARF as an opportunity to express its views on regional affairs, safeguard its interests as the region discusses future approaches to regional security, and to show good faith toward its neighbors, particularly in Southeast Asia. However, China, like us, is not entirely comfortable with providing the ARF too much authority at the expense of its sovereignty and freedom of action. Beijing has taken a "go slow" approach, satisfied to continue promoting "confidence-building measures" rather than moving towards the second ARF stage of "preventive defense."

#### Asia Pacific Regional Initiative/"Security Communities"

(C) During your trip to Southeast Asia in 1999, you introduced a regional defense initiative that promotes multilateral approaches to non-warfighting contingencies in the region, including peacekeeping operations, humanitarian assistance, disaster relief, search and rescue, and perhaps piracy. Dubbed the "Asia Pacific Regional Initiative" (APRI), the purpose of the program is to promote and improve regional cohesion; to integrate the U.S. more firmly into regional defense; and to signal a sustained U.S. commitment to the region. The program has received \$10 million from Congress in FY00 and reportedly will receive \$20 million in FY01. Specific APRI program activities include development of a region-wide computer information-sharing network, expanded multinational exercises, increased regional dialogues to promote mutual security and military professionalism, and development of common tactics, techniques and procedures for regional operations. ISA closely monitors the initiative, while PACOM began implementing the program under its Theater Engagement Plan earlier this year.

(C) APRI is closely related to Admiral Blair's concept of "security communities." Admiral Blair defines "security communities" as the development of *ad hoc* multinational cooperation to allow nations to take combined action to address

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transnational threats of mutual interest. He also envisions these communities eventually serving as a hedge against any power seeking to expand its influence by armed force.

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#### *Bilateral*

#### Mil-to-Mil

~~(S)~~ Our modest bilateral mil-mil program, frozen after the Belgrade embassy bombing, has resumed following the January DCTs. Among other exchanges, USCINCPAC traveled to China in February, the PLA Navy Commander visited the U.S. in April, and MMCA planning discussions resumed in late May-early June. In mid-May, ISA/AP Senior Country Directors Corbett and Mitchell held a working-level meeting in Beijing to take stock of the on-going program and to discuss key events over the next several months. This was followed by the trip of ASD Kramer to advance your trip and a visit to the U.S. by a delegation led by the Nanjing Military Region Commander in June. As noted, the Nanjing MR Commander's visit was a significant symbol of good faith and restraint given the timing of the trip and his responsibilities for any Taiwan action. You may wish to acknowledge the symbolism and welcome the trip as important for transparency and confidence building between the two sides.

~~(S)~~ Though it is fairly standard fare, you may also comment on the positive state of our overall relationship and the appropriate modest nature of this year's program. This would be an appropriate time to extend an invitation for the Minister of Defense to visit the U.S. again next year. If the Chinese raise the issue, you might take the opportunity to clarify the terms of Section 1201 of the FY00 Defense Authorization Act, which regulates the mil-mil relationship. The Chinese have registered concern over the impact of the

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legislation on our bilateral activities; you should clarify that the legislation does not restrict us unduly and that DoD retains broad authority to conduct our mil-mil program as we deem appropriate.

~~(C)~~ You may also highlight some specific mil-mil exchanges that have occurred and will occur later in the year. In particular, you may mention CINCPAC, Admiral Blair's visit in February and the recent visit of Nanjing Military Region Commander, LTG Liang Guanglie to the United States, his first visit. You may reiterate your regrets that you were not in town to meet with him but understand he had a good visit. You may also express appreciation for China's recent decision to begin cooperation with our Korean War Oral History program as a first step in cooperation on Korean War accounting. You may note the importance to American families and to Congress of China's cooperation. DASD Jones had intended to travel to China to begin the interview process in mid-July but rescheduled for September due to your trip.

~~(C)~~ You should re-issue the invitation you extended via the Defense Consultative Talks in December 1998 for General Yu Yongbo to visit the United States. This visit was reconfirmed at the DCT in January this year. He was originally scheduled to visit in May 1999 at your invitation with the Under Secretary of Defense for Personnel and Readiness as his host. As a member of the Central Military Commission and Director of the General Political Department, his visit will reciprocate your visit to China and will be the senior PLA leader visit for 2000. We are planning for you to meet with General Yu in the Pentagon on or about 31 October.

~~(C)~~ At the conclusion of your meetings with General Chi, it would be appropriate for you to extend an invitation for him to visit the United States next year. General Chi has not been to the United States since December 1996.

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