# THE BROOKINGS INSTITUTION

CENTER FOR NORTHEAST ASIAN POLICY STUDIES

# POLITICS OF U.S. POLICY TOWARD CHINA: ANALYSIS OF DOMESTIC FACTORS

Dr. Toshihiro Nakayama
CNAPS Japan Fellow, 2005-2006
Associate Professor, School of International and Cultural Studies, Tsuda College
Associate Fellow, The Japan Institute of International Affairs (JIIA)
September 2006

THE BROOKINGS INSTITUTION 1775 Massachusetts Avenue, NW Washington, DC 20036-2188 Tel: 202-797-6000 Fax: 202-797-6004 www.brookings.edu When President George W. Bush took office in January 2001, many outside observers speculated that a group of 'China threat' advocates were going to take charge of U.S. policy toward China. The new administration's position, or at least its campaign rhetoric, seemed to warrant this prediction. Candidate Bush and his campaign had portrayed China as a 'strategic competitor' rather than as a 'strategic partner,' differentiating itself from the previous administration. Observers reduced the American China-policy community into a simple dichotomy of 'dragon slayers' and 'panda huggers.' Throughout President Bush's first term and into his second, onlookers tended to discount the diverse spectrum of positions on China within the government. Furthermore, many observers especially may not have appreciated the wide range of actors who had input into Washington's China policy, and the interaction between them. Hence, then-deputy secretary of state Robert Zoellick's September 2005 description of China as a 'responsible stakeholder' caused surprise and some confusion. This formulation had the endorsement of Dr. Zoellick's higher—ups, but had not been publicly debated or discussed.

The distillation of the government's China-policy community into a simplified and unconsidered dichotomy was partly a reflection of the increased partisanship that has overshadowed Washington since the mid 1990s. Such partisanship did not stem directly from a debate on China policy *per se*, or even from a foreign policy debate for that matter. Rather, it was the result of a relentless debate on domestic issues such as the role of the federal government, whether to raise or cut taxes, and other hot-button issues relating to culture, values, and religion. The debate on what would constitute a new threat in the post-Cold War era and how the U.S. should deal with it loomed large. However, it was never a defining issue.

In 2000, President George W. Bush was elected partly as a result of mild expectations that he would transcend the partisan political culture of the 1990s with his carefully articulated notion of 'compassionate conservatism.' However, this did not turn out to be the case. The two terms of the Bush presidency will probably be remembered as a period in which a vicious political divide continued from the previous decade and largely determined the political culture. There was a brief moment right after the September 11 terrorist attacks when partisanship seemed to subside. But it did not last long.

Senator Arthur H. Vandenberg's assertion at the dawn of the Cold War that "politics

<sup>&</sup>lt;sup>1</sup> Cf., Robert G. Kaiser and Steven Mufson, "Blue Team' Draws a Hard Line on Beijing, Action on Hill Reflects Informal Group's Clout," *Washington Post*, February 22, 2000.

<sup>&</sup>lt;sup>2</sup> For increased partisanship permeating American political culture, see Jacob S. Hacker and Paul Pierson, *Off Center: The Republican Revolution and the Erosion of American Democracy* (New Haven: Yale University Press, 2005).

<sup>&</sup>lt;sup>3</sup> Upon retiring, House Republican Majority Leader Tome DeLay (R-TX) reportedly said that "You show me a nation without partisanship, and I'll show you a tyranny." Carl Hulse, "Defiant to the End, Delay Pats Himself on the Back and Bids the House a Torrid Goodbye," *New York Times*, June 6, 2006. There are conflicting views on whether or not partisanship has gone too far.

must stop at the water's edge" continues to be cited today, but the sentiment is rarely put into practice. Foreign policy issues are not immune to the divisive effects of domestic partisanship. Within the realm of foreign and national security policy, issues related to China in particular are susceptible to partisan skirmishing. This is because the 'China problem' is loaded with issues directly related to values, such as human rights, religious freedom, abortion, business interests, and national security interests. These issues are difficult to deal with in terms of pure and simply defined 'national interest,' as it is difficult to isolate one from another. Quite often, issues are deliberately linked, creating an odd political dynamic and making the China debate confusing and incomprehensible to outside observers.

The objective of this paper is to examine the extent to which domestic factors play a role in U.S. China policy. Whereas policy debates among and within the executive departments are comprehensible, outside observers tend to overreact to initiatives taken by the U.S. Congress, or in some cases by a single politician, without fully understanding the dynamics behind a certain move. To understand the logic of Congress, one must distinguish between grandstanding and substantive legislative action. The role of policy intellectuals and the debates among them are quite familiar because of their visibility. On the contrary, interest group politics can be very confusing since their moves are often very subtle. The participation of grassroots organizations makes the situation even more confusing. Further complicating things is the recent active participation by the Chinese government in the lobbying carried out by the firms on K Street. According to one recent report, the PRC's learning curve in this area has been a good deal steeper than previously was expected.<sup>6</sup>

This paper seeks to understand the politics of U.S. policy toward China by examining relevant past events and determining whether those experiences are applicable in attempting to better understand the dynamics at work today. In appendices, the paper will briefly compare U.S. domestic reaction to the perceived rise of Japan in the late 1980s and early 1990s with that of the ongoing American reaction to the rise of China. It will touch briefly on the domestic political factors of Japan's China policy, where the dynamic is quite different from that of the U.S.

\_

<sup>&</sup>lt;sup>4</sup> For an analysis of bipartisanship in foreign policy, see William S. Cohen, "Principles for National Security Consensus," *Washington Quarterly*, Vol. 24, No. 2 (Spring 2001), pp. 75-81.

<sup>&</sup>lt;sup>5</sup> China has stimulated American imagination ever since the early contact. For this, see Harold R. Isaacs, *Scratches On Our Minds: American Images of China and India* (New York: John Day, 1958).

<sup>&</sup>lt;sup>6</sup> Bara Vaida, "Red Star Rising On K Street," *National Journal*, July 23, 2005.

<sup>&</sup>lt;sup>7</sup> This study will draw on the previous works such as Robert G. Sutter, *U.S. Policy Toward China: An Introduction to the Roles of Interest Groups* (Lanham: Rowman & Littlefield, 1998); Ramon H. Myers, Michel C. Oksenberg, and David Shambaugh, *Making China Policy: Lessons from the Bush and Clinton Administration* (Lanham: Rowman & Littlefield, 2001); David M. Lampton, *Same Bed Different Dreams: Managing U.S.-China Relations 1989-2000* (Berkley: University of California Press, 2001).

#### **Creative tension**

Robert Zoellick, writing as a scholar in the late 1990s, observed that the persuasive narrative that, in the 'good old days,' Congress deferred to the executive branch on foreign policy is a myth. According to Zoellick, the tension between the executive and Congress over foreign policy is not new, nor is it a unique product of the end of the Cold War. He cites the War Powers Resolution of 1973 as an example of Congress actively seeking to intervene in executive decision-making on critical national security matters.

The Jackson-Vanik Amendment to the Trade Act of 1974, which will be discussed later with regard to its effect on U.S. China policy, linked trade with the Soviet Union to Moscow's emigration policies and was an act by Congress to counter the perceived human rights insensitivities of balance-of-power politics and the détente initiated by the Nixon White House. As a representative institution, Congress quite often, but not always, stresses idealism and moral values, whereas the executive branch, which actually conducts foreign policy, tends to stress realism.<sup>9</sup>

Legislative activism in foreign policy accelerated in the 1970s as a result of serious executive missteps. The war in Vietnam and the Watergate scandal resulted in a loss of confidence in executive competence. Congress, therefore, built up its institutional capacity to oversee the activities of the executive branch. Legislative intervention became more detailed and substantive following this period. However, Zoellick argues, borrowing a phrase from former Congressman Lee Hamilton (D-IN), this 'creative tension' was built into the system at the nation's founding by design. It could even be argued that the structural objective of this design was to foster equilibrium in governance rather than to ensure the efficient formulation of policy.

In any event, the so-called 'democratization' of Congress during the 1970s took this tension a step further. The old centralized hierarchy was dismantled, increasing the relative influence of the individual politician. As a result, it was more difficult for congressional leadership and committee chairs to strike deals with the White House and other executive

8

<sup>&</sup>lt;sup>8</sup> Robert B. Zoellick, "Congress and the making of US Foreign Policy," *Survival*, Winter 1999-2000, p. 20.

<sup>&</sup>lt;sup>9</sup> Richard Bush, "The Roles of Congress in Shaping Washington's China Policy," Andrew B. Brick, ed., *The Heritage Lectures, No. 338, An Asian Studies Center Forum, America's China Policy and the Role of the Congress, the Press, and the Private Sector* (Washington, DC: Heritage Foundation, 1991), p. 8

<sup>&</sup>lt;sup>10</sup> Richard Haass, *Congressional Power: Implications for American Security Policy*, *Adelphi Paper* 163 (London: ISIS, 1979), p. 1. For extensive discussion on the topic, see Randall B. Ripley and James M. Lindsay, *Congress Resurgent: Foreign and Defense Policy on Capitol Hill* (Ann Arbor: University of Michigan Press, 1993).

<sup>&</sup>lt;sup>11</sup> Zoellick cites Congressman Hamilton from his remarks at the Trilateral Commission 1999 annual meeting. Cf., Lee H. Hamilton, "Congress and U.S. Foreign Policy,"

<sup>(</sup>www.trailateral.org/annmtgs/trialog/trlgtxts/t53/ham.htm). See also, Lee H. Hamilton with Tama Jordan, *A Creative Tension: The Foreign Policy Roles of the President and Congress* (Washington, DC: Woodrow Wilson Center Press, 2003).

<sup>&</sup>lt;sup>12</sup> Bush, "The Roles of Congress in Shaping Washington's China Policy," p. 8.

departments. The increasing clout of individuals led some politicians to emphasize narrow issues and short-term objectives. Seen from the perspective of outside interest groups, this meant a drastic increase in entry points and avenues for influence, which further contributed to trivialization and stove-piping of policy initiatives.<sup>13</sup>

Zoellick, again citing Congressman Hamilton, points out that a decentralized and atomized process has a tendency to promote unilateralism in foreign policy and that this approach makes it harder to manage alliances, institutions and long-term policies across regions and topics in a highly interconnected and complex world. Nevertheless, members of Congress can offer the president unfiltered, independent advice, which makes congressional intervention all the more necessary.

In order for this 'creative tension' to function in the way it was designed, several conditions have to be met. First, U.S. foreign policy must begin with the president. It is particularly important for the president to articulate an overall direction and goals for foreign policy. Second, the executive must constantly consult with the Congress. Third, congressional oversight is critical and could provide an early warning system against executive overreach. Fourth, Congress should debate and authorize major foreign policy moves. However, with regard to the last point, Congress should restrain itself from the use of legislative powers to micro-manage foreign policy. <sup>14</sup> Zoellick warns that:

Its procedures and methods are not well-suited to manipulating incentives and disincentives – especially with the appropriate timing – to shape the behavior of other countries. Diplomacy often involves subtlety – to enable another country to accept a compromise or back down while saving face; to influence groups within a country that must face opposition; to read changes in perception that determine which arguments or adjustments might achieve one's ends; or to shape behavior more privately or at least without being obvious. But legislation is rarely subtle; its proponents are often public and direct. Furthermore, individual bills, by their very nature, consider only a narrow dimension of policy towards a country or problem; if they require action, instead of just authorization, the Executive's ability to shape a coherent policy is weakened. 15

Although Zoellick is not specifically talking about China, this passage is very helpful when considering the congressional role in the making of U.S. policy vis-à-vis China.

Congressman Hamilton adds some further insight.<sup>16</sup> While he sees the congressional role as crucial, he does warn that Congress often acts erratically in foreign policy, engaging primarily for political reasons and displaying little sophistication on very complex and difficult issues. As the chairman of House Committee on Foreign Affairs of the 103<sup>rd</sup> Congress, Hamilton experienced first-hand the politicization of China policy after the

<sup>16</sup> Hamilton, op. cit.

<sup>&</sup>lt;sup>13</sup> Zoellick, *op. cit.*, pp. 26-27.

<sup>&</sup>lt;sup>14</sup> *Ibid.*, pp. 35-37.

<sup>&</sup>lt;sup>15</sup> *Ibid.*, p. 37

Tiananmen incident of 1989, and he specifically cites the actions taken by the 105<sup>th</sup> Congress:

I think the Congress often goes too far and makes judgments that are politically driven. In the final hours of the first session of the 105<sup>th</sup> Congress, the House of Representatives passed nine anti-China bills, which expressed displeasure with China's policies on everything from human rights to nonproliferation. There were no hearings on any of the bills. The Administration was not consulted about the impact they could have on U.S.-China relations. From my point of view at least, those bills were politically driven.

Congress often links issues without any transparent logic. It is also prone to unilateral sanctions whenever it needs to act on foreign policy problems. On partisanship in Congress, Hamilton notes critically that for too many members, foreign policy has become just another battleground for political advantage over the president and many see foreign policy as an extension of the open conflict that characterizes much of American domestic policy.

As we have seen, congressional intervention into the foreign policy process has been a constant over time, and did not erupt suddenly in the wake of the Cold War. However, the end of bipolar global confrontation has brought about active congressional intervention in China policy. In the next section, we will see how this is so.

## The end of the Cold War and the collapse of consensus

During the decade between the normalization of relations and the Tiananmen Square incident, domestic factors shaping U.S. policy toward China were generally favorable. This was because there were general agreements on how bilateral relations should be managed. Three factors stand out. First, China's policies toward Asia and bilateral issues either paralleled or reinforced U.S. objectives. Second, China was seen as an adversary of the Soviet Union and could cooperate with the U.S. on that front. Third, the reforms in China appeared to be improving the political and economic well-being of the people.

However, even during the 1980s there were signs of active intervention, which would become the norm in the next decade. A tightly-knit coalition of conservative Republicans and 'right-to-life' advocates, most identified with the 'New Right' coalition and its committed grass-roots supporters, took an uncompromising position on the issue of alleged forced abortions and sterilizations in China. They successfully exerted pressure so that in 1985 the U.S. government decided to withhold all contributions from the United Nations Fund for Population Activities (UNFPA), because of its assistance to China's national population program. This effectively terminated formal U.S. participation in the organization.<sup>18</sup>

<sup>&</sup>lt;sup>17</sup> Richard Bush, "Clinton and China: Scenarios for the Future," *China Business Review*, January/February 1993, pp. 16-17.

<sup>&</sup>lt;sup>18</sup> See, Barbara B. Crane and Jason L. Finkle, "The United States, China, and the United Nations Population Fund: Dynamics of US Policymaking," *Population and Development Review*, Vol. 15, No. 1 (March 1989),

Since the issue at stake did not involve immediate threats to national security, anti-abortion groups were able to exert influence on foreign policy. They also were able to take advantage of the pluralism in the American political system and the increased access to the foreign policymaking process that interest groups had enjoyed since the 1970s. <sup>19</sup> The difference in the strategies employed by the opponents and the supporters of UNFPA/China is worth noting:

Opponents of UNFPA have generally employed a strategy of expanding the scope of conflict on the UNFPA/China issue – raising the issue in the White House, on the floor of Congress, in the mass media, and in other public forums where they can most easily generate agreement with their positions. By contrast, UNFPA supporters have sought where possible to contain the issue at the bureaucratic level or in Congressional committees or subcommittees where they have felt they can expect strongest cooperation. While this strategy has yielded many moments of satisfaction for supporters of UNFPA funding, the crucial decisions consistently have favored the opponents.<sup>20</sup>

The opponents were much more effective in seizing the strategic upper hand resulting from a change in the institutional setting. By the 1970s, signs appeared of a general trend that would solidify with time.

Since the 1970s, entry points or access to foreign policy decision-making had multiplied. Crane and Finkle note that influence within the executive branch has flowed away from the State Department and toward the White House and functional departments with international concerns. This is a result of increased complexity of foreign policy issues and greater crossing of domestic and international considerations on many nonsecurity issues. Further, congressional members have shown a growing tendency to seize the initiative and join with like-minded colleagues in asserting independent positions on foreign policy matters, whereas earlier they might have simply accepted guidance from the White House or other executive departments.<sup>21</sup>

Despite this, the favorable domestic conditions and general consensus on China policy limited the range in which domestic factors could maneuver the policy process. After all, the UNFPA issue was more about the United Nations, UNFPA, and abortion than it was about China itself.<sup>22</sup> During the decade between the normalization of U.S.-China relations and the 1989 Tiananmen Square incident, there was general agreement between the executive branch and Congress: in general, the executive branch pursued policies that

pp. 23-59.

<sup>&</sup>lt;sup>19</sup> *Ibid.*, pp. 25-26.

<sup>&</sup>lt;sup>20</sup> *Ibid.*, p. 37.

<sup>&</sup>lt;sup>21</sup> *Ibid.*, p. 45.

<sup>&</sup>lt;sup>22</sup> Edward C. Luck, *Mixed Messages: American Politics and International Organization 1919-1999* (Washington, DC: Brookings Institution Press, 1999), pp. 122-123.

sought to broaden and deepen ties with China and which were supported by centrist Senators and Representatives in Congress, which had not yet been overwhelmed by the partisanship of the next decade. Although public interest and attention were not high, the American people were basically on board as well.

This would change dramatically after the Tiananmen incident in June 1989. The lack of clear direction in U.S. foreign policy after the disappearance of the bipolar structure of the Cold War period also eroded the consensus. Security issues and deterring communist aggression were no longer primary concerns. Maintaining a delicate balance between democratic and Communist forces was no longer a top priority. This meant that a space was created where so-called 'moral issues' could be addressed alongside traditional security issues, and U.S. foreign policy priorities expanded to include non-traditional security issues such as economic interests, global governance, human rights, and others.

A fresh and relatively inexperienced Clinton administration, in search of a road map to guide its foreign policy through the sudden ideological vacuum, relied partly on these 'moral issues' to shape its foreign policy goals. The seeming disappearance of a core threat diminished the relative importance of the traditional national security policy apparatus, in effect inviting other actors to play an active role in formulating policy. David Lampton, in an aptly titled paper, "America's China Policy in the Age of the Finance Minister," argued that the early Clinton administration lacked the strategic conception that gives coherence and integrity to the entire sequence of decisions. Lampton saw this as reflecting not only the complexity of the post-Cold War world and politics in America's mass, pluralistic society, but also the structure of the administration's policy process and personnel, its preoccupation with domestic issues, the political and managerial styles of the president, and the fragmented nature of the Democratic Party. A wide range of organizations entered the policy debate in order to advocate their ideals. Congress was often the entry point for these new actors.

Together, these factors, as well as the increased partisanship of the 1990s, contributed to the increased politicization of China policy. Robert Sutter has argued that some of the actors in the China policy debate have been less interested in changing China policy than in using China-related issues for partisan political reasons. The combined effects of these elements rendered policymaking on China episodic, immature, reactive, and, most confusingly, multi-layered.

The central debate in U.S. China policy during the 1990s was about the use of economic and other forms of leverage to sanction China for human rights abuses and other breaches of international norms. The difficulty was that the most readily available 'carrots'

<sup>24</sup> Sutter, *op. cit.*, p. 2.

-

<sup>&</sup>lt;sup>23</sup> David M. Lampton, "America's China Policy in the Age of the Finance Minister: Clinton Ends Linkage," *China Quarterly*, No. 139 (September 1994), p. 600. The title of Lampton's paper originally comes from an article written by Thomas L. Friedman in the New York Times.

had already been provided to China during the late 1970s and 1980s. Therefore, in the 1990s the U.S. felt compelled to retract some concessions, which is inherently far more difficult than dispensing them. <sup>25</sup> This effectively meant that in trying to influence China, the U.S. had to rely, not solely but predominantly, on 'sticks.' Needless to say, using 'sticks' as a foreign policy tool to attempt to influence China's actions without a coherent policy base could be troubling. <sup>26</sup>

#### Post-Tiananmen and the MFN debate

Following the Tiananmen Square incident in 1989, whether the United States should extend most favored nation (MFN) status to China became a hotly contested annual issue. At the same time the, Soviet Union, opposition to which formedthe foundation of U.S.-China rapprochement and the two nations' subsequent cooperation, was crumbling. China and the United States did not have major conflicts over vital security interests at the time, but they also did not share pressing common interests requiring cooperation and the resolution of less significant conflicts. Moreover, the predominant tone in Washington was that "China needs the United States more than the United States needs China."<sup>27</sup>

The debate over MFN status involved many actors, including the White House of course; President George H. W. Bush was even said to be his own 'China desk officer.' Many in Congress used the issue as an instrument to further their own parochial political interests. Domestic interest groups also played a prominent role. Business groups, organized labor, human rights groups, and the agriculture industry tried to influence Congress and outmaneuver one another. This made the process all the more confusing.

The fact that MFN status was an issue at all symbolized the power of Congress to legislate foreign policy. The 1974 Jackson-Vanik Amendment denied the President blanket authority to grant MFN status to countries with centrally planned economies or a 'non-market economy' that prevented free emigration. It did permit the president to allow MFN treatment on an annual basis if it could advance the goal of free emigration, but made that grant of authority subject to a legislative veto of a majority of both houses of Congress. A Supreme Court decision in 1983 made the legislative veto unconstitutional. Therefore, Jackson-Vanik was later amended to allow Congress to reject the President's annual extension of MFN but that rejection, enabled through a joint resolution of disapproval, was

<sup>&</sup>lt;sup>25</sup> Lowell Dittmer, "Chinese Human Rights and American Foreign Policy: A Realist Approach," *The Review of Politics*, Vol. 63, No. 3 (Summer, 2001), p. 432.

<sup>&</sup>lt;sup>26</sup> For use of 'carrots' and 'sticks' in foreign policy, see Richard N. Haass and Meghan L. O'Sullivan, eds., *Honey and Vinegar: Incentives, Sanctions, and Foreign Policy* (Washington, D.C.: Brookings Institution Press, 2000).

<sup>&</sup>lt;sup>27</sup> Robert S. Ross, "The Bush Administration: The Origins of Engagement," Myers, Oksenberg, and Shambaugh, eds., *op. cit.*, pp. 22-23.

<sup>&</sup>lt;sup>28</sup> Derek Mitchell and Yuki Tatsumi, "US Domestic Foreign Policy Process and its Impact on China Policy," Benjamin L. Self and Jeffrey W. Thompson, eds., *An Alliance for Engagement: Building Cooperation in Security Relations with China* (Washington, DC: Henry Stimson Center, 2002), pp. 69-72.

itself subject to a presidential veto (as the legislative veto was not). In effect, it would take votes from two-thirds of both Houses of Congress to reject the annual extension of MFN.<sup>29</sup>

To grant MFN status, the president could either determine that China was in full compliance with the Jackson-Vanik amendment, or he could waive the requirement that it be in full compliance with Jackson-Vanik. Every year since 1980, the president had requested a waiver for China, and Congress had continuously granted it. It did so again in May 1989. However, after the June 4 incident at Tiananmen Square, members of Congress interpreted the amendment as authorizing Congress to withhold MFN status from China as an economic sanction against China's human rights violations.

Although President Bush condemned China's actions and imposed a series of sanctions, many felt he was too soft on Beijing. Chinese students in the United States, human rights organizations, labor unions, and religious groups criticized the president as being too conciliatory, and argued that MFN should either be revoked or be made conditional on future Chinese behavior. By 1990, many in Congress had become frustrated with the direction of the Bush administration's China policy and turned to the president's annual MFN renewal recommendation for China as a vehicle for registering congressional disapproval of China's repressive policies and dissatisfaction with the Bush administration's policy.<sup>30</sup> On the contrary, business and agricultural groups strongly advocated the renewal of MFN.

In 1990, despite the veto threat from President Bush, the so-called 'conditionality bill' that would effectively place new conditions on China's future eligibility for MFN status was introduced and passed by the House. However, the Senate was reluctant and failed to take action. In 1991, differences between Congress and the White House resulted in a heated battle over China's MFN Status. Congressional sentiment for revoking or placing conditions on MFN seemed stronger than the previous year. The House of Representatives passed nearly unanimous legislation that would suspend China's MFN status. However, the Senate deferred again, effectively giving China the MFN status that the White House strongly wanted.

This was a result of President Bush engaging in an uncompromising veto battle against his congressional critics, and the result was positive for him.<sup>31</sup> Nevertheless, it created a dynamic where MFN would become the annual vehicle for debating U.S. policy toward China, which effectively exposed the U.S. China policy to raw domestic politics. The shift in emphasis away from 'hard' security and toward 'soft' issues was essential in the growth of interest group influence, since on these latter issues, Congress has more

\_

 <sup>&</sup>lt;sup>29</sup> For detailed and complete account of MFN issues, see Kerry Dumbaugh, "China's Most Favored Nation (MFN) Status: Congressional Consideration, 1989-1998," *CRS Report* 98-603 (Washington, DC: Congressional Research Service, 1998).
 <sup>30</sup> *Ibid*.

<sup>&</sup>lt;sup>31</sup> Ross, *op. cit.*, pp. 30-32.

latitude to question executive decisions.<sup>32</sup>

1992 was an election year, and the Republican administration's China policy was a favorite campaign issue for the Democrats. During the campaign, the Democratic presidential candidate, Governor Bill Clinton, criticized President Bush for "coddling tyrants" in Beijing. To fill the vacuum of vision for a post-Cold War foreign policy, candidate Clinton, under the guidance of his foreign policy advisor Tony Lake, adopted the doctrine of 'democratic enlargement.' For China, this meant that a Clinton administration, if elected, would challenge Beijing's human rights violations with an assertive attitude without fear of appearing confrontational. During the campaign, Clinton forcefully stated, "I do not want to isolate China ... but I believe our nation has a higher purpose than to coddle dictators and stand aside from the global movement of democracy." However, as Tucker argues, this would prove more effective in constraining the Clinton administration after the victory than in promoting Clinton's campaign during the election.

In 1993, newly-elected President Clinton announced that he would link MFN status to human rights from 1994 onward. He had been favoring the idea of 'conditionality' since he entered the presidential race. According to a study, the administration began to establish a new type of relationship with the interest group community. Human rights groups, for example, often had been at odds with previous administrations. Under Clinton, not only were such groups perceived in friendly terms, but the administration actively sought policy input from them. They also had strong allies in Congress such as Representative Nancy Pelosi (D-CA) and Senator George Mitchell (D-ME), both of whom had been active in pushing anti-MFN legislation during the Bush administration. With this new access to the executive branch, and with continued help from Congress, human rights interest groups were able to pressure the administration to respect its campaign pledge.<sup>37</sup>

It was not only the human rights community that was active. Also in the forefront was the 1,000-member Business Coalition for U.S.-China Trade. This umbrella group included the National Association of Manufacturers, the National Retail Federation, the Business Roundtable, the National Foreign Trade Council, and the U.S. Chamber of Commerce. *Business Week* reported that nearly every midsize and large U.S. exporter was represented in the organization.<sup>38</sup> The Coalition sent a letter to President-elect Clinton, urging him to renew the MFN and suggesting the use of other more targeted tools to

<sup>&</sup>lt;sup>32</sup> John W. Dietrich, "Interest Groups and Foreign Policy: Clinton and the MFN Debates," Presidential Studies Quarterly, No. 2. Vol. 29 (June 1999), pp. 280-96.

<sup>&</sup>lt;sup>33</sup> Robert Suettinger, *Beyond Tiananmen: The Politics of U.S.-China Relations 1989-2000*, Washington, DC: The Brookings Institution Press, 2003, p. 155.

<sup>&</sup>lt;sup>34</sup> For Clinton administration's China policy, see Nancy Bernkopf Tucker, "The Clinton Years: The Problem of Coherence," Myers, Oksenberg, and Shambaugh, eds., *op. cit.*, pp. 45-76.

<sup>&</sup>lt;sup>35</sup> Ed Walsh, "Clinton indicts Bush's World Leadership," Washington Post, October 2, 1992.

<sup>&</sup>lt;sup>36</sup> Tucker, *op. cit.*, p. 48.

<sup>&</sup>lt;sup>37</sup> Dietrich, op. cit.

<sup>38 &</sup>quot;China: The Great Brawl," Business Week, June 16, 1997, p. 32.

advance long-term interests with China.<sup>39</sup>

Buffeted by competing interests, President Clinton's plan represented a compromise between 'principled engagement' and 'commercial engagement'; the former being the position of human rights activists and other principled groups, and the latter being the position of the business community. President Clinton proposed two mandatory bench marks that China would have to reach in order to ensure continuation of MFN: one was based on emigration freedoms, following Jackson-Vanik, and the other focused on Chinese compliance with a 1992 bilateral agreement on prison labor. Additionally, there were five other issues on which China had to make 'overall significant progress.' The conditions were imposed by executive order, effectively leaving the locus of China policy in the executive branch rather than allowing it to shift to the more activist Congress, which, as noted, was the entry point for many interest groups. Overall, the conditions for MFN renewal in 1994 that the Clinton administration put forth were not as tough as the human rights groups would have preferred, though they were satisfied to see some of their positions adopted. Meanwhile, the result also could be seen as a partial victory for the business community, as there would be at least a buffer in timing as well as in policy process before MFN status became linked to human rights performance.<sup>40</sup>

In May 1994, despite all the effort put into establishing a compromise, the Clinton administration backed away from the linkage policy. There were many factors behind the decision. David Lampton lists seven—first among them was that the economic and business-related entities were determined not to permit a repeat of 1993. Immediately following the 1993 executive order, much of the business community organized to articulate its interests more effectively. According to Lampton, "prior to the 1993-94 period, corporate America had feared it would appear unseemly to argue vigorously and publicly for MFN for China. Under President Bush, they believed that a presidential veto would protect their interests." However, they concluded that this would no longer be the case under the Clinton administration. The termination of MFN was a real possibility for the first time, and the business community organized one of the most aggressive and effective lobbying efforts ever made in the foreign policy sphere.

According to Dietrich, the 1994 business effort differed from the past activities in two main ways: it focused more on the commercial argument and it involved individual businesses. Extensive studies have been conducted on the efforts made by the business community during this period. The business community's activities are often cited as proof that interest groups are no longer passive on foreign policy issues and that they no longer operate only on the fringes of a closed policy making process. The activities conducted by the U.S.-China Business Council, the Emergency Committee for American Trade, the U.S. Chamber of Commerce, among others, with the support of the 'centrist coalition' in

<sup>&</sup>lt;sup>39</sup> Dietrich, op. cit.

<sup>&</sup>lt;sup>40</sup> Dietrich, op. cit.

<sup>&</sup>lt;sup>41</sup> Lampton, *op. cit.*, p. 604.

Congress were quite effective and remarkable.<sup>42</sup>

Importantly, the economic agencies within the executive branch of the U.S. government felt that economic considerations had been given insufficient treatment in the executive order, and were determined to articulate those interests more forcefully in 1994. There was also a famous Council on Foreign Relations public event in March of that year in which speaker after speaker, all of them very distinguished, both Democrat and Republican, spoke favorably of 'delinking.' Only a few years prior, the predominant tone was that "China needs the United States more than the United States needs China," which was the foundation of 'principled engagement.' By 1994, however, the tone had shifted dramatically so that William Warwick, Chairman of AT&T in China, could argue, "Either we establish a major presence in the Chinese market, or we forget about being a global player."

What can one conclude from this policy debate with regard to the impact of interest group politics and congressional intervention into U.S. China policy? There seems to be a general consensus that one should be cautious in measuring such influence since the groups concerned often stand to gain by exaggerating their impact. The same could be said with regard to the politicians, since quite often the reason for legislative action is simply to make a point. Nevertheless, there are clear signs that as the issues involved move along a spectrum from matters concerned with national security to commercial and financial policies, the potential for interest group and Congressional intervention increases. Therefore, whether an issue arising between China and the U.S. would be defined as a matter of national interest or as a non-security related area dramatically changes the dynamics of U.S. China policy. Put differently, how one frames the issue significantly affects the dynamics of the politics of U.S. China policy.

The MFN status debate in 1994, as a non-national security related discussion, did invite the business community's highly coordinated efforts which proved quite effective. Compared to the business community, the groups supporting 'principled engagement' were strong but sporadic. But one must also be careful in evaluating the "most aggressive and effective lobbying efforts ever made on a foreign policy." Dietrich argues that despite all the domestic politics, it appears that the final delinking decision was "much more a policy victory than a lobbying one." He stresses three underlying factors which brought about the final decision. They are:

1. The rapid growth in bilateral trade. This gave both businesses and government officials a new appreciation of the potential future growth of the Chinese market and the role it could play in stimulating new jobs and economic growth in the United States.

<sup>&</sup>lt;sup>42</sup> The amorphous 'centrist coalition' included both Democrats and Republicans. According to Lampton, Senators Dole (R), Boren (D), Kerry (D), Baucus (D), Bradley (D), Johnston; and Representatives Foley (D), Hamilton (D), Gibbons (D), Matsui (D), McDermott (D), Ackerman (D), and Leach (R) were seen as belonging to the coalition, Cf., Lampton, *op. cit.*, p. 606.

<sup>&</sup>lt;sup>43</sup> Jim Hoagland, "Latest Trade Darling," Washington Post, March 23, 1994.

<sup>&</sup>lt;sup>44</sup> Sutter, *op. cit.*, pp. 17-18.

- 2. The reality that, for the first time, the debate was not over the threat of conditions on MFN status but rather about its revocation, a direct challenge to a major regional power. This forced all of the groups and government officials to reevaluate their willingness to sacrifice in the pursuit of human rights objectives.
- 3. The shift in congressional opinion and the president's greater recognition of China's importance as an economic and regional power. This led Clinton to move away from his support of conditionality and to conclude that delinking would serve both his domestic political goals and long-term interests.<sup>45</sup>

The business community's efforts to influence the policy process were no doubt effective, and facilitated the policy shift that was to happen. However, as Dietrich points out, the policy shift was not solely the accomplishment of the influence peddlers, but was a result of simple and firm recognition of China's rise.

The next section will examine whether the lessons learned from the debate on MFN status are applicable in attempting to understand the domestic dynamics at work today.

### **Domestic factors at work today**

In late 1999 and the spring of 2000, as the U.S. Congress voted on whether to grant permanent normal trade relations (PNTR), formerly known as MFN, to China, the business community again was fully involved. The U.S.-China Business Council, the Business Roundtable, the Business Coalition for U.S.-China Trade, and the Emergency Committee for American Trade represented hundreds of the nation's largest companies. The Business Roundtable's booklet on corporate responsibility in China stated that U.S. companies would also serve the higher purpose of "bringing with them U.S. ethical and managerial practices," which will set "a positive example of corporate citizenship." The lessons for China were obvious. Beijing learned that business community allies, with the exception of textile manufacturers, could be trusted to influence favorably executive branch policy. In fact, even within the executive branch, economic agencies could be trusted as an extension of the business community. A former U.S. ambassador to Beijing even argued, "The Chinese really don't do any lobbying ... the heavy lifting is done by the American Business Community."

However, after the PNTR debate settled, dynamics that had persisted throughout the 1990s seem to have changed somewhat. The Bush administration's perception of China as a security threat changed with the September 11 terrorist attacks. China began to drift away

<sup>46</sup> Tucker, *op*, *cit.*, p. 49.

<sup>&</sup>lt;sup>45</sup> Dietrich, op. cit.

<sup>&</sup>lt;sup>47</sup> Quoted in William R. Hawkins, "Competing Interest divide U.S. China Policy," *China Brief*, Vol. VI, Iss. 13 (June 21, 2006), p. 6.

from the top of the corporate agenda in Washington as well. For big business, issues such as tax cuts and restraining 'frivolous lawsuits' became immediate concerns, since the new conservative administration was trying to tackle these issues aggressively. Furthermore, corporations' actual interests and challenges in China changed. In the 1990s, access to China's cheap labor overwhelmed all other concerns. In the post-PNTR era, however, the growing trade imbalance, the currency problem, the violation of intellectual property rights (IPR), job loss, and alleged unfair trade practices are becoming major concerns for larger sectors of the business community. The so-called 'outsourcing' issue could return and become a major concern in the election years as we saw in the 2004 election cycle.

Today, the *National Journal* article reports, China's pillar of support in the business community has fractured. One China trade lobbyist is quoted as saying that when there was a clear set of goals that everyone wanted to achieve, it was easier to get the business community united and engaged. Now, however, all parties have become special interest-oriented and no one looks at China strategically. \*\*Business Week\* reports that a more aggressive approach toward China is likely to emerge, focusing on righting the lopsided trading ties between the two countries. \*\*

As a result, China has stepped up its own lobbying efforts in Washington. The *National Journal* notes that this new strategy comes as protectionist rhetoric on the Hill has become sharper since the Chinese National Offshore Oil Corporation (CNOOC) made its bid for UNOCAL. The same article quotes a March 2005 Zogby International poll of 100 Congressional staffers. The study found that 54 percent of congressional aides saw China as a serious global economic threat, and just 19 percent had a favorable opinion of the country. A possible cause, reports the article, is the increasing number of complaints about China from small and mid-sized U.S. manufacturing businesses.<sup>50</sup>

The split within the business community is structural. Many small manufacturers are witnessing their orders dramatically reduced, whereas large multinationals are building more factories in China. The U.S. Chamber of Commerce and National Association of Manufacturers (NAM) in 2005 recommended putting China under more formal scrutiny for intellectual property theft, and moving ahead on a WTO challenge. NAM has been taking the same position for some years, but the addition of the Chamber's voice raised the clout of the 'get-tough' approach. <sup>52</sup>

Looking at U.S. China policy from a different perspective, there is a larger structural and ideological split which is deeply ingrained. The split is based on institutional differences. Partly overlapping with the values-oriented group is the faction within the defense/national security community which sees China as an emerging national security

<sup>&</sup>lt;sup>48</sup> Vaida, op. cit..

<sup>&</sup>lt;sup>49</sup> "No More Mr. Nice Guy with China?" *Business Week*, Vol. 3930 (April 25, 2005), p. 37.

<sup>&</sup>lt;sup>50</sup> Vaida, op. cit.

<sup>&</sup>lt;sup>51</sup> Louis Uchitelle, "What to Do About China and the Yuan," New York Times, October 12, 2005.

<sup>&</sup>lt;sup>52</sup> Stephen J. Norton, "Inching Toward a Fair Field," Congressional Quarterly Weekly, March 19, 2005.

threat. This group clearly tilts toward a get-tough approach. It is different from the traditional or realist national security school. The realists tend to avoid meddling with values, treating China simply as a 'big power.' They have a tendency to favor a coalition with the business community. The new China threat group is more ideological in the sense that it is values-oriented. Although traditional human rights groups have been consistent in their opposition to China's human rights violations, the values-oriented message has been co-opted by those who perceive a national security threat from China.

Although the values group includes both labor and the religious right, the China threat group tends to belong to the conservative wing of the Republican Party.<sup>53</sup> The U.S.-China Economic and Security Review Commission, established by Congress in October of 2000, is one of the vehicles of its influence. The Commission's stated purpose is to monitor, investigate, and submit to Congress an annual report on the national security implications of the bilateral trade and economic relationship between the United States and the People's Republic of China, and to provide recommendations, where appropriate, to Congress for legislative and administrative action.<sup>54</sup> Some on Capitol Hill who criticized the Commission for not doing enough have launched the 36-member Congressional China Caucus. Its stated purpose is to "educate its members on issues pertaining to China and Chinese interests and serve as a forum for discussion of such issues ... investigate China's global reach and the consequences of its growing international, economic, and political influence on U.S. interests. The recent purchase of IBM's personal computer unit by the Chinese corporation Lenovo and a controversy over State Department use of these computers indicate that even a normal commercial transaction with China, if framed in terms of national security, can face enormous obstacles.<sup>56</sup>

These new and emerging trends show that the domestic dynamics of U.S. China policy have shifted quite significantly from the late-1990s when the business community, in close coordination with Congress, effectively influenced policymaking. Today, the picture is more complex, and no single group can dominate the process. The same government that on the one hand produces the *Annual Report to the Congress on the Military Power of the People's Republic of China*, appoints China hand Henry Paulson as Secretary of the Treasury on the other. From an outside perspective, it could seem that policy could tilt in any direction in reaction to an actual event. So long as this strategy of ambiguity, symbolized in the term 'responsible stakeholder,' is intentional and consciously designed, it works to the benefit of U.S. when negotiating with China. However, there is always a risk that Beijing will capitalize upon the competing worldviews and interest group coalitions to play the two wings against one another and to prevent the formulation of a resolute U.S.

-

<sup>&</sup>lt;sup>53</sup> For religious right and China, see Christopher Marsh, "Kings of the East: American Evangelicals and U.S. China Policy," *National Interest*, Iss. 81 (Fall 2005), pp. 95-100. For Labor Union and China, see John Cochran, "Unions See Wal-Mart Battle Moving to China," *Congressional Quarterly Weekly*, November 5, 2005

<sup>&</sup>lt;sup>54</sup> See committee website (www.uscc.gov).

<sup>&</sup>lt;sup>55</sup> See caucus website (www.house.gov/forbes/AboutRandy/chinacaucus.htm).

<sup>&</sup>lt;sup>56</sup> Steve Lohr, "State Dept. Yields on PC's from China," New York Times, May 23, 2006.

China policy.<sup>57</sup> How these factors will play out remains to be seen.

#### Conclusion

The purpose of this paper was to understand the politics of U.S. China policy. Since U.S.-China relations will no doubt be the most 'consequential relationship' for East Asia and beyond, such an understanding is quite important. This is especially true for a country like Japan which is geographically located between the two countries--one the closest ally and the other geographically close but with many bilateral difficulties left to be solved.

Japan has begun to become more and more assertive in its foreign and security policies, and it must be prepared for unexpected changes in U.S. China policy. It has now become a cliché to say, "U.S.-Japan bilateral relations have never been better." While this statement may be true, it remains to be seen whether the beefed-up U.S.-Japan security alliance is a variable of U.S. China policy.

As Ambassador J. Stapleton Roy, former ambassador to China, argues, in the U.S. today domestic politics are able to impact foreign policy much more directly than was the case during the Cold War. U.S. policy toward China is particularly susceptible to this influence because the so-called 'rise of China' is one of the few issues on which the U.S. policy establishment, both the right and the left, can agree--but behind that agreement lie widely divergent interests.<sup>58</sup>

For an outside observer, a swing in U.S. policy is quite unpredictable precisely because of the domestic dynamics at work. Non-American experts on U.S. foreign policy must pay attention to the domestic dynamic, but often they are not trained to do so. This has to be overcome, and this paper was a modest attempt to do so.

<sup>&</sup>lt;sup>57</sup> Hawkins, *op. cit.*, p. 8.

<sup>&</sup>lt;sup>58</sup> Ambassador Stapleton Roy's remarks at the launch of the China Initiative at the Brookings Institution (September 20, 2005), <a href="http://www.brookings.edu/comm/events/20050920\_panel3.pdf">http://www.brookings.edu/comm/events/20050920\_panel3.pdf</a> , accessed on December 23, 2005.

## **APPENDIX I**

# How the U.S. saw the "surging dragon" and the "rising sun"

In the late 1980s, Japan was perceived to be on the rise. At the same time, U.S. confidence was at a low point: there seemed to be no way out from prolonged recession and the twin deficit was increasing at a frightening rate. Moreover, the social fabric of the nation seemed to be deteriorating as the rate of violent crimes increased. People were reading books titled *The Closing of the American Mind, The Disuniting of America*, and Paul Kennedy's *The Rise and Fall of the Great Powers*. Kennedy's book came close to capturing the *zeitgeist* of the nation at that time, and one could not deny the pessimistic and tragic tone of *The End of the History and the Last Man*, which was misperceived as an anthem of U.S. victory in the Cold War. Not a few people even feared that 'Japanese style capitalism' would overwhelm the U.S. model. True, some overzealous and overconfident Japanese businessman and vocal politicians boasted the superiority of the 'Japanese model.' However, looking back from a historical vantage point, the perceptions about the 'rising sun' may have been a reflection of the American psyche rather than Japan's adversarial potential.

At the time however, the U.S. and Japan did have serious trade frictions, and negotiations regarding such issues were often referred to as a 'trade war.' At one point, some even speculated that the two countries might actually clash some time in the future. Antagonism toward Japan in the U.S. Congress was quite strong. People still remember a group of Congressmen smashing a Toshiba audio cassette player with a hammer in front of Capitol Hill. (There were reasons for which the ambassadorship to Japan traditionally was assigned to a powerful figure from Congress. Despite the worries, it has to be noted that even during the peak of the 'trade war,' relations between the two countries were rooted in the bilateral security alliance. Japan and the U.S. could conduct a trade war precisely because their relations were anchored in this way. To be sure, as a result of the demise of the bipolar Cold War some commentators were questioning the *raison d'etre* of the alliance. There was talk about an 'alliance adrift.' Nonetheless, the two countries did not have to worry about their relationship deteriorating to an unacceptable degree. In fact, it can be argued that trade negotiations became so hot precisely because the U.S. (more than Japan) knew that it would not spin out of control.

The difference from the environment in which today's heated rhetoric about China takes place is apparent. Although Americans feel vulnerable and threatened by an amorphous global terror network, they are at the same time confident in their power to play an assertive global role. The question is not about whether the U.S. power is declining, but how the self-identified superpower may exert power so as to be seen as legitimate by other

that the 'Japan problem' in Congress is over.

<sup>&</sup>lt;sup>59</sup> George Friedman and Meredith LeBard, *Coming War with Japan* (New York: St. Martin's Press, 1991). <sup>60</sup> The fact that most recent Ambassador to Japan is a personal friend of the President might be an indication

nations. One might question whether the moral authority of the U.S. has declined or not. Nonetheless, no one would talk seriously about a U.S. decline in a Paul Kennedy-like fashion.

Where does China fit in to this American worldview? The simple answer is that China's role is yet to be defined. U.S.-China relations are different from U.S.-Japan relations in that they are not anchored in a bilateral security alliance which can impose institutional restraint and a braking mechanism in the vent of a deterioration in relations. On the contrary, U.S.-China relations have to be constantly managed, which inevitably invites various actors to advocate their own interests or concerns and even help define the bilateral relationship. For some, China is a *potential* security threat, for others, China is a potential market (it is already the factory of the world!). Since the 19<sup>th</sup> century and even before, Christian missionaries have seen huge *potential* in China for cultivation.

These are all extensions of what Harold R. Isaacs rightly called the 'scratches on our minds.'61 But the problem today is that, more and more, these scratches are becoming a reality as a result of ever increasing direct contact with China. However, precisely because various interests cut across one another at the same time in a quick speed, the U.S. image of China will no longer be cyclical, as Isaacs described, and will probably be restrained. The phrase 'responsible stakeholder' garnered so much attention probably because it is so malleable: the user may shape it with whatever connotation he/she wants. It is a 'loadable' term.

Japan had seldom been a mirror on which America tried to project its own self-image. It has always been somewhat 'alien.' Perhaps Japan was not, in the minds of the American people, a big enough mirror to project one's self-image. Americans still approach China in a manner that George Kennan would have criticized. Kennan repeatedly lamented that there is an "inveterate tendency of the U.S. to judge others by the extent to which the others contrive" to be like the U.S. 62 As long as the U.S. remains a nation built upon creed, which will most likely persist for the foreseeable future, this deep-rooted tendency will endure. From this perspective, one could rhetorically argue that the U.S. never was and can never become a 'realist nation.' It could therefore be argued that back in the 1940s, during the civil war within the American foreign policy community over the 'loss of China,' what America really lost was a 'liberal dream' projected upon China.

This dream projected upon China was again abruptly disrupted in 1989. Today, the U.S. is again trying to redefine its relationship with China. It will no doubt be influenced by the tendency that Kennan lamented. This new relationship, which is yet to be defined, will not only affect the two countries, but also the Asia-Pacific region and beyond.

<sup>&</sup>lt;sup>62</sup> George Kennan, *American Diplomacy*, 1900-1950 (New York: Mentor, 1951), p. 111.

### APPENDIX II

## **Domestic factors of Japan's China policy**

The domestic factors at work in Japan are naturally quite different from those in the U.S. Immediately after the Tiananmen incident, Japan favored engagement for the sake of not isolating China. This was initially a minority position, but Japan's official reaction to the bloodshed in Beijing was notably mild compared with other Western nations.

The first official statement by a Foreign Ministry spokesman on June 4 was critical but modest, stating, "We are gravely concerned with the development of the situation where the military's use of force led to bloodshed. The Japanese government strongly hopes that the situation does not deteriorate any further." At the time, the values-based approach to foreign policy, which logically sees no sovereign borders, was not Japan's best pitch. According to Takagi, "to the extent that Japan expressed criticism, it was on the basis of humanitarianism rather than human rights and democratic values." It was unpredictability that the Japanese government most feared. Undeniably, this view resonated with the business community.

To a certain degree, this is still the institutional position on China today. However, Japanese popular sentiment toward China turned negative in the late 1990s. Many see the 1998 visit of President Jiang Zemin as a turning point, after which feeling towards China has cooled, with few signs of recovery. Some even argue that for the first time in the post-war period, anti-China sentiment has been structurally ingrained in the minds of a certain sector of the Japanese people. At the same time, the 'China threat' theory has been steadily on the rise, providing fuel for 'anti-China sentiment.'

One notable difference between the Japanese and American experiences is the *de facto* nonexistence of a human rights community in the Japanese policy process. The organizational culture of Japanese non-governmental organizations (NGO) is quite different from that of the U.S. in that they prefer to strictly maintain their non-governmental status and avoid meddling in the political process. The lack of a bureaucratic infighter mentality is keeping Japanese NGOs at the margins of the policy formulation process. Although there are clear signs that this culture is changing, it has not reached the China issue yet.

Ever since the 1972 normalization between Japan and China, the 'China school' in the Ministry of Foreign Affairs, with the strong backing of old China hands within the Liberal Democratic Party, who had personal channels with Beijing, had leverage in steering Japan's China policy. Today, partly because of the popular negative sentiment and the fact

Nakayama - Politics of U.S. Policy Toward China

<sup>&</sup>lt;sup>63</sup> Seiichiro Takagi, "The Asia-Pacific Nations: Searching for a leverage," Myers, Oksenberg, and Shambaugh, eds., *op. cit.*, pp. 242-243.

<sup>&</sup>lt;sup>64</sup> Masahiko Sasajima, "Japan's Domestic Politics and China Policymaking," Self and Thompson, eds., *op. cit.*, p. 80.

that security concerns have become more prominent, attitudes toward China reflect Japan's ideological divide. This ideological divide is being reinforced by the increased partisan nature of human networks between the U.S. and Japan. 'China threat' proponents in Japan tend to talk to their counterparts in the U.S.—and the same could be said about the other side—resulting in a spiral reinforcement of the partisan divide.

Further complicating the picture is that in recent years, Japan has become much more comfortable talking about 'values' in foreign affairs. This is especially evident among the relatively young non-ideological conservative policy experts. It is worth noting that there is a large degree of overlap between this group and the firm supporters of the U.S.-Japan security alliance. How this new generation of policy intellectuals would change Japan's China policy remains to be seen.