

# THE MANDARINS

American foreign policy,  
brought to you by China

By Ken Silverstein

**E**conomic liberalization in China is ultimately going to lead to political liberalization. That's an iron law." So said future Secretary of State Condoleezza Rice, then chief foreign-policy adviser to presidential candidate George W. Bush, to *National Review* in 1999. During the succeeding decade, however, this iron law has proved quite pliable. Beijing remains as brutal as ever: the State Department's recently released global human-rights report notes such abuses as "extrajudicial killings, torture and coerced confessions of prisoners, and the use of forced labor, including prison labor." Last September, dissident Hu Jia cowrote a public letter that accused the government of persecuting political activists like Chen Guangcheng, who was jailed for exposing the practice of forced abortion and sterilization; Hu himself was soon trundled off to prison, where he is serving a three-year sentence for "subverting state authority." Beyond its tyranny at home, China has offered unflagging support to even worse tyrannies abroad. Beijing has sold fighter planes to Sudan, peddled small arms to Zimbabwe, and is a major economic and diplomatic partner of Burma and North Korea.

Despite such outrages, China has made hardly a cameo in this year's presidential campaign. As recently as 1992, when candidate Bill Clinton attacked President George H. W. Bush for "coddling" Beijing, America's relationship with China was a marquee political issue. Today, however, neither candidate seems prepared even to question the closeness of U.S. ties to China. On Barack Obama's website, his foreign-policy agenda men-

tions China only once in passing, saying he intends to ensure that Beijing "plays by international rules." John McCain has periodically called for a tougher approach to Beijing; yet, like Obama, he is wholly committed to "constructive engagement," a policy that in name dates to the Clinton years but in fact has been our general approach to China ever since the Nixon Administration. With the Olympics beginning this month, China is perhaps likely to receive more American press scrutiny than usual. But barring turmoil over Tibet or unexpected trouble with Taiwan, it is hard to imagine any sequence of events that could seriously weaken American ties to Beijing.

How did close relations with China become an unspoken tenet of American foreign policy? The conventional wisdom is so firmly established that it is hard even to imagine an alternative to constructive engagement, which essentially argues, per Rice's iron law, that we may forgo the stick (of economic sanctions, or demands for political reform) in favor of all the carrots Beijing can devour. To be sure, China is an economic superpower, and shunning its government entirely is not a realistic or even a desirable policy. But it is worth noting that the arguments made over the years by advocates for constructive engagement have proved largely fallacious. During the 1990s, when China's normal trading status was first granted and then made permanent, foreign-policy advisers in both parties insisted that American trade and investment would spark widespread political and economic improvements in China. Yet, as the

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State Department's human-rights report makes clear, advances have been modest to nonexistent. Trade with the United States, far from improving China's respect for the individual, seems instead to have corrupted our own: American companies (such as Yahoo, Google, and Microsoft) have shaped their policies or products to conform to the demands of Chinese censors, and many more (GE, Kodak, McDonald's, Coca-Cola, et al.) have signed on as leading sponsors of this summer's Olympics, refraining from comment on politics for fear of upsetting the regime.

One reason why constructive engagement continues to dominate China policy, despite the meager benefits it has brought, is that support for it has quite literally been bought—not by the Chinese government but by the overwhelming power of the Chinese market. American corporations that rely on Chinese production, or look hopefully toward future Chinese consumption, have made constructive engagement a key plank of their lobbying efforts in Washington. Their money also funds think tanks, creates pro-trade business groups, and endows international-finance professorships. Academics and intellectuals who favor engage-

ment thereby reap career and financial rewards: when they do not hold government posts, they can revolve into jobs at sympathetic institutes or at high-paid consultancies whose corporate clients aim to tap the Chinese market. If both facts and ethics would push us toward skepticism regarding China, the entire apparatus of our foreign-policy industry tilts markedly toward Beijing.

Today, most of America's so-called experts on China, including advisers to Obama and McCain, have a definite if unacknowledged stake in keeping close ties with Beijing. Constructive engagement isn't working well for the United States or the Chinese people, but it is working quite well for the very individuals from whom we might hope to see a new approach emerge: namely, America's foreign-policy elite, our own mandarins. Little wonder that no major politician in either party is seriously willing to rethink the China question.

One of Barack Obama's chief advisers on Asia policy is Jeffrey Bader, who frequently writes opinion pieces about China and is regularly quoted in the press on Washington-Beijing relations.



Bader has been a commentator on CNN, Fox News, ABC's *Nightline*, and NPR, among other outlets. He frequently speaks before university, think-tank, and business audiences on the subjects of China and East Asia, and has testified on numerous occasions before various congressional committees. During the Clinton years he held top positions at the State Department and the National Security Council; under George W. Bush, he served as an assistant United States trade representative, leading the team that completed negotiations on China's accession to the World Trade Organization. In 2005, Bader joined the Brookings Institution, and invariably this is the affiliation cited when he publishes op-eds or delivers speeches. Hence, readers and listeners must imagine that Bader is a neutral, impartial observer when



he opines, as he has in recent years, that congressional opposition to China's bid for Unocal was essentially irrational and "vitriolic," or that (as he told *USA Today* earlier this year) "the U.S.-China relationship is a very important relationship to the U.S. for political, security and economic terms. It's not in the American interest to see an Olympic games that turns into a confrontation between China and the rest of the world."

When Bader retired from government in 2002, he went to work for Stonebridge International, one of the most sought-after advisory firms in Washington, at which he consulted on behalf of companies looking to do business in China. As is true of many consultancies, Stonebridge's stated mission seems intentionally hazy: according to the firm's website, it "works together with top multinationals to develop and implement tailored strategies to solve critical problems. . . . Stonebridge understands how governments around the world operate and we are in a position to help our clients navigate the system to achieve their specific objectives." Somewhat more can be gleaned from a few case studies touted on the site—in one such study, a major metals manufacturer hoping to purchase factories in Russia ran up against "deep-rooted opposition from the influential Russian scientific community," which Stonebridge helped "to neutralize"; in another, "a major U.S. chemical company," facing the potential ban of one of its products by the European Union, turned to Stonebridge for "an overall industry strategy together with white papers outlining the product's usefulness and safety." (The unnamed product remains on the market.)

Stonebridge might best be seen as a sort of one-stop shop for international fixers—a collection of former government officials who replicate, in privatized and miniaturized form, the official foreign-policy apparatus. Both the clients and the former officials benefit immensely from the exchange: for the latter, Stonebridge serves as a holding pen in which to draw a prodigious salary while awaiting a return to the State Department, say, or the Commerce Department, or the National Security Council. Stonebridge's co-founder is Sandy Berger, who before joining the Clinton Administration (in which he became the top national-security adviser) coordinated business lobbying for China at the law firm of Hogan & Hartson. He was perhaps the foremost architect of the administration's dramatic shift in China policy, which moved in short order from solidarity with the spirit of Tiananmen Square to the promotion of trade above all else.

Given Berger's involvement, it is not surprising that Stonebridge has a tremendous and direct stake in greater American engagement with China. The firm is a member of the U.S.-China Business Council, which pushes for close American ties with Beijing. Indeed, Stonebridge maintains an entire Chinese subsidiary, with offices in Beijing and Shanghai, whose purpose is to help transportation, energy, pharmaceutical, and technology firms to cut deals in China. Four former senior U.S. government officials are listed as holding posts at Stonebridge China: Bader, the Obama adviser; Kenneth Lieberthal, who was a top China adviser to Hillary Clinton and who served as senior



director for Asia at the National Security Council during her husband's administration; Henry Levine, who was a senior adviser on China trade policy during the present Bush Administration; and Amy Celico, who during the Clinton years served as senior director for China affairs at the U.S. trade representative's office.

These officials are almost never identified in the press as Stonebridge affiliates; instead, they are identified merely as former government officials or as representatives of various think tanks—though even at such supposedly independent think tanks, it should be noted, China policy is hardly less compromised. Brookings, for example, bestowed upon Jeffrey Bader the directorship of its John L. Thornton China Center, which is named after the chairman of the institution's board of directors and one of its leading donors; Thornton is also a director not only of corporations with huge interests in China (Ford, News Corporation) but also of large Chinese corporations (Commercial Bank of China, China Netcom), and is even a professor at Tsinghua University.

Americans in general are not nearly as enamored of China as are their foreign-policy elite. In 1999, a Pew Research Center poll found that only one third of the public believed Beijing should be granted "normal trade relations treatment," a viewpoint sharply at odds with that of both parties' politicians. A poll in 2002 by the Chicago Council on Foreign Relations found that 51 percent of the public favored imposing economic sanctions on China, versus only 22 percent of leaders. On a "feeling thermometer" that measured overall friendliness toward various countries and groups, Americans in 2004 rated China a 44—just four degrees warmer than Cuba and five degrees warmer than "the Muslim people."

And yet because politicians and the media defer broadly to the opinions of the foreign-policy community—as was seen rather embarrassingly during the debate leading up to the Iraq War—that community remains almost entirely unchallenged on the subject of China. In fact, adherence to the conventional wisdom is a basic requirement for anyone who hopes to get far as a credentialed "Asia expert." Anyone too critical of Beijing is written off as a dangerous eccentric, much like all those naive critics of the Iraq War were. "There is no real alternative to the course we recommend," Michel Oksenberg of Stanford University and Elizabeth Economy of the Council on Foreign Relations wrote in 1999 on the subject of constructive engagement, with all the certainty that such advisers typically have of their own opinions.

In a 2000 essay entitled "The 'Shanghai Coalition': The Chattering Classes and China," Mark Lagon (now a Bush Administration ambassador-

at-large) discussed the four pillars of "the elite coalition forging consensus for 'constructive engagement' with China." The coalition, he wrote, consisted of four overlapping groups: business advocates for expanded trade with and investment in China; Carter- and Clinton-era Democrats who called for "conciliatory diplomacy" in order to expand business ties, with leading exemplars being Anthony Lake and Sandy Berger; the community of academic Sinologists and intellectuals; and Republican geostrategists such as Henry Kissinger (and protégés like Brent Scowcroft and Alexander Haig) who originally regarded China with favor because they viewed it as a Cold War counterweight to the Soviet Union.

Foreign-policy experts supporting John McCain tend to reside squarely in this last camp, and many of them are thoroughly compromised by their financial ties to China. Consider Haig, a former general who runs a consulting firm called Worldwide Associates, Inc. The Chinese government adores Haig because he has been a steadfast advocate on its behalf ever since he led the advance team for President Nixon's historic 1972 visit; later, as secretary of state under Reagan, Haig battled the powerful Taiwan lobby in Washington. Haig continued to speak out for Beijing after opening Worldwide Associates in the mid-1980s. The most striking example of his advocacy came when he appeared in Tiananmen Square on October 1, 1989—four months after the massacre there—to join celebrations for the fortieth anniversary of the founding of the People's Republic. Western ambassadors boycotted the event, but Haig shared the podium with Chinese leader Deng Xiaoping, who congratulated him on his courage in appearing. Needless to say, if a corporation today retains Haig to open doors in China, it stands an excellent chance of success.

A person even closer to McCain is Brent Scowcroft, a former national-security adviser for President George H. W. Bush and chairman of the Foreign Intelligence Advisory Board under the current Bush. (Scowcroft has been a critic of various Bush policies, most prominently the Iraq War, but he is a mentor to various administration officials, some of whom have worked for him in the private sector.) After Tiananmen Square, Scowcroft was sent off to China on a secret mission aimed at avoiding any serious rupture in the Washington-Beijing relationship. During his years out of government, Scowcroft has traveled to China with Irwin Jacobs, the CEO of Qualcomm, for a meeting with China's prime minister; and,

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with the CEO of the Chubb Corporation, has met with Premier Li Peng. (Li “expressed his appreciation for the prolonged efforts Scowcroft has made in helping to develop Sino-U.S. relations.”)

Scowcroft’s firm—The Scowcroft Group—does employ a few Democrats, including Kevin Nealer, a former State Department official and trade adviser to Senate Democrats who (says his online bio) “develops regulatory and government affairs solutions for clients that include the largest American investor in China.” Nealer helped head up an “independent” task force for the Council on Foreign Relations and co-authored a 2005 report it produced, “Beginning the Journey: China, the United States and the WTO.” The task force concluded that “increased trade and investment will provide considerable economic benefits to both nations and thereby improve overall Sino-American relations, thus creating a better context for managing security and human rights issues.” (Nealer is identified in the report as a senior fellow at the Forum for International Policy, which happens to be a nonprofit “brain trust” of foreign-policy experts run out of Scowcroft’s consulting firm.)

**A**s one might expect, the advisory class tends to take an optimistic view of the situation in China. “I lived in China twenty-five years ago, and there is no question that it is a freer, happier country today than it was then,” Bader told me when we spoke by phone. “Of course it’s not a Western-style democracy, but there’s a much greater ability to travel, to get around the country, to read magazines and newspapers, and to get a job or go to a school of your choice. There has been a profusion of choices that people make in their daily lives, and those are the things that people care most about. . . . I can’t predict whether China will be more democratic in twenty years—the Communist Party will resist that—but it will be a freer, more participatory, more pluralistic system.” For these and other reasons, Bader said he was not surprised that China had failed to emerge as a campaign issue thus far. “There has been a general consensus on China dating back through seven presidents, since Nixon, and I see no reason to think that consensus will be broken,” he said. “It would only be a fringe candidate who would look outside that consensus.”

Scowcroft agrees with this assessment. “Ever since Richard Nixon’s trip to China, every president, Republican or Democrat, and no matter how they started out—and some, like Ronald Reagan, started way off in a confrontational manner—has decided to deepen engagement with China, which is the central thrust of our policy,” he told me. “The overall course of the current relationship has less to do with our policy than it does with globalization and the increased strength of the Chi-

nese economy. We have become so intertwined with China. They send cheap goods to us, which benefits Wal-Mart and U.S. consumers . . . and China has a great stake in the dollar and overall U.S. financial stability. You can’t talk anymore about retaliation against China. It’s a whole new ball game.”

Both Bader and Scowcroft denied that the advisory class was in any way compromised by its business relationships with China. “My views are not uncritical,” Bader said. “I’m a friend of the Dalai Lama and active on the Tibet issue, much to the irritation of the Chinese government. If my views were driven by financial interests, that wouldn’t be the case.” Said Scowcroft: “For me it’s an issue of the bilateral relationship. Whatever small business I do over there is irrelevant.” He added that he felt the very notion of pressuring the Chinese government on human rights was misguided. “They are extraordinarily sensitive about having been treated as a European colony. They bitterly resent that type of interference.”

Bader acknowledged that business interests have become perhaps “the most important part” of the coalition pushing America toward closer ties with China, but he stressed that there are also strategic interests at play. “China is responsible for hundreds of thousands of American jobs,” he said.\* The relationship “generates profits for companies with shareholders. Selling into China is a national interest, though of course it does not define the totality of our interests.” He felt that one major failing of the current administration’s policy has been its inability to convince American voters about the importance of the U.S.–China bond. “The relationship with China always has a fragile domestic base because we have different values,” Bader said. “We need to establish a framework that explains why we want to have a close relationship with a country that is repressive.”

Perry Link, a professor of East Asian Studies at Princeton University, has a very different take on China policy and the role of the foreign-policy class. Long a vocal critic of the Chinese government, Link has been banned from visiting the country since 1996. Until a few years ago, he told me, he accepted the argument that engagement with China would lead, at least in the long term, to democracy. Today he is not so certain. “Now it seems possible that Chinese leaders will

\* It is worth pointing out that even this most widely accepted argument for engaging with China—the economic benefits from doing so—is open to dispute. Robert Cassidy, a former top United States trade representative official who was involved in negotiating China’s acceptance into the World Trade Organization, now believes that acceptance was a mistake. “[I]t is doubtful that the U.S. economy or its workers are better off,” Cassidy recently wrote; the two real beneficiaries, he notes, were “multinational companies that moved to China and the financial institutions that financed those investments, trade flows, and deficits.”



establish a model—not just for China itself but for other countries around the world that admire the way the Chinese government is structuring its society in an authoritarian manner but also making money, so that the populace is kept happy without democracy or civil liberties.” He said that the Chinese middle class “is not a bourgeoisie that naturally fights the rulers for power. Its growing wealth gives it fewer reasons, not more, to challenge the state, because the pressure for reform is coming from below, from farmers who had their land taken away for development and from workers who were laid off by state enterprises.” Anger over the growing gap between rich and poor is a fundamental cause of instability in China, he said, adding that the political and economic elite, and many intellectuals, had united because of the threat from those at the bottom.

Consulting groups with interests in China would “not come anywhere near a person like me,” Link noted. He worried about how former government officials working for such groups were selling “the appearance of their connection with the U.S. government.” And, he observed, “When the route to lucrative consultancies after leaving office is as clear as it recently has been, officials might be induced to watch their words while still on the job.” He had seen this firsthand in academia: “Everyone in the field knows that too much frank talk can land one on a visa blacklist or, even if one gets into China, cut off access to key people or important archives.” That, he said, encourages self-censorship. “Senior scholars turn down media interviews on sensitive topics. Ph.D. students are steered away from dissertation topics on political dissidence. Undergraduates turn down internships with groups like Human Rights Watch for fear of acquiring a taint.”

Three years before he was banned by China, Link had started Princeton’s summer program in Beijing, in 1993. Today, because of the ban, he can no longer take his turn as rotating head of the program. “It’s a nice position, and there’s a good salary attached to it,” Link noted. “If I could still go there and run the program and see my Chinese friends, I would probably be balancing in my mind what I said in public to maintain that privilege. I hate to admit it, but if there were more at

stake for me, I, too, would probably be more cautious.”

**S**ome years ago I conducted a not-for-attribution interview with a recently retired government official who had extensive experience in Africa. Near Dupont Circle we sat and drank coffee as he railed at great length about the general crookedness of the leaders of one particular African nation. He spoke of these leaders with immense contempt; through their thieving and greed, he said, these men were bankrupting their resource-

rich country. Soon, however, my coffeemate became edgy. “Remember,” he said, “none of this can be attributed to me.” I asked why he was so nervous—after all, he was no longer in government.

“Well,” he said, squirming, “I’ll probably be doing a little bit of consulting, and I’m not sure who I’ll be working for.”

And just as summer follows spring, my source before long was consulting for American companies hoping to do business in the very country whose leaders he had so passionately and vigorously denounced. His work depended on having close relationships with those government officials. His unwillingness to openly speak the truth about them had served him well.

Which leads, directly and indirectly, to the future shape of U.S. foreign policy. Nearly three quarters of Americans are unhappy with the administration’s approach in Iraq, and the public dissatisfaction with our direction overseas does not end there. This year’s presidential election offers Americans an opportunity to reflect on foreign policy, and to try to change it. John McCain promises continuity with key parts of the Bush Administration’s strategy, especially in Iraq, but he has promised to take steps to restore America’s standing in the world. Barack Obama has broadly attacked Bush’s foreign policy, calling for a complete reshaping of America’s relationship with the rest of the world, from Iraq to Asia to Africa.

Yet either man will find it difficult to revamp our foreign policy in any serious way, for one simple reason: a major overhaul would require disentangling ourselves from the reality of empire. And those charged with setting our course, our so-called foreign-policy experts (including my source on Africa mentioned above, who has informally advised one of this year’s leading presidential candidates), are themselves so entangled overseas as to make envisioning fresh ideas unlikely, if not impossible. When it comes to China, a President Obama or a President McCain might periodically hold forth with tough, politically calculated rhetoric against the regime. But in terms of actual policy, Beijing will continue to be treated as a business partner—precisely the role that it plays for our own mandarin class.

“My assumption is that either McCain or Obama—and probably Obama more because he is younger—will be under pressure to conform to the China-watching community that surrounds Washington,” Perry Link told me. “I’m for engagement. But the question is, do you engage exclusively with the Communist Party leaders, or is there a broader engagement? When people like Henry Kissinger talk about engagement, they mean black-tie affairs with top government and business leaders. But those leaders are not the same as the Chinese people.” ■