

---

---

# Program Brief

*A publication of* **THE NIXON CENTER**

---

Vol. 7, No. 16

©2001 The Nixon Center

---

## **“The Bush Administration’s China Policy” A Discussion with Kenneth Lieberthal**

*July 26, 2001*

*The Nixon Center, Washington, DC*

At a recent luncheon at the Nixon Center, Dr. Kenneth Lieberthal, a former Special Assistant to the President and Senior Director for Asian Affairs at the National Security Council during the Clinton Administration, said that he remains “cautiously optimistic” about U.S.-China relations. Lieberthal, a Professor of Political Science and Business at the University of Michigan, argued that while the Bush Administration’s handling of U.S.-China affairs began awkwardly, it seems to have stabilized. Nevertheless, he said, it is too early to determine what sort of integrated China policy will finally emerge from the administration. He also suggested that China seems to be focusing on domestic issues and, accordingly, appears to be going out of its way to avoid souring relations with the United States. David M. Lampton, Director of Chinese Studies at The Nixon Center, moderated the discussion.

### **False Starts**

Lieberthal attributed the Bush Administration’s rocky start with China to several factors. First, any change of administration creates a transitional period that can affect foreign policy, which he termed “frictional cost.” Relatedly, after taking office, President Bush soon discovered that it was sometimes difficult to implement his foreign policy initiatives because he was constrained by domestic forces. Second, this spring’s reviews of arms sales to Taiwan, as well as the UN’s annual Geneva human rights conference in

March and April, gave American critics of China an early opportunity to voice their concerns. Third, Lieberthal said the unexpected Hainan incident, in which a U.S. EP-3 reconnaissance plane collided with a Chinese fighter jet and landed on China’s Hainan Island, was at first handled “quite badly” by the American side, as the administration seemed to lack an understanding of how to work with the Chinese government under such circumstances. Lieberthal attributed the successful resolution of the incident in part to the effective utilization of crucial information and expertise supplied by the American Embassy in Beijing.

The return of the EP-3 reconnaissance plane and its crew has marked the beginning of an upswing in U.S.-China relations, according to Lieberthal. Recent developments have been encouraging. Secretary of State Colin Powell’s July visit to Hanoi, where he met with Chinese Foreign Minister Tang Jiaxuan, seemed constructive, and Beijing’s selection as the host of the 2008 Olympics has boosted hopes in both countries for China’s broadened integration in the international community. Looking to the future, President Bush’s planned visit to China in October should also improve bilateral relations by focusing bureaucrats in both countries on organizing a successful summit, he said. Still, the Bush Administration is far from having developed a comprehensive China policy.

---

---

### **The Bush Administration and China**

Lieberthal broadly classified the differing views of China within the administration into two main schools of thought, which he loosely termed the “State Department” and “Defense Department” views. The “State Department” view holds that the U.S. should adopt a firm approach toward China while continuing to promote the benefits of engagement. Proponents of this view argue that China will shift its focus toward domestic issues in the near future and will not aggressively work to undermine the United States. Thus, the main task at hand is to understand the relationships between China and the U.S. and establish cooperation.

The “Defense Department” view takes a much more pessimistic view of U.S.-China relations and is more ally-centered. Advocates of this view argue that the U.S. should seek to limit military-to-military contacts by insisting on greater reciprocity on Beijing’s part. They also support strengthening the United States’ security relationship with Japan, building military ties with India, making national and theater missile defenses the “first principle and first priority” of foreign policy towards China, and “do[ing] everything we can to protect Taiwan.” Lieberthal suggested that the “Defense Department” approach would become increasingly difficult to implement because of tax cuts (which would complicate budget decisions on missile defense), greater scrutiny from the Democrat-controlled Senate, and reluctance on the part of U.S. allies to support a policy that might facilitate instability in Asia by risking confrontation with China.

A crucial factor in understanding how the Bush Administration will approach the China policymaking process, according to Lieberthal, is the role of the Principals Committee. Composed of key cabinet members and advisors, including the Secretaries of State and Defense, the National Security Adviser and the Director of Central Intelligence, among others, the Principals Committee plays a key role in any administration. Lieberthal explained that during the Clinton Administration, meetings of the Principals Committee reflected a more consensus-based, bottom-up process in which subordinates developed policy options for the consideration of the Committee, which in turn made specific decisions at the end of the process. However, he said, the Bush Administration appears

to have adopted a more top-down approach in which the Principals Committee tends to decide first on a general direction and then turns to subordinates to develop and implement the actual policy. Lieberthal suggested that this change effectively limits substantive policy input to those who attend the meetings and reduces the role of specialists in shaping policy. In the Bush Administration, he noted, he has thus far not been able to identify anyone taking part in Principals Committee meetings who has substantive expertise dealing with China affairs. Lieberthal expressed concern about the implications of this observation for U.S. policy toward Beijing.

### **Looking to the Future**

Lieberthal said that China does not wish to become embroiled in any “foreign entanglements” for fear that doing so would preclude it from focusing on pressing domestic issues and complicate its integration into the international economy. Furthermore, he noted that despite the recent problems and China’s uncertainty about the Bush Administration’s foreign policy, China continued to emphasize its desire for a good relationship with the United States when it could have taken more drastic measures. For President Jiang Zemin, said Lieberthal, the stakes are especially high since he has portrayed himself as someone who knows the United States and is adept at managing relations with Washington. Thus, he continued, if relations were to deteriorate, Jiang could be placed in a position where he would be required to take a tougher approach to the US in order to protect his political credibility.

In this context, the contentious issue of Taiwan becomes important. Lieberthal said that there is still “plenty of room” to establish a “long-term political process to stabilize cross-Straits relations.” Moreover, he continued, Beijing’s preparations for the Olympics, greater cross-Straits economic interaction, and the shift in China’s focus to internal development are all encouraging signs. Lieberthal cautioned, however, that the possibility of conflict is still very real. The United States will play a crucial role in determining whether the relationship between Taiwan and the mainland will emphasize negotiation or balancing, with the latter threatening to initiate an arms spiral as each side attempts to gain an advantage in military capabilities.

---

Lieberthal concluded with an assessment of U.S.-China relations as moving in the direction of engagement rather than balancing or containment. He also asserted that the key to a successful China policy for the Bush Administration is to construct a policy in which countries in the region that rely on the United States are not forced into choosing between either the United States or China. "We should keep China engaged in the region but we shouldn't keep the U.S. so weak and accommodating that it leaves countries in the region no choice but to go along with whatever Beijing's preferences are," said Lieberthal. Surveying the difficulties that the Bush Administration has encountered in the course of its handling of U.S.-China relations, Lieberthal noted that although "we still don't have decisions made at the top as to where this relationship should go," it took the Clinton Administration two years to formulate a comprehensive China policy. So, he concluded, he remains "cautiously optimistic" about the future.

*This **Program Brief** was prepared by Nixon Center Intern Jonathan Chow.*

---

---

**Program Brief** is published periodically by The Nixon Center. Its contents do not reflect institutional positions by The Nixon Center

**RICHARD NIXON LIBRARY & BIRTHPLACE FOUNDATION**

George L. Argyros, Chairman  
John H. Taylor, Executive Director

**THE NIXON CENTER**

Maurice R. Greenberg, Chairman  
Dimitri K. Simes, President  
1615 L Street, NW, Suite 1250  
Washington, DC 20036  
202-887-1000 Fax 202-887-5222

---

---