Korean Soc Sci J (2017) 44:87-101

Spying, Subversion & Great Power Identity Conflict between the United States & China

John Delury[1]

Received: 23 October 2017 / Accepted: 13 November 2017 /
Published online: 15 December 2017

Abstract This article delves into a relatively understudied yet critically important aspect of US-China relations—intelligence, subversion, espionage and what can be called "covert relations." It sheds new light on the question of "great power conflict" between the US and China by examining the identity struggle in terms of covert efforts, or the perception of such efforts, to undermine one another. Taking a broad historical perspective, covert action is identified as a principal arena of contestation in Sino-US relations since the establishment of the PRC in 1949. This approach also draws attention to the positive contribution of "intelligence sharing" in building trust between adversaries, a notable feature of US-China rapprochement in the 1970s. With China's economic and geopolitical rise in the early 20th century, fear of subversion resurfaced as a key element in the relationship, as is likely to continue to be the case in the Xi-Trump era.

Keywords US-China relations · great power conflict · national identity · intelligence · espionage

Since the turn of the 21st century, the Asian regional order has become increasingly dominated by great power rivalry between the United States of America and the People's Republic of China. The recent ascendency of overtly nationalist leaders on both sides of the Pacific threatens to ratchet up tensions that are inherent in the structure of a rising China and hegemonic

✉ John Delury
jdelury@yonsei.ac.kr

[1] Associate Professor of Chinese Studies, Yonsei University Graduate School of International Studies

U.S. Xi Jinping promised to advance his nation further along the "Road to Rejuvenation" and realize the "China Dream." Donald Trump unwittingly mirrored Xi's rhetoric during his campaign, promising to "Make America Great Again," and then made the nationalist tenet of "America First" the centerpiece of his inaugural address. Properly analyzing the internal dynamics in the US-China relationship is one of the most consequential issues in contemporary international studies.

There is a large literature, academic and popular, on the ways in which key factors such as power, interests and identity shape US-China relations. But relatively little attention is paid to the covert side of the relationship. This article focuses on that lesser-known dimension, and aims to shed new light on the 'identity' component of the relationship when viewed in terms of covert activity. Using a historical approach, espionage and subversion are identified as primary factors leading the two countries to identify one other as threats to national identity. From Truman to Nixon, the U.S. government refused to recognize the P.R.C. as a sovereign state, and looked for means—active and passive—to subvert Maoist ideology, if not Communist Party rule. At the same time, Americans saw "Red China" as a subversive force that threatened the "liberal" order they were trying to create in Asia, and, through espionage, even threatened the integrity of U.S. foreign policy making.

These perceived threats intensified repressive forces domestically on both sides as Senator Joseph McCarthy launched his crusade against Communist infiltrators and Chairman Mao Zedong ordered the Campaign to Suppress Counter-Revolutionaries. The "subversion-repression dynamic" in McCarthyite America and Maoist China left a deep imprint on the relationship in the early Cold War. Notably, when the two countries moved toward a "tacit alliance" in the early 1970s, intelligence sharing and suspension of subversive operations played a key role. But with the rupture in ties triggered by the Tiananmen Massacre and Soviet Union's collapse, spying and subversion resurfaced, and remain irritants today. By taking a broad look at the covert dimension to US-China relations from the end of World War II until today, we can see more clearly how the identity threat at the core of Sino-US relations has evolved over time.

The argument unfolds as follows: The first section provides a schematic history of the place of intelligence and subversion in Sino-US relations from the Korean War to the Tiananmen Massacre. Section two looks in greater depth at the role of spying and subversion in a series of US-China crises in the decade following the end of the Cold War (the Belgrade embassy bombing, Wen Ho Lee investigation, and South China Sea spy plane collision). The third section looks at mutually changing perceptions from 9/11 to The Pivot. Section four explores the espionage dimension to another period of crisis in 2012-2013 triggered by unexpected actions of three individuals (police chief Wang Lijun, dissident Chen Guangchen, and former NSA contractor Edward Snowden). The conclusion briefly considers ways in which a dynamic between subversion and repression remains part of Sino-US relations.

Fears of Subversion from Korea to Tiananmen

US-China relations have long been bound up in questions of national identity on both sides of the Pacific. Going back to the 19th century, Americans talked about "saving" China in semi-religious terms as representing the fulfillment of America's own national destiny (Chang,

2015). Chinese in turn put excessive faith in the United States as their own source of national salvation—most notably in the unrealistic expectations placed on Woodrow Wilson after World War I and then again on FDR during World War II (Manela, 2007; Mitter, 2013).

After 1945, hopes turned into fear. During the Chinese civil war, anti-Americanism emerged as the core feature of CCP-led nationalism, and the US came to represent an aggressive, subversive threat to China's national identity and to the PRC's existence as a state. This threat was real, although much of the US effort took covert form. Having distanced itself from Chiang Kai-shek's Nationalist regime by the end of the Chinese civil war, the CIA at the height of the Korean War recruited, trained and infiltrated "Third Force" agents into PRC territory to carry out guerrilla activities and gather intelligence on the Communist regime. By the end of the Korean War, the US government once again embraced Chiang and, with the CIA in the lead, initiated extensive cooperation with Taiwanese efforts at subverting the mainland. Meanwhile, Americans came to fear the threat posed by Red China just like Chinese feared a subversive Uncle Sam. Under the spell of McCarthyist paranoia, Beijing came to represent an insidious threat to American national identity.

The subversive threat posed by the USA to PRC and vice versa has, since the beginning, been closely linked to espionage activities that the two countries carry out on one another. Spying and subversion make up the covert side of US-China identity conflict—an understudied driver in Sino-US relations. The domestic implications of this bilateral intelligence conflict are far-reaching, since domestic repression and surveillance have been designed, and justified to the public, as necessary responses to spying and subversion by foreign powers. The external identity clash—each side seeing the other as trying to undermine if not overthrow it—tightens internal political control, strengthening the hand of the repression-surveillance apparatus.

Naturally, this was most brutally evident in the early 1950s when the US and China were at war in Korea. McCarthyism, with its special animus against China experts in government and academia, paralleled Mao's Campaign to Suppress Counter-Revolutionaries, which targeted intellectuals with ties to the United States. Many Americans were convinced there was an active Communist plot to subvert their democratic system, and supported circumscribing civil liberties in order to defend against the Communist threat. Chinese, on the other hand, were constantly reminded by their government that there was an active Western plot to subvert their socialist state, and the masses would have to exercise heighten discipline in order to eliminate enemies of the people.

The mutual sense of existential threat to national identity and regime security generated by the Korean War persisted throughout 1950s and 1960s, albeit with diminishing intensity. By 1971, the geopolitical realism of Nixon and Kissinger led to one of the most dramatic shifts in the history of American foreign policy: the transformation of hostile, threatening US-China relations into what Kissinger termed a "tacit alliance" that would last almost until the end of the Cold War (Mann, 2000, p. 63).

In abruptly forging this tacit alliance, intelligence sharing was an important method of quickly overcoming ingrained distrust. US officials gave Beijing intelligence briefings of increasing specificity, mostly on their mutual enemy, the Soviet Union, during the Nixon, Ford and Carter administrations (Mann, 2000, p. 65; Pillsbury, 2015). During Deng Xiaoping's normalization trip to the United States in January 1979, he formalized intelligence cooperation by agreeing to set up a joint listening post in Xinjiang (Gates, 2007, p. 122-123). The Soviet

invasion of Afghanistan catalyzed still deeper partnership—the CIA purchased Chinese guns and mules for *mujahideen* in Afghanistan and asked Beijing's help in convincing Pakistan to allow the CIA to provide them with Stinger missiles (Mann, 2000, p. 136-139). To be sure, intelligence services on both sides also took advantage of the newfound closeness in order to spy on one another: the CIA's declared official in Beijing laid foundations for future espionage and the Ministry of State Security recruited agents, mostly Chinese-Americans, to steal advanced weapons secrets (Lilley, 2004; Wise, 2011). But the subversive edge was off the covert relationship.

Threat/ Opportunity

June 4, 1989 killed the "tacit alliance," and the US and China fell back into their older pattern of antagonism and mistrust, stoked by mutual fears of spying and subversion (Moore, 2014). The televised massacre of pro-democracy demonstrators in Beijing caused the public in the United States to once again see the Chinese government as a threat to core American values of life, liberty and the pursuit of happiness. With the subsequent collapse of the Soviet Union, China also lost much of its geopolitical value to Washington. Realist strategists no longer needed cards to play against Moscow, and the "enemy of my enemy is my friend" logic no longer applied. Many Chinese Communist Party leaders, meanwhile, blamed the "chaos" of 1989 on "black hands" of Western powers—the US in particular. The fact that Beijing's number one scapegoat for inciting the student demonstrations, dissident physicist Fang Lizhi, took refuge in the US Embassy, under the protection of spy-turned-ambassador Jim Lilley, indicated the depth of Washington's subversive intent.

With the Cold War rationale for rapprochement gone, two new schools of thought emerged as to how Americans should approach China. Both sides' strategies came about in response to the dramatic revival of China's economic growth and massive influx of foreign investment, apparent by the mid-1990s. "China Threat" strategists saw a booming China as the next strategic rival to the United States, as a threat to be contained, if possible, tripped up. "China Opportunity" proponents envisioned that a prospering China would continue on a liberalizing economic path of marketization and privatization, and that inevitably would translate into a political transformation from communist party rule to liberal democracy.

From the vantage point of Deng's successor, Jiang Zemin, both strategies—one associated with the heyday of Bill Clinton, the other with the early days of George W. Bush—were threatening and subversive. The China Opportunity paradigm sounded friendly but openly sought to subvert the regime, albeit through economic rather than military means (Zheng, 1999). The Clinton administration's strategy of fostering "peaceful evolution in China from communism to democracy… by encouraging the forces of economic and political liberalization," as Warren Christopher put it, was explicitly, if passively, subversive (Mann, 2000, p. 276-277). American businesses and consumers could take full advantage of the China Opportunity in economic terms, and the inevitable political result would be China's conversion to American values and the PRC's transformation into a liberal democracy. George W. Bush, who came into office criticizing Clinton for being too soft on Beijing (just as Clinton had done to Bush's father), seemed worse. Surrounded by neo-conservative foreign policy hawks, Bush labeled China a

"strategic competitor" and leaned toward the China Threat approach that wanted to contain, maybe pre-empt, China's rise, potentially through force or threat of force.

At the turn of the millennium, these underlying tensions in US-China identity relations erupted in a series of crises that again highlight the importance of the covert dimension to the relationship. The Belgrade Embassy bombing, Wen Ho Lee investigation, and South China Sea spy plane incident brought latent fears of subversion to the surface of public consciousness on both sides of the Pacific.

CIA Director George Tenet was awakened in the middle of the night on May 7, 1999, to be informed that a B-2 stealth bomber had leveled a section of the Chinese Embassy in Belgrade thanks to target coordinates provided by his agency (Morell & Harlow, 2016, p. 3). Weeks earlier, in a scramble for targets, CIA's Counter Proliferation Division had been tasked with finding something to hit and proposed the Yugoslav Federal Directorate of Supply and Procurement, suspected of arms trade with the likes of Muammar Gaddafi and Saddam Hussein. President Clinton was shown a photo of the building along with hundreds of others and approved the strike. But when the five guided missiles hit their assigned target, instead of destroying a munitions warehouse, they killed three and injured 20 employees of the PRC Embassy to the Federal Republic of Yugoslavia.

The CIA's excuse was incompetence. "The warehouse had been mis-plotted on maps not intended for the creation of strike packages," Tenet explained. "In fact, we had given the Pentagon the coordinates of the Chinese embassy. The warehouse was about three hundred meters away" (Tenet & Harlow, 2007, p. 47). By Tenet's account, it was similar to the faulty targeting intelligence that led President Clinton to order a missile strike on a pharmaceutical factory in Khartoum, killing innocent employees, which the CIA had mistaken for an Al-Qaeda linked WMD plant (Morell & Harlow, 2016, p. 21). Consistent with all official comments, Tenet in his memoir categorically denied any nefarious intent: "no one up or down the line knew that the facility in question was the Chinese embassy" (Tenet & Harlow, 2007, p. 48). Tenet also repeated the US government claim that the three fatalities were not "journalists," as reported by Chinese media, but rather, "three Chinese intelligence officers" (Tenet & Harlow, 2007, p. 48).

Was the bombing an accident? The US government insisted it was, but the involvement of the CIA, lameness of the excuse, tensions in US-China relations, and doctrine of "plausible deniability" left many Chinese unconvinced. Most Western coverage accepted the US government version, but the British newspaper *The Observer* reported in the fall of 1999 that the strike was in fact intentionally directed at the PRC embassy, citing anonymous US and NATO leaks (Sweeney, Holsoe, and Vulliamy, 1999). Theories as to motive ranged from the general (Washington was punishing Beijing for opposing the NATO bombing campaign) to specific (the CIA had intelligence that Slobodan Milošević was using the PRC embassy to transmit military communications). A year after the fact, *The New York Times* printed a "special report" based on 30 interviews with US and NATO officials, which concluded that the bombing was a bureaucratic error, with no malice toward China behind it (Myers, 2000). By then, most Americans probably didn't even remember the incident—a footnote to a war that was itself soon forgotten.

For Chinese it was a different matter. Senior CCP leaders, old enough to have fought in the Korean War, did not doubt for a moment that the strike was intentional, a covert reminder of

the subversive intent underlying America's superficial embrace of a booming Chinese economy. As soon as one high-level PRC defector heard the news, he told his American intelligence contact (Michael Pillsbury) that "China would see this as no accident, but as a probe by the hegemon of a rival… 'They will see it as an American warning and a test of China's resolve'" (Pillsbury, 2015, p. 93). The Party was still in shock from Falungong protest staged at the door of Party headquarters just two weeks earlier (on April 22, 1999). Now, the United States was using covert foreign aggression to stir up domestic revolt—a strategic nightmare known since antiquity as "calamity without and anxiety within" (外憂內患). Hardline leader Li Peng described the bombing as "a carefully crafted plot of subversion" (Zong, 2002, p. 76). The more liberal Li Ruihuan also worried the bombing was a "premeditated plot of the United States to create chaos in China, to have China's young people vent their hatred of the United States on the Chinese government" (Zong, 2002, p. 79). Jiang Zemin, who had staked serious political capital in a good relationship with Washington, interpreted the bombing as a probe to "sound out China"—to test the response of the regime and the street (Zong, 2002, p. 82). General Chi Haotian, the defense minister, interpreted the bombing as part of a containment strategy. He described it as "an inevitable move, in the military field, of the U.S. policy to contain China" (Zong, 2002, p. 84).

The sense of threat was not limited to the Politburo. None of the experts consulted by the Chinese leadership found the CIA excuse credible (Zong, 2002, p. 93). As Peter Gries wrote, Belgrade was a "defining moment" not just for senior cadres huddled in the Zhongnanhai Party leadership compound, but also on campuses and on-line chat rooms (Gries, 2001; Gries, 2004). The blood of the three Belgrade martyrs refreshed the soil of Chinese nationalism and fed its anti-American roots, reinforcing the sense of the United States as a subversive aggressor against Chinese sovereignty. Enraged college students, as well as ambivalent ones at the encouragement of authorities, were bused to the U.S. Embassy compound and given stones to throw in symbolic retaliation for what they saw as a covert attack on their embassy in Yugoslavia (Chen Weiss, 2014).

Although there were no dramatic incidents or mass protests, Americans in the late 1990s were also growing worried that the tentacles of Chinese espionage and subversion were reaching inside the homeland. A major catalyst was U.S. Senate hearings on Chinese efforts to influence the 1996 presidential elections, which Republicans in Congress used to attack the Clinton White House for failing to safeguard against P.R.C. espionage and subversion. In June 1998, the House of Representatives established the Cox Committee, whose classified report (issued January 3, 1999) concluded: "The People's Republic of China (PRC) has stolen classified design information on the United States' most advanced thermonuclear weapons. These thefts of nuclear secrets from our national weapons laboratories enabled the PRC to design, develop, and successfully test modern strategic nuclear weapons sooner than would otherwise have been possible. The stolen U.S. nuclear secrets give the PRC design information on thermonuclear weapons on a par with our own" (House of Representatives, 1999). With the Cold War over, some Americans were looking to China to fill the rival vacuum.

The Cox Report's classified release garnered modest coverage, but the real bombshell in terms of public perception of a Chinese threat came with the March 6, 1999 *New York Times* story alleging that a Chinese-born scientist working at Los Alamos National Laboratory had been leaking advanced weapons secrets to the PRC (Risen & Gerth, 1999; Robbins, 1999). A

former CIA official quoted by *The Times* compared the case to Julius and Ethel Rosenberg, executed in 1953 for Soviet espionage. The following day, FBI agents, who had been questioning the suspect, Wen Ho Lee, since late December, threatened him with the same fate. "The Rosenbergs are the only people that never cooperated with the federal government in an espionage case. You know what happened to them? They electrocuted them, Wen Ho" (Lee, 2003, p. 81). Yet Lee stubbornly "refused to cooperate"—in so far as he insisted on his innocence. The next morning, the Department of Energy leaked Lee's name to the press and had him fired after 20 years at Los Alamos.

Wen Ho Lee put a human face on the nebulous allegations of Chinese espionage in America. Lee and his supporters claimed that there was no basis for the charges against him *other than his face*. He was the victim of racial profiling, and of the White House and Democratic Party leaders' efforts to be seen "doing something" under Congressional pressure and public anxiety (Lee, 2003, p. 50). Lee started to fight back in the court of public opinion by releasing a long statement to the media, but the very next day, the news broke about the Embassy bombing in Belgrade (Lee, 2003, p. 132-137). Two weeks later (on May 25), Congress released a redacted version of the Cox Report, which laid out the case alleging systematic efforts by China to steal WMD secrets and trade for dual-use and restricted technology. Beijing cynically saw the timing of the release as an attempt "to offset the negative effects of the embassy bombing" (Zong, 2002, p. 97). That summer on Capitol Hill, according to Lee, there were 40 hearings on the subject of Chinese espionage (Lee, 2003, p. 139).

In December, Lee was arrested and incarcerated for nine months under harsh conditions, presumably to induce a confession. But the government's case against him steadily fell apart, until finally in September 2000 his lawyers agreed to a plea bargain. He admitted guilt on a single count of mishandling classified information—the other 58 counts were dropped. The judge sentenced Lee to the exact number of days in prison that he had already served, and issued a heartfelt apology from the bench in which he condemned the government for having misled him into treating Lee like a dangerous threat to national security.

The Cox Report was an effort to document America's fears of Chinese subversion, just as the Wen Ho Lee case was an attempt to prosecute them. Journalist Bill Gertz captured this mood in his bestselling book *The China Threat: How the People's Republic Targets America*. Gertz contended that the China Opportunity approach was leading America right into China's trap—an elaborate "deception" by Beijing to lull naïve Americans into cooperation, giving the PRC time to build up its military power sufficient to challenge American hegemony. Gertz too compared Wen Ho Lee's case to the Rosenbergs, and echoed McCarthy-era tactics in his denunciation of a "Red Team" of leading China experts (such as Kenneth Lieberthal, Susan Shirk, and Mike Oksenberg) and organizations (like the National Committee on US-China Relations) for following Communist China's "line"—a technique that bore uncanny resemblance to attacks on Owen Lattimore, John S. Service, John Paton Davies, and the Institute for Pacific Relations in the dark days for China policy debate back in the 1950s (Gertz, 2000, p. 125). The subversion-repression dynamic was at work in US-China relations once again.

The third major crisis in post-Cold War US-China relations again draws attention to the disruptive role that intelligence can play, especially when activities that one side considers normal spying, the other deems illegitimate and subversive.

"Close-in surveillance" is a quintessential asymmetrical conflict in US-China identity

relations that dates back to the Korean War. For decades, U.S. "reconnaissance flights" would prick and probe their way along the China coast, triggering PLA defenses. Activating radar systems and even luring fighters out for interceptions were basic mission objectives. By flying close enough to probe, and equipped with powerful electronic listening equipment, the National Security Agency "spooks in the back" of the plane were able to collect vital intelligence (Frontline, 2001). One of the primary tasks was "upgrading order-of-battle data about radar and communications links" (CRS, 2001).

The American public is but dimly aware of the issue, while for the US defense establishment and intelligence community, the practice of aerial and maritime surveillance is deemed necessary and unproblematic. This lack of sensitivity may be a product of America's own happy history of splendid isolation. Since establishing hemispheric hegemony in the 19th century, Americans have not faced many occasions on which they needed to contend with foreign, let alone rival or hostile, powers using military assets to eavesdrop and survey off its coasts. The extraordinary amount of attention paid by the CIA to Castro's Cuba might be seen as an indicator of American sensitivity to offshore threats to hemispheric hegemony (Weiner, 2007).

China, by contrast, has not enjoyed anything close to regional hegemony since the late 18th century, and even then, it was as a continental but not a maritime power. When the PRC was established in 1949, Mao declared China could no longer be bullied—but the People's Liberation Army had virtually no navy or air force to speak of. Chiang Kai-shek's Nationalist forces on Taiwan, despite having lost the civil war, exploited their advantage at sea and in the air—with help from the CIA. Today's "close-in surveillance" has its roots in Taiwanese overflights—some of which went beyond "look and listen" (Richelson & Aid). Ironically, the fact that the US military and CIA have run intelligence, surveillance, and reconnaissance (ISR) operations off the China coast for so long (on "virtually a daily basis for more than 50 years"), endows them with a legitimacy of the "routine" in American eyes (CRS, 2001, p. 32; Mann, 2001; Morell & Harlow, 2016, p. 37-38).

This background helps explain why a deeper conflict erupted when, on April 1, 2001, two Chinese F-8 fighters intercepted and harassed a US Navy EP-3E spy plane about 70 miles off the coast of Hainan Island in the South China Sea. One of the fighters collided with the EP-3 and the pilot, Wang Wei, died in the crash, while the US plane made an emergency landing on Hainan (none of the 24 crew members were injured).

In the ensuing standoff, Beijing saw itself defending PRC sovereignty against another subversive American threat, whereas Washington portrayed itself as defending the right to conduct "overt reconnaissance" over international waters (CRS, 2001, p. 7). Secretary of Defense Donald Rumsfeld, in one of his famous press conference performances, showed a photograph of Chinese "Top Gun" pilot Wang Wei flying dangerously close to a US plane, and described a recent uptick in the frequency and aggressiveness of PLA interceptions. But journalist Thomas Ricks and former Pentagon official Kurt Campbell claimed that the US Navy had itself significantly increased reconnaissance flights (CRS, 2001, p. 14-15; Ricks, 2001; Campbell, 2001). Jiang Zemin demanded an apology and end to surveillance flights. The George W. Bush administration insisted such surveillance was a routine, legitimate activity and it was the Chinese pilot who had recklessly endangered the lives of two dozen Americans.[1]

[1] Rumsfeld charged the Chinese with lying about the event, "kidnapping" the crew, and then having the

Bush administration officials thought they detected gaps between the PLA and CCP as the crisis unfolded. The Americans may have been guilty of mirror-imaging ⋯ their own side was divided between civilian and military leadership—PACOM Commander Dennis Blair and Defense Secretary Rumsfeld took fairly aggressive stands, whereas Secretary of State Powell and National Security Advisor Condoleezza Rice counseled a softer approach.[2] Rice thought Chinese Communist leaders got locked into hardline positions due to nationalist passions they had inflamed in the first place, and therefore the solution "was to find a face-saving way out for the Chinese" (Rice, 2012, p. 46-48).

President Bush sided with Rice, and offered a pseudo-apology (a statement of regret over the death of the Chinese pilot Wang Wei) in exchange for humanitarian release of the crew. In his memoirs, Bush stated that at the time he was unaware of how the Belgrade bombing may have conditioned Beijing's response to the South China Sea spy plane incident. "I *later* learned that China's handling of the EP-3 crisis was based on the government's belief that the Chinese people had perceived weakness in the response to America's accidental bombing of the Chinese embassy in Belgrade in 1999" (Bush, 2010, p. 426—italics added for emphasis). This was a variation on Rice's analysis about the Frankenstein of popular nationalism. An internal CIA assessment similarly argued that the Chinese were "much less concerned" with the EP-3 incident than the Taiwan Straits crisis of 1996 (Morell & Harlow, 2016, p. 37-38).

What these analyses overlooked was the possibility that China—government, military and public alike—felt genuinely threatened by and legitimately opposed to American electronic surveillance off their shores. Linked reflexively in Chinese minds with the Embassy bombing of two years prior, Beijing's behavior in the crisis was governed by their conviction in America's subversive intent—a perception that went back to 1949.

From 9/11 to The Pivot

The South China Sea spy plane crisis subsided with the release of the crew after less than two weeks, but the return of the plane itself took months of negotiation. The issue of compensation was never resolved—the Chinese demanded $1,000,000 dollars, and refused to cash the $34,000 check offered by the Americans in mid-August. By then, passions had cooled, and within weeks, the Bush administration faced a crisis that made the Hainan incident seem quaint in comparison.

The terrorist attacks of September 11, 2001 generated a force like a tsunami washing over almost all aspects of American political life and national identity. The intelligence community (IC) became utterly consumed by counter-terrorism (CT). Memoirs by US intelligence officials reflect how little attention was paid to anything but terrorism in the wake of the destruction of the Twin Towers—including China's inexorable rise (Morell & Harlow, 2016, p. 72-73).

As Americans shifted their attention to the threat posed by Al Qaeda, Chinese—especially the younger generation—remained deeply affected by the Belgrade embassy bombing and spy

gall to demand an apology (Rumsfeld, 2012, p. 313).

[2] A civil-military split was also apparent on the American side in the initial response to the Belgrade bombing (Campbell & Weitz, 2006, p. 336).

plane collision. I had a personal experience of this disjunction in the weeks and months after 9/11, when I was living in Beijing studying at Tsinghua University. Students expressed deep skepticism toward the Bush administration's determination that Osama Bin Laden was behind the attack, and saw the destruction of the World Trade Center in New York through the lens of the bombing of their embassy in Belgrade. They were prone to believe conspiracy theories about the "real" story of 9/11, and felt little sympathy for the American war in Afghanistan. The Chinese government, on the other hand, quickly signaled solidarity with Washington, and exploited the short-lived united front in order to win support for their campaign against separatist Muslims in northwestern Xinjiang Province.

As the Bush administration launched and then expanded America's Global War on Terror, the CCP orchestrated a relatively smooth succession of paramount leadership to Hu Jintao—a colorless technocrat with a much weaker mandate than Jiang Zemin, let alone Deng Xiaoping or Mao Zedong. Hu's first term as Party Secretary (2002-2007) marked the apogee of Deng's foreign policy dictum to "hide our brilliance and bide our time" (韜光養晦). As the United States military got stuck in two quagmires－occupations of Afghanistan and Iraq—and American intelligence chased terrorist networks around the world, Beijing focused on sustaining rapid economic growth on a colossal scale. There were relatively few crises between the US and China, and even some novel efforts at cooperation like the Six Party Talks. With another phase of extraordinary economic growth, China presented itself more as opportunity than threat.

That period of relative tranquility for China and for US-China relations came to an end with the drama of 2008. Beijing had to quell a major uprising in Tibetan areas in March, endure the devastating Sichuan earthquake in May, and suppress the Charter 08 democracy movement, most notably with the arrest of Liu Xiaobo, in December. In between, a risen China held its coming out party before the world by hosting the Summer Olympics, and seemingly weathered the global financial crisis—triggered by the US credit crisis—thanks to a massive 1 trillion yuan stimulus package (Naughton, 2015).

The changing dynamics of 2008 accelerated the search for new paradigms to make sense of US-China relations. Zbigniew Brzezinski gave currency to the notion of a "G2" forming between the two countries (Wong, 2009). Chinese began to talk about "American decline," as manifested in the economic crisis, and initiated a debate on how to plan an orderly power transition in Asia from American to Chinese hegemony. But then as the American economy stabilized under President Barack Obama and as Secretary of State Hillary Clinton announced a "pivot to Asia," many Chinese observers shifted from talk about American decline to U.S. "containment" of China's emergence as a "great power."

Americans, on the other hand, tended to see the "pivot" or "rebalance" as a *response* to an "assertive China," rather than a proactive U.S. initiative. Americans' perception of an "assertive," if not "aggressive" or "revisionist," China was based primarily on Chinese behavior in maritime East Asia (Johnston, 2013). In the Yellow Sea, Beijing gave a muted response to the sinking of a South Korean corvette and North Korean artillery barrage of a South Korean-held island in 2010. In the East China Sea, Beijing was challenging Japan's control of the Senkaku/Diaoyu islands and seemed to be risking military conflict. In the South China Sea, Beijing was taking on virtually all coastal states by advancing an exorbitant territorial claim known as the nine-dash line (ironically drawn by Chiang Kai-shek's government in 1947) and building up a military presence on contested reefs and rocks. The PLA's post-Desert Storm development of

capabilities that the Pentagon came to label the "Anti-Access/ Area Denial" (A2/AD) strategy raised the stakes for U.S. offshore "routine surveillance." Taken together, Beijing was seen as trying to subvert the East Asian order, a relatively peaceable and "rules-based" status quo devised by the United States after WWII and maintained through the Ameri-centric "hub and spoke" system during and after the Cold War (Cha, 2016).

The Covert Side of Strategic Distrust

By 2012, the two sides were settling into dueling paradigms to describe their own sense of threat of how the other was trying to shape Asia's emerging regional order. Chinese saw the US as bent on containing China and extending American hegemony in Asia; Americans saw China as determined to challenge US primacy in the Pacific and subvert the liberal order in Asia. US-China relations had become defined by "strategic distrust," as leading China expert Kenneth Lieberthal and leading US expert Wang Jisi put it (Lieberthal & Wang, 2012). The stunning events of that year exacerbated this underlying structural tension and "strategic distrust." Once again, intelligence and espionage played a key role in reinforcing mutual fears of subversive intent.

On February 6, 2012, Chongqing police chief Wang Lijun asked for an emergency meeting on counter-terrorism at the US consulate in Chengdu (Ho & Huang, 2013). Upon entering the sovereign immune confines of the building, Wang set off the most serious crisis in Chinese politics since the democracy protests of 1989, although a closer analogy might be the elite cadre power struggles of the Cultural Revolution. Wang was desperate for a way out of a life-and-death showdown with his boss, Chongqing party secretary Bo Xilai—a charismatic figure who was angling for a top leadership position in the upcoming Politburo Standing Committee line-up and who enjoyed close ties to the powerful security czar Zhou Yongkang. Bo was threatening Wang in order to protect a cover up of his wife's role in the murder of a British expat (rumored to have ties to MI-6). With intense jockeying underway over who would join the next Standing Committee, the Bo scandal threatened to bring down the entire edifice of Party unity and weaken Party rule.

Police chief Wang's initial choice of sanctuary, the nearest US consulate, was salt in the old wound of America's subversive role in PRC politics. The US government did not offer Wang sanctuary, although it remains unclear what secrets he may have divulged about the Party's highest leaders in his failed defection attempt. Even if the US could not be blamed for Wang Lijun, let alone Bo Xilai and Zhou Yongkang, Party leaders did blame U.S. media organizations for stoking the flames of political instability, as The New York Times and Bloomberg News came out with stunning reports on the private wealth amassed by the families of top leaders (Barboza & LaFraniere, 2012; *Bloomberg News*, 2012; Barboza, 2012).

Compounding Party leaders' sense of threat was another dramatic incident that unexpectedly put the US and China at odds. Chen Guangcheng, a leading human rights activist popularly known as the "blind lawyer," escaped house arrest in Shandong and traveled secretly to Beijing, where he sought refuge in the US Embassy in late April. US officials demonstrated greater sympathy for the Shandong lawyer than they had the Chongqing police chief, and negotiated terms of his release to a local hospital, and then travel to study in the United States.

For the Clinton State Department, the "successful" resolution of Lawyer Chen's case represented a diplomatic triumph—they worked within the limits of Beijing's concern for "face" while securing freedom for a dissident. But for Chinese officials, the United States had once again "meddled" in domestic affairs in an implicitly subversive way.

Chinese officials who viewed the US Embassy's sheltering of the blind lawyer as an act of hubris must have felt nemesis arrived in Hong Kong a year later in form of NSA contractor Edward Snowden. Snowden's revelations about the extent of domestic surveillance shocked the American public and triggered a national debate over the proper balance between security and privacy. The low-profile NSA (aka, "No Such Agency") was suddenly a household word, and not a nice one. Snowden put the entire intelligence community on the defensive, as recent books by Obama intelligence officials amply attest (Morrel & Harlow, 2016; Hayden, 2016; Panetta & Newton, 2014).

What secrets might Snowden have handed over to Chinese intelligence —wittingly or unwittingly—in choosing Hong Kong as the initial site in his search for political asylum? It remains an open question (Savage, 2017). China could hardly be blamed for inciting Snowden's act of "treason," just as the United States could not be blamed for Wang Lijun. But, the US government did hold Beijing accountable for allowing Snowden to remain undetected for two weeks and then fly out of Hong Kong International Airport on an Aeroflot plane bound for Moscow (Tedesco, 2016). By letting Hong Kong authorities turn a blind eye and allow Snowden safe passage onward to Russia, Beijing was in effect aiding and abetting an American dissident and "subversive" whom government officials considered to have committed criminal, treasonous acts, and who through his leak posed a grave threat to national security and global intelligence operations.

Tale of Two Nationalisms

Americans have a tendency to underestimate the degree to which Chinese political elites genuinely regard the United States as a passive-aggressive hostile state. A dominant view in Beijing holds that Americans harbor a default preference for regime change in China. Washington will not act openly to advance that preference, and there are limits to the amount of covert risk it will take on. Still, it is *there*. This sense of threat is a legacy of America's covert Cold War on Red China, the "original sin" in USA-PRC relations.

Crises like the Belgrade Embassy bombing and South China Sea spy plane collision reopened those scars in Chinese consciousness, and remain unhealed. In April 2016, for example, *Global Times* reported on Chinese netizens' annual online commemoration for "martyr" Wang Wei, who gave his life to fend off American surveillance. "In the collision incident, China sees itself as a victim and the US as a bully which caused trouble on China's doorstep. This sentiment was widely shared by ordinary Chinese who view the plane collision and the attitude of the US as disrespectful," the commentary explained (Global Times, 2016). A couple months later, Xi Jinping made a state visit to Serbia, and his first stop was the former PRC Embassy site to attend a somber ceremony in honor of the three martyrs of 1999. The Xinhua state news report on the event described the bombing as "a barbaric missile attack" by US-led NATO forces (Xinhua, 2016).

The roles played by US diplomats in the destabilizing and subversive dramas of 2012, a tense transition year from the Hu Jintao to Xi Jinping era, reactivated the sense of threat. *The New York Times* reported that in the late Hu and early Xi years, Chinese counter-espionage carried out an aggressive and "successful" campaign to eliminate CIA assets spying inside the PRC (Mazzetti, Goldman, Schmidt & Apuzzo, 2017). Xi has been criticized for intensifying repressive pressure on "rights defender" lawyers, dissident types, NGOs, and outspoken media —targeting their linkages overseas, to the United States in particular. The threat of subversion from abroad increases a state's temptation to repress at home and can be used to justify those acts of repression.

Chinese for their part may not appreciate that the United States too has a sore spot when it comes to China and spying. Senator Joe McCarthy's first targets, after all, were "China Hands" in government and academia—Owen Lattimore in particular. Bamboo Scares tap into racist attitudes towards Chinese and Asians to be found in white American culture. During the Cold War, Soviet agents and moles consumed CIA and FBI attention, but beginning in the 1980s, Chinese-Americans increasingly fell under suspicion, with the Wen Ho Lee case being the most high profile example. After 9/11 counter-espionage became subsumed under counter-terrorism, focusing on violent extremist networks. But in recent years, Chinese spying has once again come onto the radar, and Chinese-Americans have fallen under suspicion. In a string of recent cases, the Justice Department has been severely criticized in the press for "bungled" prosecutions of innocent Chinese-Americans, leaving the investigators under suspicion for racial profiling. On the other hand, the massive hack of the Office of Personnel Management in 2015 by hackers linked to the Chinese state reinforced Americans deepest fears about Beijing's covert threat.

Until very recently, the US foreign policy establishment tended to see China as a subversive force, threatening to undermine the liberal order in the Asia Pacific if not on a global scale. The advent of the Trump administration complicates that view, due to President Trump 's weak commitment to pillars of the established order in Asia such as defending allies, promoting free trade, and advancing democratic values. Some have even suggested it might be Xi Jinping who would step into the void left by "America First" policy and emerge as the world's leading champion of globalization, as President Xi very effectively did in his speech to the World Economic Forum (Browne, 2017). President Trump is a disruptive and unpredictable actor with unconventional ideas about America's role in the world, making it difficult to anticipate the implications for U.S.-China relations. Trump campaigned as an avowed nationalist, with a zero-sum view of China as one of America's principal competitors in the global contest for wealth and power. Although the first Trump-Xi Summit went smoothly, the mutual sense of threatened identity is likely to remain an important factor in the development of Sino-U.S. relations, and the covert dimension may continue to play a key role as a theater for identity conflict.

References

Barboza, D. (2012, October 25). Billions in hidden riches for family of Chinese leader. *The New York Times*.

Barboza, D. & LaFraniere, S. (2012, May 17). Princelings' in China use family ties to gain riches. *The New York Times*.

Bloomberg News. (2012, June 29). Xi Jinping millionaire relations reveal wealth of elite.

Browne, A. (2017, January 16). Xi Jinping in Davos, making the most of a waning era. *Wall Street Journal*.

Bush, G. W. (2010). *Decision points*. New York: Broadway Books.

Campbell, K. M. (2001, April 8). Old game, new risks. *Washington Post*.

Campbell, K. M. & Weitz, R. (2006). The Chinese embassy bombing: evidence of crisis management? In M. D. Swaine, T. Zhang, & D. F. S. Cohen (Eds.). *Managing Sino-American crisis: case studies and analysis* (2006). Washington D.C., Carnegie Endowment for International Peace.

Cha, V. (2016). *Power play*: *The origins of the American alliance system in Asia*. Princeton: Princeton University Press.

Chang, G. (2015). *Fateful ties: A history of America's preoccupation with China*. Cambridge: Harvard University Press.

Chen Weiss, J. (2014). *Powerful patriots: Nationalist protest in China's foreign relations*. New York: Oxford University Press.

Congressional Research Service. (2001). China-U.S. aircraft collision incident of April 2001: Assessments and policy implications. Report RL30946.

Gates, R. M. (2007). *From the shadows: The ultimate insider's story of five presidents and how they won the Cold War.* New York: Simon & Schuster.

Gertz, B. (2000). *The China threat: How the People's Republic targets America*. Washington, D.C : Regnery Pub.

Global Times. (2016, April 4). Web users commemorate pilot killed in China-US fighter crash as tensions run high.

Gries, P. H. (2001). Defining moment in post-Deng nationalism—tears of rage: Chinese nationalist reactions to the Belgrade Embassy bombing. *The China Journal 46*, 25-43.

Gries, P. H. (2005). *China's new nationalism: Pride, politics, and diplomacy*. Berkeley: University of California Press.

Hayden, M. (2016). *Playing to the edge: American intelligence in the age of terror.* New York : Penguin Books.

Ho, P. & Huang, W. (2013). *A death in the lucky holiday hotel: Murder, money, and an epic power struggle in China*. New York: Public Affairs.

Johnston, A. I. (2013). How new and assertive is China's new assertiveness? *International Security* 37(4), 7-48.

Lee, W. H. (2003). *My Country Versus Me: The First-Hand Account by the Los Alamos Scientist Who Was Falsely Accused of Being A Spy.* New York: Hyperion.

Lieberthal, K. & Wang, J. (2012). *Addressing US-China strategic distrust*. Brookings Institution John L Thornton China Center.

Lilley, J. (2004). *China hands: Nine decades of adventure, espionage, and diplomacy in Asia*. New York: PublicAffairs.

Manela, E. (2007). *The Wilsonian moment: Self-determination and the international origins of anticolonial nationalism.* New York: Oxford University Press.

Mann, J. (2000). *About face: A history of America's curious relationship with China, from Nixon to Clinton***.** New York: Vintage Books.

Mann, J. (2001, April 2). Encounters routine for U.S. patrol missions. *Los Angeles Times*.

Mazzetti, M., Goldman, A., Schmidt, M. S., & Apuzzo, M. (2017, May 20). Killing C.I.A. informants, China crippled U.S. spying operations. *The New York Times*.

Mitter, R. (2013). *Forgotten ally: China's World War II, 1937-1945.* New York: Mariner Books.

Moore, G. J. (2014). The difference a day makes: Understanding the end of the Sino-American 'tacit

alliance.' *International Studies Review 16(4)*, 540-574.

Morell, M. & Harlow, B. (2016). *The great war of our time: The CIA's fight against terrorism--from al Qa'ida to ISIS*. New York: Twelve.

Myers, S. L. (2000, April 17). Fateful choice—Chinese Embassy bombing: A wide net of blame. *The New York Times.*

Naughton, B. (2015). China and the two crises: From 1997 to 2009, In T. Pempel and Tsunekawa (Eds.), *Two crises, different outcomes: East Asia and global finance.* Ithaca: Cornell University Press.

Panetta, L. & Newton, J. (2015). *Worthy fights: A memoir of leadership in war and peace*. New York: Penguin Books.

PBS Frontline. (2001). Interview with Lt. Shane Osborn. Retrieved from http://www.pbs.org/wgbh/pages/frontline/shows/china/interviews/osborn.html.

Pillsbury, M. (2016). *The hundred-year marathon: China's secret strategy to replace America as the global superpower*. New York: Griffin.

Rice, C. (2012). *No higher honor: A memoir of my years in Washington.* New York: Crown.

Richelson, J. & Aid, M. U.S. Intelligence and China: Collection, Analysis, and Covert Action. Digital National Security Archive. Retrieved from http://proquest.libguides.com/dnsa/china2.

Ricks, T. (2001, April 7). Anger over flights grew in past year. *Washington Post*.

Risen, J. & Gerth, J. (1999, March 6). Breach at Los Alamos—China stole nuclear secrets for bombs, U.S. aides say. *The New York Times*.

Robbins, C. A. (1999, January 7). China received secret data on advanced U.S. warhead. *Wall Street Journal*.

Rumsfeld, D. (2012). *Known and unknown: A memoir.* London: Allen Lane.

Savage, C. (2017, February 9). Was Snowden a Russian agent? *New York Review of Books*.

Sweeney, J., Holsoe, J., & Vulliamy, E. (October 17, 1999). Nato bombed Chinese deliberately. *The Observer*.

Tedesco, T. (September 7, 2016). How Snowden escaped. *National Post*.

Tenet, G. & Harlow, B. (2007). *At the center of the storm: My years at the CIA*. New York: HarperCollins.

U.S. House of Representatives. (1999, May 25). Report of the Select Committee on U.S. National Security and Military/ Commercial Concerns with the People's Republic of China [declassified version]. Retrieved from http://www.house.gov/coxreport/chapfs/over.html.

Weiner, T. (2007). *Legacy of ashes: The history of the CIA*. New York: Penguin.

Wise, D. (2011). *Tiger trap: America's secret spy war with China*. New York: Houghton Mifflin Harcourt.

Wong, E. (2009, January 2). Former Carter adviser calls for a 'G-2' between U.S. and China. *The New York Times*.

Xinhua. (2016, June 17). Xi pays homage to Chinese martyrs killed in NATO bombing.

Zheng, Y. (1999). *Discovering Chinese nationalism in China: Modernization, identity, and international relations*. Cambridge: Cambridge University Press.

Zong, H. (2002). The bombing of China's embassy in Yugoslavia, *Chinese Law & Government, 35(1).*