

# Introduction

It has been fourteen years since soldiers of the Chinese People's Liberation Army (PLA) raced into the center of Beijing from their suburban encampments, ordered to recover "at any cost" the capital city's most important symbolic landmark, Tiananmen Square, from student demonstrators who had occupied it for seven weeks. Fourteen years since the terror, the noise, the fires, the shooting, the bloodshed, the screams of rage and fear. Fourteen years since the collapse of the Communist Party's leadership cohesion and what remained of its moral authority, causing it to resort to force and intimidation to maintain its grip on power. Fourteen years since the United States and other Western countries recoiled from China in horror and disgust, expelling it from the company of modern civilized nations through sanctions of various kinds. Fourteen years since the relationship between the United States and China went instantly from amity and strategic cooperation to hostility, distrust, and misunderstanding.

Time has healed many of the wounds of those terrible days of June 1989. The dead have been laid to rest, if not accounted for or forgotten; the wounded have been treated and healed. Most of those arrested and imprisoned in the massive roundup that followed June 4 have completed their sentences and been released. The universities that were cauldrons of unrest and dissatisfaction then are thriving now, with improved equipment and better living conditions attracting China's best and brightest. Students have turned from the youthful pursuit of democratic ideals to the pursuit of advanced degrees and lucrative jobs in China's growing private sector, much of it foreign funded.

Most of the Communist Party elders who decided that military force was the only solution to the problem of the democracy activists in Tiananmen

Square have died. Many of the students who emerged as leaders of the 1989 democracy movement and the hunger strike are in exile in the United States, having escaped during the early phases of the crackdown or having been released from prison on “medical parole.” Most of the soldiers who took part in the attack on the city of Beijing have left the PLA. Many of the officers who were promoted for their leadership in “quelling the turmoil” have subsequently been retired or demoted. The Communist Party leadership “core” under General Secretary and State President Jiang Zemin—brought in after June 4—has been one of modern China’s most stable and successful leadership groups, its rule uninterrupted by major internal strife or political upheaval.

Tiananmen Square has been repaired—the bullet holes filled, paving stones cleaned and later replaced for the celebration of the fiftieth anniversary of the founding of the People’s Republic of China in 1999. It is again the people’s square, with casual strollers, schoolchildren, kite-flyers, and tourists in abundance. People’s Armed Police and other security forces still patrol in groups of two and three, on the lookout for practitioners of Falun Gong—a form of breathing exercise and spiritual awareness banned by the still-nervous communist government—rather than democracy activists. Traffic clogs the streets around the square, with bicyclists making more rapid progress in their separate lanes than the hordes of tiny red and yellow taxis, tourist buses, and private automobiles crawling through the midday rush hours. There is no sign, no memorial of what happened there in 1989.

The city of Beijing itself has been transformed in these fourteen years. The streets down which the students marched and the tanks raced now are lined with new hotels, shopping centers, and modern office buildings, and many are adorned with neon signs advertising Western corporations and foreign products—McDonald’s, IBM, Intel, Coca-Cola. A new “central business district” of multistory office towers has sprung up near the intersection of Jianguomen Dajie and the Second Ring Road, where heavily armed troops faced east in 1989, seemingly fearing attack from other military units. Shoppers no longer pick through piles of shriveled cabbages piled along dusty streets, as they did then, but walk through air-conditioned grocery stores and shopping malls looking for well-packaged foods, designer fashions, sporting goods, and consumer electronics. China has become one of the most dynamic economies in the world, and Beijing is its showcase capital city. Having won the bid to host the 2008 Olympics, the city is even more eager to show its new look, new economy, and new style to the rest of the world.

Amid all the change—the forgetting, if you will, of Tiananmen—the relationship between the United States of America and the People’s Republic of China has remained one of wary distrust that occasionally deteriorates into

enmity. There has been little forgetting and less forgiving of what the two countries accused each other of in 1989. Although the two governments have improved their cooperation and even achieved a degree of amicability in the wake of the September 11, 2001, terrorist attacks on New York and Washington, these changes nevertheless seem tenuous, unsupported by improved trust or understanding. There is still plenty of rancor on both sides.

The United States regularly castigates China for a broad array of human rights abuses, with the State Department issuing in February 2002 the longest and most critical report about China in its annual series on human rights practices worldwide. China responds with charges of hypocrisy, racism, and “demonization” against the United States and issues its own critiques of American legal and moral shortcomings.

—Beijing charges the United States with “interference” in its domestic affairs, not only in supporting democracy activists in 1989 but in seeking to use various sanctions since then to leverage improvements in China’s treatment of religious and political dissidents. It suspects the U.S. Central Intelligence Agency is supporting Falun Gong. In Washington, many believe China sought to use illegal contributions to some candidates in the 1996 election campaign to distort American politics and policies. Business lobbyists and academics who seem sympathetic to China’s positions sometimes are portrayed as disloyal to the United States.

—Many Americans believe that China’s pressure on Taiwan—where the government of the Republic of China retreated after it lost the Chinese civil war in 1949—actually emanates from a post-Tiananmen fear of the American style of democracy that Taiwan has instituted successfully since the early 1990s. For its part, China accuses the United States of deliberately violating its agreements on sovereignty and arms sales to Taiwan in order to keep China from achieving unification.

—Despite a rapidly growing trade relationship between the two countries, Washington criticizes China’s trade practices regularly as “mercantilist,” and a special commission has been appointed by the U.S. Congress to monitor the relationship between the bilateral trade flows and the modernization of China’s defense industries. Many in China believe the United States is determined to prevent China from becoming the world’s largest economy.

—Washington charges China with selling the technology, know-how, and materials to make nuclear and chemical weapons, as well as ballistic missiles, to unstable or “rogue” states, such as Pakistan and Iran. China counters that Washington is the world’s largest arms dealer and is only trying to prevent China’s emergence as a competitor.

—Despite the easing of bilateral strains in light of their opposition to international terrorism, China and the United States remained locked in strate-

gic distrust at the start of the twenty-first century, based largely on misperceptions. Many in China, including in the leadership, believe the United States has an insatiable lust to be the world's dominant power and will go to great lengths to prevent China from becoming a global force. They refer to the United States as "hegemonic," similar to the kingdom of Qin in the second century B.C., which forcefully conquered and incorporated the various kingdoms of China into a unified state. Some Americans see China as a modern counterpart of nineteenth-century Germany or Japan—an ambitious, aggressive emerging state that will upset the international balance of power and force a conflict. Strategic thinkers and military planners on both sides plot future conflict scenarios with the other side as the principal enemy.

—Perhaps most important, the United States and China have developed negative stereotypes of each other, contributing to all the above problems. Despite warm and even improving people-to-people relations, polls since 1989 have consistently shown most Americans consider China an "unfriendly" country that violates the rights of its citizens. Although polls in China are not independent or systematic, there is a clear growth in the manifestation of anti-American sentiment, particularly among students and intellectuals.

### **Axioms and Assumptions**

How did this situation develop? What are the causes of the hostility and what are the political factors in both countries that sustain it? What does this situation portend for future relations between China and the United States? Are the two sides heading for war? Or can efforts be undertaken to ameliorate the suspicions and hostility, and if so, how?

This book is about relations between the United States and the People's Republic of China from the calamitous events of June 4, 1989, to the last days of the presidency of William Jefferson Clinton in the year 2000. It takes as its starting point the events of Tiananmen, as I believe those events marked a critical turning point in the bilateral relationship. Before that time, the relationship was founded on a more or less shared set of strategic perceptions about the nature of the threat from the Soviet Union and on a "realist" viewpoint that Soviet power needed to be balanced by cooperation between its principal opponents. Although the relationship grew and flourished in many other ways after the visit to China by President Richard Nixon in 1972 and the issuing of the "Shanghai communiqué" establishing the ground rules for Sino-American cooperation, the strategic underpinning remained a constant in the relationship. After Tiananmen, when American perceptions of China were radically changed, and after the fall of first the Soviet "bloc" in eastern Europe and then the Soviet Union itself, that constant disappeared,

or at least lost credibility. Justifying a close, cooperative relationship thus became far more difficult for both sides, while all the other problems and disagreements in the relationship became far more apparent and difficult to manage.

Equally important, after Tiananmen, the bilateral relationship lost its insulation from domestic politics. In the United States, President George H. W. Bush found his China policy directly challenged by congressional Democrats, as President Bill Clinton's was by congressional Republicans. Although Deng Xiaoping's primacy over foreign policy was hardly challenged, even after Tiananmen, President Jiang Zemin's stewardship of the U.S.-China-Taiwan relationship became an issue in his efforts to consolidate his power and authority within the Chinese leadership as Deng faded from the scene. In both countries, bureaucratic maneuvering and broader sociopolitical changes also affected the conduct of foreign policy, particularly bilateral relations. And both countries experienced periods of intense popular suspicion and even revulsion that political decisionmakers could not ignore.

The principal focus of this book is decisionmaking—that very human process by which ideas, beliefs, strategies, theories, prejudices, pressures, trade-offs, and choices become identifiable foreign policies. It is a complex and confusing process, often misunderstood, especially by those who look only at the policy outcomes. Readers will find no grand theory to explain American or Chinese actions or to put them in a lucid strategic context. Quite the contrary. This book consists of a series of narratives about policymaking, by which the complexity and confusion of the process of making decisions are laid out in somewhat greater detail—from an “insider's” perspective, in part. From April 1989 until the end of 1998, I served in positions within the U.S. government—on the National Intelligence Council and the National Security Council—that enabled me to observe the policy process at close hand. While I would by no means depict my position as a major “policy player,” I was a participant on occasion and familiar with the events and individuals that shaped the relationship during that period. Moreover, before that time, I had been an analyst and observer of China's domestic politics and leadership for many years. My purposes for writing this book are, first, to tell the stories as completely as I can and, second, to create some doubts about the theories, suppositions, and unspoken assumptions that underlie “strategic analyses” on both sides of the goals and intentions of the other.

There are two fundamental propositions underlying the following chapters. First, foreign policies are not the product of pristine calculations of national interests by trained experts with all the facts at their disposal. Rather policies are the result of a profoundly political process in which differing, sometimes competing, domestic interests, bureaucracies, and individuals af-

fect the outcome. Although some of the key players are well-informed experts, they are often working with incorrect or incomplete information, as well as inaccurate assumptions and cultural prejudices. Second and related, “strategic” assessments that extrapolate historical or ideological trends and project future policies and behavior are likely to be wrong, as they seldom take account of the domestic politics of decisionmaking or the effect of unpredictable events that often drive the process. Unlike a number of contemporary observers of bilateral relations, I believe that conflict between the United States and China is *not* inevitable; there is no ineluctable war between the two countries just waiting for the strategic paths to reach their convergence. There is, in fact, considerable prospect and opportunity for cooperation and improvement in what is likely to be the single most important bilateral relationship of the twenty-first century. However, the routine misperception of each other’s goals and policies, one of the legacies of Tiananmen, is leading to increasing hostility and distrust that could eventually have tragic consequences. It is my hope that this work might contribute to an understanding of policy decisions as outcomes of complex processes rather than the results of grand strategic trends. To that end, I am looking at the decisions of the relationship in a comparative context, as outcomes of internal political processes in both countries.

### Comparing Contrasting Systems

One can scarcely do justice in an introductory chapter to the enormous differences between the political systems of the United States of America and the People’s Republic of China. Aside from a few common titles and descriptors, there is little the two states have in common in global influence, regional aspirations, strategic goals, ideology, or political structure.

The United States is a global power, with interests and capabilities in virtually every region of the world, and extensive international commitments and responsibilities. China is a major player in international relations but not a power in the sense of being able to affect outcomes, build coalitions, or project its will far beyond its borders.

Strategically, the United States is the world’s most powerful nation militarily, whether considered from the perspective of conventional or nuclear forces. Its leaders appear determined to keep it that way by thwarting the efforts of any other country to match American capabilities and ensuring that America plays a major role in all international organizations. China is a defensive power, concerned about recovering lost territory (especially Taiwan) and seeking to deter the United States from interfering in that recovery process.

In the Asia-Pacific region, the United States is a status quo power, seeking to maintain the equilibrium and tenuous stability that have enabled the region to become so economically prosperous. China is a moderately discontented regional power, angry about American support for Taiwan, dissatisfied with some of the American-determined geopolitical relationships on its borders, and resentful of American leadership pretensions and of what it perceives as overbearing American behavior.

Ideologically, the United States sees itself as a model and defender of political democracy and individual freedom, sees private property, capitalism as the engines of progress, and free trade as the desired state of economic relations between nations. China is in an uncertain ideological condition, having cast aside radical Marxism and the egalitarian ideals of Mao Zedong, but having only a vague sense of what its chosen ideology—“socialism with Chinese characteristics”—really means.

Structurally, the two countries are vastly different. The United States is a federal republic with power divided among three coequal branches and a complex set of relationships to be factored into the policymaking process. Power relationships are defined structurally by the U.S. Constitution, and two major political parties compete for positions in the executive and legislative branches and are accountable to the public through regular elections. The Chinese system is a nondemocratic one-party regime, with all powers focused in the Communist Party of China (CPC), which directs all aspects of the executive, most of the legislative, and a large degree of the judicial functions of the state. The Communist Party is a classic Leninist political party, with a Central Committee consisting of 300 to 400 members “representing” the more than 60 million Communist Party members who dominate many aspects of social and economic activity and nearly all political life. The Central Committee is controlled by the twenty-plus-member Political Bureau (or Politburo), which is headed by a Standing Committee of five to nine individuals. The general secretary of the party and one or two others constitute the “core” of the leadership.<sup>1</sup>

The principal problem in doing any kind of analysis of the PRC political system—and particularly the decisionmaking process—is its lack of transparency. The normative ideal for Chinese decisionmaking is called “democratic centralism,” wherein participants are free to express their views and disagree with one another, but once a decision is made and announced, all are expected to set aside their personal views and support the decision of the collective. The formation of alliances or factions to support a particular issue or set of issues is prohibited and cause for removal from power. Interest groups and the populace at large are not considered to have a legitimate right

to try and influence the collective's decision. Thus for historical and ideological reasons, the Communist Party of China has never welcomed scrutiny of its operations and has cloaked most of its activities and decisions in tight secrecy. That has sharply limited the quantity and quality of reporting and analysis on the policymaking process in China.

In the United States, by contrast, there is often too much information available about the policymaking process, some of it contradictory, representing various interests or groups that have a stake in the outcome. Moreover, the significant influences on the process are continually shifting, rendering consistent tracking of the process more difficult and increasing uncertainty about how and why decisions are actually made.

Foreign policymaking is a subset of the political processes in both countries, founded on the evident premises that foreign affairs require a high degree of expertise and specialized knowledge and entail a high degree of attention from the chief executive authority. There are more points in common than might be expected, given the differences in government structure and philosophy. Neither country entrusts both the policymaking and policy implementation responsibilities fully to their foreign affairs bureaucracies, and ultimate decisionmaking authority rests with the chief executive and a small group of formal and informal advisers. In the United States, this includes the statutorily constituted National Security Council and the more informal system of interagency working groups, the Deputies Committee and Principals Committee, as well as informal coordination among the national security adviser, secretary of state, secretary of defense, the president's chief of staff, and the president. Decisions are often reached in face-to-face meetings of senior officials, then conveyed to the president in written form for final approval. In China, the policy process involves the heads of relevant ministries, the "foreign affairs leading small group," the personal staffs and members of the Politburo Standing Committee, and finally, the general secretary. More often than not, decisionmaking information is circulated in the form of decision papers, which go through an extensive process of revision and approval from the highest levels before being put into execution.<sup>2</sup>

In both countries, the foreign policy decisionmaking process is often event driven; that is, many important decisions are made in response to an action—or news of action—taken by another country rather than because of a strategy or proactive plan of action. This places a premium on the quality of those agencies or private organizations responsible for collecting and analyzing relevant information, principally the news media, diplomatic corps, and intelligence services.

In the United States, the major sources of news for decisionmakers are private corporate organizations, including the major American and British wire services, and the key national newspapers (*Washington Post*, *New York Times*, *Wall Street Journal*, and a few others), with network and cable television news providing coverage of breaking news or information with a strong visual impact. The Foreign Broadcast Information Service—part of the Central Intelligence Agency—provides transcriptions and translations of articles from foreign newspapers, television, and radio broadcasts.

China's *Xinhua* (New China) News Agency provides the bulk of foreign affairs information not only for China's many national and local newspapers but also for the foreign affairs bureaucracies, such as the Ministry of Foreign Affairs, as well as the key members of the leadership. Xinhua provides the Chinese leadership a broad range of materials translated from various foreign newspapers and wire services, in the form of "reference materials," or *cankao ziliao*, with special attention to news about China. In recent years, the Internet has expanded manyfold the information available to all Chinese with access to a computer and telecommunications. Although the government attempts to block many Western press sources, a wide variety of news and information—not produced by Xinhua—is available through a proliferation of official and quasi-official websites.<sup>3</sup>

The diplomatic corps of both countries, as well as their intelligence services, provide a broad variety of factual and analytical reports to their capitals to help inform and advise the decisionmaking process. Most of this information is classified to protect the sources and methods by which it is collected and to maintain the security of the decisionmaking process from public scrutiny. Classification levels are generally similar: confidential, secret, and top secret in the United States (with further restrictions provided by specific "compartments" that require special permission for access); *mimi* (secret), *jimi* (extreme secret), and *juemi* (absolute secret) in China. In the United States, the "intelligence community" consists of various agencies involved in the collection and processing of sensitive information, including the Central Intelligence Agency, Defense Intelligence Agency, National Security Agency (signals intelligence), National Imagery and Mapping Agency, the State Department's Bureau of Intelligence and Research, smaller intelligence units within the principal service arms and the regional commands, and on certain issues, the Federal Bureau of Investigation. China's intelligence services include the Ministry of State Security, Ministry of Public Security, the Second and Third departments of the General Staff of the People's Liberation Army (PLA), the Liaison Department of the PLA's General Political Department, and the International Liaison Department of the Central Committee.

## A Note on Sources

Given the high importance that is attached to national security considerations in both countries, the information sources, decision processes, and even the personnel composition of key policymaking bodies are generally shrouded from public scrutiny. The problem is magnified for China by the lack of transparency in all matters related to politics and policy and by the reticence of even retired senior officials to include sensitive political or foreign policy issues in their memoirs. I have chosen deliberately to avoid the use of or extensive reference to classified information from the United States or China. There are no Freedom of Information Act documents contained in this book, nor are there internal (*neibu*) reports from China.<sup>4</sup> This was done both for the sake of maintaining consistency and because I consider that intelligence information is generally overrated in discussions of policy processes. Most intelligence information available to the public—whether through leaks or authorized disclosures—is only part of the full story and often deludes the reader into thinking it is more important than it was in the actual process of formulating policy.

Over the course of a twenty-four-year career in the U.S. government, I became familiar with both the intelligence and policy processes by observing and participating in them. Moreover, I was fortunate to have been able to interview a number of American policymakers and get their candid—if not always completely accurate or objective—views on the policies and decisions of their time. In hopes of maintaining confidentiality and accuracy, I have sought authorization from them to use their words and ideas. American journalists and scholars also have done extensive research on the policy process, and I have benefited greatly from the work of others in this area.

Unfortunately, I have not had comparable access to the Chinese policy process. After the American bombing of the Chinese embassy in Belgrade in 1999, whatever prospect I might have had for interviewing Chinese officials on the record disappeared entirely.<sup>5</sup> Chinese scholars are not encouraged to dig deeply into their own policy process to discover different perspectives or interests or how decisions are made. Although some of them show considerable sophistication in their understanding of the complexity of the American policy process, they seldom provide comparable insight about how politics affect the foreign policy process in their own country. Their books on U.S.-China policy issues tend to be orthodox commendations of the Chinese government's decisions. Neither do Chinese newspapers report the “inside scoop” on policy decisions, for obvious reasons.

That leaves only informed analysis of the available Chinese public record, along with the assessments of journalists and scholars from the United States,

Europe, Japan, Taiwan, and Hong Kong about China's domestic politics. While these are often very good, they are also sometimes ill-informed, biased, inaccurate, and speculative. Certain Hong Kong newspapers and journals, for example, report what can only be categorized as "speculative fiction" about domestic politics in China. Sorting through these materials to discern what is dependable and useably accurate can be a frustrating process and one that leaves large prospects for controversy and error. Obviously, I take full responsibility for whatever inaccuracies and mistakes may be contained in the following account. My use of various source materials of unverifiable authenticity should not be construed as validation based on my experience as an intelligence analyst. I have made judgments of what is credible and sensible based on my own personal appraisal, not that of the U.S. government. Questionable sources are still questionable, as are my analytical judgments when based upon them.

Despite these drawbacks and shortcomings, I have tried to present in the following chapters what I believe to be the most important domestic political dimensions of Chinese government decisions about the bilateral relationship. Sometimes these dimensions have to do with interpersonal politics at the topmost level, sometimes with bureaucratic differences, sometimes with the changing tides of unmeasurable public opinion. Again, my purpose is to tell the stories as completely and candidly as possible, rather than to provide the larger, more theoretical explanations. I have tried to cover the politics in both countries in the same chapters in the hope that the presentation of contrasting stimuli and reactions to the same events will convey a sense of the differing manners in which the two countries develop and implement policies toward each other.