



U.S.-CHINA STRATEGIC DIALOGUE

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AND THE PACIFIC FORUM OF THE CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES FOR
THE ADVANCED SYSTEMS AND CONCEPTS OFFICE OF THE DEFENSE THREAT REDUCTION AGENCY

Conference Report

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Introduction

The *U.S.-China Strategic Dialogue* brought together Chinese and U.S. strategic experts in their personal capacities to discuss the role of nuclear weapons in Sino-American relations with the aim of minimizing mutual misunderstanding and identifying practical steps for bilateral cooperation. The conference was held in Honolulu, Hawaii, in collaboration with Pacific Forum of the Center for Strategic and International Studies and with support from the Advanced Systems and Concepts Office of Defense Threat Reduction Agency, U.S. Department of Defense. The American participants were primarily academics, although several had experience in international security issues while working for the U.S. government. The Chinese participants were a mix of academics, think tank analysts, and military officers. (Please see the complete list of participants at the end of this report.) The conference was held under the explicit understanding that all participants were speaking unofficially, as observers of their government's policy, not representatives of it.



Major General (ret.) Pan Zhenqiang and Professor Christopher Twomey listen to presentations.

This first meeting of what is anticipated to be an annual series of track-two dialogues was extremely successful. Both sides developed an increased awareness of the other's threat perceptions and the strategic rationale for its grand strategy. Over the course of two days, U.S. and Chinese representatives discussed numerous pressing issues, this year centering on: the evolving nuclear world order, national security priorities and policies, national nuclear postures, regional nuclear challenges, threat reduction policies, and recognizing key sources of misperception and misunderstanding between them. The participants came away from the event with an increased understanding of what direction future strategic dialogues should take in order to continue a productive and rewarding dialogue, and an enthusiasm to do so.

Importance of a Strategic Dialogue

The discussions opened with the acknowledgement from both sides that China, as the fastest growing country in the world, is rapidly becoming a great power. American discussants reiterated that Washington's interests in Asia are and will remain a priority, and that regardless of who was in the White House, much of the government's focus would be on China. It was also noted that both the United States and China are at a critical juncture in their bilateral relationship, and both countries need to work together amicably to ensure each side better understands each the other's enormous military capabilities. As one of the American paper writers highlighted, the strategic relationship between any two countries can be defined as the interplay between their power and goals. Thus, the most important factors affecting the U.S.-China strategic relation are, from the U.S. side, its position at the top of the relative power hierarchy, and, from China's side, its turn away from the autarchic ideological system to its current broad-based international engagement. With this general recognition of the centrality of the issues at stake, the discussion turned to a number of specific points.

Strategic Level Points

At the broadest level, Chinese participants repeatedly emphasized that their government's overall outlook centered on ensuring a peaceful environment conducive to economic development. American participants confirmed China's economic strength, and pointed out that China's turn has made it into a worldwide economic power with particular impact on the American economy. It has brought into being a Chinese middle class that is forcing the government to evolve and it has allowed China to engage in useful diplomatic as well as economic relationships around the world. Everyone agreed that any assessment of the military and nuclear aspects of the strategic relationship must take these basics into account.

American participants emphasized the degree to which their perceptions centered on an understanding of the vast changes that have occurred in the international security environment in the wake of the end of the Cold War and the terrorist attacks of 9/11. Beyond these general worldviews, each side engaged in frank discussions of the nature of their specific threat perceptions and nuclear doctrines.

Chinese Threat Perceptions

Nuclear Triangles

According to our Chinese participants, the security situation facing Beijing is very challenging. The evolving nuclear competition in South Asia, coupled with the worsening security situation in North Korea, have led to a marked deterioration of China's regional security environment. While far from resolved, there seemed to be a burgeoning awareness of the extreme complexity of multiple deterrence relationships. China today already faces several "nuclear triangles": China-North Korea-U.S.; China-India-Pakistan; China-Russia-U.S.; etc. The possibility the Chinese participants repeatedly referred to of adding South Korea, Japan, and—most alarmingly—Taiwan into that mix creates a very fluid and unstable situation for China.

Interpretations of the Nuclear Posture Review

More disturbingly, there was a persistent view in comments from Chinese participants that the 2002 Nuclear Posture Review increased, rather than decreased, the importance of nuclear weapons in the Washington's overall defense posture. (Indeed, the Chinese participants also typically treated the NPR as a statement of declaratory policy rather than as the "study" it was intended to be.) There were repeated calls by Chinese interlocutors to reduce U.S. reliance on nuclear weapons in general. In fact, one participant suggested that a major challenge to global stability today was the emphasis that nuclear weapons states continued to put on the role of nuclear weapons. In this view, this emphasis stimulates nuclear proliferation and more generally is a key driver for other nations' threat perceptions and security policies.

Chinese Position of Strength and Weakness

In playing off the complexities of the bilateral relationship, Chinese participants expressed something of a contradictory view of their overall position regarding the United States. On the one hand, they frequently made statements emphasizing China's overall weak position relative to that of the United States, and alluded to certain obligations the United States must uphold as the leading global hegemon. On the other hand, there also was an insistence that China's rise was inevitable, and that this would change the overall power distribution in the world. This

confidence was seen to be a recent shift in China's views of international affairs. In the short-term, China still openly identifies itself as weak country. However, it is more than willing to tout and project its potential for becoming a great leader and economic competitor.



Dr. Gu Guoliang, Deputy Director of the Institute of American Studies, and Dr. Peter Lavoy, Director of the Center for Contemporary Conflict, shake hands on a conference well done, while Ed Smith of the Institute for Defense Analyses looks on.

American Threat Perceptions

Post 9/11 Realities

At the broadest level, American participants emphasized the increased complexity of the world their country faced. Rather than facing a single state-led threat that was unambiguously an enemy, today the United States faced a mix of state and non-state adversaries, dangers posed by

asymmetric strategies as much as by the actors themselves—both terrorism and weapons on mass destruction (WMD) proliferation were said to be encompassed in this area—and states with whom the United States has an ambiguous relationship. China, for example, is a close trading partner but at the same time is a potential security competitor. This unprecedented relationship makes policy decisions more ambiguous and more open to adjustment and reinterpretation.

U.S.-China Relationship

Most American participants at the conference felt the Sino-American strategic relationship to be relatively stable. Given the existence of something approaching a secure nuclear second-strike capability held by both sides, American participants emphasized that the strategic nuclear aspect of the U.S.-China centered a few key constants. First, they recognized that China has declined to enter into a nuclear arms race with United States. Second, they insisted that the United States feels no threat of surprise of attack from China. Finally, they acknowledged the reality that programs to improve China's nuclear forces have been slow and noted that China's nuclear programs do not bear the mark of urgency China has given to development of civilian sector, which is rapidly expanding (or even to other areas of military capability such as short-range missiles or conventional submarines). American participants agreed that if these factors were to change, then American threat perceptions of China would change. However, no one suggested this was imminent.

China's Doctrine

In language that clearly drew on long-standing U.S. theoretical debates over nuclear deterrence, the Chinese participants repeatedly highlighted their reliance on “minimum deterrence” and the centrality of their no-first-use pledge. The goals of the nuclear force were said to be retaliatory-based not denial-based deterrence, and counter-value not counter-force. This permits, in their view, a notion of “few but effective” to be appropriate for sizing their weapons arsenal. That is, so long as the nuclear force is effective (reliable, deliverable, etc.), it does not need to be large in numbers. Some participants emphasized that quantitative measures were less important than the quality of the deterrent that they provided. This emphasis on quality over quantity, and repeated

downplaying of the utility of quantity, pervaded most discussions of the Chinese force and its supporting doctrine.

Related to this is a belief by the Chinese participants that nuclear weapons lack tactical utility, that they are *only* useful for strategic retaliation. While positive from a narrow perspective of American national interest, this does shape the way the Chinese view the ongoing development of American nuclear doctrine. From their perspective, the usability debate in the United States is moot: it is simply a given that tactical nuclear weapons lack utility. One important implication of this belief is that it leads to worst case assessments by Beijing of U.S. plans to consider future development of such weapons.

American Doctrine

American participants generally emphasized the decline in importance of nuclear weapons in their country's national strategy. Several Americans indicated that this is the key motivation for the Nuclear Posture Review. In contrast to Chinese perceptions regarding the American strategy, several U.S. participants noted that the United States has continued to reduce its nuclear stockpile, even under the current administration. One American participant further noted that the role of nuclear weapons also has receded in recent years in the security policies of France and the United Kingdom. Beyond that, it was also emphasized that China does not figure largely into U.S. policies at the strategic level. Indeed, one American participant emphasized the basic stability that nuclear weapons imposed on international relations in general and suggested that a degree of stability should be expected in Sino-American strategic relations as well (without entirely downplaying the challenges posed by the Taiwan issue). However, the United States is concerned that unless it has a firm understanding and gains more transparency into China's nuclear program and intentions, the United States, as well as Russia, will be less willing to continue nuclear stockpile reductions. This is particularly the case in the context of the modernization of China's nuclear stockpile.



Listening to a presentation: Prof. Twomey, Prof. Shen Dingli of Fudan University, Dr. Jeffery Larsen of SAIC, Prof. James Wirtz, and Ms. Clair Bai of Pacific Forum

Regional Affairs

In terms of regional affairs, a number of important points emerged both in the panels that focused on these points in particular and in other, more general, discussions.

Beyond North Korea

Both the American and the Chinese participants viewed the implications of North Korean nuclear weapons as transcending the Korean peninsula. The potential nuclearization of South Korea and Japan was discussed as a dangerous outcome, but often as *the most likely outcome* of further moves by the North.

The prospect of Japanese nuclearization was viewed with deep trepidation by the Chinese. There was a sense on the Chinese side that this could occur in spite of a continuing, strong U.S.-Japan alliance. It was noted, several times, that Japan already possessed the requisite material and technology programs for both weapons and missile delivery systems. The Chinese viewed Japanese domestic political restraints on this issue to be quite transitory. In almost a mirror image of American views about Chinese coercive power over North Korea, the Chinese repeatedly asserted that the United States, and perhaps no one else, could prevent Japan from proliferating. Finally, there was a sense in comments by some Chinese participants that Japan could be looking at the DPRK as an excuse to develop nuclear weapons. It was stressed, however, that a nuclear DPRK would not draw the Chinese into war. Several Americans also expressed relatively positive views regarding the prospect for peaceful resolution of the nuclear issue on the peninsula.

The issue of missile defense was again raised under the subject of North Korea, for as one American author pointed out, it was the threat of North Korea's WMD delivery capacity that was a driver for the development and deployment of a ballistic missile defense platform designed to protect the United States and its allies from the threat of an adversary's missile strike. As the conference participants reiterated, such a missile defense program has always been a concern for China, and recent developments in this arena have been viewed with skepticism. All of these opinions depict how a nuclear DPRK could set off numerous, both interconnected and unconnected, domino effects, all of which would be detrimental to regional and global stability.

All of this discussion led to rather forthright condemnations of the North Korean nuclear program by the Chinese participants. That said, the usual statements of limits on China's ability to pressure the DPRK also were expressed.

Taiwan

Taiwan itself, although not formally on the agenda, came up repeatedly and unsurprisingly in discussions. Its centrality to the Sino-American relationship was consistently emphasized and it was noted that this was one of only a few (perhaps the only) potential sources of military conflict

between the two countries. Chinese willingness to use violent means to prevent permanent legal separation of Taiwan was emphatically repeated. Although, paradoxically, one Chinese participant insisted that even after a military conflict over Taiwan, China's ultimate objective would remain *peaceful* reunification.

Chinese participants seemed convinced that U.S. policy was aimed at perpetuating the separation of Taiwan from the mainland indefinitely, but suggested a changed declaratory policy might affect this. The strong restraint exerted on Taiwan in recent months was acknowledged, but not viewed as a fundamental shift in policy. Chinese participants repeatedly raised the mention of a Taiwan scenario in the leaked NPR, and this was viewed with deep concern. Similarly, Chinese concerns regarding any foreign TMD coverage were again expressed. It was also explicitly mentioned that China is and would be very sensitive to any ballistic missile defense system covering Taiwan. On the other hand, there was also repeated and emphatic refutation of Gen. Zhu Chenghu's statement implying a potential Chinese nuclear first use over Taiwan.

The most interesting comment in this area came from a Chinese panelist who emphasized the importance of preventing a hypothetical Taiwan conflict from escalating or spreading. His comment was clearly made in the context of U.S. involvement in the hypothetical conflict. Similarly, others openly acknowledged U.S. escalation dominance in that situation: "It is the United States, not China who has the nuclear capabilities to control or even dominate conflict escalation."



Mr. David Hamon of DTRA/ASCO and Admiral Yang Yi of NDU celebrating a successful and interesting conference.

U.S. Alliances in Asia

There was a genuine desire by the Chinese side to hear more discussion from the American side on how Washington conceives of its alliance system in the region. While extended deterrence concepts were repeatedly criticized, the benefits of policies based on such concepts were clearly valued by the Chinese side, as were discussions of positive security guarantees by nuclear weapons states to non-nuclear weapons states. This suggests that further discussion would be warranted and might improve mutual understanding. Suggesting that such learning might be possible, one participant wrote, “For China, the concept of external deterrence has simply not entered into [the] nuclear calculus yet.” The Chinese participants desire additional discussion on explaining American grand strategy in the region.

Responding to the Chinese participants' calls to clarify the strategic relationship between the United States and China, one American participant emphasized that there is no need for further clarification of the existing relationship between the two superpowers; what we see now is the relationship. It is a mixed motive relationship; one in which endemic differences exist, and in which each side is both part ally and part adversary. The dialectic nature of the relationship certainly belies straightforward simplification.

India

The Chinese also expressed concern over the new U.S.-Indian global partnership but also noted that relations among China, India, and the United States were very much in flux. More broadly, the Chinese side recognized the importance of the emerging Sino-Indian nuclear competition but suggested that consideration of that was only in its infancy. One Chinese participant indicated that Chinese support for Pakistan was at least partially viewed through the prism of the Sino-Indian relationship. American participants emphasized the importance placed on improved U.S.-Indian strategic ties, particularly in the past several months.

Policy Issues

Finally, there were a number of concrete policy-related topics that also will merit consideration for further discussion.

The attractiveness of a mutual no-first-use pledge was apparent for several of the Chinese participants. American participants emphasized the importance of related "nuclear threshold" issues for crisis stability and escalation prevention. These seemed to be understood rather differently by the two sides. (Particularly the issue of nuclear response to non-nuclear WMD use, EMP issues, conventional attacks on strategic targets, etc.) Chinese participants emphasized that their own threat perceptions depended, in part, on their understanding of American views on the "nuclear threshold." Clearly, the interrelated nature of these challenging issues suggests the importance for further discussion on the topic.

However, as discussed by one of our American paper writers, U.S. views on further defining its conception of nuclear threshold, or on other issues of nuclear arms control, do not—both in the past and at present—play a significant role in the Sino-U.S. strategic military relationship. For many in the current administration, there is no arms race between the United States and China. Nuclear weapons remain well in the background in the political relationship, and policymakers on both sides seem committed to moving nuclear weapons even further into the background. In China, few have seen any possible role for China in the nuclear disarmament process among the nuclear weapons states until such time as far deeper reductions occur in the arsenals of the United States and Russia.

Support for PSI

Chinese participants expressed sympathy for the goals of the Proliferation Security Initiative. While this was never expressed as unreserved, blanket support, it suggests an area for potential future cooperation between the two countries. More broadly, further discussion of WMD proliferation issues would be useful to work out other areas of common ground and potential cooperation in nonproliferation and counterproliferation activities. Both sides repeatedly raised the topic of access to WMD by terrorists and sub-national groups, and the Chinese seemed particularly energized by the prospect of further WMD proliferation in their own region.

On multiple occasions, however, Chinese participants emphasized the need for the United States to reinvest its energies into maintaining and strengthening nonproliferation regimes and international organizations such as the IAEA and NPT. In order to gain legitimate transparency and trust on security matters, they argued the United States should think about shifting away from the recent trend of dealing with WMD threats unilaterally or through selective, bilateral diplomacy to more inclusive, multilateral arrangements and relationships. The American participants often emphasized the degree to which this was not regarded as a viable strategy in Washington today. This too would appear to be a productive area for further discussion given the contrast between China's preference for relatively formal organizations and the more flexible approach that characterizes U.S. policy today.

Utility in this Dialogue

Beyond the substance, there seemed to be significant interest in the Chinese side for the process to continue. There was great interest in continuing to take advantage of both U.S. and Chinese participants to facilitate more dialogue, and to enhance confidence-building measures between the two countries.

The Center for Contemporary Conflict at NPS, in collaboration with DTRA/ASCO, looks forward to the opportunity to develop this project further.



Professor Shen and Ms. Elizabeth Stone of NPS discussing the future of the US-China Strategic Dialogue.

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