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U.S.-China Counter-Terrorism Cooperation: Issues for U.S. Policy

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Summary

After the terrorist attacks on September 11, 2001, the United States faced a challenge in enlisting the full support of the People's Republic of China (PRC) in counter-terrorism. This effort raised short-term policy issues about how to elicit cooperation and how to address China's concerns about military action (Operation Enduring Freedom). Longer-term questions have concerned whether counter-terrorism has strategically transformed bilateral relations and whether China's support has been valuable and not obtained at the expense of other U.S. interests. Congress has oversight over the trend toward closer ties with China as well as a range of policy options. These options cover law-enforcement cooperation; designations of terrorist organizations; release of detained Uighurs; weapons nonproliferation; waivers of sanctions for the 1989 Tiananmen crackdown to export security equipment; the Container Security Initiative (CSI); and military-to-military contacts. This report will be updated as warranted.

Aftermath of the 9/11 Attacks

China has seen itself as a victim of terrorist attacks in the 1990s, thought to be committed by some Muslim extremists (ethnic Uighur separatists) in the northwestern Xinjiang region. Some Uighur activists reportedly received training in Afghanistan. China's concerns appeared to place it in a position to support Washington and share intelligence after the attacks of September 11, 2001.¹ In a message to President Bush on September 11, PRC ruler Jiang Zemin condemned the terrorist attacks and offered condolences. In a phone call with the President on September 12, Jiang reportedly promised to cooperate with the United States to combat terrorism. At the U.N. Security Council (UNSC) on the same day, the PRC (a permanent member) voted with the others for Resolution 1368 (to combat terrorism). On September 20, Beijing said that it offered "unconditional support" in fighting terrorism. On September 20-21, visiting Foreign Minister Tang Jiaxuan promised cooperation, and Secretary of State Colin Powell indicated that discussions covered intelligence-sharing but not

¹ See also CRS Report RL31213, *China's Relations with Central Asian States and Problems with Terrorism*, by Dewardric McNeal and Kerry Dumbaugh.

military cooperation. PRC counter-terrorism experts attended a “productive” initial meeting on September 25, 2001, in Washington. On September 28, 2001, China voted with all others in the UNSC for Resolution 1373, reaffirming the need to combat terrorism.

PRC promises of support for the U.S. fight against terrorism, however, were qualified by other initial statements expressing concerns about U.S. military action. China also favored exercising its decision-making authority at the UNSC, where it has veto power. Initial commentary in official PRC media faulted U.S. intelligence and U.S. defense and foreign policies (including that on missile defense) for the attacks. On September 18, 2001, in a phone call with British Prime Minister Tony Blair, Jiang said that war against terrorism required conclusive evidence, specific targets to avoid hurting innocent people, compliance with the U.N. Charter, and a role for the Security Council. Also, observers were appalled at the reported gleeful anti-U.S. reactions in the PRC’s online chat rooms after the attacks.

In Tokyo, on January 21, 2002, at a conference on reconstruction aid to Afghanistan, China pledged \$1 million, in addition to humanitarian goods worth \$3.6 million. But three days later, Jiang promised to visiting Afghan interim leader Hamid Karzai additional reconstruction aid of \$150 million spread over four to five years. Of this \$150 million, China offered \$47 million by 2003 and offered \$15 million in 2004.²

In 2002, some news articles reported suspicions that China’s military, the People’s Liberation Army (PLA), supported the Taliban and Al Qaeda in Afghanistan and sold anti-aircraft missiles and other weapons to Al Qaeda.³ However, Defense Secretary Donald Rumsfeld told reporters in August 2002, that Afghanistan is “filled with weapons” and that “you do find things from China, but you find them from country after country after country.” He added, “a lot of it is quite old and probably not stable.”⁴

Policy Analysis

The extent of U.S.-China counter-terrorism cooperation has been limited, but the tone and context of counter-terrorism helped to stabilize — if not transform — the bilateral relationship. In the short-term, U.S. security policy toward Beijing sought counter-terrorism cooperation, shifting from issues about weapons proliferation and military maritime safety (in the wake of the EP-3/F-8 aircraft collision crisis of April 2001).⁵ Given the mixed state of bilateral ties after the collision crisis, Beijing’s diplomatic support met much of U.S. expectations. Testifying to Congress in February 2002, Secretary of State Colin Powell praised Beijing’s diplomatic support, saying “China has helped in the war against terrorism.”⁶

² “China to Offer \$15m for Afghan Reconstruction,” *Xinhua*, Apr. 1, 2004.

³ Bill Gertz, “China-made Artillery Seized in Afghanistan,” *Washington Times*, April 12, 2002; “China-trained Taliban,” *Washington Times*, June 21, 2002; Scott Baldauf, “Al Qaeda Massing for New Fight” and “How Al Qaeda Seeks to Buy Chinese Arms,” *Christian Science Monitor*, Aug. 9 and 23, 2002.

⁴ Department of Defense, news briefing, Secretary Rumsfeld and General Myers, August 9, 2002.

⁵ See CRS Report RL30946, *China-U.S. Aircraft Collision Incident of April 2001: Assessments and Policy Implications*, coordinated by Shirley Kan.

⁶ Senate Foreign Relations Committee, hearing, *Fiscal Year 2003 Foreign Affairs Budget*, Feb. (continued...)

Concerning other support, including any cooperation by the PLA, the commanders of the Central and Pacific Commands, Gen. Tommy Franks and Adm. Dennis Blair, separately confirmed in April 2002 that China did not provide military cooperation (nor was it requested) in Operation Enduring Freedom in Afghanistan (e.g., basing, staging, or overflight) and that its shared intelligence was not specific enough, particularly as compared to cooperation from the Philippines, Singapore, and Malaysia.⁷ The Pentagon's June 2002 report on foreign contributions in the counter-terrorism war did not include China among the 50 countries in the coalition.⁸ In December 2002, Assistant Secretary of State James Kelly confirmed intelligence-sharing, saying "we are sharing [counter-terrorism] information to an unprecedented extent but making judgments independently."⁹

China's long-standing relationship with nuclear-armed Pakistan was an important factor in considering the significance of Beijing's support, especially with concerns about the viability of Pakistani President Pervez Musharraf's government. Some said that Pakistan's cooperation with the United States must come with PRC acquiescence, pointing to a PRC envoy's meeting with Musharraf on September 18, 2001. However, on September 13, 2001, Musharraf had agreed to fight with the United States against bin Laden.¹⁰ The PRC has reportedly provided Pakistan with nuclear and missile technology. China could provide intelligence about Pakistan's nuclear weapons and any suspected technology transfers out of Pakistan to countries like North Korea, Iran, and Libya.

In the long term, counter-terrorism may hold strategic implications for the U.S.-PRC relationship. It has remained debatable as to whether such cooperation has fundamentally transformed the bilateral relationship. Policymakers have watched to see whether Beijing's leaders have used the opportunity to improve bilateral ties, especially on weapons nonproliferation issues. In his State of the Union speech on January 29, 2002, President Bush expressed his expectation that "in this moment of opportunity, a common danger is erasing old rivalries. America is working with Russia and China and India, in ways we have never before, to achieve peace and prosperity." Nonetheless, Director of Central Intelligence George Tenet testified to Congress in February 2002, that the 9/11 attacks did not change "the fundamentals" of China's approach to us.¹¹

⁶ (...continued)

5, 2002.

⁷ Foreign Press Center Briefing, General Tommy Franks, Commander, U.S. Central Command, Washington, Apr. 11, 2002; Press Roundtable with Adm. Dennis Blair, Commander, U.S. Pacific Command, Hong Kong, Apr. 18, 2002.

⁸ Department of Defense, "Fact Sheet: International Contributions to the War Against Terrorism," June 14, 2002.

⁹ Assistant Secretary of State for East Asian and Pacific Affairs, "U.S.-East Asia Policy: Three Aspects," Woodrow Wilson Center, Washington, Dec. 11, 2002.

¹⁰ First reported by Dan Balz, Bob Woodward, and Jeff Himmelman, "Thursday, September 13," *Washington Post*, Jan. 29, 2002; and confirmed in the 9/11 Commission's report, *Final Report of the National Commission on Terrorist Attacks Upon the United States*, July 22, 2004.

¹¹ Senate Select Committee on Intelligence, hearing, *Worldwide Threats: Converging Dangers in a Post-9/11 World*, Feb. 6, 2002.

The PRC's concerns about domestic terrorism, U.S.-PRC relations, China's international standing in a world dominated by U.S. power (particularly after the terrorist attacks), and its image as a responsible leader helped explain China's supportive stance. However, Beijing also worried about U.S. military action near China, U.S.-led alliances, Japan's active role in the war (as quickly promised by Prime Minister Junichiro Koizumi), greater U.S. (and Russian) influence in Central and South Asia at PRC expense, and U.S. support for Taiwan — all exacerbating long-standing fears of "encirclement." China issued a Defense White Paper in December 2002. It said that major powers remained in competition but that since the September 2001 attacks against the United States, countries have increased cooperation. Although this paper contained veiled criticisms of the United States for its military buildup, stronger alliances in Asia, and increased arms sales to and enhanced military ties with Taiwan, it did not criticize the United States by name as in the Defense White Paper of 2000. However, the Defense White Paper of December 2004 again criticized the United States by name.

Options and Implications for U.S. Policy

Summits and Strategic Ties. The counter-terrorism campaign helped to stabilize U.S.-PRC relations up to the highest level, which faced tensions early in the Bush Administration in April 2001 with the EP-3 aircraft collision crisis and U.S. approvals of arms sales to Taiwan. According to the Final Report of the 9/11 Commission issued in July 2004, President Bush chaired a National Security Council meeting on the night of September 11, 2001, in which he contended that the attacks provided a "great opportunity" to engage Russia and China. President Bush traveled to Shanghai in October 2001 for his first meeting with then PRC President Jiang Zemin at the Leaders' Meeting of the Asia Pacific Economic Cooperation (APEC) forum. Bush called the PRC an important partner in the global coalition against terrorists but also warned Jiang that the "war on terrorism must never be an excuse to persecute minorities." On February 21-22, 2002, the President visited Beijing (a trip postponed in October), after Tokyo and Seoul. The President then hosted Jiang at Bush's ranch in Crawford, TX, on October 25, 2002, and Bush said that the two countries were "allies" in fighting terrorism.

FBI Office in Beijing. On December 6, 2001, Francis Taylor, the State Department's Coordinator for Counter-terrorism, ended talks in Beijing that reciprocated the September 25 meeting in Washington. He announced that the PRC agreed to give "positive consideration" to a long-sought U.S. request for the FBI to set up a Legal Attaché office at the U.S. Embassy, that counter-terrorism consultations would occur semi-annually, and that the two sides would set up a Financial Counter-Terrorism Working Group. He reported that Beijing's cooperation has entailed coordination at the U.N., intelligence-sharing, law enforcement liaison, and monitoring of financial networks.¹² The PRC approved the FBI office in February 2002, and the first semi-annual meeting on terrorist financing was held at the Treasury Department in late May. The FBI attaché arrived at the U.S. Embassy in Beijing in September 2002.

Designations as Terrorist Organizations. Further questions concern the U.S. stance on the PRC's policy toward Uighur people from Xinjiang and claims against what it calls "East Turkistan" terrorist organizations. Although Taylor confirmed that there are "people from western China that are involved in terrorist activities in Afghanistan," he

¹² Department of State, press conference, Beijing, Dec. 6, 2001.

rejected the view that “all of the people of western China are indeed terrorists” and urged Beijing to deal politically with their “legitimate” social and economic challenges and not through counter-terrorism means. Taylor also stated that the United States did not agree that “East Turkestan” forces are terrorists. He confirmed that the U.S. military captured PRC citizens from western China who were involved with Al Qaeda in Afghanistan.

Nonetheless, while in Beijing on August 26, 2002, Deputy Secretary of State Richard Armitage announced that, after months of bilateral discussions, he designated the East Turkistan Islamic Movement (ETIM) as a terrorist group that committed acts of violence against unarmed civilians. China had issued a report on January 21, 2002, saying that “East Turkestan” terrorist groups launched attacks with bin Laden’s support since the 1990s, and ETIM was one of the groups in the report. The U.S. Embassy in Beijing suggested that ETIM planned to attack the U.S. Embassy in Kyrgyzstan.¹³ The State Department designated ETIM as a terrorist organization under Executive Order 13224 (to freeze assets) but not as a Foreign Terrorist Organization (under the Immigration and Nationality Act). In December 2002, Assistant Secretary of State James Kelly defended the action taken against ETIM as a step based on U.S. evidence that ETIM has links to Al Qaeda and committed violence against civilians, “not as a concession to the PRC.”¹⁴

Detained Uighurs. A related question pertains to the fate of Uighurs captured during U.S. fighting with Al Qaeda in Afghanistan, but whom are claimed by the PRC as its citizens for legal action in China and whom PRC authorities might seek to interrogate. In May 2004, Amnesty International said that, in 2002, the United States allowed PRC officials to participate in interrogations and mistreatment of ethnic Uighurs held at the prison at Guantanamo Bay, Cuba. Then, in July 2004, Amnesty International urged the United States not to turn the 22 detained Uighurs over to China, where they would face torture and execution in China’s campaign to repress the Uighur people in the name of “counter-terrorism.”¹⁵ Other options include sending them to a third country and resettling them in the United States. By 2004, U.S. officials said they determined that the Uighurs detained at Guantanamo Bay have no more intelligence value, but the United States cannot find a third country to accept them, while ruling out their return to China.¹⁶ In August 2004, Secretary of State Colin Powell confirmed the dilemma, saying that “the Uighurs are not going back to China, but finding places for them is not a simple matter, but we are trying to find places for them.”¹⁷ The United States unsuccessfully approached a number of countries, including Germany, Switzerland, Finland, Norway, Italy, France, Portugal, Austria, and Turkey, and the State Department reportedly might consider

¹³ Philip Pan, “U.S. Warns of Plot by Group in W. China,” *Washington Post*, Aug. 29, 2002.

¹⁴ James Kelly, Assistant Secretary of State for East Asian and Pacific Affairs, “U.S.-East Asia Policy: Three Aspects,” Woodrow Wilson Center, Washington, Dec. 11, 2002.

¹⁵ “Group Says Chinese Saw Detainees,” *Washington Post*, May 26, 2004; Amnesty International, “China: Fleeing Uighurs Forced Back to ‘Anti-Terror’ Torture and Execution,” July 7, 2004.

¹⁶ Guy Dinmore and James Kynge, “China Torture Fears Curb Guantanamo Releases,” *Financial Times*, June 23, 2004; and David Cloud and Ian Johnson, “In Post-9/11 World, Chinese Dissidents Pose U.S. Dilemma,” *Wall Street Journal*, Aug. 3, 2004.

¹⁷ Secretary of State Colin Powell, “Roundtable with Japanese Journalists,” Aug. 12, 2004.

sending the Uighurs back to China, about 15 of whom the Defense Department determined are not enemy combatants.¹⁸

Weapons Proliferation. In his 2002 State of the Union speech, President Bush stressed the twin threats of terrorism and weapons proliferation, indicating a strong stance on proliferation issues with China. PRC entities have reportedly transferred missile and/or chemical weapons technology to countries that the State Department says support terrorism, like Iran, North Korea, and Libya. On numerous occasions, the Administration has imposed sanctions for weapons proliferation by PRC entities. China has not joined the Proliferation Security Initiative (PSI) announced by President Bush on May 31, 2003. In its Final Report issued on July 22, 2004, the 9/11 Commission urged officials to encourage China to join the PSI.¹⁹

Post-Tiananmen Sanctions. Additional policy options have included selectively or permanently waiving sanctions imposed after the 1989 Tiananmen crackdown (Section 902 of P.L. 101-246), denying exports of defense articles/services, crime control equipment, and satellites. On January 9, 2002, the President issued a waiver of those sanctions (to export a bomb containment and disposal unit for the Shanghai fire department to prevent terrorist bombings) and again on January 25, 2002 (to consider export licenses for equipment to clean up chemical weapons in China left by Japan in World War II). More presidential waivers might be considered for exports of equipment for security of the Olympics in Beijing in 2008, with concerns about internal suppression.

Container Security Initiative (CSI). The Bush Administration also sought China's cooperation in the Container Security Initiative (CSI) of U.S. Customs. Launched in January 2002, CSI included PRC ports (Shanghai and Shenzhen) among the top 20 foreign ports proposed for U.S. inspections of containers before U.S.-bound shipping. On July 29, 2003, China agreed to join the CSI. Only after this U.S.-PRC agreement did the Administration discuss an agreement with Taiwan to cover the last of the 20 ports: Kaohsiung (ranked fourth behind Hong Kong, Shanghai, and Singapore).

Military-to-Military Contacts. While there has been no counter-terrorism cooperation with the PLA, the Pentagon has cautiously resumed military-to-military contacts with China, limited after the EP-3 crisis and subject to review by Secretary Rumsfeld. For the first time under the Bush Administration, the Pentagon and the PLA again held Defense Consultative Talks (DCT) on December 9, 2002. There were visits by China's Defense Minister, General Cao Gangchuan, in October 2003 and the Chairman of the Joint Chiefs of Staff, General Richard Myers, in January 2004. Congress has oversight of the National Defense Authorization Act for FY2000 (P.L. 106-65), which limits contacts with the PLA to prevent its "inappropriate exposure" to operational areas.²⁰

¹⁸ Demetri Sevastopulo, "U.S. Fails to Find Countries to Take Uighurs," *Financial Times*, Oct. 28, 2004; "Uighurs Face Return to China from Guantanamo," *Financial Times*, March 16, 2005; "Detention Dilemma," *Washington Post* (editorial), May 3, 2005.

¹⁹ See CRS Report RL31555, *China and Proliferation of Weapons of Mass Destruction and Missiles: Policy Issues*, by Shirley Kan.

²⁰ See CRS Report RL32496, *U.S.-China Military Contacts: Issues for Congress*, by Shirley Kan.