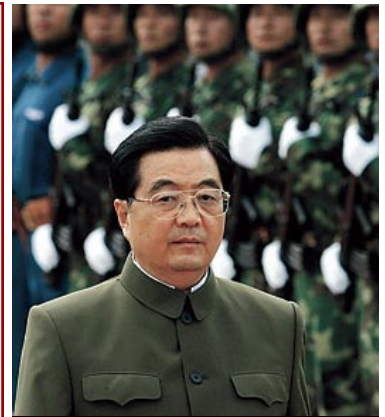




**IN THIS ISSUE:**

IN A FORTNIGHT By L.C. Russell Hsiao.....	1
PLA'S "ABSOLUTE LOYALTY" TO THE PARTY IN DOUBT By Willy Lam.....	2
BEIJING AND HAVANA: POLITICAL FRATERNITY AND ECONOMIC PATRONAGE By Yinghong Cheng.....	4
IMPECCABLE AFFAIR AND RENEWED RIVALRY IN THE SOUTH CHINA SEA By Ian Storey.....	7
MARITIME CONFRONTATION HIGHLIGHTS TROUBLED STATE OF CHINA-U.S. DEFENSE DIPLOMACY By Richard Weitz.....	10



Chinese President Hu Jintao

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## In a Fortnight

By L.C. Russell Hsiao

### CHANGXING SHIPBUILDING BASE: HOME FOR CHINA'S FUTURE INDIGENOUS AIRCRAFT CARRIER?

Recent reports circulating in the Chinese press indicate that Jiangnan Shipyard (Group) Company Limited—one of China's oldest state-owned shipbuilding company regarded as the "cradle of China's national [shipbuilding] industry"—could be slated by Beijing to carry out the Chinese military's long-standing mission to build an indigenous aircraft carrier. This information, checked against various reports that appeared in the Chinese press, indicates that the recently enhanced Changxing Shipbuilding Base, which is located off the coast of Shanghai on Changxing Island, may be the location where China will build its indigenous carrier (China Review News, April 28).

The new base construction program, which began in June 2005, is being undertaken by Jiangnan Shipyard (Group) Company Limited, which is a subsidiary of China State Shipbuilding Corporation (CSSC). One of the purposes for building the base was to utilize the deep water coast of Changxing Island for the construction of larger naval vessels. The largest dockyard in the facility is reportedly 580 meters in length and 120 meters in width, which makes it large enough to accommodate a Varyag-size carrier (China Center for International and Strategic Studies, April 22).

The first phase of the \$3.6 billion base project included the construction of four large dry docks, nine outfitting piers and two cargo piers, which were built along a 3.8 kilometers coastline. These new facilities will expand the CSSC's current shipbuilding capacity from 800,000 deadweight tons (DWTs) a year to 4.5 million

DWTs by 2010. In the second phase of the Changxing base development, two other CSSC subsidiaries, Hudong-Zhonghua Shipbuilding (Group) Corporation and Waigaoqiao Shipbuilding Corporation, will build more shipyards along the island's eight kilometers coastline. By 2015, CSSC is expected to have an annual capacity of eight million DWTs, which is equivalent to half of China's current shipbuilding production capacity of 16 million DWTs. By then, holding current pace of development constant, Changxing is expected to become the world's largest shipyard. At the same time, Shanghai is slated to become the world's largest shipbuilding base, tripling its capacity to 12 million DWTs by 2015 (China Center for International and Strategic Studies, April 22).

Images of the facilities acquired by Kanwa Defense Review, a comprehensive on-line magazine on East Asian security, referenced in a Chinese military website revealed the increased security around Dockyard No. 3 at the shipyard, which is used by the military: all the entrances and exit to that dockyard are guarded by armed police, while the entrances for Dockyard No. 1, which is for building civilian vessels, are guarded by company security personnel (China Center for International and Strategic Studies, April 22).

According to a television interview on Shanghai-based Dragon TV with Nan Daqing, the general manager of the Jiangnan Shipbuilding (Group) Company Limited, which was also cited by the *Asahi Shimbun*; Nan, who is deeply connected with the Chinese navy, confirmed that all preparations for equipping the dockyard with the capabilities to undertake the task from the Chinese navy to build an aircraft carrier are complete. Nan's statement was significant because it is the first public acknowledgement by an involved party concerning China's actual development of an aircraft carrier (*Asahi Shimbun*, April 21; 3lou.com, April 22). Some sources have suggested that the first Chinese aircraft carrier will not be a "knock-off" of an American or Russian model, it will be an indigenous design (Nownews [Taiwan], April 22; China Center for International and Strategic Studies, April 22). According to other reports, China already possesses the catapult techniques that are necessary to operate an aircraft carrier, and if it wants to build an aircraft carrier, its carrier deck may be modeled after the USS Nimitz Class Aircraft Carrier (Nownews [Taiwan], April 22).

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## PLA's "Absolute Loyalty" to the Party in Doubt

By Willy Lam

China's military forces crossed a watershed when the People's Liberation Army Navy (PLAN) celebrated its 60<sup>th</sup> birthday by holding a parade of state-of-the-art hardware such as indigenously developed nuclear submarines. That the 2.4-million strong People's Liberation Army (PLA) has attained quasi-superpower status was also supported by the fact that defense delegations from 29 countries attended the festivities in the port city of Qingdao (*Guardian*, April 22; *Time* [Asia edition], April 21). Paving the way for preparations for an even bigger event on October 1—an unprecedented large-scale military show at Tiananmen Square to mark the 60<sup>th</sup> birthday of the People's Republic of China (PRC).

Two factors underpin the PLA's ostensible salience in China's political life. Demonstrating military might is an essential component to the Chinese Communist Party (CCP) leadership's recent decision to aggressively project hard power worldwide. With the 20<sup>th</sup> anniversary of the June 4, 1989 crackdown moving closer, the Hu Jintao administration is playing up the fact that the PLA, as well as its sister unit, the People's Armed Police (PAP), is ready to deal a frontal blow to dissidents, separatists and other "destabilizing elements."

Yet, speeches by President Hu since early this year have betrayed the CCP leadership's doubts about the key Communist-Chinese tradition that, "the army must be absolutely loyal to the party." Hu, who chairs the policy-setting Central Military Commission (CMC), has masterminded an ideological campaign to promote "core values of contemporary revolutionary soldiers." The commander-in-chief has enunciated the following five crypto-Maoist norms as the army's foremost values: "Be loyal to the party, love the people, serve the country; devote yourself to [the party's goals]; and value honor." Hu's instructions have been eulogized by the PLA's General Political Department as "the scientific summation of the historical experience of the political construction of the armed forces." In indoctrination sessions nationwide, political commissars have stressed that military units "must, in areas of ideology, politics and organization, remain a people's army that is under the absolute leadership of the party." Furthermore, while inspecting PLA divisions around the country since the spring, Hu and his military aides have emphasized that "the PLA must never change its [political] nature" of being the party's faithful defenders and executioners (Xinhua News Agency, April 7; *Liberation Army Daily*, March 16 & April 27).

Yet it is obvious that the moral and ideological standards of officers as well as rank and file are hardly up to scratch. PLA Chief Political Commissar General Li Jinai, who is in charge of ideological indoctrination, warned in an article in the early April issue of the theoretical journal Seeking Truth that officers and soldiers must never succumb to the “erroneous” concepts of the West. The latter include the de-politicization of the armed forces, and that they should be a “national army,” instead of a “party army” as in the case of China and other Communist countries. “Upholding the party’s absolute leadership is [the basis of] our army’s political superiority and its unchanging quintessence,” General Li said. “This is also the political guarantee of our army’s development and aggrandizement.” “We must take the party’s will as our will, the party’s direction as our direction,” added General Li, who is deemed personally close to Hu. “For each and everything, we must abide by the instructions of the party central authorities, the CMC, and Chairman Hu” (China News Service, April 1; *People’s Daily*, April 2).

Last week, President Hu admonished Chinese military attachés attending a Beijing conference to be “resolute in politics and to be pure in ideology and morality.” He called on the top brass to “uphold and develop the superior traditions of our party and army” by ensuring that overseas-based staff would pass muster regarding “the core values of contemporary revolutionary soldiers.” “Military attachés must be a high-quality corps that is loyal to the party, willing to make self-sacrifices, and strict in observing discipline,” the supremo added (Xinhua News Agency, April 17). Earlier this year, Hu noted when meeting military delegates to the National People’s Congress that “ideological and political construction”—code-word for fostering obedience and “absolute loyalty” among officers and soldiers—must remain the PLA’s priority task. He pointed out that defense personnel must have “four types of consciousness,” meaning awareness of politics, awareness of the requirements of the party and state, awareness of dangers and pitfalls, and consciousness about their mission of serving the party (*Liberation Army Daily*, March 12).

While issues about the PLA’s fealty toward the CCP may seem an internal Chinese affair, the Middle Kingdom’s neighbors may feel justified in showing concern about the apparent discrepancy between Commander-in-Chief Hu’s views on the nation’s pacifist tradition on one hand, and the hawkish sentiments of a number of military officers on the other. After all, failure to toe the line of the commander-in-chief clearly constitutes a breach of discipline. Take, for example, the oft-repeated doctrine of the “peaceful rise of China.” While officiating at the military parade in Qingdao last week, Hu reiterated his administration’s commitment to “the path of peaceful development.” He

pointed out that the PLA would remain “an important force in safeguarding world peace,” and that “China will never be a threat to other nations.” “China would never seek hegemony, nor would it turn to military expansion or arms races with other nations,” he indicated (*Liberation Army Daily*, May 24; *People’s Daily*, May 24).

Leave aside for a moment the issue of whether a no-holds-barred modernization of PLA weaponry has spawned a virulent arms race among China, India, Japan and the United States. Pronouncements made a bevy of officers and military strategists, most of which have made it to military mouthpieces, suggest that a sizeable sector of the defense forces holds views on war and peace that are markedly different from those of the Hu-led party leadership. Take for instance, the doctrine of “shelving sovereignty disputes and focusing on joint development,” which was first laid down by late patriarch Deng Xiaoping and is still honored by the current party leadership. This principle has been used to defuse tension with countries that have territorial disputes with China. Yet it seems evident that a younger generation of PLA officers wants Beijing to play hardball while handling sovereignty conflicts with its neighbors.

According to naval officer Yang Yi, who teaches at the National Defense University, Deng’s dictum about shelving disputes “must be based on the premise that sovereignty [over disputed areas] belongs to China.” He warned unnamed countries that it is “dangerous” to assume that Beijing would not resort to force simply due to its anxiety to foster peaceful development and to polish its international image. “Strong military force is a bulwark for upholding national interests,” Yang pointed out. “The Chinese navy is a strong deterrent force that will prevent other countries from wantonly infringing upon China’s maritime interests” (*International Herald Leader* [Beijing paper], March 3). Equally significantly, strategist Huang Kunlun has raised the notion of “the boundaries of national interests.” Huang argued that China’s national interests had gone beyond its land, sea and air territories to include areas such as oceans traversed by Chinese oil freighters—as well as outer space. “Wherever our national interests have extended, so will the mission of our armed forces,” Huang indicated (see “China Flaunts Growing Naval Capabilities,” *China Brief*, January 12). These assertions of naked power have raised fears particularly in countries such as Japan and the Philippines, which have had recent run-ins with Beijing regarding sovereignty claims over islands in the East China Sea and the South China Sea.

While President Hu and his civilian advisers may have reservations about provocative statements made by the likes of Yang and Huang, however, it seems unlikely that the CMC—which is after all dominated by generals—would



rein in the hawks. The 20<sup>th</sup> anniversary of the Tiananmen massacre has again reminded the CCP leadership that had it not been for the “protection” of the armed forces, the party might in 1989 not have survived the onslaught of hundreds of thousands of protestors. Particularly given the likelihood that social unrest may escalate this year due to reduced living standards and growing unemployment, the Hu-led Politburo is eager to retain the loyalty of this most potent “pillar of the dictatorship of the proletariat” (*Apple Daily* [Hong Kong], April 24; *Strait Times* [Singapore], March 9). That the Politburo has given the army budget boosts averaging around 15 percent the past decade shows that while the party leadership is often seen cracking the whip on disobedient officers, it is at the same time anxious to win over the support of the top brass.

In a commemorative article on the “historic and glorious path” taken by the PLAN, the Xinhua News Agency disclosed details about how CCP leaders from Mao Zedong onward had lavished stupendous amounts of material and human capital on expanding China’s fleet. The commentary pointed out that the first major cash injection into the Chinese navy of \$150 million—which enabled it to procure its post WWII-vintage frigates and airplanes—came from the \$300 million that Beijing had borrowed from the Soviet Union in 1950. In that same year, revenue for the entire central government was as little as \$2.27 billion. It was Chairman Mao, one of the founders of the Red Army, who made the fateful decision to divert the nation’s scarce resources to army construction (Xinhua News Agency, April 22). It was also under the same spirit that even though millions of Chinese were suffering from malnutrition in the 1960s, the Great Helmsman earmarked generous funds for building China’s first A-bomb and long-range missiles. While it is true that Hu and his Politburo colleagues may feel uncomfortable about grand-standing PLA officers, it is unlikely that the party leadership will go against the long-standing Communist-Chinese tradition of giving the military a disproportionately large share of the economic and political clout.

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## Beijing and Havana: Political Fraternity and Economic Patronage

By Yinghong Cheng

“History has proved that we [China and Cuba] are worthy of the name of fast friends, good comrades and intimate brothers,” commented Chinese President Hu Jintao on the state of Sino-Cuban bilateral relations during a visit with Cuban President Raul Castro in Havana on November 16-19, 2008 (China News Net, November 20, 2008). Hu’s comments echoed Chairman Mao’s incendiary rhetoric during a time of world revolution, and accentuated the notion that both China and Cuba still claim to be “communist.” Yet, since the late Patriarch Deng Xiaoping’s economic policy of opening-up China, Beijing has departed from its Maoist socio-economic model and even further according to party stalwarts still loyal to Mao’s teachings. Following Hu’s remarks, Raul chanted “The East Is Red,” a Chinese song popular during Mao’s time comparing the Chairman to the sun. Raul’s impromptu charade was widely reported in China and deeply touched the cords of various old and new Maoists and leftists.

Unlike North Korea or Vietnam, Cuba has neither entangled China in a dangerous nuclear security complication nor contested its territorial claims for oil-rich border zones, respectively. In this context, Hu’s comments carry a lot of weight and Raul’s singing is by no means a solo. After all, Hu has been known for his reputation as the party’s “good boy” since the 1950-1960s and there is no evidence to suggest that he would allow Mao’s legacy to be more critically reexamined in public. While Hu visited Cuba twice before (1997 and 2004), the timing of his third visit was more auspicious, as the Chinese media emphasized: Raul Castro has replaced Fidel as being on top of the Cuban leadership (with an implication of more reform-oriented policies following the “Chinese lesson”) at the same time that China has issued “China’s Policy Paper on Latin America and the Caribbean.” The Chinese White Paper, which was released two weeks before Hu’s visit, is the third such Chinese policy paper, following a Chinese White Paper released on the European Union in October 2003 and another paper released by Beijing on Africa in January 2006. These three White Papers articulate China’s dynamic and evolving national interests in an increasingly globalized world.

### POLITICAL RELATIONS: A DUET ON THE INTERNATIONAL STAGE

Sino-Cuban relations have been strategic in nature since the two governments established an alliance in the early 1990s in an effort to defy international isolation against the backdrop of the Soviet’s collapse, China’s 1989 Tiananmen

massacre, and the Soviet/Russian jettison of Cuba. Debates on human rights issues, the “unilateralism” of U.S. foreign policy and the “unfair international economic order” were some of the issues that they collaborated on. In a region where China and Taiwan have fought for diplomatic recognition, Cuba has been a “staunch supporter” of the PRC’s interpretation of “One China” and has used its influence to convince several smaller Central American and Caribbean countries to switch their recognition from Taiwan to China. In 2008 when China’s moral qualification as the host of the Olympics was being challenged, Cuba proved to be quite vocal in its support for Chinese efforts to host the Beijing Olympic Games. The ailing Fidel Castro even published an article entitled “The Chinese Victory,” which was highlighted in the Cuban media and hailed by the Chinese [1]. Cuba has also loudly condemned Tibetan exiles and their Western supporters. Another important aspect in the bilateral political relationship that has evolved over time is Beijing’s attempt to introduce Chinese style market-oriented reforms and a private entrepreneurship-driven economy to the Cuban leadership. These efforts were received sympathetically among some Cuban leaders, particularly Raul Castro [2]. Indeed, the “Chinese model” has proven applicable to some extent in Cuba’s limited economic reforms in small-scale private businesses such as restaurants, taxis, and barber shops and has provided some incentives to stimulate production, attracting foreign investments. In addition, Cuba has been hailed as the most undaunted anti-American hero by the Chinese Maoists, old and new leftists and nationalists. At the same time, China has served Castro’s purpose for domestic consumption of the vitality of “socialism” in the contemporary world [3].

#### ECONOMIC PATRONAGE: CHINA’S “BLOOD TRANSFUSION” TO CUBA

This high-pitch political duet has been accompanied by the rapid development of economic relations and technology transfers. Since the early 1990s China has risen to become one of Cuba’s top foreign trade partners—second only to Hugo Chavez’s Venezuela—particularly in energy-related areas. According to Zhao Rongxian, the Chinese ambassador in Havana in an interview before Hu’s recent visit, “made in China” merchandise has “quietly changed the way of the Cuban daily life,” presumably referring to a change from outdated Russian/Eastern European technologies. For example, Haier refrigerators have replaced previously energy-inefficient ones; incandescent bulbs have given their way to compact fluorescents; and more than 1000 Yutong buses have replaced truck-drawn carriages to become the major public transportation tools, making the brand “Yutong” synonymous with “bus” in Cuba (Xinhua News Agency, November 17, 2008). According to a spokesperson of the Chinese Foreign

Ministry, in 2007, the bilateral trade volume amounted to \$2.28 billion, up 27 percent from the previous year (Ministry of Foreign Affairs of the People’s Republic of China, November 6, 2008).

Much of the burgeoning Sino-Cuban trade relationship has been made possible by Chinese loans, which have resembled an economic blood transfusion to Cuba’s meager foreign currency reserve. China has granted Cuba numerous long-term, low or interest-free loans. The largest of these loans was a \$400 million long-term interest-free loan that was granted by former President Jiang Zemin during his visit to Havana in 2001. During Hu’s 2004 visit, sixteen documents were signed including a loan for the improvement of Cuba’s education system, an agreement to defer the repayments of four interest-free loans, a Chinese loan for Sino-Cuban telecommunication cooperation and the Cuba’s purchase of one million Chinese TVs [4]. This grandiose display of Chinese generosity was perhaps what prompted Fidel Castro—who was in crutches—to stand instead of sitting in a wheelchair at a public welcoming rally for Hu, while raising his arm and shouting “Long live China!” (Xinhua News Agency, November 29, 2004). During Hu’s 2008 visit, he attended five document-signing ceremonies, in which China gave Cuba a gift credit of \$8 million, deferred the repayment of an \$8 million government debt by five years, and offered a \$70 million loan for upgrades to Cuban hospital (Beijing Review, December 2, 2008). China has become a major consumer of Cuban sugar, nickel (20,000 tons between 2005 and 2009), tobacco, bio-technology products and some medical instruments. China also signed a tourism agreement in 2003 with Cuba, which was the first of such agreements in Latin America and has contributed to a portion of Cuba’s foreign currency revenue.

The Sino-Cuban political fraternity and economic patronage have made bilateral relations a special case in China’s strategy toward Latin America. For example, “China’s Policy Paper on Latin America and the Caribbean” stated that:

“The Chinese Government views its relations with Latin America and the Caribbean from a strategic plane and seeks to build and develop a comprehensive and cooperative partnership featuring equality, mutual benefit and common development with Latin American and Caribbean countries” [5].

Yet, in Hu’s most recent visit to Cuba, he suggested—directly to Raul Castro—that they should further strengthen Sino-Cuban relations in four key areas, which to some extent superseded the scope of the White Paper in political

implications as well as the extent of partnership in other dimensions: “First, the two sides should continue high-level exchanges and enhance political ties to cement the political foundation for bilateral relations. Second, China and Cuba should further develop trade and economic cooperation. Third, the two countries should increase exchanges in fields such as culture, education, health, sports and tourism. Fourth, the two sides should work together to protect the interests of developing countries and build lasting peace and common prosperity in a harmonious world” (Beijing Review [English], December 1, 2008).

#### CUBAN CHINESE UNDER CASTRO

One particular aspect of the Sino-Cuban relationship that may not seem immediately significant from a diplomatic perspective but has long-term ideological and cultural consequences for bilateral relations is the historical experience and treatment of the Chinese Cubans. Ethnic Chinese began to migrate to Cuba in the 1840s, initially as indentured laborers to replace the black slaves who were about to be emancipated. By the time Castro came to power, the Chinese community in Cuba had become the largest one in Latin America. With a vibrant economy, the Chinese community had a population of more than 50,000 and Havana’s Chinatown was one of the most bustling business districts in the capital. Many Chinese Cubans participated in the country’s 19<sup>th</sup> century nationalist revolution and Fidel Castro’s July 26<sup>th</sup> movement. Yet, shortly after taking power, the Chinese community became a major target in Fidel’s socialist nationalization campaign. By 1968, when Fidel launched the Revolutionary Offensive (a parallel to the combination of Mao’s Great Leap Forward and the Cultural Revolution), even street vendors—many of whom were Chinese Cubans—were appropriated. The majority of Chinese Cubans—particularly those in the upper and middle classes—chose to leave the country while those who remained suffered from political discrimination. In a matter of just a decade, the once flourishing Chinese Cuban community disappeared. By the 1990s, there were only about 1,000 first-generation Chinese Cubans and 20,000 second generation ones; most of the former were very poor and almost none of the latter spoke any Chinese [6].

After Cuba resumed its relations with China, marked by Castro’s high-profile endorsement of Beijing’s crackdown on the pro-democracy movement in 1989, the Cuban government came to realize the potential of the Cuban Chinese community in its relations with China. Castro made an inspection tour of Havana’s Chinatown as early as 1989. Later the government supported several projects to revitalize Chinatown in the 1990s, especially in the second half of the decade. These projects included allowing the Chinese to run private restaurants, a preferential policy

not entitled to ordinary Cubans, and endorsed a Chinese association by placing it under the guidance of a member of a Cuban party Politburo and offered its staff government salaries. Despite these efforts, the damages inflicted upon the Chinese community still seem beyond repair, and Havana’s Chinatown is nowhere near a complete restoration of its old prosperity and dynamism. Many Chinese visitors—often party and government officials—can not help but lament the deplorable conditions of the Chinatown and the near complete oblivion of the “Chinese-ness” among the remaining Chinese Cubans.

This history in Sino-Cuban relations casts a shadow on the Chinese popular perception of the Cuban Revolution and Fidel Castro, and to some extent raises skepticism about the official bravado for Sino-Cuban camaraderie, which had been sapped by Chinese liberal discussion on world communism at large and its criticism of Chinese aid to Cuba in particular. In 2006, a book entitled *Family Letters from a Cuban Chinese* was published describing the miserable life experiences of the Cuban Chinese under Castro during the 1960s and 1970s [7]. The book was widely circulated and provoked online discussions about Sino-Cuban relations, in the context of the similar treatments of overseas Chinese by communist Vietnam and Cambodia during the mid-1970s [8].

In 2005, Pathfinder, a leftwing and pro-Castro press source in the United States, published *Our History Is Still Being Written—The Story of Three Chinese-Cuban Generals in the Cuban Revolution*. The book is a collection of the life stories of three Chinese who joined Castro’s guerrilla war and rose to senior positions to convince the reader of the myth of “racial equality” brought about by the revolution. The book’s Chinese version was published in 2009 and its release became a public relations issue; the Chinese People’s Association for Friendship with Foreign Countries held an official ceremony with the attendance of the Cuban ambassador (The Chinese People’s Association for Friendship with Foreign Countries, March 13). Discussion about the different versions and political implications of “life stories” of the Chinese Cubans are still ongoing. There are about 30,000 Cuban Chinese who still live in Cuba and a small portion of them have improved their economic standing by taking advantage of the Cuban government’s favorable policies toward small-scale private businesses, but the majority are as poor as other ethnic groups. Currently, other than appearing at ceremonials to welcome visiting Chinese delegations, the Cuban Chinese community is not playing any noticeable role in the relationship between the two countries.

Sino-Cuban engagement in the 21st century is best described as a political duet with a massive economic blood



transfusion. It will keep on this track in the foreseeable future until improvement in Cuba's international circumstances enables the island to broaden its ranks of foreign trade partners and aid providers. On the Chinese side, Cuba's strategic importance outweighs its economic value. The CCP will continue to pay for Cuba's support, but while Chinese public opinion of Cuba and its government policies have changed, it will not likely have any immediate impact on official relations.

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#### NOTES

1. Castro's article was published on April 1<sup>st</sup> by *Granma*, the Cuban government mouthpiece and was appreciated by the Chinese. For an English version of the article, see <http://www.escambray.cu/Eng/Special/Comradefidel/2008/Cchinatwo0804021005.htm>.
2. For a recent discussion on the topic, see Yinghong Cheng, "Fidel Castro and 'China's Lesson for Cuba': A Chinese Perspective," *The China Quarterly*, 189, March 2007, pp. 24-42.
3. The most recent examples of Castro's popularity in China were the wide read article by Kong Hanbin, titled "Ka s te luo zen yang zou shang fan mei zhi lu?" (How Did Castro Choose Anti-American Position?) [http://news.xinhuanet.com/world/2008-03/30/content\\_7882192.htm](http://news.xinhuanet.com/world/2008-03/30/content_7882192.htm), originally published in *Shi Jie Zhi Shi* (*World Knowledge*, March 2008) but has appeared on many websites; and the release of Castro's autobiography in Chinese (March 2008).
4. Jiang Shixue, "Sino-Cuban Relations Enter New Phase of Comprehensive Development," (Chinese Academy of Social Sciences, November 2008), <http://ilas.cass.cn/cn/xstl/content.asp?infoid=9088>.
5. Consulate General of the People's Republic of China, "China's Policy Paper on Latin America and the Caribbean," <http://www.chinaconsulatesf.org/eng/xw/t521025.htm>.
6. Zhou Li, "Gu ba hua she lu ying" (A Glimpse of the Chinese Community in Cuba), *Hai Wai Zhong Heng*, 2004, No. 5. Zhou was a high-ranking officer in China's international cultural exchange administration and the article was written to introduce the conditions of the Chinese Cubans by 2004.
7. Huang Zhuocai, *Gu ba hua qiao jia shu gu shi* (Guangzhou: Jinan University Press, 2006). The book is an annotated collection of a Cuban Chinese sent from Cuba at the time.
8. For example, see Yinghong Cheng's article "Hua yi gu

bar en: zai ge min de hong liu li" ("Cuban Chinese: In the Midstream of the Revolution"), *Southern Weekend* March 17, 2008.

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## Impeccable Affair and Renewed Rivalry in the South China Sea

By Ian Storey

Developments in the South China Sea during the first quarter of 2009 reinforced several trends that have been apparent over the past two years. First, the Spratly Islands dispute has once again come to dominate Sino-Philippine relations, despite attempts by Beijing and Manila to move beyond it. Second, China has adopted a more assertive posture toward its territorial and maritime boundary claims in the South China Sea than at any time since the late 1990s. Third, the 2002 breakthrough agreement between the 10 members of the Association of Southeast Asian Nations (ASEAN) and China to manage tensions in the South China Sea is in danger of becoming irrelevant. Fourth, the USNS Impeccable incident on March 8 highlighted the growing strategic importance of the South China Sea for the United States and China, and reawakened concerns in ASEAN capitals that the region may one day become the principal theater wherein Sino-U.S. maritime rivalry is played out.

#### CHINA AND THE PHILIPPINES SPAR OVER SPRATLYS OWNERSHIP

In 2005, Chinese and Philippine leaders were lauding a "golden age" in bilateral relations premised on burgeoning trade, Chinese pledges to invest in several large infrastructure projects, and an agreement between the national energy companies of the Philippines, Vietnam and China to conduct joint seismic surveys near the disputed Spratly Islands (*China Brief*, August 16, 2006). In 2007-2008, however, this forward momentum was thrust into reverse: the infrastructure projects that China had agreed to fund were cancelled or suspended by Manila in the wake of corruption allegations; the constitutionality of the tripartite exploration agreement was challenged by Philippine opposition politicians; and the People's Republic of China (PRC) was accused of bullying the Philippines over legislation to update the country's baseline claims (*China Brief*, April 28, 2008).

Sino-Philippine relations continued their retrograde motion in early 2009. The legislative process for the archipelagic baselines bill—which the Philippines is required to submit to the United Nations before a May 13 deadline—was suspended during the second half of 2008, but resumed

in January. On February 17, Congress finally approved the Archipelagic Baselines Act that designated Philippine territorial claims in the South China Sea as a “regime of islands”—not part of the main archipelago but still under Philippine sovereignty.

China’s response was in the high dudgeon. Vice Foreign Minister Wang Guangya summoned the Philippine charge d’affaires and denounced the Act as a violation of China’s sovereignty and therefore “illegal and invalid” (Xinhua News Agency, February 18). As a further sign of its displeasure, Beijing cancelled a planned trip to Manila by vice chairman of the National People’s Congress, Li Jianguo.

Several other claimants also protested the bill, including Vietnam and Taiwan. On March 5, in a move clearly related to the Philippine legislation, then Malaysian Prime Minister Abdullah Badawi visited Swallow Reef and reiterated his country’s sovereignty claims in the South China Sea, some of which overlap with those of the Philippines (Bernama, March 5). In response to Abdullah’s visit, China reiterated that it had “indisputable sovereignty” over the atolls occupied by Malaysia (Xinhua News Agency, March 6).

The Arroyo administration was unmoved by the protests from China and the other claimants. To avoid exposing itself to accusations of caving in to Chinese pressure or selling out the national patrimony, the government made clear that it would sign the bill into law because it complied with the United Nations Convention on the Law of the Sea and did not violate China’s sovereignty. In a conciliatory gesture, however, the government said it was willing to discuss the issue with China and explain its position.

China’s protest provoked a stronger reaction among Filipino politicians. Senator Joker Arroyo, for instance, declared “We should not allow ourselves to be bullied by China”, while his senatorial colleague Manuel Roxas asked “Are we going to surrender just because they [the Chinese] have a stronger army or navy?” (*Philippine Daily Inquirer*, February 20).

On March 10 the Arroyo administration signed the baselines bill into law (in a minor diplomatic faux pas this occurred on the same day the new Chinese ambassador, Liu Jianchao, presented his credentials at the presidential palace). According to Arroyo’s staff, by signing the bill into law the Philippines was “sending the message to the whole world that we are affirming our national sovereignty and protecting our national interests” (GMA News, March 12). When China reiterated its objection through its embassy in Manila, the Department of Foreign Affairs (DFA) downplayed the protest, claiming that bilateral relations

remained “deep and productive” (*Manila Times*, March 13).

The signing of the baselines bill into law coincided with the fallout from the March 8 incident in which the U.S. surveillance ship USNS Impeccable was involved in a skirmish with five Chinese vessels 75 miles off Hainan Island in the South China Sea. Beijing declared that the Impeccable was engaged in illegal activities in its Exclusive Economic Zone (EEZ) and announced that it would send one of its largest patrol boats, the Yuzheng 311, to protect its vessels in the Paracel and Spratly Islands and to “demonstrate Beijing’s sovereignty over China’s islands” (*China Daily*, March 16).

The Arroyo administration reacted to the Chinese announcement with dismay. National Security Adviser Norberto Gonzales called an emergency meeting of the cabinet’s security cluster to discuss China’s actions, adding: “This should remind us that even in this era of dialogue and understanding in the world there will always be nations that will show might and threaten perceived weak nations like us” (PDI, March 16). Defense Secretary Gilberto Teodoro called the dispatch of the patrol boat “an unwelcome development” while the DFA urged all parties to adhere to the 2002 ASEAN-China Declaration on the Conduct of Parties in the South China Sea (DoC), which enjoins claimants not to engage in activities that would “complicate or escalate disputes and affect peace and stability” (PDI, March 16). A presidential spokesperson was reported as saying that while Manila was committed to a diplomatic solution, it might be forced to seek support from its treaty ally the United States and its fellow ASEAN members (PDI, March 16). Manila’s rhetoric was reminiscent of the second half of the 1990s when Sino-Philippine tensions over the Spratly were at their height—the “golden age” was well and truly over.

Critics, however, accused the Arroyo administration of playing up the incident to undermine a political campaign to abrogate the 1998 U.S.-Philippines Visiting Forces Agreement (VFA) because of a custody dispute over a U.S. serviceman convicted of rape. The VFA was instrumental in restoring U.S.-Philippine military relations in the late 1990s, and was supported by some Filipino politicians as a possible deterrent against Chinese expansionism in the South China Sea (Ian Storey, “Manila looks to USA for help over Spratlys,” *Jane’s Intelligence Review*, August 1999).

The PRC embassy in Manila moved to assuage Philippine anxiety. It argued that the Yuzheng 311 was on a routine mission to protect fishing boats, and on March 24 Ambassador Liu said China was committed to settling the



South China Sea dispute peacefully and urged all parties to “engage in cooperation rather than confrontation” (Xinhua News Agency, March 24).

#### INCREASED CHINESE ASSERTIVENESS

In the wake of the Impeccable incident and passage of the Philippine’s baselines bill, Beijing could have decided to send a stronger message to Washington and Manila by sending a heavily-armed warship to patrol its territorial claims; instead, the dispatch of the Yuzheng 311 was a calibrated response and a signal that China did not want tensions to escalate. Nonetheless, China’s emphatic response can be seen as part of a pattern of increased assertiveness in the South China Sea visible over the past two years.

This pattern of events includes pressure on British Petroleum and ExxonMobil in April 2007 and June 2008, respectively, not to participate in offshore energy projects with Vietnam in waters claimed by China; increased naval patrols and military exercise off the Paracel Islands in the second half of 2007; the passage of legislation in December 2007 creating a county level city on Hainan Island called Sansha to administer Beijing’s claims in the South China (*China Brief*, December 13, 2007); and perceived attempts by China to dissuade Philippine legislators from including the Spratlys in the country’s baselines bill.

Several possible explanations account for China’s more assertive behavior. The main target of Chinese activities is Vietnam, and it is possible that Beijing may be attempting to pressure Hanoi into accepting a joint exploration and production agreement in energy fields off the Vietnamese coast similar to the 2008 pact between China and Japan to develop the Chunxiao gas field in the East China Sea. As a pressure tactic, Beijing has leaned on foreign oil companies not to enter into deals with Vietnam, the implicit threat being that those corporations that do will be barred from future energy projects in China. Thus far this tactic has proved ineffective, as the oil companies in question have indicated their resolve to follow through with existing deals. China may also be sending a signal to Vietnam that it strongly disapproves of growing U.S.-Vietnam defense ties.

Another likely reason is China’s continued demand for energy resources despite falling oil prices caused by the global financial crisis. Indeed in its 2008 Defense White Paper the PRC averred that “struggles for strategic resources” were intensifying (Xinhua News Agency, January 20, 2009). A third reason is that after two decades of military modernization the People’s Liberation Army (PLA) is now in a better position to project power in support of China’s maritime territorial claims. These

capabilities include a new generation of surface warships, submarines, and fighter aircraft with extended operational ranges. As the Pentagon’s recent annual report on the PLA noted, these capabilities “increase Beijing’s options for military coercion to press diplomatic advantage, advance interests, and resolve disputes in its favor” (Annual Report to Congress on the Military Power of the PRC, p. 28).

Beijing’s increasing assertiveness in the South China Sea highlights the ineffectiveness of the 2002 ASEAN-China agreement to manage tensions in the area. The 2002 DoC was concluded after several years of negotiations and represented an attempt to freeze the status quo, lower tensions, and promote confidence building measures. However, the final text was a watered down version of a 1996 code of conduct between the Philippines and China, and suffers from a number of flaws: it is not a binding treaty and does not enumerate sanctions in the event of transgressions; the geographical scope of the agreement is not set out (because China objected to the inclusion of the Paracels); and the DoC is not inclusive (Taiwan is a claimant in the Spratlys but not a signatory to the ASEAN-China agreement).

The most promising outcome of the DoC was the 2005 Joint Marine Seismic Undertaking (JMSU), an agreement between the national energy companies of China, the Philippines, and Vietnam to explore for oil and gas in the disputed waters of the South China Sea over a three year period. Yet, in 2008 when questions were raised in the Philippines concerning the JMSU’s constitutionality and its connection to the scandal-tainted PRC infrastructure projects, the Arroyo government—which had once hailed the tripartite endeavor as an historic breakthrough for peace and security in the region—distanced itself from the agreement. When the JMSU lapsed on June 30, 2008 no attempt was made to extend it. The termination of the JMSU essentially puts the Spratly dispute back to square one.

When the DoC was forged ASEAN and China agreed that negotiations on a formal and binding code of conduct would continue. While that commitment has been reaffirmed at every ASEAN-China forum since, more than six years on there is no sign that the two sides are any closer to signing such a treaty.

#### THE SOUTH CHINA SEA AND REGIONAL SECURITY

The standoff between the Impeccable and Chinese naval vessels on March 8 has reawakened concerns in Southeast Asia that if Sino-U.S. strategic rivalry heats up, regional stability will be imperiled. The skirmish called to mind the April 2001 EP-3 surveillance plane incident, which

also took place off Hainan Island in the South China Sea. Speaking shortly after that crisis, Singapore's Senior Minister Lee Kuan Yew remarked: "We in Southeast Asia held our breath. When it was over, we heaved a sigh of relief" (*South China Morning Post*, May 23, 2001). Although the Impeccable incident was not nearly as serious as the EP-3 episode, and the dynamics of U.S.-China relations have changed substantially for the better since 2001, the rapid expansion of China's naval forces has aroused greater scrutiny from the U.S. military. It subsequently emerged that the Impeccable was monitoring Chinese submarines based at the Sanya Naval Base on Hainan Island; given intense U.S. interest in China's submarine fleet, future skirmishes between U.S. surveillance ships and the PLA Navy in the South China Sea cannot be ruled out, especially absent a bilateral Incidents at Sea Agreement. The ASEAN states view the prospect of further Sino-U.S. naval spats as deeply unsettling: they do not want to see Great Power rivalry played out in their front yard, nor do they want to be forced to choose between America and China.

In its 2009 report to Congress on the PLA, the Pentagon warned that the rapid transformation of the Chinese armed forces was changing Asia's military balance in favor of the PRC and providing it with the capabilities to conduct military operations beyond Taiwan, including in the South China Sea. Washington has demonstrated a keener interest in Southeast Asia's most intractable territorial dispute over the past several years, driven mainly by freedom of navigation concerns but also by the need to protect the commercial activities of U.S. energy companies. It was in this vein that the U.S. expressed support for "Vietnam's national sovereignty, security, and territorial integrity" at a meeting between former President Bush and Vietnamese Prime Minister Nguyen Tan Dung in mid-2008, and that a month earlier at the Shangri La Dialogue Secretary of Defense Robert Gates had cautioned against "pressure tactics" and "coercive diplomacy" in the race for energy resources "even when they coexist beside outward displays of cooperation" (U.S.-Vietnam Statement, June 24, 2008; Speech Delivered by Secretary of Defense Robert M. Gates, May 31, 2008).

During the latest Sino-Philippine spat over the Spratlys, President Barack Obama called Arroyo on the phone to reaffirm the U.S.-Philippine alliance relationship and Washington's commitment to the VFA (PDI, March 17). The intent of that call is open to interpretation, but the timing suggests it was a gesture of support for the Philippines in its altercation with the PRC.

Over the past two years the South China Sea dispute has moved from the back to the middle burner of Asian security issues; if present trends continue, it may not be

long before it is seen once again as a major potential regional flashpoint.

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## Maritime Confrontation Highlights Troubled State of China-U.S. Defense Diplomacy

By Richard Weitz

The recriminations that flared between the People's Republic of China (PRC) and the United States over the latest Sino-American maritime confrontation makes evident how little progress has been made in Sino-U.S. defense dialogue during the past two decades. Clashes between U.S. and Chinese military units operating in the sea and air near China have become a recurring disruption in the bilateral relations. They will burden the Obama administration as it seeks to develop Sino-American security relations in the coming years.

### THE IMPECCABLE INCIDENT

The U.S. Department of Defense (DOD) claims that, on March 8, five Chinese vessels—ranging from two small trawlers to three larger vessels—deliberately interfered with the operations of the unarmed USNS Impeccable while it was conducting surveillance in international waters some 75 miles (120 kilometers) south of China's Hainan Island. According to the Pentagon, the Chinese ships maneuvered in front of the Impeccable, dropped wood in its path, forced it to make an emergency stop, and at one point tried to grab the ship's towed sonar array. Lacking any weapons, the Impeccable's crew sprayed a water cannon at an approaching Chinese ship, but the Chinese sailors stripped to their underwear and kept their pursuit.

Chinese officials did not deny the details of the incident, but characterized the American surveillance activities as fundamentally improper and arrogant. Chinese Foreign Ministry spokesperson Ma Zhaoxu told reporters at a March 10 Beijing news conference that, "The claims by the US [*sic*] are flatly inaccurate and unacceptable to China." Ma added: "Engaging in activities in China's exclusive economic zone in the South China Sea without China's permission, U.S. navy surveillance ship Impeccable broke relevant international law as well as Chinese laws and regulations. China has lodged solemn representations to the US. We urge the US to take effective measures to

prevent similar incidents occurring in the future” [1]. China’s government-controlled media then quoted senior naval officials who characterized the Impeccable as behaving “like a spy” and “like a man with a criminal record wandering just outside the gate of a family home. When the host comes out to find out what he is doing there, the man complains that the host had violated his rights” (*China Daily*, March 11).

Chinese denunciations continued after the Pentagon ordered U.S. warships to escort the Impeccable and the other unarmed surveillance ships operating near China. The state media quoted people affiliated with the Chinese Navy as denouncing the move for signaling an American intent to “keep on pressing” U.S. claims in the South China Sea through a disproportionate response (AFP, March 13). Zhang Deshun, deputy chief of staff of the navy, complained that the “Americans are villains crying foul” (Reuters, March 10). On March 24, Foreign Ministry spokesperson Qin Gang warned that Beijing would continue to press the issue in the future: “The resolve of the Chinese Government to safeguard territorial integrity and maritime rights and interests is resolute” [2].

The Impeccable is one of several oceanographic surveillance vessels, with a mixed civilian and military crew, which belong to the Navy’s Military Sealift Command. These ships use advanced sonar and acoustics technologies to map the ocean floor in order to establish a baseline background, making it easier to identify submarines, mines and other foreign objects, which they can also track directly (The Associated Press, March 10). The previous year, Western media highlighted the surprisingly large extent of a major new Chinese navy base on Hainan Island, China’s southernmost province. Analysts estimate the facility may have the capacity to house dozens of submarines and surface warships, include possibly aircraft carriers, within its enormous manmade tunnels, where they would not be visible to overland imagery (*The Telegraph*, May 6, 2008).

The Pentagon subsequently disclosed that the March 8 confrontation represented but the latest of several Chinese attempts in early March to disrupt Navy operations around China. The USNS *Victorious*, a similar unarmed surveillance ship, also suffered harassment from Chinese ships and airplanes. On March 4, a Chinese patrol boat shined a high-powered spotlight onto the *Victorious*, which was sailing in international waters in the Yellow Sea. The following day, a Chinese maritime surveillance aircraft flew over the vessel a dozen times, while a Chinese frigate sailed within 100 yards of the Impeccable after an aircraft also flew over that ship (*Aviation Week*, April 9). On March 7, a Chinese ship warned the Impeccable by

radio that it was conducting illegal operations and had to leave the area.

Pentagon Press Secretary Geoff Morrell complained that “this incident is not at all consistent with the expressed desire of both governments to build a closer relationship, particularly a closer military-to-military relationship” [3]. In response, the Chinese Foreign Ministry spokesperson Ma Zhaoxu told reporters at a March 10 Beijing news conference that, “The claims by the US are flatly inaccurate and unacceptable to China” [4]. The issue was a major subject of discussion when Chinese Foreign Minister Yang Jiechi spoke with President Obama in the White House on March 12 during a previously scheduled meeting. According to a White House press release, “The President also stressed the importance of raising the level and frequency of the U.S.-China military-to-military dialogue in order to avoid future incidents” [5].

In his testimony to the Senate on March 10, the new director of national intelligence, Admiral Dennis Blair, recalled an earlier episode—in which he was personally involved as head of the U.S. Pacific Command (PACOM), which closely resembled the latest clash. On April 1, 2001, a U.S. Navy EP-3E *Aries II* surveillance plane, on a routine reconnaissance flight over the South China Sea, about 70 miles off the Chinese coast, collided with one of the two Chinese F-8 II fighter jets that had flown to intercept it. Like the Impeccable incident, the EP-3 affair occurred beyond China’s territorial seas, which extend 12 miles from the Chinese coast, but inside China’s self-declared 200 nautical-mile Exclusive Economic Zone (EEZ), where Beijing asserts the United States has no right to conduct intelligence gathering operations. Blair described the Impeccable affair as “the most serious that we’ve seen since 2001, the EP-3 incident” (*Washington Times*, March 11). Indeed, these disturbances have recurred for almost two decades, ever since the Chinese military began to operate regularly outside of China’s territorial waters and air space.

A week after the Impeccable incident, Navy Admiral Timothy J. Keating, current head of the PACOM, told the Senate Armed Services Committee that, despite some progress in early 2008 in developing Chinese-American military ties, “the relationship certainly isn’t where we want it to be” and that “a mature, constructive mil-to-mil relationship is hardly the reality of the day” (American Forces Press Service, March 19).

Although acknowledging that the Chinese government has become somewhat more open in recent years, the authors of the latest DOD report on China’s military power likewise complains that Chinese officials have yet to “view transparency less as a transaction to be negotiated and



more as a responsibility that accompanies the accumulation of national power” [6]. It also warns that, “The limited transparency in China’s military and security affairs poses risks to stability by creating uncertainty and increasing the potential for misunderstanding and miscalculation” [7].

#### IMPEDIMENTS TO DEFENSE DIPLOMACY

Several recurring problems have impeded military diplomacy between the two defense establishments. The main obstacle has been the underlying climate of security tension between China and the United States. Repeatedly, adverse political and military developments have derailed Chinese-American defense ties. Curtailing military exchanges have been a favored diplomatic mechanism for both Beijing and Washington to signal displeasure with some development in the overall relationship.

The Chinese have readily suspended various military visits, exchanges, and other defense contacts after the 1999 Belgrade Embassy bombing, the EP-3 collision, and in retaliation for the announcement of major U.S. arms sales to Taiwan. Most recently, Beijing froze U.S.-Chinese defense cooperation for the remainder of the Bush administration after the White House notified Congress in October 2008 of its plans to sell Taiwan \$6.5 billion in military equipment, the largest U.S. arms sale to Taiwan in history. The Chinese government canceled high-level defense visits, refused to allow U.S. Navy ships to make calls at China’s ports, and suspended meetings on humanitarian assistance, disaster relief, and WMD nonproliferation—effectively canceling or suspending almost a dozen China-U.S. military exchange programs (The Associated Press, March 11). The Chinese authorities have also denied permission for U.S. Navy ships to visit Hong Kong on other occasions, including several times in late 2007, without providing a formal explanation for the refusals (*Los Angeles Times*, November 29, 2007).

Accidents have also disrupted Sino-American military exchanges. The mistaken U.S. bombing of the Chinese Embassy in Belgrade in May 1999 led the Chinese to drastically curtail military contacts. The Chinese government suspended bilateral talks on international security issues (such as arms control and nonproliferation), human rights, and other subjects of concern to various U.S. government agencies. Chinese authorities also froze all Sino-American military exchanges and stopped authorizing U.S. Navy port calls in Chinese ports, including to Hong Kong [8]. They soon forbade American military aircraft from landing in Hong Kong as well [9]. Similarly, the April 2001 crisis resulting from the EP-3 collision discouraged the new Bush administration from attempting to reinvigorate military ties.

Another complication arises from the Chinese fear that improved transparency could provide U.S. military intelligence with insights into Beijing’s defense vulnerabilities. Concealing China’s military assets and plans complicates foreign military efforts to identify Chinese military targets or respond effectively to Chinese defense programs. Beijing’s reluctance to reduce uncertainty regarding their military doctrine and capabilities had perhaps its greatest impact on the U.S.-led efforts to establish ties with China’s nuclear weapons establishment. Until now, however, Chinese leaders have eschewed detailed transparency measures that would facilitate the ability of the United States to locate and destroy China’s strategic and conventional weapons [10]. Despite occasional interactions between U.S. officers and members of the Chinese Second Artillery, which has responsibility for China’s strategic forces, the Chinese defense community has been perennially averse to allowing a Sino-American dialogue between their strategic forces. In addition to not wanting to draw attention to their strategic build-up, Chinese officials worry about exposing vulnerabilities to a potential foe, particularly given U.S. efforts to develop ballistic missile defenses, robust offensive nuclear forces, and even conventional precision-strike munitions, which could target China’s strategic forces as well as their command and control systems.

In April 2006, Presidents Bush and Hu agreed to undertake a bilateral strategic nuclear dialogue to promote mutual confidence and understanding. Nonetheless, little progress ensued. At a June 2008 conference in Beijing involving Chinese and American strategic experts, the Chinese participants, which included influential members of the Beijing arms control community, made clear their aversion to strategic transparency. Although the attendees acknowledged China’s need to provide additional data about its conventional forces and defense budget, they argued that making China’s nuclear capabilities more transparent would only harm their country’s security given the vulnerability of its small nuclear force to a decapitating American first-strike. Instead, they argued that the uncertainty enhanced strategic stability by effectively deterring such an attack [11]. When then President Bush announced the largest U.S. arms sale to Taiwan in history in October 2008, Beijing suspended the nuclear dialogue for the rest of his administration.

The military relationship between China and the United States during the 1990s differed in many respects from that which existed between the United States and USSR during the 1970s and 1980s. These differences meant that lessons learned from the Soviet-American experience with military-to-military contacts and confidence-building measures could not apply fully to the Chinese-American interaction. Whereas Soviet and American military forces

operated, and had the potential to clash, throughout the world, Chinese forces, until recently, remained close to their territory. Despite furious Chinese protests, moreover, the United States has continued to conduct extensive air and maritime surveillance operations within China's 200 nautical-mile EEZ, with American military planes and ships operating in China's periphery on a daily basis. Chinese government documents and speeches by Chinese leaders have made clear that the PLA aims to continue to increase its global presence. Beijing therefore has rejected measures that could codify existing asymmetries in operating patterns. In particular, Chinese officials refuse to recognize the legitimacy of U.S. military intelligence gathering in international airspace and waters near the Chinese mainland.

There has long been a perceived lack of reciprocity in the Sino-American exchanges. While the U.S. officials involved seek substantive dialogues and briefings, their Chinese counterparts pursue more the symbolism of high-level interactions. Especially during the 1990s, U.S. military and civilian leaders complained that, whereas they provided their Chinese interlocutors with many detailed presentations, publications, and access to diverse military facilities, their PLA handlers offered them show sites and vacuous lectures.

Complaints about reciprocity declined during the Bush administration, primarily because U.S. officials scaled back their expectations for the exchanges and became very vigilant in order not to risk the disclosure of high-technology weapons systems and sophisticated operational techniques to the Chinese government. In any case, solving the reciprocity problem will require overcoming some of the underlying difficulties discussed above that prompt the Chinese to limit what they are willing to show and tell the now jaded American defense community.

The Impeccable incident is another sign that, despite years of military-to-military talks, the Chinese and American defense communities still fundamentally disagree regarding how to manage bilateral relations in ways that eschew acute confrontations. Both governments strive to avoid jeopardizing their broader political and economic relationship as they manage their security differences. Yet, the basic problem is that China's growing military strength is enabling Chinese policymakers to challenge more directly American defense practices that Beijing has long opposed. The main issue concerns the right of the United States to conduct maritime surveillance operations in international waters that fall within China's EEZ. Further defense talks or additional confidence-building measures cannot by themselves overcome what at bottom both sides view as issues of principle—national sovereignty for the Chinese,

and freedom of the seas for the Americans.

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