

Chinese Foreign Policy Today

Zhao Quansheng

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Zhao Quansheng (Ph. D., University of California, Berkeley) is an Associate Professor at the School of International Service of the American University, Washington D.C., and Associate-in-Research at the Fairbank Center for East Asian Research at Harvard University. He is author of *Interpreting Chinese Foreign Policy* (Oxford University Press, 1996), *Japanese Policymaking* (Oxford University Press/Praeger, 1993), and co-editor (with Robert Sutter) of *Politics of Divided Nations: China, Korea, Germany, and Vietnam* (University of Maryland Law School, 1991).

In July 1996, during a hot summer in Beijing, a second secretary of the US Embassy to China invited three young Chinese for lunch at the Jianguo Hotel.¹ These young people are co-authors of a freshly published best-seller book in Chinese entitled *Zhongguo keyi shou bu* (A China that Can Say No)², which is as an anti-American work. The American official indicated that this book had already attracted attention from those concerned about Sino-US relations, and would be read by political leaders in the US. One of the messages of the book says, “Jiduan minzu zhuyi bukequ, dan minzu zhuyi haishi yaode” (we do not need extreme nationalism, but we do need nationalism).³

This paper examines three basic trends of Chinese foreign policy in the post-Cold War era: *modernization*, *nationalism*, and *regionalism*. It examines the foreign relations of the People's Republic of China (PRC) in the Asia-Pacific area, embracing Japan, the Korean Peninsula, Southeast Asia, Russia, and the US, as well as the issue of Taiwan.

Modernization, Nationalism, and Regionalism

Three key words, *modernization*, *nationalism*, and *regionalism*, can be used to help us better understand directions of Chinese foreign policy. Modernization refers to China's concentration on economic growth. Since 1978, two years after the death of Mao Zedong, Deng Xiaoping repeatedly emphasized the need to shift China's priority from “revolution” to “modernization.” In the beginning of 1980, Deng raised three tasks for China for the decade ahead (the 1980s): they were to “oppose hegemonism” and to “preserve world peace;” to work on “China's” reunification “with Taiwan; and to “step up the drive for China's four modernizations.” Deng singled out the third task as the most important by stating that “modernization is at the core of all these major tasks, because it is the

essential condition for solving both our domestic and our external problems;”⁴ and “nothing short of a world war could tear us away from this line.”⁵

Nationalism has emerged as a leading current that behind China's drive toward modernization. It has increasingly become one of the primary driving forces behind Chinese foreign policy. In the post-Cold War era, nationalistic feeling appears particularly strong among Chinese intellectuals and government officials as well as within other circles of Chinese society. China's nationalism has long been a focus of various studies of Chinese foreign policy.⁶

Regionalism⁷ emphasizes that China has remained a regional power, concentrating its political, economic, and military activities primarily in the Asia-Pacific region. Despite its global aspirations, Beijing has in the main focussed its activities and interests in the Asia-Pacific area.

The new orientation of Chinese foreign policy in the era of Deng was further confirmed by what was called “the 28-character strategy” expressed by Deng Xiaoping in the wake of the Tiananmen incident of 1989. Then China was facing economic sanctions from the West and confronted the disintegration of the Soviet Union, and the collapse of communism in East Europe. These strategies included the following seven phrases:

leng jing guan cha - watch and analyse [the developments] calmly;

wenzhu zhen jiao - secure [our own] positions;

chen zhe ying fu - deal with [the changes] with confidence;

tao guang yang hui - conceal [our] capacities;

shan yu shou zhou - be good at keeping low profile;

jue bu dang tou - never become the leader;

you suo zuo wei - make some contributions,

According to an article published in Beijing this strategy can be

summarized as “four *bu* and two *chao*.”

Bu kang qi - do not carry the flag [of socialism]: China should not seek to replace the role placed by the former Soviet union who was the leader for the socialist camp.

Bu dang tou - do not become the leader: China should not become the leader for the third world countries.

Bu duikang - do not engage in confrontations: China should not seek confrontations with Western Powers.

Bu shu di - do not make enemies: China should not intervene into the internal affairs of other countries (such as the Eastern Europe states) regardless whether they have departed from socialism or not.

Chao yue yi shi xing tai yin su - go beyond ideological considerations;

Chao tuo – be detached from concrete events.⁸

That is to say, in order to concentrate on economic development (or modernization), China should keep a low profile in international affairs. Deng's idea is that “by the middle of the next century,” China should “have basically realized modernization,” and then it can be said that China “has succeeded.”⁹

Examining China's foreign relations with other countries in the Asia-Pacific region highlights these three basic trends — modernization, nationalism, and regionalism — that demonstrate the influences that act upon China foreign policy. To elaborate these points, some historical background will also be discussed. It is hoped that this study will facilitate a better understanding of Beijing's external behaviour patterns and policy choices.

People now regard the PRC more as a regional power, no one doubts that it remains a major player in East and Southeast Asian regional affairs.

¹⁰ From Beijing's perspective, the combined area of East and Southeast

Asia has remained one of the most important areas of consideration for Chinese foreign policy, not only for military and political reasons, but also for economic reasons, which has immediate consequences for China's modernization drive.

From Table 1, in 1994 geographical areas were ranked accordingly in China's foreign trade: Asia (\$142.2 billion), Europe(\$43.8 billion), North America(38.6 billion), Latin America(\$4.7 billion), Oceania(\$4.6 billion),and Africa(\$2.6 billion). It is clear that China's foreign trade with Asian countries exceeds that with countries outside of Asia combined. East and Southeast Asia accounted for 55 percent of China's foreign trade; and trade within "Greater China"¹¹ [with Taiwan, Hong Kong, and Macau] has also ranked prominently.¹² Empirical case studies of Chinese foreign policy in the areas of East and Southeast Asia, which can be considered China's priority region, will be quite meaningful to the study of Chinese foreign policy as a whole.

In addition to economic and trade relations, security issues within the Asia-Pacific region are another factor of paramount concern to Beijing. Of immediate concern are China's territorial claims to the Xisha (Paracel) and Nansha (Spratly) Islands and disputes with Vietnam and several ASEAN states. The arms race in East Asia is a notable and potentially worrying trend affecting security in the region. According to a Pentagon study released in early 1995, Asia would become the world's biggest importer of arms by the end of the decade. Between 1994 and 2000, East Asia will account for 30% of global demands for arms, and South Asia will count for 5%. It is estimated that the Asian market as a whole will be worth \$76-87 billion over the six-year period. Taiwan is expected to be Asia's largest buyer,

Table 1:**China's Major Trading Partners (1994)**

(Unit: US\$ 1 million)

Region and Selected Countries	Exports	Imports	Total Value (US\$1 million)
Asia	73446.70	68765.15	142211.85
Japan	21573.12	26320.77	49893.89
Within Greater China	35273.16	23673.45	58946.67
Hong Kong	32364.51	9456.62	41821.16
Macau	666.50	132.00	798.50
Taiwan	2242.15	14084.83	16326.98
Korea (North)	424.52	199.22	623.74
Korea (South)	4402.30	7318.34	11720.65
ASEAN	6379.01	6829.85	13208.85
Brunei	16.26	0	16.26
Indonesia	1051.70	1588.37	2640.07
Malaysia	1117.66	1622.67	2740.32
Philippines	475.69	272.40	748.09
Singapore	2558.42	2482.02	5040.44
Thailand	1159.28	864.39	2023.67
Burma	369.11	143.28	512.39
Cambodia	35.27	1.00	36.27
Laos	35.97	4.38	40.36
Vietnam	341.66	149.19	532.82
Africa	1749.05	893.98	2643.09
Europe	18803.98	25040.20	43844.19
EEC	14580.23	16938.76	31518.99
United Kingdom	2414.00	1769.90	4183.91
Germany	4761.45	7136.73	11898.23
France	1424.36	1939.01	3363.37
Italy	1590.66	3068.06	4658.72
Former USSR	1946.55	4662.58	6609.13
Russia	1581.14	3495.75	5076.89
Latin America	2454.75	2247.38	4702.13
North America	22860.16	15801.30	38661.46
Canada	1396.94	1830.75	3227.69
USA	21461.48	13970.42	35431.90
Oceania	1723.84	2915.61	4639.45
Australia	1487.87	2451.81	3939.68

Source: China's Latest Economic Statistics, Feb. 1995, pp.19-23

followed by Japan and South Korea. Facing the situation, the US has decided to maintain its troop strength in East Asia steady at about 100,000 men, rather than reducing their numbers as previously planned.¹³ One may see that both economic and security factors are important to Beijing's foreign policy toward the Asia-Pacific area.

Japan: China's Most Important Asian Partner

Chinese foreign policy toward Japan has been greatly influenced by Beijing's changing perception and interpretation of Japan. From the victory of Communism in 1949 to the early 1970's, Chinese policy toward Japan was strongly influenced by the Cold war. During this period, China regarded Japan as a "running dog of American imperialism." Since China began to normalize relations with Japan in 1972, this view has changed substantially and much progress has been made in developing diplomatic relations. Today, China uses quite different phrases to describe Japan such as "good neighbor" and "good friend," despite sporadic problems between the two countries which will be discussed below.

This new perception of Japan is also reflected in economic matters. Since the normalization of relations between the two countries in 1972, bilateral trade has been flourishing. Japan has been a major source of capital, technology, and manufactured imports for China. In 1993, for example, Japan was China's foremost foreign trading partner. Sino-Japanese trade was about one third higher than the size of Sino-US trade in terms of total value. Japan has a large share of the Chinese market in virtually every field except aircraft technology, which is dominated by US Companies. Entering the 1990s, Japanese overseas direct investment [ODA] in China also picked up momentum. In the first six months of the 1994 fiscal year (April to September), for example, China was the second

major recipient of Japan's ODA, which reached US \$1.14 billion, a 63.5% increase over the same period in the previous year.¹⁴

The issue of "Japanese militarism" is an important subject and reflects Beijing's changing interpretation of Tokyo's view of China. This issue also involves the dynamics of China's domestic mood and its power politics. Due to the bitter memory of the Japanese invasion, China's fears of Japanese militarism are sincere and enduring. However, Beijing has shown itself prepared either to play down or to emphasize those fears, depending on the changing policy agenda.

In the 1960s and 1970s, Beijing's concern about Japanese militarism was primarily motivated by international-diplomatic considerations. After the 1969 Sato-Nixon joint communique, which stated that "the maintenance of peace and security in the Taiwan area was also a most important factor for the security of Japan,"¹⁵ Zhou Enlai accused Eisaku Sato's government of encouraging militarism and of pursuing Japan's wartime goal of a Greater East Asia Co-prosperity Sphere.¹⁶ During a visit to North Korea in the spring of 1970, Zhou argued vigorously that "Japanese militarism has revived and has become a dangerous force of aggression in Asia."¹⁷

However, in response to the international environment, which was marked by competition and hostility between the US and the Soviet Union, Mao Zedong eventually came to view Japan and Western Europe as intermediate zones between the "revolutionary forces" of the Third World countries and the two "reactionary" superpowers. China sought to cultivate friendly relations with Japan and Western European countries. Beijing's need for economic development also prompted it to seek closer relations with Tokyo and to reduce the Chinese media's criticism of "Japanese militarism" through its control of the news media. Such criticism disappeared completely after Kakuei Tanaka became Japanese Prime Minister in 1972.

At that time, China launched a new campaign calling for "Sino-Japanese friendship" and "normalization of relations," believing that the transition from Sato to Tanaka presented China with the best opportunity to conduct direct contacts with the Japanese government. By the late 1970s, China was actively seeking an international coalition to counter Soviet expansionism, and had not only ceased its opposition to Japan's rearmament, but actually sought closer defence relations with Japan.¹⁸

In the 1980s, Beijing's concern about Japanese militarism was rooted chiefly in domestic developments, namely rising nationalism amongst Chinese intellectuals and other circles of Chinese society. In 1982, the issue of militarism reappeared as a result of the "textbook controversy." Japan's Ministry of Education was sharply criticized by liberal and left-wing domestic forces and Japan's Asian neighbors (including China, Thailand, Hong Kong, and North and South Korea) for revising the description of Japan's wartime behaviour in school textbooks. Rather than stating that Japan had "invaded" China and other parts of Asia, the wording was changed by the Japanese Ministry of Education to "entered," provoking protests throughout East and Southeast Asia. Beijing launched a full-scale campaign attacking Japan's militaristic tendencies. The campaign continued until Tokyo promised to review the disputed terminally prior to Prime Minister Zenko Suzuki's visit to Beijing to mark the tenth anniversary of normalized relations. Suzuki reportedly spent a considerable amount of his time in Beijing reassuring the Chinese leaders of Japan's position.

The textbook controversy resurfaced in 1985 and 1986, when new editions of textbooks describing Japan's actions in World War II were published. The problem was further exacerbated by Prime Minister Nakasone's official visit to the Yasukuni Shrine to honor those killed in World War II. The shrine contains the remains not only of Japanese

soldiers but also of a number of Japanese war criminals, including General Hideki Tojo, the commander-in-chief of the Japanese army in China during the war. Following Nakasone's visit, China's news media launched a new wave of criticism against Japanese militarism, triggering student demonstrations in Beijing, Shanghai, and other major Chinese cities, and giving expression to popular nationalistic sentiments.

China's response to Japan's "militarism" is an example of shifting influence from external to internal considerations. In the early 1970s, the primary purpose of criticizing Japan's "revived militarism" was to challenge Prime Minister Sato's conservative position in the hope that a pro-Beijing leader would replace Sato, thereby accelerating Sino-Japanese rapprochement. Beijing's basic interpretation of Japan before normalization was that Japan was an aggressor in the past and an important member of the rival Cold War camp. Once normalization was realized, Japan was viewed as a friendly country and the issue of militarism in bilateral relations became much less important.

In the 1980s, the same issue of "Japanese militarism" caused by the textbook controversy was rooted in a mixture of international and domestic considerations. Amongst the Chinese people, this controversy aroused nationalistic feelings. For the Beijing government, the affair offered an opportunity both to promote nationalism at home and to pressure Japan to make political and economic concessions. There was, for example, an indirect link between the militarism issue and the Sino-Japanese trade imbalance, as expressed by Chinese student demonstrators in such slogans as "down with the Japanese economic invasion."

A more recent concern about Japan's militarism came in summer 1994. A Chinese navy-sponsored magazine *Xiandai Jianchuan* (Modern Naval Vessels) published an article warning that Japan's navy was no longer

exclusively defence-oriented and the country's capability to project military power must be monitored carefully. In citing Japan's dispatches of forces abroad for UN peacekeeping operations and minesweepers for operations in the Persian Gulf area, it further suggested that "Japan is probing world opinion regarding its embarkation on a new militaristic path."¹⁹

In the APEC summit meeting held in November 1994 in Jakarta, Chinese President Jiang Zemin had a 45-minute meeting with Japanese Prime Minister Tomiichi Murayama. Jiang delivered a clear warning to Japan, "Militarism sometimes comes to the surface inside Japan," referring the repeated gaffes by Japanese ministers as they attempted to whitewash Japan's wartime history "Japan must reflect on its history and it is important that you educate your youth on this."²⁰ On the other hand, Japan has also felt uneasy about China's military development. In October 1994, Japanese Defence Agency chief Tokuichiro Tamazawa told US Defence Secretary William Perry that Japan is "anxious about [an increase in] the transparency" of China's defence budget.²¹

Beijing's keen concern over regime legitimacy in the international community can be seen in Taiwan issue in Sino-Japanese relations. Even though Japan issued a number of official statements in 1972 declaring Taiwan to be Chinese territory, Taiwan has continued to remain a potentially volatile issue between China and Japan. Japan ruled Taiwan as a colony for 50 years, and some Japanese are keen to pursue a special relationship with Taiwan, and would prefer the status quo of separation in the Taiwan Straits. Such opinions irritate the Chinese government, which views any suggestion of "two Chinas" or "one China, one Taiwan" as an impermissible assault on China's territorial integrity. Despite its pursuit of closer relations with Japan, China is inflexible on the Taiwanese issue, which will remain as a sour point in Sino-Japanese relations.

Despite such contentious issues as Japanese militarism and the issue of Taiwan, the fact that Japan is China's foremost trading partner and China's markets will become increasingly important to Japan which will ensure that Sino-Japanese relations remain close. It is widely recognized that the most important bilateral relationship in East Asian regional affairs is that between China and Japan.

The Korean Peninsula: The Balance Between North and South

Modernization, nationalism, and regionalism as major themes have had an important impact on China's policy toward the Korean peninsula. In the 1950s, the PRC, inspired by the fear of a US invasion provided substantial military support to North Korea in its war with the South. No doubt that strategic and political calculations dominated the PRC's Korea policy. Beijing has also learned lessons from the war – in terms of casualties and political implications for China's foreign policy and the evolution of East Asian international relations, the war proved very costly for China.

With the changing international and domestic environment Beijing made substantial adjustments in its Korea policy. Despite its openly stated alignment with Pyongyang, China long ago ceased to support a North Korean military attack on the South since the complete withdrawal of its military forces from the North in 1958. Since the opening of the Deng era, Beijing has consistently expressed its interest in avoiding another major military conflict and, therefore, has a particular interest in the creation and maintenance of a peaceful and stable situation in the Korean Peninsula, leading to the peaceful unification of North and South Korea.²²

There were sporadic quarrels between Beijing and Pyongyang during the past several decades – the nadir was in 1969 during the chaotic period of

China's Cultural Revolution. Then Chinese and North Korea forces clashed along their border. When Beijing further strengthened its ties with Seoul in the mid-1990s the Beijing-Pyongyang relationship became cool. In July 1995, for example, a North Korean official told an American delegation from the New York-based Council on Foreign Relations which was visiting Pyongyang, "If you need to balance China's growing power, you should establish relations with us."²³ This commitment should remind people of the balancing game played by North Korea between China and the Soviet Union during the 1970s and 1980s. Bilateral economic exchanges were also reduced. According to an unpublished study by the American Enterprise Institute's Nicholas Eberstadt and three other scholars, China's food exports to North Korea dropped from US\$149 million in 1993 to US\$55 million in 1994, and its coal and oil exports fell from \$264 million to \$194 million.²⁴ It would be interesting for East Asian specialists to watch the changing dynamics of this triangular relationship between Beijing, Seoul and Pyongyang when approaching the 21st century.

The PRC nevertheless managed to maintain a workable relationship with North Korea. High-level bilateral visits took place virtually every year since the beginning of the Deng era. Political developments in China and Eastern Europe since the late 1980s brought Beijing and Pyongyang closer together. Kim Il Sung was one of the few leaders who openly supported Deng Xiaoping's military suppression of student demonstrations in 1989.

From the 1960s to the mid-1980s, Pyongyang was able to play the "Beijing card" against the "Moscow card," effectively preventing China from moving closer to Seoul. As the international situation changed, especially after the Soviet Union and Eastern European countries established diplomatic relations with South Korea, the PRC gained more freedom and confidence in expanding its relations with South Korea. In fact, in the

post-Cold War era beginning with the late 1980s Beijing has had a strong incentive to develop relations with Seoul, because a closer relationship might increase China's leverage in dealing with the Korean problem and with East Asia as a whole. As one US official in Washington suggests, "Having good relations with both [Koreas] puts China in the best possible situation" in world politics as well as in regional affairs.²⁵

Several events that took place in the year of 1990 were described in a *Beijing Review* article as indicative of South Korea shedding "the cloak of the Cold War." These events were the establishment of diplomatic relations between South Korea and the Soviet Union; three meetings of the prime ministers of North and South Korea; and the decision reached by China and South Korea to set up nongovernmental trade offices in each other's capitals. These developments are seen as part of the "realignment of relations among Asian nations."²⁶ China's policy toward Korea was significantly altered in September 1992, when China finally agreed to establish official diplomatic relations with South Korea. It had taken more than two years for Beijing to follow Moscow's lead in establishing official relations with Seoul.

China had long shifted its priorities from political campaigning to economic modernization. Economic development was one of Beijing's primary incentives for normalizing relations with South Korea. China's modernization programs cannot be realized without extensive external support and exchanges from industrialized countries that can provide advanced technology, capital, markets, and managerial skills. South Korea was seen as neighboring supplier of these resources, in addition to Japan and the Western powers.

South Korea has become increasingly important as a trading partner for China. In 1993, Sino-South Korean trade reached US\$8.2 billion, far exceeding trade with North Korea at US\$9 billion. In his November 1995

state visit to South Korea, President Jiang Zemin reemphasized the importance of China's ties with South Korea and projected that the 1995 bilateral trade would reach the level of US\$15 billion.²⁷ As a newly industrialized country and a close neighbor, South Korea can also provide China with valuable experience and lessons in terms of economic development strategy, especially in "export-led" industrialization. South Korean businessmen began to conduct direct investment and joint ventures in China, most notably in Shandong Province.

China's balancing act between both countries was also reflected in the controversial issue of the North's nuclear program. In the spring of 1994, the International Atomic Energy Agency (IAEA) unearthed fresh evidence of North Korea's clandestine nuclear program; IAEA director Hans Blix called the Yongbyon facility "the most proliferation-sensitive facility" of North Korea's seven nuclear installations, but Pyongyang described it as a radiochemical laboratory. Since then, Pyongyang was under tremendous pressure from Washington and Seoul, and faced possible economic sanctions from the international community, to further open its nuclear installations to international inspection.²⁸ On one hand, while admitting that China did not have accurate information regarding North Korea's nuclear weapons development program,²⁹ Beijing opposed the application of economic sanctions on Pyongyang. In a meeting with South Korean President Kim Young Sam and Foreign Minister Han Sung Joo during their March 26-30 visit to Beijing, Chinese leaders made it clear that they would oppose any economic sanctions on North Korea, and would be reluctant to go along with a resolution from the UN Security Council on sanctions, Beijing wanted more time to "work its persuasion on Pyongyang before any UN sanctions are imposed," demanding that the Security Council should downgrade its plea for inspections of the North's nuclear installations from a resolution to a

non-binding "statement." A vote on a resolution would require China to go on record with either a veto or an abstention. A statement requires no vote.³⁰ On the other hand, Beijing, Washington, Tokyo, and Moscow have already reached a consensus on prohibiting the development of nuclear weapons in the Korean peninsula, particularly in North Korea. Such cooperation served both China's security and its economic interests.

The death of Kim Il Sung in July 1994 and his replacement by his son Kim Jong Il did not change China's policy toward the Korean peninsula. In his October-November 1994 visit to Seoul, Chinese Premier Li Peng assured South Korean President Kim Young Sam that China was positive toward the Geneva nuclear accord signed between North Korea and the US in September.³¹ Soon after, Chinese President Jiang Zemin also expressed "strong support" for the nuclear deal to US President Bill Clinton when the two met at the APEC Summit of Nov. 1994 in Bogor.³² At the same time, Beijing indicated that it supported the proposal to replace the Panmunjon armistice with a permanent treaty – a position strongly supported by Pyongyang, but not Seoul. These actions further demonstrated that China was "playing both sides of the Korean equation," and Beijing was "in favor of resolving the nuclear issue but without hurting interests in the North."³³

There will also inevitably be problems between Beijing and Seoul; their differing political systems and levels of economic development are sure to contribute to the friction. The areas of cooperation will, however, be much greater than the areas of conflict. Each side, for instance, may regard the other as a counterweight to the increasing economic and military strength of Japan. This possibility was confirmed by the fact that Japan's past experience of militarism was jointly condemned by China's Jiang Zemin and South Korea's Kim Young Sam during Jiang's state visit to Seoul in November 1995.³⁴

The issue of Taiwan: A Top Priority

The Taiwan issue has occupied a high priority in Beijing's foreign policy,³⁵ reflecting deeply-rooted nationalism among China's political leaders as well as its people. For Beijing, concern about Taiwan is related to the issues of national sovereignty and regime legitimacy. The PRC's policy on Taiwan has also been closely tied to its interpretation of the domestic and international situation.

For most of the Mao era, the PRC's sense of vulnerability produced a determined assertion of its claim to Taiwan. During the 1950s and 1960s, the PRC was isolated by the West and excluded from major international organizations such as the UN. With the US 7th Fleet stationed in the Taiwan Straits, Beijing viewed the US as a major threat. Japan, which had occupied Taiwan for 50 years prior to 1945 and was firmly allied with the US in the post-World War II era, was also considered a potential aggressor. These concerns were the foundation for Beijing's uncompromising policy regarding Taiwan during the first three decades of the PRC's existence, a policy that left no room for concessions where the issues of sovereignty and regime legitimacy were involved. Prior to 1979, Beijing attached great importance to the restoration of Taiwan as a province of China, and insisted on the slogan "the liberation of Taiwan."

Since 1979 the PRC experienced fundamental change both domestically and internationally. Beijing's primary emphasis has gradually but surely shifted from revolution to modernization. These changes, and Beijing's establishment of official relations with the US in 1979, have enabled the PRC to gain international recognition. All the major capitals of the world now recognize Beijing as the legitimate ruler of China and officially consider Taiwan to be part of China. Most countries have

established relations with the PRC and; fewer than 30 small countries maintain relations with Taiwan.

The importance of national sovereignty and regime legitimacy can be best demonstrated by the examination of the idea of independence for Taiwan *taidu* in Chinese – that has become popular among some sectors of the Taiwanese society, particularly within the opposition Democratic Progressive Party (DPP). Since the early 1990s, Taiwan has worked hard to lobby for membership at the UN. At the 28-member general committee of the UN's 49th General Assembly in late September 1994, there was a debate instigated by several small pro-Taiwan states on whether to establish an ad hoc committee to examine “the exceptional situation of Taiwan's status and recommend a solution at the 50th session.”³⁶ Beijing clearly opposed this move. There were only seven delegations which addressed the general committee in favor of Taiwan (the draft was originally sponsored by 14 countries outside of the committee), the proposal then was defeated without a vote. Thus, another Taiwan-launched UN campaign was lost.³⁷ Nevertheless, this kind of campaigning by Taipei and resistance from Beijing is expected to continue for as long as the phenomenon of Beijing-Taipei rivalry exists in the international community.

Beijing's sensitivity toward regime legitimacy was further demonstrated by its strong reaction to the development of *taidu* activities on the island in the early 1990s.³⁸ The PRC was alarmed by Taiwan's diplomatic efforts in promoting its international community these efforts included President Lee Teng-hui's nine-day diplomatic tour in early 1994 to Indonesia, the Philippines, the Thailand under the name of “a golfing holiday;”³⁹ his May 1994 visit to Nicaragua, Costa Rica, South Africa and Swaziland four of the 29 countries that officially recognize Taiwan;⁴⁰ and his April 1995 private visit to United Arab Emirates and Jordan;⁴¹ and Premier

Lien Chan's June 1994 secret visit to Mexico after an official visit to Central America.⁴² Soon after, Beijing started to openly criticize Lee's "*taidu* tendency." A series of articles in the *People's Daily* and in pro-Beijing newspaper in Hong Kong charged the native Taiwanese leader with discriminating against Chinese mainlanders in his government and obstructing unification. "Lee Teng-hui should rein in the horse at the edge of the precipice just before committing a serious blunder," the *People's Daily* warned.⁴³

The most direct challenge to Beijing was Lee's private visit to the US in June 1995. The PRC has demonstrated its anger with bitter propaganda attacks on Lee, as well as missile exercises in the East China Sea in July and August. The first test was in a target area 150 kilometers north of Taipei. The following day, Taiwan's stock market dropped 229 points, or 4.2%.⁴⁴ To put more pressure on Taiwan, Beijing launched another round of missile tests and military exercises in March 1996, right before the island's March 23 presidential elections. The ballistic missiles were tested within 30 miles of Taiwan, and the war games were conducted only 11 miles from one of the Taiwan controlled off-shore islands.⁴⁵ According to Thomas Friedman of *The New York Times*, this was an action to "terrify Taiwan away from any thoughts of independence, without actually going to war."⁴⁶

The PRC's Taiwan policy has been further complicated by the internal dynamics of power politics. No Chinese leader, conservative or reformer, can afford to be cast as *lishi zuiren* (a person condemned by history) for taking action that would permanently split the nation; such an appellation would be a lethal blow to any Chinese leader attempting to establish himself domestically. Out of fear of *taidu*, Beijing has consistently refused to pledge not to use force against Taiwan. Jiang Zemin, the secretary general of the CCP, stated in December 1992 that the "PRC will

adopt resolute measures if Taiwan declares *taidu*.”⁴⁷ The pursuit of *taidu* would, in other words, involve the risk of war.

To Beijing's advantage, international conditions make *taidu* unlikely in the near future. Out of the fear of the undesirable possible consequences of the war in the region, general opinion in the international community has been unfavorable toward *taidu* since the PRC entered the UN in 1971. No major power today would want to openly support a declaration of Taiwan's independence at the expense of breaking relations with the PRC and triggering an international crisis.

Nonetheless, despite the unpropitious international environment, Beijing remains acutely sensitive to the issue of *taidu*. As long as Taiwan maintains de facto separation from the mainland, political forces within and outside the island will continue to demand *taidu*, this tendency will be enhanced if further political turmoil occurs on the mainland akin to the Tiananmen incident. Within such circumstances, public opinion in the international community might take a more sympathetic attitude toward Taiwan.

The Taiwan issue will remain a top priority in Chinese politics and foreign policy. Beijing believes that the longer the separation between the Mainland and Taiwan continue, the stronger will be Taiwan's desire for independence. It appears necessary, therefore, for Beijing to reassess the Taiwan issue and to understand the political reality of a unified China. Today's Taiwan is different from the Taiwan that was ruled by Chiang Kai-shek and Chiang Ching-kuo. Taiwanese society is fundamentally pluralistic; the KMT, although still the ruling party, no longer has a monopoly of power. The pluralistic nature of Taiwanese politics was further demonstrated by the December 1994 elections in Taiwan where the KMT maintained its Taiwan provincial governorship, but lost the Taipei

mayorship to the DPP. The incumbent KMT Mayor Huan Ta-chou had to settle for third place in the race, after the DPP's Chen Shui-bian, and Jaw Shau-kang who represented the youngest opposition party - the New Party.⁴⁸ The decline of the KMT's influence was also demonstrated by the December 1995 parliamentary elections. The split within the ruling KMT was hastened by two of its vice chairmen – Lin Yang-kang and Hau Pei-tsun who decided to register as candidates in the March 1996 presidential elections in Taiwan, to fight against President Li Teng-hui and vice President Lien Chan.⁴⁹ Lin and Hau were consequently expelled from the ruling party, but were warmly welcomed by the New Party. Even though Li Teng-hui was re-elected as president in March 1996, a three-party structure in Taiwanese politics was firmly established which involved the KMT, DPP and the New Party.

Southeast Asia: The Change of Perception

Beijing's drive for modernization and its desire for regional stability has significantly transformed China's relations with Southeast Asia. There was a shift from an ideologically rigid, isolationist policy under Mao to a less doctrinaire, more pragmatic and cooperative approach favored by Deng. Indeed, whereas for Mao isolationism was desirable, for Deng the very threat of international isolation was sufficient to inspire a rapid improvement in China's relations with its Southeast Asian neighbors.

Southeast Asia comprises the 9 countries of ASEAN (Brunei, Indonesia, Malaysia, the Philippines, Thailand, and Singapore, Vietnam, Laos, and Burma) as well as Cambodia. In the late 1960s, China dismissed ASEAN as a mere "running dog of US imperialism." Although Beijing changed its view of ASEAN in the 1970s, its relations with Southeast Asian countries did not improve immediately. Indonesia, which broke relations

with Beijing in 1967 after a failed coup attempt by the Indonesian Communist Party, for example, remained suspicious of Beijing for more than two decades until 1990 when it finally normalized its relations with China. In addition, the anti-Communist Singaporean government for about four decades refused to establish diplomatic relations with the PRC.

China's relations with the countries of Indochina have likewise been far from smooth. Until the early 1970s, the PRC enjoyed a "comrade-plus-brother" type of relationship with Vietnam, which fought first against France (in the early 1950s) and then against the US (the 1960s and early 1970s). After the Vietnamese Communists defeated the south and achieved national unification, Sino-Vietnamese relations worsened rapidly, primarily due to Vietnam's occupation of Cambodia and the territorial disputes along the border and in the South China Sea. To break Vietnam's ambition of dominating the entire Indochina area, China launched a punitive war against Vietnam in 1979.

One major problem between China and some of Southeast Asian countries in the mid-1990's was the competing territorial claims over some of the South China Sea islands (disputes with Vietnam, the Philippines, Malaysia, and Brunei). The dispute areas are the Xisha (Paracel) and Nansha (Spratly) Islands. Take the Nansha area, for example, disputing parties occupied several islands which are claimed by Beijing (as well as Taipei) as Chinese territory.⁵⁰ From a Chinese account, the PRC actually controls 8 islands in the Nansha area, with Taiwan 1, the Philippines 9, Malaysia 9, and Vietnam 27. Brunei has claims but does not control any island. The South China Sea is also important to international shipping, with about one-fourth of the world's shipping passing through the area as well as most of Japan's oil imports.⁵¹

With regard to the sovereignty issue in this area, China, up to the

mid-1990's, conducted three military actions. In January 1974, the Chinese army and navy took the Xisha from South Vietnam; In March 1988, the Chinese navy took six atolls in the Nansha archipelago from Vietnam; And in February 1995 China moved further south and planted its flag on Meiji (Mischief) Reef, which the Philippines claimed was part of its Kalayaan group of islands; Beijing disputed that claim. The PRC has repeatedly called for bilateral negotiations for the joint economic development of the Nansha area, but so far has received no positive responses from the contending states. China's most recent action in the Meiji reef area rung alarm in several Southeast Asian capitals.⁵² Philippine President Fidel Ramos, for example, immediately protested China's move into Mischief Reef and then announced the creation of a task force that would strengthen its territorial claim in the Nansha area.⁵³ In March, the Philippine navy removed Chinese markers on several reefs and atolls and detained four Chinese fishing vessels in the area.⁵⁴ These actions were criticized by Beijing. In August 1995, the two countries reached an agreement that the dispute should not be resolved through military means and both sides should observe the UN law of the sea.⁵⁵

In addition to the sovereignty issue, there are also strong economic motivations behind Beijing's actions. Potential oil production has been important in this regard. In 1995 official *China Youth* report gave an idea of how China regarded the region. According to the report, the Spratlys are the key to control 10 billion tons of oil, or more than one eighth of China's proven reserves of about 78 billion tons. The paper claimed that the South China Sea was destined to become a second Middle East.⁵⁶

A number of studies have been conducted to analyse Beijing's policy choices dealing with the South China Sea dispute. By applying a formal model approach, for example, Samuel Wu and Bruce de Mesquita have

conducted a study on whether China will use military force. They concluded that since the reformers in the PRC will have a much better chance to implement their agenda, "policies that emphasize a stable international environment are expected to prevail in the near future." Therefore, China is "unlikely to engage in any significant use of force" to pursue its agenda in the South China Sea "over the next few years."⁵⁷ On the other hand, however, one cannot overlook the driving force of nationalism that fuels China's territorial claims. While Beijing may try its best to avoid a major war in the area, it may also conduct limited military actions, or "local war," to enhance its position in the area.⁵⁸ As a *Far Eastern Economic Review* editorial suggests, China may not itself know exactly what it wants to do, but it wants to ensure it has the capability to do so when it finally does decide. That is not an unreasonable position for a great power, as China is destined to be. One may only hope that the Beijing government may become more transparent in security matters and will reduce its neighbors' suspicions.⁵⁹

China's relationship with Southeast Asia began to improve steadily from the early 1980s, the turning point was the Tiananmen Incident of 1989. Because of the diplomatic and economic sanctions imposed by Western nations, Beijing faced isolation from the international community. The collapse of the Soviet and East European Communist regimes, leaving China the largest remaining Communist regime, further exacerbated Beijing's international position of alienation. Beijing was forced to adjust its foreign policy to face the challenges of the post-Cold War era.

China has initiated an Asia-oriented foreign policy and has accomplished four concrete steps in this direction in the wake of Tiananmen of the early 1990s. First, in August 1990 Beijing normalized relations with Indonesia. Second, two months later, China established diplomatic

relations with Singapore. Third, Beijing was actively involved in UN peacekeeping forces in Cambodia since 1992. And fourth, Beijing normalized relations with Hanoi in 1991, leading to a visit to Vietnam by Premier Li Peng in December 1992, at the end of which Li announced "we have much more common points than disputes."⁶⁰ By the end of 1994, there were three rounds of talks between Beijing and Hanoi on disputes over their common 1,130-kilometer land border. Some progress was reportedly made during these talks.⁶¹ China's chief concern for Southeast Asia is stability. The normalization of relations with Vietnam in November 1991 following the Vietnamese withdrawal from Cambodia has presented an opportunity for Beijing to exercise its influence in the area.

Changing Relations with Russia

China's policy toward Russia has been closely linked with Beijing's changing perception of the power of the Soviet Union / Russia. The collapse of the Soviet empire and Communist ideology profoundly influenced China's domestic and foreign policies. The fear of spiritual pollution from the republics of the former Soviet Union and Eastern Europe was at least as great as that from the West,⁶² and prompted Beijing to recall Chinese students from Russia and most parts of eastern Europe. China was even afraid of spiritual pollution from democratizing Mongolia. During negotiations for a transport treaty between the two countries in 1991, Beijing insisted that travel across the 4,500-kilometer border be limited to residents of the border areas, whereas Ulan Bator favored no such restrictions, hoping for more tourism across the border.⁶³ Indeed, after the 1992 departure of Russian troops, Beijing's concern about Mongolia was related more to ideology than security. One observer said that when it was a Soviet satellite the Chinese viewed Mongolia as a dagger in China's heart

and now it is a newly democratized country right on China's doorstep.⁶⁴

Faced with dramatic changes in the former Soviet Union and East Europe, Beijing drew grim conclusions about how to defend socialism in China. At the same time, the decline of the Soviet threat has also presented new possibilities in China's security thinking, particularly in the Asia-Pacific area. If China and Russia continue to follow a pragmatic line, they may further improve their bilateral relations. Indeed, following three summits [Mikhail Gorbachev's visit to Beijing in 1989, Jiang Zemin's visit to Moscow in 1991, and Boris Yeltsin's visit to China in 1992] bilateral relations have significantly improved. As some Western observers pointed out as early as 1988, the Chinese "have little to lose from inching toward Moscow in order to gain a bit more leverage."⁶⁵

Yeltsin's visit to Beijing in 1992 produced meaningful results in Sino-Russian relations. By signing 24 joint statements, documents and memorandums of understanding in areas including military and technological cooperation, space exploration, and nuclear energy development, China would be able to upgrade its military equipment significantly, while Russia would receive much needed food supplies.⁶⁶

In September 1994, Chinese President Jiang Zemin paid another visit to Moscow. With a much more comfortable and stabilized bilateral relationship than previously Jiang and Yeltsin signed a declaration confirming that China and Russia agreed not to aim nuclear missiles at each other, never to use force against each other, and to sharply limit the number of troops stationed along their border. An equally important result of the visit was the economic agreement signed by the two leaders. Yeltsin told Jiang, "We pay much attention to studying the experience of economic reforms in China," referring to China's successful reform policies and remarkable economic growth over the past decade. In less than a year,

Jiang paid another visit to Moscow in May 1995 to participate in celebrations marking the end of World War II in Europe; and Chinese Foreign Minister Qian Qichen declared that there are no problems in bilateral relations.⁶⁷ Indeed, the bilateral economic relations between the two countries had developed rapidly. China became Russia's second largest trading partner after Germany. The total trade volume reached US\$7.68 billion in 1993, and had doubled in the last three years.⁶⁸

Advanced military equipment from Russia became a means to upgrade the PLA. In November 1994, for example, China signed a \$1 billion deal with Russia to buy four Kilo-class patrol submarines, a major upgrade for the Chinese navy.⁶⁹ One other development along the Sino-Russian border areas has been the Tumen River project, a UNDP supported plan to develop an international trading region in the border area linking China, Russia, and North Korea. China is especially interested in this project because it would give it direct access to the Sea of Japan through the Tumen River.⁷⁰

One should not, however, ignore potential problems between the two countries. One problem was the exodus of illegal Chinese immigrants to the Russian Far East and Siberia. According to Russian newspapers reports in 1995 that two to five million Chinese moved to Russia to live since the beginning of the 1990s. These people were profit-making individuals taking advantage of the gradual thaw of Sino-Russian relations and the relaxation of the border. This threatened to become a major bone of contention between Moscow and Beijing, since the Russians may feel uneasy about a sizeable Chinese community within their territory in the region.⁷¹ There was also criticism of the Russian sale of sophisticated weaponry to China. Alxei Voskressenski, deputy director of the Moscow-based Russia-China Center, called for closer attention to be paid to the "long-term consequences

of these deals, given Chinese pressures in the Russian Far East." He warned that "an authoritarian neighbor with an economy roughly the size of America that might one day see in the Russian Far East a solution to its demographic pressures." Voskressenski even suggested Russia should further strengthen ties with Taiwan "to counterbalance the growing presence of China in Russian Far East."⁷² His call, however, did not go far in Moscow at the time.

One thing we may learn from the past history of the relations between the two neighboring giants is a pattern of uncertainty. Beijing and Moscow are still in the process of adjusting their policies toward each other. The future development of Sino-Russian relations toward the end of the century will largely depend on the changing dynamics of the international environment and domestic politics in each country.

Sino-US Relations: A Zig-Zag Pattern

A discussion about China's regional-oriented foreign policy and the nationalism that lies behind it would be incomplete without the US, given this superpower's immense impact on this area. This brief discussion, however, only concentrates on the more recent developments without examination of the historical legacies.⁷³ The most recent major downturn in Sino-American relations took place after the Tiananmen Incident of 1989, when the two sides regarded each other as the major ideological threat. This downturn had serious implications for all three major fields of bilateral relations: political, economic and strategic.

Beginning from the early 1990s there was a gradual improvement in the brisk relationship between Beijing and Washington. In late 1991, the Beijing leadership indicated that it attached great importance to its relations with Washington, and was pleased to host US Secretary of State James

Baker, calling his visit "a success,"⁷⁴ despite serious disagreements over a variety of issues such as human right concerns. China also regarded the US, with Japan and the European Community, as its major source of advanced technology, capital, and markets. Although having criticized the PRC on such issues as human rights and unfair trading practice in his presidential campaign, President Clinton made a critical decision in 1994 to delink the human rights issue from the renewal of China's most-favored nation (MFN) status to China, thereby removing a major obstacle of the bilateral relations.⁷⁵

On the other hand, as long as the future of Taiwan remains unsettled, the potential for a Sino-American conflict will continue. As Deng Xiaoping once pointed out to a visiting head of an Asian country, "the question of Taiwan is the main obstacle to better relations between China and the US, and it might even develop into a crisis between the two nations."⁷⁶ To make things worse, the Republican victory in US congressional elections in November 1994 has produced what one specialist called "the most pro-democracy, pro-Taiwan, pro-Tibet, anti-Chinese Communist Party and anti-People's Liberation Army Congress in recent memory."⁷⁷ House speaker Newt Gingrich, in July 1995 for example, called for the US to re-establish diplomatic ties with Taiwan.⁷⁸ The most visible Challenge to Beijing was President Bill Clinton's decision to allow Lee Teng-hui to pay a "private visit" to the US in June 1995. Clinton was under enormous pressure from the US Congress which earlier passed a resolution in favor of granting Lee a visa to the US; the resolution passed by a vote of 97-1 in the Senate and 360-0 in the House of Representatives.⁷⁹ Beijing was particularly angry because US Secretary of State Warren Christopher's early assurance that Washington would not permit Lee's visit.⁸⁰

The PRC conducted a series of military exercises and missile tests

around the Taiwan in the summer of 1995 and the spring of 1996 to show its anger over Lee Teng-hui's tendency towards independence. In March 1996, Washington reacted strongly by sending two aircraft carriers – Independence and Nimitz – together with escorts to the waters near Taiwan, making them the “largest US force in the region in the recent past.”⁸¹ Beijing's reaction was even more angry, pushing its war games closer to Taiwan. The Chinese felt compelled to react, tit for tat, Paul Godwin of the National Defence University in Washington commented, “They couldn't be seen as backing down to what they view as hegemonic politics.”⁸² Clearly, there will always be the danger of a military clash and escalation around the issue of Taiwan between China and the US.

There were also economic problems. The first incident in Sino-US relations at the beginning of 1995 was the threat of trade disruption caused by a clash over intellectual property rights.⁸³ China and the US reached an agreement in February 1995 before US could decide upon sanctions on more than \$1 billion in Chinese-made imports. The understanding was that China would close 7 of 29 factories that copied and distributed pirated computer software and audio compact disks, and that Washington would soften its position to China's entry into the World Trade Organization (WTO), the metamorphosed GATT. In March, US Trade Representative Mickey Kantor indicated that his country would back China's bid to join the WTO, and would soften its stance on China's status as a “developing country,” if it obtained certain trade concessions.⁸⁴ But in June 1995, US trade negotiators and manufacturers were alarmed again by the report that the Chinese government had allowed the re-opening of all but one of the seven compact disk factories it had earlier closed.⁸⁵ In order to be better prepared for the WTO, President Jiang Zemin made an announcement at the Osaka APEC summit in November 1995 that starting from next year China would

reduce import tariffs on more than 4,000 items by 30%.⁸⁶ Starting April 1, 1996, China cut its average import tariffs to 23 per cent, down from the previous average of about 39.5 per cent.⁸⁷ Up to mid-1996, China was still in the process of negotiating its WTO membership with major economic houses power such as the US, European Union, and Japan. One may expect that the clashes between the two countries in political, economic, and cultural dimensions will continue in the years to come.

From the perspective of world politics, however, the two countries' national interests are not fundamentally in conflict. Indeed, the strategic foundation that brought the two countries together in 1972 is still largely in place. Beijing has always attached great importance to its relations with the US. With the end of the Cold War and the collapse of the Soviet power in the early 1990s, Deng Xiaoping issued a 16-character instruction to guide China's policy toward the US:

Zengjia xinren, meaning to increase mutual trust;

Jianshao mafan, meaning to reduce trouble;

Zengjia hezou, meaning to enhance cooperation; and

Bugao duikang, meaning not to seek confrontation.⁸⁸

With this guidance, Beijing has attempted (arguably with success) to keep a low profile and avoid open confrontation with the US for most of the first half of the 1990s.

Washington has also consistently recognized the importance of Beijing's cooperation on East and Southeast Asian regional affairs, such as Korean unification and the Cambodian peace settlement.⁸⁹ The international competition for the China market is also a major consideration for US foreign policy toward China. American companies, such as Boeing and McDonnell of the aircraft industry, certainly would not like to lose business opportunities because of politics. After all, many Western

countries have put economics ahead of politics when dealing with China. One fresh memory for the Americans was France's experience early 1994 after it suffered economic and political retaliation from Beijing over the sale of Mirage 2000 fighters to Taiwan.⁹⁰ France agreed to terminate future arms sales to Taiwan and to mend fences with Beijing to tap into China's booming economy.⁹¹ The last-minute settlement between Beijing and Washington over the copyright protection dispute in February 1995, avoided a major trade war worth more than \$2 billion, it demonstrated the importance each capital attached to the other. This kind of consideration, inspired by economic as well as strategic factors, will continue to influence Sino-US relations for the years to come.

Efforts to improve bilateral relations, however, are visible. One such effort was made at the Bogor APEC summit in November 1994, when Chinese President Jiang Zemin met with US President Bill Clinton. This meeting was reportedly more smooth than the Seattle meeting in 1993 where Jiang delivered a blunt rebuff to Clinton's overtures on human rights. While expressing his deep concerns about possible US support to Taiwan independence, Jiang made some conciliatory proposals and suggested that the two countries "should step up consultation and cooperation for resolving environmental issues, the proliferation of weapons of mass destruction, terrorism and drugs."⁹² The most recent effort was the visit to Beijing in July 1996 by US national Security Adviser Anthony Lake, who met with Jiang Zemin. This visit was designed to facilitate an exchange of state visits in the future, and the ultimate goal was to begin routine summit meetings, such as those that now occur regularly between the US and Russia.⁹³

Conclusion

Modernization, nationalism, and regionalism – general trends in Chinese foreign policy in the post-Cold War era – seem likely to continue into the post-Deng era. The Beijing leadership's interpretation of the internal condition and external environment will play an important role in Chinese foreign policy. For example, if Washington is perceived as a threat to China instead of good partner, or if Moscow's acceptance of democracy jeopardizes the legitimacy of Beijing's rule, China will be likely to reduce its relations with the US or Russia, even at the expense of economic benefit.

Endnotes

- ¹ "Mei guanyuan yuewu 'fanmei' zuozhe" (American official invited "anti-America" authors), *Yazhou Zhoukan*, (International Chinese Newsweekly), July 28, 1996, p. 21. The second secretary's name, according to the report, is Ms. Ke Xiauwan.
- ² Song Quiang, Zhang Zangzang, and Quiao Bian, etc., *Zhongguo keyi shuo bu*, (A China that Can Say No), Zhonghua gongshang lianhe chubanshe, Beijing, 1996.
- ³ *Ibid.*, p. 198.
- ⁴ See Deng Xiaoping, "The Present Situation and the Tasks Before Us," January 16, 1980, in Deng Xiaoping, *Selected Works of Deng Xiaoping (1975-1982)*. Foreign Language Press, Beijing, 1984, p. 224.
- ⁵ See Deng Xiaoping, "Building A Socialism with A Specifically Chinese Character," June 30, 1984, in Deng Xiaoping, *Selected Works of Deng Xiaoping*, vol. 3 (1982-1992). Foreign Languages Press, Beijing, 1994, p. 73.
- ⁶ Some of the excellent examples in this regard are: Jonathon Unger, (ed.), *Chinese Nationalism*, Westview, Boulder, Colorado, 1996; Allen Whiting, "Chinese Nationalism and Foreign Policy After Deng," *China Quarterly*, 142, June 1995, pp. 295-316; James Townsend, "Chinese Nationalism," *Australian Journal of Chinese Affairs*, 27, 1992, pp. 97-120; and Michael Oksenberg, "China's Confident Nationalism," *Foreign Affairs*, vol. 65 no. 3, 1986/87, pp. 501-523.
- ⁷ "Regionalism" used here should not be confused with central-local relations used in China's domestic politics.
- ⁸ Qu Xing, "Shilun dongou jubian he sulian jieti hou de zhongguo duiwai zhengce", (Chinese foreign policy after the major changes in East Europe and the disintegration of the Soviet Union). *Waijiao xueyuan xuebao*, (Journal of Foreign Affairs College), no. 4, 1994, pp. 18-19.
- ⁹ See Deng Xiaoping, "With Stable Policies of Reform and Opening to the Outside World, China Can Have Great Hopes for the Future," September 4, 1989, in Deng Xiaoping, *Selected Works of Deng Xiaoping*, vol. 3 (1982-1992), Foreign Languages Press, Beijing, 1994, pp. 305-311.
- ¹⁰ See, for example, John Copper, *China's Global Role*, Hoover Institution Press, California, 1980, p. 132, where China is described as "a second-ranking power."
- ¹¹ There are different definitions of the concept of "Greater China." In a broad way, it refers to the "rapidly increasing interaction among Chinese societies around the world as the political and administrative barriers to their intercourse fall." In a more narrower sense, it focuses "exclusively on Hong Kong, Macau, Taiwan and mainland China." See Harry Harding, "The Concept of 'Greater China': Themes, Variations and Reservations," *China Quarterly*, no. 136, December 1993, pp. 660-664. For example, *Business Week*, October 10, 1988, pp. 54-55, referred to "Greater China" as the prospective result of the three-way economic integration of Hong Kong, Taiwan and the mainland.
- ¹² One should note that China's trade with Hong Kong is largely a function of re-exports to other countries, including North America and Europe.
- ¹³ "Defence," *Far Eastern Economic Review*, March 9, 1995, p. 13.
- ¹⁴ "Direct Investment in China Soars," *Japan Times* (international weekly edition), December 12-18, 1994, p. 12.
- ¹⁵ See *Department of State Bulletin*, December 15, 1969, pp. 555-558.
- ¹⁶ *Peking Review*, December 5, 1969, p. 11.
- ¹⁷ *Peking Review*, April 10, 1970, p. 5.
- ¹⁸ See Laura Newby, *Sino-Japanese Relations: China's Perspective*, Routledge, London, 1988, p. 70.
- ¹⁹ Quoted from "China Snipes at 'Offensive' Maritime SDF," *Japan Times* (international weekly edition), June 13-19, 1994, p. 3.

- ²⁰ Simon Beck, "Jiang Presses Leaders Over One-China Policy," *South China Morning Post*, November 15, 1994, p. 13.
- ²¹ "Tokyo Ready to Talk Defense with Beijing," *Japan Times* (international weekly edition), October 31-November 6, 1994, p. 2.
- ²² Some scholars believe that, from the security perspective, China would not want to see a united Korea. Chalmers Johnson, for example, argues that Beijing "prefers a structurally divided Korea that is unable to play its full role as a buffer between China, Russia and Japan, thereby giving China a determining influence on the peninsula." See Chalmers Johnson, "Korea and Our Asia Policy," *National Interest*, no. 41, Fall 1995, p. 67.
- ²³ Nayan Chanda, "Lesser Evil," *Far Eastern Economic Review*, December 21, 1995, pp. 17-18.
- ²⁴ Ibid.
- ²⁵ Nayan Chanda, "Chinese Welcome North Korea's Kim, But Relations Are Subtly Changing," *Asian Wall Street Journal Weekly*, October 21, 1991, p. 24 and 26.
- ²⁶ Hu Xueze and Bing Jinhu, "World Situation Unstable Despite Détente," *Beijing Review*, vol. 34 no. 2, January 14-20, 1991, pp. 27-31.
- ²⁷ *Renmin Ribao*, November 16, 1995, p. 1.
- ²⁸ Nayan Chanda, "Seal of Disapproval," *Far Eastern Economic Review*, March 31, 1994, pp. 14-15.
- ²⁹ "South Korea: Information Gap," *Far Eastern Economic Review*, April 21, 1994, p. 13.
- ³⁰ "Making Haste Slowly: Seoul, Tokyo, Play up to Beijing on North Korean Issue," *Far Eastern Economic Review*, April 7, 1994, p. 16. For a detailed analysis of China's assessment of North Korea, see Banning Garrett and Bonnie Glaser, "Looking Across the Yalu: Chinese Assessments of North Korea," *Asian Survey*, vol. 35 no. 6, June 1995, pp. 528-545.
- ³¹ Shim Jae Hoon, "Sitting on the Fence," *Far Eastern Economic Review*, November 10, 1994, p. 15.
- ³² "Beijing Backs North Korea Pact," *South China Morning Post*, November, 15, 1994, p. 1.
- ³³ Shim Jae Hoon, "Sitting on the Fence," *Far Eastern Economic Review*, November 10, 1994, p. 15.
- ³⁴ "Zhonghan tonsheng ling riben shise" (Both China and south Korea criticized Japan), *Yazhou Zhoukan*, (international Chinese newsweekly), November 26, 1995, p. 24.
- ³⁵ Although both Beijing and Taipei have officially regarded the status of Taiwan and the question of its reunification with the mainland as domestic issues, the issue of Taiwan clearly has international implications, given the long period of separation and the involvement of the major powers.
- ³⁶ Ted Morello, "Hearing Problems: Taiwan's UN feeler squashed by Beijing," *Far Eastern Economic Review*, October 6, 1994, p. 29.
- ³⁷ At the 1993 UNGA, 7 countries sponsored the draft item in favor of Taiwan. They are all Central American nations: Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama. Of these countries, only Nicaragua remained as a sponsor in 1994.
- ³⁸ See "Must Stop the Taidu Reactionary Trend," *Renmin Ribao*, September 7, 1991, p. 1.
- ³⁹ Julian Baum, John McBeth, Rodney Tasker, "In His Private Capacity: President Lee Scores Points in Holiday Diplomacy," *Far Eastern Economic Review*, February 24, 1994, pp. 18-19.
- ⁴⁰ Julian Baum, "Fast Friends: Lee's Tour Staves off International Isolation," *Far Eastern Economic Review*, June 9, 1994, p. 18.
- ⁴¹ A planned visit to Israel was cancelled due to protests from Beijing. See "Taiwan: Presidential Progress," *Far Eastern Economic Review*, April 13, 1995, p. 13.
- ⁴² "Taiwan: Secret Visit," *Far Eastern Economic Review*, June 16, 1994, p. 13.

- ⁴³ Julian Baum, "Dire Straits: Beijing Frets Over a More Independent Taiwan," *Far Eastern Economic Review*, July 231, 1994, pp. 19-20.
- ⁴⁴ Julian Baum, "Lee's Challenge," *Far Eastern Economic Review*, September 14, 1995, pp. 20-21.
- ⁴⁵ "China Tells U.S. to Stay Out of Strait," compiled from reports by *New York Times*, *Los Angeles Times* and *Associated Press*, see *Virginia-Pilot*, March 18, 1996, p. A1 and A5.
- ⁴⁶ Thomas Friedman, "Chinese Leadership Will Not Go Over the Brink. Right?" *New York Times*, March 14, 1996.
- ⁴⁷ *Renmin Ribao*, December 16, 1992, p. 1.
- ⁴⁸ Julian Baum, "Split Ticket," *Far Eastern Economic Review*, December 15, 1994, pp. 14-16.
- ⁴⁹ Julian Baum, "One Party, Two Systems," *Far Eastern Economic Review*, November 30, p. 18 and 20.
- ⁵⁰ For a detailed historical study to support Chinese claims from the perspective of Taipei (as well as Beijing), see Yang Zuozhou, *Nanhai fengyun*, (The international conflicts in the South China Sea), Zhezhong Shuju, Taipei, 1993.
- ⁵¹ *Economist*, July 4, 1992, p. 32.
- ⁵² For details, see Nayan Chanda, etc., "Territorial Imperative," *Far Eastern Economic Review*, February 23, 1995, pp.14-16. For the evolution of China's policy towards this area, see Chen Jie, "China's Spratly Policy: With Special Reference to the Philippines and Malaysia," *Asian Survey*, vol. 34, no. 10, October 1994, pp.893-903.
- ⁵³ "Ramos Sets Up Territory Taskforce," *South China Morning Post*, 23 February 1995, p. 11.
- ⁵⁴ Rodney Tasker, "A Line of the Sand," *Far Eastern Economic Review*, April 6, 1995, pp. 14-16.
- ⁵⁵ "Zhongfei nansha zhengyi you zhuanji", (An optimistic change for the Sino-Philippines disputes over the Nansha Islands), *Yazhou Zhoukan*, (international Chinese newsweekly), August 27, 1995, pp. 42-43.
- ⁵⁶ Cited from Michael Richardson, "China Scrambles for Oil," *International Herald Tribune*, June 3-4, 1995, p. 9.
- ⁵⁷ Samuel Wu and Bruce de Mesquita, "Assessing the Dispute in the South China Sea: A Model of China's Security Decision Making." *International Studies Quarterly*, vol. 38 no. 3, September 1994, pp. 398-399.
- ⁵⁸ For the idea of "local war," see Lee Ngok, "The People's Liberation Army: Dynamics of Strategy and Politics," in Kuan Hsin-chi and Maurice Brosseau, eds, *China Review*, The Chinese University press, Hong Kong, 1991; and Guan Jixian, *Gaojishu jubu zhanzheng zhanyi*, (High-tech local war), Guofang daxue chubanshe, Beijing, 1993.
- ⁵⁹ Editorial, "The Spratlys Spat: Much Ado About China," *Far Eastern Economic Review*, April 13, 1995, p. 5.
- ⁶⁰ *Renmin Ribao*, December 1, 1992, p. 1; *Renmin Ribao*, December 2, 1992, p. 1; *Renmin Ribao* December 3, 1992, p. 1.
- ⁶¹ Philippe Agret, "Hanoi Beats the Drum to Solve Tense Border Disputes," *Eastern Express*, October 25, 1994, p. 8.
- ⁶² For information on the changing relationship between China and East Europe, see Alyson Bailes, "China and Eastern Europe: A Judgement on the Socialist Community." *Pacific Review* 3, no. 3, 1990, pp. 222-242.
- ⁶³ "New Great Wall," *Far Eastern Economic Review*, November 7, 1991, p. 8.
- ⁶⁴ Bertil Lintner, "Mongols Fear Hordes: China Seems Too Close for Comfort," *Far Eastern Economic Review*, May 18, 1995, p. 30.
- ⁶⁵ "Moscow, meet Peking," *Christian Science Monitor*, September 30, 1988.
- ⁶⁶ *Renmin Ribao*, December 19, 1992, p. 1; also see "Talks Open New Russia-China Era," *Virginia-Pilot*, December 19, 1992, p. A11.
- ⁶⁷ Alexei Voskressenski, "Russia's China Challenge," *Far Eastern Economic Review*, June 22, 1995, p. 34.

- ⁶⁸ Michael Specter, "Russia and China Act to Cut Arms, Widen Ties," *New York Times*, September 4, 1994, p. 8.
- ⁶⁹ "China: Subs from Russia," *Far Eastern Economic Review*, February 23, 1995, p. 13.
- ⁷⁰ The author attended an international conference on the Tumen River development project at Hunchun and Yanji (all in Jilin Province) and toured the area in August 1995.
- ⁷¹ Alexei Voskressenski, "Russia's China Challenge," *Far Eastern Economic Review*, June 22, 1995, p. 34. For a detailed and balanced analysis, see James Clay Moltz, "Regional Tensions in the Russo-Chinese Rapprochement," *Asian Survey*, vol. 35 no. 6, June 1995, pp. 511-527, where Moltz states that there are no reliable estimates of the actual figures of Chinese in the Russian Far East area, and "estimates vary from around 200,00 to over two million."
- ⁷² Alexei Voskressenski, "Russia's China Challenge," *Far Eastern Economic Review*, June 22, 1995, p. 34.
- ⁷³ For detailed accounts of China's changing relationships with the US and the Soviet Union from a historical perspective, see Gordon Chang, *Friends and Enemies: The US, China and the Soviet Union, 1948-1972*, Stanford University Press, Stanford, California, 1990.
- ⁷⁴ "Baker's China Mission Called a Success," *Beijing Review*, vol. 34 no. 47, November 25-December 1, 1991, pp. 7-8.
- ⁷⁵ For detailed accounts of the controversy around the MFN treatment of China by the US, see Qingshan Tan, "The Politics of U.S. Most-Favored-Nation Treatment to China," also Sheree Groves, "Sino-US Relations: The Battle Over MFN Status," *Current Affairs Notes*, no. 22, May 31, 1991, pp. 1-6.
- ⁷⁶ See Deng Xiaoping, "The Principles of Peaceful Coexistence Have a Potentially Wide Application," October 31, 1984, see Deng Xiaoping, *Selected Works of Deng Xiaoping*, vol.3 (1982-1992), Beijing Foreign Languages Press, 1994, p. 102.
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- ⁸⁰ Matt Forney, "Under Fire," *Far Eastern Economic Review*, August 31, 1993, p.38.
- ⁸¹ Dana Priest and Judith Havemann, "2nd Carrier Group Heads to Taiwan," *Washington Post*, March 11, 1996, p. 1.
- ⁸² "China Ratchets up Intimidation of Taiwan," compiled from reports by Associated Press, *Los Angeles Times* and *Washington Post*, see *Virginia Pilot*, March 16, 1996, p. A1 and p. A7.
- ⁸³ Kari Huus, "Back to Normal: U.S.-China Trade War Looms Closer," *Far Eastern Economic Review*, January 19, 1995, p. 52.
- ⁸⁴ Rone Tempest, "U.S. Will Back China's Bid to Join WTO," *Los Angeles Times*, March 14, 1995, section D, p. 2.
- ⁸⁵ Richard Covington, "Ignore Copyright Pact, China Reopens Factories that Pirated US Cds," *International Herald Tribune*, June 2, 1995, p. 1.
- ⁸⁶ "Beijing yingxiang shijie jingji dachao", (Beijing is ready for the development of world economy and trade), *Yazhou Zhoukan*, (international Chinese newsweekly), December 3, 1995, pp. 22-24.
- ⁸⁷ "China: Duty Drop," *Far Eastern Economic Review*, January 11, 1996, p. 81.
- ⁸⁸ "Zhongmei zhijian shiqu zuihou de huxin", (The last mutual trust is lost between China and the United States), *Yazhou Zhoukan*, (international Chinese newsweekly), June 18, 1995, p. 7.

- ⁸⁹ For the evolution of American foreign policy toward China, see Banning Garrett, "The Strategic Basis of Learning in U.S. Policy Toward China, 1949-1988," in George W. Breslauer and Phili E. Tellock, (eds.), *Learning in U.S. and Soviet Foreign Policy*, Boulder, Westview Press, Colorado, 1990, pp. 208-263.
- ⁹⁰ In 1991, Taiwan arranged to purchase 16 unarmed Lafayette-class frigates from France. Despite China's objection, France later agreed to sell 60 Mirage 2000-5's to augment Taiwan's air defense capabilities. China closed the French consulate in Guangzhou and banned French companies from participation in the city's projected subway system. See Paul Godwin, "Force and Diplomacy: Chinese Security Policy in the Post-Cold War Era," in Samuel Kim, (ed.), *China and the World* (third edition), Westview Press, Boulder, Colorado, 1994, p. 182.
- ⁹¹ Lincoln Kaye, "Learning to Bow," *Far Eastern Economic Review*, January 27, 1994, pp. 12-13.
- ⁹² Simon Beck, "Jiang to Push New U.S. Deal," *South China Morning Post*, November 15, 1994, p. 1.
- ⁹³ Matt Forney and Nigel Holloway "Sunny Side Up," *Far Eastern Economic Review*, July 25, 1996, pp. 14-15.