

# Optimistic Trends and Near-term Challenges

## *Sino-American Security Relations in Early 2003*

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In the last edition of *China Leadership Monitor*, I explored the ways in which the leadership transition to the “fourth generation” of Chinese leaders might possibly affect Sino-American security relations in the future. At the time (late December 2002), it was difficult to draw very many conclusions, particularly since I had not visited China after the Crawford summit and the 16th Party Congress. I subsequently traveled with a Harvard entourage to Taipei, Shanghai, and Beijing in January to interview government elites, government and nongovernment think-tank scholars, and university academics.<sup>1</sup> The main topic of our discussions was relations across the Taiwan Strait, but we also discussed other issues related to U.S.-China security relations, especially questions regarding North Korea, arms proliferation, and Iraq.

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ON THE POSITIVE SIDE, there was clearly a more open and constructive tone in discussions about the role China would like to play in the region and the world. On the negative side, there was some frustration expressed, especially by some of the more liberal analysts, about the conservative and slow nature of change inside the Chinese system and about the difficulty China has had in playing a more proactive and helpful leadership role on issues like North Korea. In some cases, their apparent desire for China to adopt a new course, and their explanations for why it was unlikely to happen overnight, served to highlight the deliberate nature of change in a one-party state in transition.

In this article I will first explore some nascent but apparently positive trends in cross-Strait relations and in relations between the United States and China on the Taiwan issue. In this section, there will be some focus on leadership issues in Taipei heading into the 2004 Taiwan presidential elections and their impact on cross-Strait relations. Then,

turning to relations across the Pacific writ large, I will explore what seem to be generally positive trends in perceptions and attitudes in Beijing about U.S.-China relations. In this section, I will try to shed light on why, in my opinion, U.S.-China relations are better today than at any other time since the Tiananmen massacre of June 4, 1989, particularly when we consider issues like Taiwan, arms proliferation, Iraq and the war on terrorism, and North Korea. The final section will emphasize the near-term dangers of the North Korea situation and the frustration in Washington and in some quarters in China about Beijing's unwillingness or inability to help more actively to prevent Pyongyang from continuing with its nuclear program in violation of its earlier agreements.

### **CROSS-STRAIT RELATIONS: A CRACK IN THE DOOR ON DIRECT TRADE AND TRANSPORT LINKS?**

Our entourage first traveled to Taipei, where we met with political elites in the Chen Shui-bian government, analysts from the Kuomintang (KMT, the largest opposition party), and academics. The strong impression of our group was that we were being asked by President Chen's administration to send a rather conciliatory message from Taiwan to the mainland regarding one of the key stumbling blocks to closer cross-Strait ties: the lack of direct trade, transportation, and postal links between Taiwan and the mainland (hereafter referred to as the "three links").

As background, it is important to note that the mainland has long wanted the three links to be established. Beijing's logic is that economic trends strongly favor the mainland (see *CLM* 1 and 2 for the details) and that anything that accelerates the pace of trade and investment is good not only for China's economy, but also for the mainland's leverage over the island. This leverage will help in preventing independence and promoting unification. That having been said, the mainland has refused to allow any discussions of the three links to take on a political tone, particularly in the absence of a Taiwan commitment to some version of a "one China" concept. So, Taiwan's earlier demands—that dialogue and negotiations about opening the three links be held by political representatives from each side of the Strait under conditions of equal sovereign status—have been rejected in Beijing as efforts to gain Beijing's tacit acceptance of a sovereign and independent Taiwanese state.<sup>2</sup> Beijing instead has long proposed what is referred to as the "Hong Kong

model," a mechanism used in 1997 to negotiate the direct links between Taiwan and the Hong Kong Special Administrative Region following the latter's transfer from Great Britain's control to the People's Republic of China's (PRC). Those negotiating teams were staffed largely by commercial leaders and experts in transportation and communications. So in the mainland's formula, the three links are purely an economic issue, not a political one, and therefore can be discussed by commercial representatives even if Taiwan has not accepted the one China principle (and the related "1992 consensus" that Beijing said enabled political meetings between the two sides in Singapore in 1993).

From Taipei's point of view, the Hong Kong model has been unacceptable. The three links with the mainland would carry important political meaning and even potential security risks, and the negotiations would be more complex since no direct links preexist between the two sides, as they had in the case of Hong Kong and Taiwan. Moreover, particularly under the Democratic Progressive Party (DPP) government of Chen Shui-bian, there were real concerns about the political implications of the three links, as increasing economic dependence on the mainland has been seen as something that might undermine Taiwan's de facto sovereignty, cause domestic social and economic dislocation, and give additional political leverage to the mainland (on points one and three there seems to be consensus on both sides of the Strait). So, the government seemed in no hurry to further the three links and would not accept a perceived downgrading of Taiwan's political status in order to pursue them.

What seemed new in January 2003 was movement in President Chen's administration toward acceptance of the Hong Kong model, albeit with caution and under a specific interpretation of that model. Our entourage met with a top official with a cross-Strait portfolio who told us that Taipei still sought direct governmental negotiations on the three links, but held out as a "bottom line" the Hong Kong model (as interpreted in Taipei). The official stated that President Chen's administration was in the process of drafting an assessment of cross-Strait

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relations that would provide a framework strategy for gradual implementation of the three links in a way that would protect Taiwan's economic and social stability. That assessment, which was expected to be out sometime in early March, would be a moderate initiative of sorts that would outline the Chen government's attitudes toward and hopes for direct cross-Strait links.

The official emphasized that in the Hong Kong negotiations, the Taiwan entourage included government officials, albeit in the simple nominal status of "entourage member," rather than government official. According to its constitution and laws, Taiwan would have to demand government representation in the entourage again because Taiwan private businesspeople, unlike many of their mainland counterparts who are Chinese Communist Party (CCP) members, are not answerable to the government and cannot be entrusted without supervision with negotiating sensitive issues like commercial air routes, etc. Even under such a conception of the Hong Kong model, there would be technical legal issues that would have to be handled, such as getting clearances to business leaders. While some legal changes could be made and executive decisions handed down to solve those technical problems regarding the business representatives, the bottom-line insistence that some government representation be included in the Taiwan entourage was nonnegotiable, for it was a basic constitutional issue.<sup>3</sup>

The official portrayed this assessment or initiative as part of a campaign by the Chen administration to build better relations across the Taiwan Strait while protecting Taiwan's sovereignty. This official and one other top security official pointed to the moderate tone of President Chen's 2003 New Year's address, which reiterated many of the promises and verbal formulas of President Chen's inaugural speech in 2000.<sup>4</sup> That 2000 speech was recognized as a conciliatory statement on both sides of the Strait, even though many mainlanders have long questioned its sincerity. Taipei was apparently impressed by the moderate response to Chen's 2003 New Year's speech offered by the Taiwan Affairs Office of the PRC State Council at a press conference that week.<sup>5</sup>

The government officials whom we met on Taiwan emphasized that the first six months of this year provide a window of opportunity for a breakthrough on negotiations over the three links. They were rejecting excessive optimism about any mainland response to their proposal, perhaps for strategic reasons, but they emphasized that the first half of the year provided the one and only opportunity to address this issue

before the March 2004 presidential elections. Beginning in the summer, they argued, the campaigning would become more vigorous, and cross-strait proposals would become too sensitive in Taiwan to pursue.<sup>6</sup>

There was another caveat offered by our government interlocutors in Taiwan. They emphasized that Taiwan needed to adopt an economic strategy that would cushion the island from the effects of its exposure under the three links, and that they would have to be cautious regarding the speed with which the island opened itself up to direct links with the mainland. Both the timing issue and the apparently cautious tone about the pace of establishing the three links could provide political cover should the effort to establish talks fail. Moreover, these contingencies could help explain why Taiwan might not be as forthcoming in negotiations as the mainland would like should negotiations start.<sup>7</sup>

It is the opinion of our entourage as a whole that the floating of this initiative and the moderate tone President Chen has adopted toward the mainland in the new year actually marked the true beginning of the presidential campaign. We believe that President Chen was attempting to disprove his critics in the business community, in the KMT, and in the People First Party (PFP) who claimed he was unable to manage cross-strait relations in a way that protected Taiwan's growing interests in the mainland economy and preserved stability and peace. In a sense, the Chen administration seemed poised to steal the opposition's fire by adopting a moderate stance and thereby precluding criticism that it has been unreasonably obstreperous toward the mainland. If the approach appeared moderate to the Taiwan public, a public deeply apprehensive about the pace of growing economic interaction with the mainland, then any critic attacking the government as too cautious would appear too soft on mainland affairs. If the mainland were to accept the overture and reciprocate, President Chen would look like a statesman more capable in managing cross-strait relations than his critics allow. If the mainland were to reject an apparently reasonable overture, the mainland would appear obstreperous and unreasonable in Taiwan, and the DPP would look more realistic than the opposition parties, who are clearly more accommodating toward the mainland in general than is either the DPP or its even more antiunification ally, Lee Teng-hui's Taiwan Solidarity Union (TSU). Either way, President Chen could win points in the election as long as the assessment and any accompanying initiative appears moderate to the Taiwan public. This analysis was shared to a large degree by domestic critics of President Chen in Taiwan. They generally saw electioneering as the president's

main incentive in returning to the moderate stance of his inaugural speech of 2000. They also grudgingly noted the potential effectiveness of the strategy.

One key question on everyone's mind in both Taiwan and the mainland concerned the ability of the two major opposition parties to form a united front (a "pan-blue alliance") against President Chen in the election. If Lien Chan, the KMT leader, and James Soong, the PFP

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leader, were able to put personal ambitions aside, create and maintain such an alliance, and rally around a single ticket (involving one or both of them or, perhaps, the popular KMT Taipei mayor, Ma Ying-jeou), President Chen would be forced to fight hard for moderate nonaligned voters and would still probably fail to gain sufficient support to win the election. But if the alliance, which formed in name just one week before the drafting of this article, were to break down or appear fragile, then President Chen might play up the ethnic politics of Taiwan nationalism (Taiwanese versus main-

landers) more vigorously before the election to shore up his own base and push his pro-sovereignty agenda.<sup>8</sup> This scenario would likely have a polarizing effect on Taiwan politics and a potentially chilling effect on cross-Strait relations.<sup>9</sup>

#### *The Mainland Reaction to Our Message*

For obvious reasons, the message we carried from Taiwan to the mainland was met with real interest in Shanghai and Beijing, where we had very good access to leading advisers, officials, scholars, and government and military think-tank experts. We found that our interlocutors for the most part agreed with our analysis on two scores. First, they also drew the conclusion that President Chen's government would be using any opening to the mainland as a tool to gain reelection. Second, they agreed with us that this strategy created a dilemma for mainland authorities, who strongly mistrust President Chen, especially over the longer run, and who would very much like to see him lose office in 2004. If the CCP were to accept any overture from Taiwan regarding

the three links, it might be assisting in Chen Shui-bian's reelection by allowing him to portray himself as a good manager of cross-Strait relations. On the other hand, if the CCP were to reject what appeared on Taiwan to be a moderate gesture, it might also be assisting Chen Shui-bian, who could then justify more easily his generally tough policy toward the mainland and portray his opponents as too soft on an untrustworthy partner in Beijing. It was our entourage's opinion that the only thing that might help Chen Shui-bian more in his election campaign than the mainland's acceptance of any forthcoming initiative on Taiwan would be the mainland's rejection of such an initiative.<sup>10</sup>

Our mainland interlocutors focused on two problems with the message we carried. First, they rejected the notion that the first half of this year was a special opportunity because the election campaign would start in the second half of the year. They seemed to view the New Year's speech and any initiative that might follow as the beginning of the campaign. Second, they were very concerned about the argument in Taiwan that the three links needed to be opened gradually. They said that their most feared political scenario would be one in which they agreed to talks about the three links, thus giving President Chen "face" in Taiwan domestic politics, but then nothing concrete came out of the negotiations, giving the mainland none of the real gains in economic and political leverage that the three links should provide. If one views the mainland's options as a two-by-two table of either/or possibilities, many on the mainland feared that this option would represent the worst cell to occupy: Beijing accommodation of Chen with nothing concrete to show for it. Given their inherent mistrust of President Chen, PRC elites might view a high degree of caution in Taipei as a demonstration of the disingenuous nature of the entire Taiwan initiative on the three links.<sup>11</sup>

All that having been said, most of our interlocutors stated that any truly concrete proposal for opening up the three links would likely be acceptable to the mainland, because the economic and political benefits of improving cross-Strait commerce would outweigh any costs to the mainland in domestic political outcomes in Taiwan. This position was stated often with a touch of principle, but clearly was colored heavily by mainland analysts' belief that, perhaps more than any other factor, economic exchange across the Strait gives the mainland confidence in its ability to settle the Taiwan issue on the mainland's terms and puts time on the side of Beijing rather than on the side of Taiwan independence forces. If other broad factors were aligned with mainland

interests, the question of who was occupying the Presidential Palace in Taipei would be less important than it would otherwise.<sup>12</sup>

There were other hopeful signs on the mainland. One extremely well-placed interlocutor in Beijing strongly hinted that the mainland was studying ways to create a sort of nongovernmental mechanism—a cross-Strait study group, to be more specific—through which a foundation for future dialogue on the three links could be established.<sup>13</sup> There were initial signals from Beijing in mid-January, including moderate statements by Qian Qichen around the time of the eighth anniversary of Jiang Zemin's 1995 eight points on Taiwan policy, that suggested Beijing's openness to progress on cross-Strait economic relations and a desire to separate those relations from political relations, including questions regarding the meaning of "one China."<sup>14</sup> In Taiwan, we were told that officials would be listening carefully to Qian's words later in the month, and Qian's words indeed seemed moderate.<sup>15</sup> So after we left Beijing, our group was optimistic that sometime before mid-March or so, an assessment/initiative would be forthcoming from Taipei, and that the mainland might be prepared to respond positively if the initiative appeared sufficiently constructive and concrete.

It should be noted that there are still several reasons for pessimism on this score. First, we have no idea what exactly will be in Taiwan's assessment, and it is questionable how quickly such a controversial document can be produced by a government in Taiwan fraught with internal divisions and constrained by a pro-independence base. Second, there is such mistrust of Chen Shui-bian on the mainland that any reservations about the speed of opening up the three links will likely look like stalling and call into question the sincerity of any Taiwanese proposal. Third, and related to the second, there is real fear in some circles in Beijing that if he were to win an election, in his second term President Chen would pursue more aggressive pro-independence policies and might receive more active support from the United States. Moreover, this pursuit could occur at a time when the United States is not so distracted by war preparations in Iraq, the North Korean nuclear standoff, and the war on terrorism and, therefore, would not be so tough on President Chen's provocative positions (e.g., his August 3, 2002, statements about "one country on each side" of the Taiwan Strait and the need for a referendum to determine the island's future identity and relationship to the mainland).<sup>16</sup> One interlocutor in Beijing even suggested that Chen expected to be slapped down for his August 3 speech on "one country on each side of the Strait" but believed that



eventually the United States would come around to accept his position.<sup>17</sup> Some seem to believe that any accommodation to Chen, including the recent charter flight from Taipei to Shanghai for the New Year's festival, is therefore ill advised, as it gives Chen face without providing any real change in long-term cross-Strait trends.<sup>18</sup> Fourth, at least two thoughtful interlocutors were skeptical about the ability of the mainland to turn economic leverage into political leverage that can not only prevent Taiwan independence, but also promote unification. Many interlocutors rejected comments by some of our entourage members that independence in Taiwan is impossible because of the political and legal hurdles that would need to be crossed. They often pointed out that many previously difficult-to-imagine events had already taken place in Taiwan since 1992, and a few pointed out that without some form of agreement on unification—the mainland's ultimate goal—the danger of independence would always be there.<sup>19</sup> Finally, since our departure from China in late January, the two sides have traded pessimistic statements and invective suggesting that no real progress on cross-Strait relations can be made this year.<sup>20</sup> That having been said, such invective can be fully consistent with a tacit negotiating strategy in which each side is digging in its heels to better its opening position on negotiations to follow. It is simply difficult to tell.

#### **U.S.-CHINA RELATIONS: WHY THEY ARE BETTER TODAY THAN AT ANY OTHER TIME SINCE TIANANMEN**

I would argue that U.S.-China relations are better today than they have been at any other time since June 4, 1989. This constructive relationship may not last, of course, and might be tested mightily if the situation in North Korea is not settled peacefully and soon, but the spirit of cooperation is real. Some of the reasons have been discussed in previous editions of *CLM*, especially editions 4 and 5. But, we should touch on some of the major points here and update them based on findings from my trip to China.

##### *The Taiwan Issue: Bush Administration Moderation and Chinese Confidence*

Chinese patience and U.S. moderation mean that there is a very slim chance for military conflict across the Taiwan Strait. Even if the United States gets tied down in extended fighting in Iraq, which seems unlikely, China is even more unlikely to try to exploit that window by

putting military pressure on Taiwan. There are a few reasons why China is moderate on Taiwan policy at the moment, despite President Chen's August 2002 statements outlined above. First, economic trends across the Taiwan Strait and economic difficulties in Taiwan continue to give many in China the impression that time is on the mainland's side and that Beijing's hand will be stronger in the future than it is now.

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This view is only underscored by the fast-paced military buildup on the mainland and by Taiwan's internal bickering about defense policy and weapons procurement.<sup>21</sup> Second, and equally important, the United States has encouraged Taiwan to open its economy to the mainland, and has responded to Chen's statements of August with suitable frustration from Beijing's perspective and made clear that the United States does not support, and perhaps even opposes, Taiwan independence.<sup>22</sup> In essence, then, the United States for the time being has achieved both components

of a successful deterrence strategy with respect to Taiwan. It has credibly committed to intervene with effective force if the mainland attacks, but it has also credibly reassured the mainland that it will not use its military superiority to encourage or protect Taiwan independence. The latter part of the equation was not fully credible in Beijing in the absence of both U.S. distraction in other parts of the world and the need for Chinese cooperation on terrorism, Iraq, and North Korea. Some interlocutors explicitly worried that this component might disappear in the future if the United States were to become less needy of Chinese cooperation, but even they recognized that it was relatively robust at present.<sup>23</sup> Third, CCP interlocutors were explicitly critical of recent tough CCP policies toward Taiwan that they deemed to be counterproductive, especially Zhu Rongji's threats to the island before the last presidential election in 2000.<sup>24</sup>

This recognition of mistakes in recent foreign policy by CCP analysts in large conference gatherings that we attended is perhaps the most notable finding of our trip. If there is a new spirit in Chinese foreign policy during the generational transition following the 16th Party

Congress, we should see it reflected in the sophistication and openness expressed by scholars and government advisers at such meetings. I was deeply impressed on this score by the strong criticisms leveled against the government for its relatively recent Taiwan policies, for its handling of the EP-3 crisis, and for its past inability or unwillingness to address effectively China's reputation as a proliferator of weapons technology to countries of ill repute.<sup>25</sup>

#### *Proliferation and the Delinking of Taiwan*

As discussed in previous editions of *CLM*, the arms proliferation issue is a major potential stumbling block in U.S.-China relations and has received increasing attention since Vice President Hu Jintao's visit to Washington in April 2002. Since August 2002, China has promulgated a series of domestic laws designed to tighten central control over proliferation policy. On this trip, our interlocutors repeatedly expressed that the Chinese government finally really means business on restricting Chinese proliferation and that orders have come recently from the highest level to crack down on Chinese companies exporting weapons-related technologies abroad.<sup>26</sup> Of equal importance, we were reassured by well-connected scholars that there would finally be full delinkage of Chinese proliferation of weapons to countries of concern to the United States from U.S. arms sales to Taiwan. They recognized that, in the past, these issues had been linked, but stated that they no longer would be in the future. Adding some credibility to this line, one interlocutor reported frustration in some quarters in the government about this policy, as critics believed that the top elites were unilaterally throwing away leverage against the United States, which could now get a free ride on Taiwan arms sales without a credible mainland response.<sup>27</sup>

In terms of succession politics, I learned two interesting facts from a person with solid connections at the Chinese Foreign Ministry. First, Hu Jintao has placed a good deal of emphasis on the importance of arms control for China's international image, and has also tried to improve his stature on foreign policy issues as he increases his leadership over the nation. Hu was described as an intelligent, details-oriented leader who dove into the study of issues when he cared about them. Particularly after his meetings with Vice President Cheney in April 2002, Hu Jintao became very serious about the issue of Chinese proliferation of weapons and related technology. Second, Jiang Zemin himself has become very concerned about the proliferation issue. I was

told that the ball began moving very quickly inside the CCP on proliferation regulations in the weeks before Deputy Secretary of State Richard Armitage's August 2002 visit to China largely because Jiang Zemin himself made it clear that progress needed to be accelerated and that this was a critically important issue. Some in the Foreign Ministry had long wanted to curb Chinese proliferation, and Jiang's push finally allowed them to overcome domestic resistance and become more effective on this issue.<sup>28</sup>

### *The War on Terrorism and Iraq*

Chinese cooperation in the war on terrorism has been outlined in previous editions of *CLM*, as has the importance of the U.S. State Department's labeling of the East Turkestan Independence Movement in China as a terrorist organization. One additional point of cooperation was mentioned by our interlocutors on this trip: PRC acceptance of U.S. Federal Bureau of Investigation (FBI) guidelines on container ports in Hong Kong and on the mainland. We were told, again, that many inside the CCP saw this acceptance as an infringement on Chinese sovereignty and as an example of Beijing's bending over backward to appease the United States. But, Beijing adopted the policies anyway.<sup>29</sup>

On Iraq, the most notable fact was the lack of any real, vocal opposition to what appeared to many in China to be an imminent conflict sometime soon after the hajj. In fact, in several conversations Iraq was included in the list of issues—in addition to terrorism, North Korea, and proliferation—on which China has been cooperative with the United States.<sup>30</sup> One well-placed interlocutor labeled the upcoming war matter-of-factly as “the war to disarm Saddam” and said that many in the Foreign Ministry had concluded it would start in the third week of February.<sup>31</sup> There were no expressions of active support for the war, but the lack of active resistance was quite notable. That having been said, it is notable that in recent weeks China has bandwagoned diplomatically at the U.N. behind leading opponents of the war, such as France, Germany, and Russia. This tactic follows a consistent pattern of caution in Chinese diplomacy in which China is unwilling to stand alone against the United States on issues. It is doubtful, however, especially given the climate in Beijing in January on this issue, that this rhetorical position taken by China presages any serious resistance on the part of Beijing to U.S. operations to overthrow Saddam.

## POTENTIAL TROUBLE ON THE NEAR-TERM HORIZON

Chinese interlocutors, of course, still emphasize that things can go wrong in U.S.-China relations, particularly during a transition. They point out that especially in the initial period after Hu Jintao assumes the presidency in March, he will be particularly sensitive to any slights to Chinese nationalism on the Taiwan issue, and that a Chen Shui-bian visit to Washington, even in a private capacity, would likely trigger a military crisis of greater scope than that in 1995–96.<sup>32</sup>

Taiwan is not the most likely flash point for U.S.-China relations in the near term, for the reasons offered above; North Korea is. On the positive side of the equation, and consistent with the general spirit of foreign policy analysis above, there is considerable concern in China about North Korea's aggressive disregard for its nuclear commitments. There is increasingly open criticism of the Pyongyang regime as hard to predict, irrational, etc. Regardless how much leverage China gets with the United States for helping to manage the North Korea issue, Beijing clearly does not want North Korea to develop nuclear weapons, and in a departure from the past, many Beijing analysts are increas-

ingly concerned that Pyongyang's policy now is simply to pursue nuclear weapons, not just to threaten to do so for leverage over Washington and Seoul.<sup>33</sup> Of course, there is criticism of the U.S. doctrine of preemption and of Washington's unwillingness to negotiate as well, but it is also recognized that Secretary of State Powell's early January offer of dialogue and security guarantees, however conditional and carefully worded, was met only by

further North Korean intransigence in the form of withdrawal from the Nuclear Nonproliferation Treaty. So, while there is plenty of criticism to go around, North Korea is fairly roundly blamed for creating the current crisis by pursuing highly enriched uranium in violation of its commitments and for escalating the crisis by rejecting dialogue even more vigorously than the United States has.<sup>34</sup>

Moreover, at least some voices in China are beginning to question China's longtime refusal to consider economic sanctions against North Korea. If the International Atomic Energy Agency (IAEA) condemna-

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tion of North Korea is considered in the U.N. Security Council, as seems likely, sanctions resolutions may be considered. If the past is any guide, China will likely oppose such sanctions, but at least some in China are calling for Beijing to reconsider its traditional policy, and again, this is a sign of a new flexibility in thinking in Beijing on these issues.<sup>35</sup> One move in the direction of sanctions was China's approval, albeit with reservations, of the IAEA's February decision to recommend consideration of North Korean violations of its international commitments by the United Nations Security Council.

There is also frustration in Washington that China is unwilling to use its apparent leverage over North Korea: the fact that China supplies most of the North's oil and about half of its foreign food supplies. Some criticize Beijing for failing to levy sanctions, others for failing to lead a multilateral forum and push forward a new vision for the region to which everyone, including North Korea and the United States, could consent without the face-losing process of negotiation.<sup>36</sup> Sanctions are problematic not only because they break with the status quo, but also because many in China believe they would be ineffective, and even if they did not spark a war, they could destabilize North Korea—two outcomes that Beijing fears even more than a nuclear-armed Pyongyang.

On the issue of China's promotion of a regional vision, I was told in Beijing that there were two reasons Beijing is unlikely to push such an international proposal, especially before the National People's Congress in March. First, the PRC still lacks the national confidence to promote an international proposal that might fail, and it is very difficult to judge the likelihood of success of a complex proposal, particularly when there is uncertainty about the preferences and goals of Pyongyang and Washington. Second, in the weeks leading up to the National People's Congress, many people were anxiously awaiting their promotions to higher positions in the government. Raising controversial new strategies for the Korea problem is not the surest way to guarantee that one's expected promotion will come through.<sup>37</sup> This latter factor was emphasized by an interlocutor who is very familiar with Foreign Ministry thinking on these issues.

But, time is of the essence on the North Korea issue. Unfortunately, many in Beijing see the real danger in North Korea as nuclearization or some spiral of tensions, not as a cold and calculated decision in Washington to destroy much of North Korea's plutonium reprocessing capability along the lines of the Israeli attack on Iraq's Osiraq facility in 1981. They don't seem to consider the real possibility that, in the com-

ing weeks, Washington may decide that the Yongbyon reprocessing facility and the fuel rods stored there will need to be destroyed before weapons-grade plutonium leaves the site for the vast cave network of North Korea, awaiting potential export to rogue states and terrorists in the future—a scenario that leading North Korea experts see not only as plausible but even as quite likely.<sup>38</sup> Since it only takes several weeks to a few months to reprocess the plutonium in the fuel rods into weapons-grade material and this process may have already begun, the clock may already be ticking on this option, which easily could seem logical and compelling if and when it is presented to the president.

The temptation to prevent the future destruction of a U.S., Israeli, or European city by a nuclear weapon might make this a real option over the coming months even if such an attack risks peninsula-wide war, as North Korea promises. Perhaps the most counterintuitive finding of my trip was that the biggest danger to peace in Korea other than North Korean behavior might not be the U.S. refusal to have dialogue with the North, but might rather be the rhetoric of the Bush administration over the last few months regarding the need for a diplomatic, rather than military, solution to the problem of North Korea. This stance has apparently reduced the concern in Asian regional capitals that the United States might attack the Yongbyon facility preventively, something the Clinton administration was planning to do as a contingency option during the 1994 crisis. If China realized that the danger of war on the peninsula was as high as I portray it to be here, it might be more willing to take more risks in its sincere effort to encourage North Korea to step down from its current behavior. And even without threatening sanctions, China is in perhaps the best position to provide a face-saving way out of this crisis for all involved.

Since a preventive attack on Yongbyon would likely be a shock to Beijing, the political fallout would likely greatly exceed the radioactive fallout. China would be unlikely to honor its historic military commitment to North Korea if the North responded to such an attack by launching artillery shells against Seoul, as threatened, but Beijing's relations with the United States would suffer and, at a minimum, there would be tough, zero-sum competition over the hearts and minds of a future united Korea between Washington and Beijing. This development would have strong implications for future management of the Taiwan issue and for the maintenance of peace and cooperation in the region over the longer run.

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## NOTES

1. I am grateful to Harvard University's Taiwan Workshop for financial support and for inviting me to join the excellent entourage of Steven Goldstein, Joseph Fewsmith, and Alan Romberg. I am also grateful to Michael Glosny for expert research assistance.

2. The PRC's unwillingness to budge on this issue was driven home by nearly all of our interlocutors in January 2003.

3. Meeting with a leading official, Taipei, January 2003.

4. For the full text of President Chen's inaugural speech on May 20, 2000, see <http://www.taiwan.com.au/Polieco/Government/Chen/Speech/0520a.html>. For his 2003 New Year's speech, see "CNA Release Full Text of Chen Shui-bian's New Year's Message," Taipei Central News Agency, January 1, 2003, FBIS CPP-2003-0101-000047.

5. Meeting with a leading official, Taipei, January 2003. For a report on this press conference, see "PRC: Chen Yunlin Meets Taiwan Reporters, Discusses Cross-Straits Relations," *Chung-kuo shih-pao*, January 8, 2003, FBIS CPP-2003-0108-000009.

6. Meetings with high-level officials handling cross-strait relations and national security relations in the Republic of China government in Taiwan, Taipei, January 2003.

7. *Ibid.*

8. For a report describing the state of this alliance, see "CNA: Soong Says Lien May Decide Who Should Lead Joint Presidential Ticket," Taipei Central News Agency, February 12, 2003, FBIS CPP-2003-0212-000137. For a report in the mainland press concerning the possible ramifications of the alliance for the 2004 presidential election, see "'Lian-Song' zhongyu lianhe, Chen Shui-bian mingnian xiatai?" (Lian-Soong finally unite, will Chen Shui-bian fall from power next year?), *Nanfang zhoumo* (Southern weekend), February 20, 2003.

9. Meetings with opposition party think-tankers, Taiwan, and with Taiwan experts and international relations experts, Shanghai and Beijing, January 2003.

10. Interviews with Taiwan experts and international relations experts, Shanghai and Beijing, January 2003. While the notion that any proposal from Taiwan would pose difficulties for Beijing was widely accepted, only some of our mainland interlocutors accepted this last point explicitly.

11. Interviews with Taiwan experts, Shanghai and Beijing, January 2003.

12. As one military officer put it colorfully, if the three links help deepen economic interaction and other international and military factors continue to favor the mainland over time, it will not matter if the next Taiwan leader is "Chen Shui-bian, Zhang Shui-bian, or Wang Shui-bian." So, although a Chen victory would be undesirable, this officer and others insisted that the mainland has a broader view of cross-strait relations than just worrying about who is in the president's office at any given time.

13. Interview with leading expert and former official who had handled cross-strait relations in the 1990s, Beijing, January 2003.

14. On January 15, Qian said: "Negotiations over the 'three links' need not touch upon the definition of one China [*yi ge Zhongguo hanyi*]. [We] should actively promote them according to the spirit of 'not allowing political differences to influence or interfere with cross-strait economic cooperation.'" See "Quan guo Taiban zhuren huiyi zai Beijing bimu" (The National Taiwan Work Office Leadership Conference comes to a successful close), *Renmin ribao*, January 16, 2003, 4. On January 24, Qian repeated this claim as part of the events commemo-



rating Jiang's 1995 eight points. See "Apparent Text of Qian Qichen Speech at Forum on Jiang's Eight Point Proposal" (in Chinese), Beijing Xinhua Domestic Service, January 24, 2003, FBIS CPP-2003-0124-000041.

15. Interviews with top officials, Taiwan, January 2003.

16. This more cautious and pessimistic point was emphasized in a meeting with Taiwan experts and military officers, Beijing, January 2003, and in a meeting with academics, Beijing, January 2003.

17. Influential academic analyst of Taiwan affairs, Beijing, January 2003.

18. The speaker in this case was not agreeing with this point of view but was reporting it to us in a meeting with influential academics, Beijing, January 2003.

19. Meetings with military and civilian scholars, Beijing, January 2003.

20. For examples of these statements, see "CNA: Chen Shui-bian Sees No Cross-Strait Breakthroughs in Foreseeable Future," Taipei Central News Agency, January 20, 2003, FBIS CPP-2003-0120-0000047; "PRC Article Skeptical of 'Good Will' Expressed by Chen Shui-bian in His New Year Speech," *Renmin ribao* (overseas edition), January 21, 2003, FBIS CPP-2003-0121-000066; and "China Daily: CASS Taiwan Studies Director Sees 'Little Chance' for Three Links," *China Daily* (Hong Kong edition), February 14, 2003, FBIS CPP-2003-0214-000044.

21. For details of these economic and military trends, see my contributions to *CLM* 4 and 5 (fall 2002 and winter 2003), and "China," in *Asian Aftershocks: Strategic Asia, 2002-2003*, ed. Richard Ellings and Aaron Friedberg (Seattle: National Bureau of Asian Research, 2002).

22. For China's response to Chen's August speech and the position on nonsupport of and opposition to Taiwan independence, see my article in *CLM* 5 (winter 2003). For the encouragement to Taiwan to move forward with economic relations across the Strait by Doug Paal, the U.S. representative in Taipei, see "Taiwan: US Representative Encourages Mainland Investment," *Taipei Times*, September 19, 2002, FBIS CPP-2002-0919-000132.

23. This point regarding threats and reassurances was made explicitly in meetings with experts in Shanghai in January 2003. They were based on a 2002 article of mine that was translated into *cankao ziliao*, or "reference materials," an internally circulated translation of foreign news and scholarly analysis. That article was Thomas J. Christensen, "The Contemporary Security Dilemma: Detering a Conflict across the Taiwan Strait," *Washington Quarterly*, fall 2002. Others in Beijing, particularly one military officer, raised similar points without explicit reference to the same language about threats and reassurances.

24. Meetings with experts on Taiwan and international relations, Shanghai and Beijing, January 2003.

25. In addition to hearing criticisms of past policies and crisis management, we learned that institutions like the CCP intelligence agency, the China Institute of Contemporary International Relations, have created new crisis management research groups to improve PRC coordination and decision making during future crises.

26. Discussions with international relations experts and arms control experts, Shanghai, January 2003, and a discussion with experts connected with the Foreign Ministry, Beijing, January 2003.

27. *Ibid.*

28. Meeting with expert with solid connections inside the Foreign Ministry, January 2003. In this regard, the transfer of the famously tough and, many would say, anti-American Sha Zukang from the Foreign Ministry post on arms control to a less influential post in Geneva was noted with the equivalent of a wink and a smile by a few interlocutors on the trip. Two added that Liu Jieyi, his replacement

at the Foreign Ministry, would be someone that the Americans would find a more constructive partner on arms control issues.

29. Interview with international relations experts, Shanghai, and security analysts, Beijing, January 2003. In the same vein, an FBI office has recently been established in Beijing.

30. This was in clear distinction to various anti-American and pro-Iraqi and pro-North Korean articles in a leading newspaper, *Huanqiu shibao* (Global Times), in mid-January. See, for example, Shi Taoli and Huang Peizhao, "Yilakeren shi qiang ziwei" (Iraqis arm themselves with guns for self-defense), and Zhou Jiaming, "Chaoxian renmin jun diwei gao" (The Korean People's Army's [social] status is high), both *Huanqiu shibao*, January 15, 2003, 1 and 16, respectively. One interlocutor pointed out that such newspapers are starting to cause problems for the efforts at moderation by the leadership. He said that they have been given increased editorial license as part of the opening up of the environment on foreign affairs. They also have a profit incentive, even though they are government-owned, and they are publishing articles that they know will catch people's eyes and appeal to nationalist sentiments.

31. Meeting with expert with good connections inside the PRC Foreign Ministry, January 2003.

32. This point was made by a leading expert in Shanghai. The threat of a militarized crisis in response to a Chen visit to Washington was also raised in Beijing on this trip and in January 2002 by a top military official. It is interesting to note that the wording was careful to specify Washington as the location that was unacceptable for Chen to visit, not the United States writ large.

33. Meetings with security analysts, Shanghai and Beijing, and with one expert with connections in the Foreign Ministry, Beijing, January 2003.

34. Meetings with scholars inside and outside the government, Shanghai and Beijing, January 2003. For a published article by a prominent PRC security expert placing the bulk of the blame on the Democratic People's Republic of Korea (DPRK), see Shi Yinhong, "DPRK Nuclear Crisis and China's Supreme Strategic Interests," *Hong Kong Zhongguo pinglun* 62 (February 1, 2003): 14-18, FBIS CPP-2003-0206-000060.

35. One arms control expert in Shanghai and one security analyst in Beijing expressed this maverick view. More often, interlocutors explained why sanctions were viewed as a counterproductive approach in Beijing. For a published article by a mainland scholar that calls for consideration of sanctions in Beijing if North Korea remains intransigent, see Shi Yinhong, "DPRK Nuclear Crisis."

36. For some examples, see Richard MacGregor, "China Keeps Low Profile on Nuclear Threat from N. Korea," *Financial Times*, January 15, 2003; John Pomfret and Glenn Kessler, "China's Reluctance on N. Korea Irks U.S.," *Washington Post*, February 4, 2003; and James Dao, "Bush Urges Chinese President to Press North Korea on Arms," *New York Times*, February 8, 2003. For an editorial along these lines, see John Tkacik, "China Must Pressure Pyongyang," *Asian Wall Street Journal*, December 27, 2002.

37. Meetings with two experts with strong connections to the Foreign Ministry and top Chinese foreign policy and political elites, January 2003.

38. One well-placed interlocutor asked me about the U.S. "red line" on North Korea. I asked him if he meant a "red line" for military conflict, and he replied in a surprised tone, "No, for negotiations." I proceeded to explain to him why I thought it would be dangerous for Chinese advisers and experts to fail to consider that the more pressing question might soon become what the red line is for a U.S. attack on Yongbyon. Meeting in Beijing, January 2003.