

The Crisis of Linkage:
The Clinton Administration and Most Favored Nation Status for China, 1993-1994

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1989 was a pivotal year. Protests rocked much of the communist world. But while the unrest swept governments from power across Eastern Europe, the Chinese government ordered tanks onto the streets of Beijing. Shocked by the carnage in Tiananmen Square, Democrats in Congress prepared legislation to isolate and contain the last Cold War holdout. President George H.W. Bush, however, wanted to stabilize U.S. relations with China amid the global turmoil, and he vetoed the legislation when it reached his desk.¹

But then Bush lost the 1992 presidential election to Arkansas Governor William Clinton. During the campaign, Clinton criticized Bush's China policy. He promised to be tougher on Beijing. For the first time in twelve years, the United States was led by a unified Democratic government, which now had the opportunity to put meaningful pressure on Beijing.²

In May 1993, the newly inaugurated President Clinton issued an executive order seeming to declare that China would need to improve its treatment of human rights in order to maintain its normal trade relations with the United States the following summer. But within 18 months, the administration seemed to have reversed course. Clinton supposedly abandoned the conditions on China's trade status and largely adopted the policies of his predecessor.

Why did the Clinton administration appear to condition the 1994 renewal of China's Most Favored Nation (MFN) trade status on "substantial, overall progress" in five categories of human rights behavior? And why did it then appear to abandon those conditions and again renew China's MFN status?³

¹ The best treatments of the U.S. reaction to Tiananmen Square during the Bush administration can be found in James Mann, *About Face: A History of America's Curious Relationship with China, from Nixon to Clinton* (New York: Alfred A. Knopf, 1999), chap. 10, 11, and 12; and Harry Harding, *A Fragile Relationship: The United States and China since 1972* (Washington, DC: The Brookings Institution, 1992), chap. 7 and 8.

² First Democratic government in twelve years: Bruce F. Nesmith and Paul J. Quirk, "Triangulation: Positioning and Leadership in Clinton's Domestic Policy," in *42: Inside the Presidency of Bill Clinton*, ed. Michael Nelson, Barbara A. Perry, and Russell L. Riley (Ithaca: Cornell University Press, 2016), 62-63.

³ The Executive Order: Executive Office of the President, "Executive Order 12850: Conditions for Renewal of Most-Favored-Nation Status for the People's Republic of China in 1994," May 28, 1993, in *China and the United*

Now that archival materials and oral histories from the Clinton administration are becoming available, it is time to revisit this period between January 1993 and the summer of 1994. These newly available sources show that, in fact, there was no policy reversal. In office, the administration never considered revoking China's MFN status as an option on the table. Key officials wanted to push hard on China's human rights behavior, but their highest priority was maintaining a cooperative overall relationship with Beijing. Winston Lord, the administration's leading voice on China policy during these two years and the architect of the human rights conditions, complained about political pressure from U.S. business leaders and some of his colleagues in the administration. But he has also argued that at no point did he support changing China's trade status.⁴

This essay also revises a standard argument about why there would be no revocation of MFN. Most outside observers viewed these eighteen months through the lens of U.S. domestic politics. They explained the extension of China's MFN status in 1994 as a result of intense lobbying by U.S. businesses, divisions between the State Department and the U.S. government's economic agencies, the collapse of Congressional support for a hardline China policy, and Chinese unwillingness to cooperate given divisions within the United States.⁵

States: from hostility to engagement, 1960-1998, ed. Jeffrey T. Richelson (Washington, DC: The National Security Archive, n.d.) (hereafter Digital National Security Archive collection *China and the United States: from hostility to engagement*), Digital National Security Archive accession no. CH01589, 31327.

⁴ "Ambassador Winston Lord," April 28, 1998, Foreign Affairs Oral History Collection, Association for Diplomatic Studies and Training, Arlington, Virginia, www.adst.org, accessed March 19, 2019 (hereafter Winston Lord oral history), 549, 574, 582, 585-86, 564-66.

⁵ Previous treatments of this period that have emphasized domestic political dynamics: David M. Lampton, "America's China Policy in the Age of the Finance Minister: Clinton Ends Linkage," *China Quarterly*, no. 139 (Sept. 1994): 600, 604-10; Mann, *About Face*, 313-14; Patrick Tyler, *A Great Wall: Six Presidents and China: An Investigative History* (New York: PublicAffairs, 1999), 391, 412; Nancy Bernkopf Tucker, "A Precarious Balance: Clinton and China," *Current History* 97 (September 1998), 243-46, accessed January 2, 2019, ProQuest; Jean A. Garrison, *Making China Policy: From Nixon to G.W. Bush* (Boulder: Lynne Rienner Publishers, 2005), 134, 136, 141-43, 154; Michael J. Green, *By More than Providence: Grand Strategy and American Power in the Asia Pacific Since 1793* (New York: Columbia University Press, 2017), 462-63.

But domestic political pressure alone cannot fully explain why the administration did not revoke China's MFN status. There was no clear political consensus on China policy in 1993, nor would there be one in 1994. From the very beginning, U.S. business leaders and the administration's own economic officials objected to conditioning China's MFN status. Public opinion was sour on Beijing but divided over the priorities for U.S.-China relations. Congressional support for a hardline toward China was weakening before Clinton took office. In 1994, Congress was divided over whether to put human rights, strategic, or economic concerns first when it came to China.⁶

In fact, domestic political pressure—for instance, from business interests—was not the dominant reason why the Clinton administration was never going to revoke MFN. The recurring theme in the administration's analyses, one that the previous literature has not adequately emphasized, is fear of the ramifications of poor U.S.-China relations on America's friends in East Asia. The United States' security and economic positions in East Asia rested largely on the relationship with Japan. Sanctioning China would also hurt Taiwan and Hong Kong due to the interconnectedness of the three economies. The Taiwan Strait is widely recognized as potentially one of the world's most dangerous hotspots, and at the end of the Bush administration Beijing was directing more and more military resources there. Hong Kong was also slated to be transferred from British to Chinese control in 1997, and its political future was uncertain.⁷

⁶ Early opposition to conditions on China's MFN status: Lena Sun, "China Presents Dilemma for Clinton's Policy Makers," *Washington Post*, May 9, 1993, A28; Winston Lord oral history, 570. Divided U.S. public opinion: Harding, *A Fragile Relationship*, 291-94, 325-26. Congressional opinion up to 1993: Harding, *A Fragile Relationship*, 294; Memorandum from Andricos to Lake, "China MFN," April 24, 1993, OA/ID 147, China and MFN... 9302770, Freedom of Information Act Request 2014-1037-F (hereafter FOIA 2014-1037-F), box 1, William J. Clinton Presidential Library (hereafter Clinton Library). Divisions in Congress in 1994: Memorandum from Rubin to the President, "China MFN Decision – Political Context," May 22, 1994, OA/ID 474, China and MFN... 9404018, FOIA 2014-1037-F, box 1, Clinton Library.

⁷ Former policymaker Robert Suettinger has argued that unspecified foreign policy considerations were also important factors in the administration's decision not to revoke MFN: Robert L. Suettinger, *Beyond Tiananmen: The Politics of U.S.-China Relations, 1989-2000* (Washington, DC: Brookings Institution Press, 2003), 195-196.

Tension in the U.S.-China relationship might also challenge U.S. efforts to support international security around the globe. The immediate concern was China's role as a weapons proliferator and its sales of advanced weapons to Middle Eastern states. Beijing had opposed the U.S.-led Gulf War against Iraq, though it had not vetoed it.⁸

By promoting human rights in China, the administration hoped to achieve two long term goals. First, it hoped to foster a more open and stable political environment that would bolster China's economic growth and political stability in a high-technology, information-intensive era. Second, it hoped a politically stable China would adopt more moderate foreign policies. A confrontational relationship with China as a result of revoking its MFN status would be counterproductive to these goals in the short term and threaten U.S. influence with China in the long term.⁹

The Bush Administration Inheritance

Whoever was president in the early 1990s was going to have to rethink U.S. China policy. Tiananmen Square, the end of the Cold War, and the Gulf War had reshaped Washington's

Concern about Japanese and South Korean foreign policy: "Status of China Engagement Strategy: Discussion Paper for Principals Committee: Executive Summary," n.d., OA/ID 2163, China and MFN... 9420177, FOIA 2014-1037-F, box 2, Clinton Library, 4. The particular importance of Japan: Green, *By More than Providence*, 442, 450-51. Taiwan and Hong Kong: Winston Lord oral history, 565, 583-84; Lena H. Sun, "China Works to Improve U.S. Relations: Rhetoric Toned Down as Trade Status Viewed at Risk Under Clinton," *Washington Post*, January 2, 1993, A16; Douglas Jehl, "China Breaking Missile Pledge, U.S. Aides Say," *New York Times*, May 6, 1993, A6; Sun, "China Presents Dilemma for Clinton's Policy Makers," A28; Nancy Bernkopf Tucker, "Dangerous Strait: an Introduction," in *Dangerous Strait: The U.S.-Taiwan-China Crisis*, ed. Nancy Bernkopf Tucker (New York: Columbia University Press, 2005), 1; Green, *By More than Providence*, 448-49; Martin Lee, "From Tiananmen to Hong Kong: The next human rights tragedy is arriving on schedule," *Washington Post*, June 22, 1994, A21.

⁸ Concern about weapons proliferation and the Gulf War: Harding, *A Fragile Relationship*, 276-77, 249-50. China tied its acquiescence to the Gulf War to Congress's vote on its trade status and a visit by its Foreign Minister to the United States (for the first time since Tiananmen): Jeffrey Engel, *When the World Seemed New: George H. W. Bush and the End of the Cold War* (Boston: Houghton Mifflin Harcourt, 2017), 409-10.

⁹ The benefits of promoting human rights: Winston Lord oral history, 562, 763-64; Warren Christopher, *In the Stream of History: Shaping Foreign Policy for a New Era* (Stanford, CA: Stanford University Press, 1998), 125. The risks of confrontation: Winston Lord oral history, 565.

economic, political, and security priorities. Starting in the 1980s, the easing of the Cold War and economic reform in China meant that the U.S.-China relationship was less important strategically and more important economically. Tiananmen Square threw into question China's continuing economic reform and the possibility of eventual political reform. After the Gulf War, China itself began again to look like a security threat. Weapons proliferation took on a higher priority in U.S. foreign policy as a result of the war and Washington had less reason to ignore China's arms sales to foreign countries when the Cold War ended.¹⁰

The military situation in the Taiwan Straits looked increasingly unstable; the Bush administration worried that Beijing seemed to be directing more and more military resources toward Taiwan. But the biggest security challenge was at the other end of the region, on the Korean Peninsula. Looking to adjust to the new post-Cold War international political environment, Pyongyang was making overtures toward Washington in an attempt to counterbalance Beijing, but it was also pursuing nuclear capabilities.¹¹

Asia was also becoming increasingly important to the United States economically, but the U.S. contribution to the regional economy was shrinking. By the time George H.W. Bush took office, half of U.S. international trade was with Asia. Trade among Asian countries grew rapidly

¹⁰ The combined impact of Tiananmen, the Cold War, and the Gulf War: Robert Shuey and Shirley A. Kan, "Chinese Missile and Nuclear Proliferation: Issues for Congress," Congressional Research Service Issue Brief, April 8, 1994, in Digital National Security Archive collection *China and the United States: from hostility to engagement*, Digital National Security Archive accession no. CH01701, 1. The shift from a strategic to an economic relationship: Harding, *A Fragile Relationship*, 297-98, 215. The impact of Tiananmen: Harding, *A Fragile Relationship*, 216, 241-43. The impact of the fall of the USSR: Shuey and Kan, "Chinese Missile and Nuclear Proliferation," 1. The impact of the Gulf War and proliferation concerns: Shuey and Kan, "Chinese Missile and Nuclear Proliferation," 1; Robert G. Sutter and Shirley Kan, "China as a Security Concern in Asia: Perceptions, Assessment, and U.S. Options," Congressional Research Service Report, January 5, 1994, in Digital National Security Archive collection *China and the United States: from hostility to engagement*, Digital National Security Archive accession no. CH01667, 5. Concern about Beijing's support for international security: Harding, *A Fragile Relationship*, 249-50. Mann also recognized the significance of Tiananmen and the fall of the Soviet Union for the foundations of U.S.-China relations: Mann, *About Face*, 9.

¹¹ Concern about general regional instability: Harding, *A Fragile Relationship*, 301. Taiwan and Korea: Green, *By More than Providence*, 448-49.

while Asian exports to the United States declined, so that by 1992 the volume of trade within the region was nearly twice the volume of Asian exports to the United States. Some Asian observers suggested that the United States might find itself marginalized politically as a result. That outcome looked entirely possible when Australia proposed a regional trade agreement that excluded the United States. The Bush administration fought hard for a place in the agreement. They recognized that cooperation with Japan would be crucial to maintaining access to the Asian economy.¹²

These global developments shaped Bush's response to Tiananmen and set up the problems that would remain for Clinton. The Chinese leadership was initially conflicted about how to respond to the protests, but it finally cracked down because it worried about the spillover effects of protests in Eastern Europe. Deng Xiaoping believed the U.S. response would be limited because Bush would not want to incentivize a Sino-Soviet rapprochement. The Bush administration quickly condemned the crackdown. They issued a travel warning for China, interrupted the sale of military equipment, and forbade meetings between senior U.S. and Chinese military officials. When China issued death sentences for several protestors, the administration announced it would oppose multilateral aid to China and further restrict meetings among senior U.S. and Chinese officials.

But the Bush administration also sought to avoid a complete rupture in relations. It interpreted its sanctions generously to allow some technology sales and military contacts, and Secretary of State James Baker continued to meet with Chinese officials. Bush's measured response found a good deal of support in the press and in both Houses of Congress.¹³

¹² Green, *By More than Providence*, 430, 465, 450-51.

¹³ The motivations for Tiananmen: Harding, *A Fragile Relationship*, 221-23; M.E. Sarotte, "China's Fear of Contagion: Tiananmen Square and the Power of the European Example," *International Security* 37, no. 2 (Fall 2012), 161. Deng's assessment of Bush: Sarotte, "China's Fear of Contagion," 167-68, 177. The Bush administration's response: Harding, *A Fragile Relationship*, 225-31.

The real problem was what to do next. Should they reset the relationship, or continue to keep pressure on China? The Bush administration chose to reset the relationship. It loosened many of its sanctions, and national security advisor Brent Scowcroft and Deputy Secretary of State Larry Eagleburger made two trips to Beijing to try to ease tensions. The results were disappointing. The U.S. public thought Beijing seemed too unwilling to ease its post-Tiananmen political repression and the Bush administration seemed too conciliatory. The public and Congress wanted to take a harder line, and the annual renewal of China's MFN status offered an opportunity to do so. In 1990 the House passed a bill that put binding conditions on China's MFN status, but the proposed legislation expired in the Senate.¹⁴

Between 1991 and 1993, U.S.-China relations ground to a halt. From Washington, it appeared the political situation in China was deteriorating. Beijing restarted economic reform, but political repression continued unabated. China sold sensitive missile technology to Pakistan and Syria, allegedly sold other weapons to Cambodia and Iraq, and helped Algeria build a nuclear reactor that appeared to be designed for weapons development. The United States' trade deficit with China grew, and Washington accused Beijing of evading U.S. textile import quotas and exporting goods made with prison labor.¹⁵

Meanwhile, Congress tried to legislate a tougher China policy, and Bush tried to stabilize the relationship. Two bipartisan coalitions emerged in Congress. The first, led by Senate Majority

¹⁴ The Bush policies and dissatisfaction with them: Harding, *A Fragile Relationship*, 243, 247-59. The public and Congress wanting to be tougher: Sarotte, "China's Fear of Contagion," 177. Congressional legislation: Harding, *A Fragile Relationship*, 260-61, 265-69. China's MFN status had to be renewed annually because the Jackson-Vanik amendment required nonmarket economies to allow free emigration in order receive MFN treatment. The President could grant a one-year waiver of that requirement. Congress could pass legislation rejecting the waiver, but the President could veto that legislation: Harding, *A Fragile Relationship*, 260.

¹⁵ Harding, *A Fragile Relationship*, 276-79.

Leader George Mitchell and California Representative Nancy Pelosi, wanted to impose strict conditions on China's MFN status. The second opposed conditioning China's trade status.¹⁶

Seeing an opportunity, Bill Clinton took a hardline stance on China when he ran for president. Clinton's campaign knew they could not compete with Bush's foreign policy record; instead, they aimed to neutralize foreign policy as an issue so they could contest the election on domestic policy. The end of the Cold War helped by minimizing the importance of foreign policy in the public mind, but the campaign also recognized that Bush's China policy was politically untenable; promoting human rights in China seemed to be an easy win. With great rhetorical flourish, Clinton blasted Bush for accommodating "the butchers of Beijing."¹⁷

The Clinton Team Tries "Engagement" with Non-Binding "Conditions"

China policy in the new administration promised to be dominated by one figure: the Assistant Secretary of State for East Asian and Pacific Affairs, Winston Lord. The most experienced high-ranking official by far when it came to China, he also personally knew nearly all of the key decisionmakers in the Clinton State Department and White House. A former Foreign Service Officer, Lord was Henry Kissinger's aide at the National Security Council (NSC) and traveled with Kissinger on his secret 1972 trip to China. In the 1980s he was President Reagan's ambassador in Beijing. His tenure there ended in April 1989, just as the protests which would

¹⁶ The trajectory of U.S.-China relations: Harding, *A Fragile Relationship*, 276-83, 289-93. The Congressional landscape: Winston Lord oral history, 571-72.

¹⁷ The Clinton campaign strategy: "Bill Clinton's Road to the White House," in *42: Inside the Presidency of Bill Clinton*, ed. Michael Nelson, Barbara A. Perry, and Russell L. Riley (Ithaca: Cornell University Press, 2016), xviii; Samuel R. Berger Interview, March 24-25, 2005, William J. Clinton Presidential History Project, Miller Center, University of Virginia, <https://millercenter.org/the-presidency/presidential-oral-histories/bill-clinton> (hereafter MC Clinton PHP), accessed March 8, 2019 (hereafter Samuel R. Berger oral history), 16-17, 21-22. Bush's China policy as an opportunity: Anthony Lake Interview 1, May 21, 2002, MC Clinton PHP, accessed March 7, 2019 (hereafter Anthony Lake oral history 1), 92. "The butchers of Beijing:" Warren Christopher, *Chances of a Lifetime*, A Lisa Drew Book (New York: Scribner, 2001), 340.

culminate dramatically in June were beginning. After leaving government, he was president of the Council on Foreign Relations. Lord had thought deeply about the future of U.S.-China relations in the aftermath of Tiananmen and entered the administration with a clear strategic vision for China policy that prioritized both good U.S.-China relations and strong advocacy for human rights.¹⁸

Warren Christopher, the Secretary of State, had a history of leadership on human rights, but he was not an ideological human rights crusader. He had been Deputy Secretary of State under President Carter, where he led an interagency group that reviewed foreign aid for human rights considerations. In that role, Christopher gained a reputation for considering each aid commitment individually, weighing the various considerations in context. He knew Lord from the Council on Foreign Relations; Christopher was Vice Chairman of the Board while Lord was president.¹⁹

The White House staff were likely to defer to the State Department on China policy. Kent Wiedemann, the NSC staffer responsible for Asia, had worked for Lord as an Economic Officer at the U.S. Embassy in Beijing. Lord had recommended him for the NSC position. National security advisor Anthony Lake and his deputy Samuel Berger were unlikely to offer alternative visions for China policy. Lake was a former Foreign Service Officer who had also worked for Kissinger; he and Lord knew one another from those years but were not close. Initially, Lake devoted most of his attention to advising the President, and Berger managed the NSC process. Berger was a lawyer with little foreign policy experience. He had a close relationship with Clinton, but became Lake's deputy because Lake was more experienced.²⁰

¹⁸ Winston Lord oral history, 25, 68-69, 108, 505, 508, 562-65.

¹⁹ Christopher's record on human rights: William J. Schmidli, *The Fate of Freedom Elsewhere: Human Rights and U.S. Cold War Policy Toward Argentina* (Ithaca: Cornell University Press, 2013), 110, 112. Christopher's prior relationship with Lord: Winston Lord oral history, 508.

²⁰ Wiedemann's background: Winston Lord oral history, 541. Lake's background: Anthony Lake oral history 1, 13, 69, 71, 88, 15, 57; Anthony Lake Interview 2, November 6, 2004, MC Clinton PHP, accessed March 8, 2019 (hereafter Anthony Lake oral history 2), 21; Winston Lord oral history, 510, 807. Berger's background: Samuel R. Berger oral history, 4-10, 14, 29-30; Anthony Lake oral history 1, 21, 24-26.

In May 1993, President Clinton announced that he was renewing China's MFN status for the next year, but in 1994 his administration would consider five new human rights standards when determining whether to extend China's trade status again. In the early fall, the administration adopted a new overall strategy toward China, which it dubbed "engagement." The human rights policy was initially viewed as a well-considered, moderate approach. In the end, however, both the human rights policy and the engagement strategy would be under fire. Understanding why the administration adopted both policies is necessary for understanding why they collapsed.²¹

Though Clinton's campaign rhetoric meant that the administration's policy would need to be tougher than Bush's had been, his campaign positions did not necessarily prescribe any particular policy. Beijing threatened to retaliate if the United States linked its trade status to its human rights practices. U.S. businesses argued strenuously against revoking China's MFN status. Senator George Mitchell recognized early on that the administration's position on China was evolving. For example, President Clinton told Hong Kong's Governor during a visit by the latter to Washington that the United States wanted a cooperative relationship with China as well as improvement in its human rights behavior.²²

Given the uncertainty as to what the administration's policy would be and Lord's unmatched expertise on China, understanding his strategic vision is critically important. Promoting

²¹ Materials for Clinton's announcement and signing of the executive order: Memorandum from Lake to the President, "President's Report to Congress on Renewal of Chinese MFN Status," May 28, 1993, OA/ID 150, China and MFN... 9303932, FOIA 2014-1037-F, box 1, Clinton Library. The engagement strategy: Winston Lord oral history, 577. Positive reception of the human rights policy: Winston Lord oral history, 570-71; Lena Sun, "China Protests Trade Decision, Issues Warning: Analysts Say Beijing Actually Is Relieved," *Washington Post*, May 29, 1993, A21. Examples of criticism of the engagement strategy: Tucker, "A Precarious Balance," 243; Mann, *About Face*, 300.

²² Early uncertainty: Winston Lord oral history, 571-72. The international situation: Sun, "China Presents Dilemma for Clinton's Policy Makers," A28. The constraints imposed by Clinton's campaign rhetoric: Christopher, *In the Stream of History*, 152-53. The administration changing its stance: George Mitchell Interview, March 5, 2007, MC Clinton PHP, accessed January 3, 2020, 6; Christopher, *Chances of a Lifetime*, 340. Clinton's meeting with the Hong Kong Governor: Sun, "China Presents Dilemma for Clinton's Policy Makers," A28.

China's political liberalization was about more than domestic politics; Lord, along with Christopher, believed democracy and human rights were closely related to, and even necessary for, economic growth and international stability. Market economies required protection of private property; an information-intensive economy required greater freedoms. Democracies had more stable foreign policies. All this seemed especially important when it came to China. Effective economic reform would require open policy debates. Political dissent also acted as a social safety valve; without permitted ways to express dissent, destabilizing political protests would be the only option. At the same time, Lord believed the United States would be best served by a cooperative relationship with Beijing.²³

After Tiananmen, Lord argued in *Foreign Policy* that China's political liberalization was necessary, but it would not be China's current, elderly leaders who would loosen the Communist Party's grip. The United States had to wait for generational change. In the meantime, Lord firmly opposed proposals to revoke China's MFN status in retaliation for Tiananmen; doing so would put the U.S.-China relationship on a hostile footing. The deterioration in the relationship was already having deleterious international economic and political effects. The Taiwanese, Hong Kong, and South Korean economies had suffered from the spillover effects of less U.S. investment in mainland China. Beijing was no longer a reliable partner for Washington on international security issues ranging from political transitions in Cambodia to intelligence gathering about the Soviet Union. Lord also worried that Washington was not working closely enough with Japan, given Japan's rising international stature and potential role as a regional power.²⁴

²³ Winston Lord oral history, 763-64, 562-65; Christopher, *In the Stream of History*, 125.

²⁴ Winston Lord, "China and America: Beyond the Big Chill. (Cover Story)," *Foreign Affairs* 68, Issue 4 (Fall 1989): 5-7, 9, 16, accessed July 31, 2019, doi: 10.2307/20044106. Lord discusses this op-ed in his oral history: Winston Lord oral history, 505-507.

Over the next few years, however, Lord did conclude that something had to be done about Beijing's political repression. He argued that he was disappointed with how the Bush administration downplayed China's human rights practices. The challenge was Washington had very few ways to influence how Beijing treated its people. Though he thought revoking MFN was a nonstarter, Lord wanted to try properly calibrated conditions on China's MFN status as a vehicle for pressing for improvement on human rights. China had a large trade surplus with the United States and a significant portion of its total exports also went to the United States. He believed Beijing would have to meet the conditions.²⁵

Lord thought the MFN conditions ought to be implemented, however, in the context of a broad-based relationship in which Washington would work with Beijing on all areas of mutual interest. By expanding the relationship to cover a wide range of issues, Washington could be confrontational in certain areas without damaging the overall relationship. Thus, Lord staked out something of a middle ground; he wanted to engage with China, not isolate it, but to push hard on human rights as part of that engagement. Contrary to many interpretations, the engagement strategy did not contradict the MFN conditions. Rather, they went hand in hand.²⁶

Lord did not have much time. In April, Senator Mitchell and Representative Pelosi introduced legislation that attached trade, human rights, and weapons proliferation conditions to China's MFN status; revoked MFN status for Chinese state-owned-enterprises if Beijing did not make progress on its human rights practices by the summer of 1994; and directed the President not to certify progress on the conditions should China transfer missile technology to Syria, Iran,

²⁵ Winston Lord oral history, 516, 562-66, 585.

²⁶ Lord's thinking: Winston Lord oral history, 564-66, 577. Arguments that engagement represented a policy change: Garrison, *Making China Policy*, 137; Thomas L. Friedman, "U.S. Shift on Beijing: Will Embrace Win Change?: Persuasion is stressed over threats," *New York Times*, January 23, 1994, 10; Don Oberdorfer, "Replaying the China Card: How Washington and Beijing Avoided Diplomatic Disaster," *Washington Post*, November 7, 1993, C3.

Pakistan, or another potential nuclear state. Mitchell and Pelosi put their legislation on ice until the administration had a chance to meet with its Chinese counterparts.²⁷

Lord's first step was to travel to Beijing to take stock of the U.S.-China relationship. The meetings were tense. He sensed the Chinese leaders were wary of his recent advocacy of human rights and of Clinton's harsh campaign rhetoric. Lord stressed that the new president and his administration wanted good relations with Beijing.²⁸

With the looming MFN decision front of mind, the State Department also pressed the Chinese on their human rights record, to no avail. Lord was unable to extract any meaningful new concessions during his visit to Beijing; his counterparts simply referred Lord to actions they had already taken. At home in Washington, Lord and Christopher continued to press the Chinese ambassador for concessions. Beijing argued publicly against MFN conditionality. At a press briefing, a Foreign Ministry spokesman denied allegations that China was merely stalling and referred journalists to a letter from 335 U.S. businesses to President Clinton calling for unconditional MFN extension.²⁹

Negotiations between the administration and Congress began when Lord returned from China. Working with the NSC staff and consulting colleagues at other agencies, Lord negotiated with Pelosi and Mitchell to craft a compromise position that the administration would adopt

²⁷ Summary of the proposed legislation: "Executive Summary of the United States China Act of 1993 as Introduced by Senate Majority Leader George J. Mitchell," 1-2, attachment to memorandum from Andricos to Lake, "China MFN," April 24, 1993. Mitchell and Pelosi waiting for the administration: Memorandum from Christopher to McLarty, "Weekly Report for the Department of State," April 23, 1993, case no. F-2006-04657, U.S. Department of State Freedom of Information Act Virtual Reading Room (hereafter State FOIA VRR), 2.

²⁸ Winston Lord oral history, 569-70.

²⁹ Lord's meetings in China: Memorandum from Christopher to the President, "Night Note," May 12, 1993, case no. F-2006-04657, State FOIA VRR, 1. Discussions with the Chinese ambassador: Memorandum from Christopher to McLarty, "Weekly Report for the Department of State," April 23, 1993; Memorandum from Christopher to the President, "Night Note," April 28, 1993, case no. F-2006-04657, State FOIA VRR. Summary of the Chinese press briefing: Cable from U.S. Embassy Beijing to the Secretary of State, "MFA Weekly Press Briefing, Thursday, May 20, 1993," case no. F-2013-19468, State FOIA VRR, sec. 1 p. 3.

through an executive order. He wanted to impose moderate conditions on China's trade status. The conditions needed to be ambitious enough to motivate the Chinese to make concessions but restrained enough that the goals would be achievable and not destabilize Chinese politics. The language needed to be explicit enough that it was clear what the administration wanted, but vague enough to give the President some discretion in determining whether the goals were met should the Chinese resist or agree to only a few concessions. Expecting to reevaluate the policy in 1994, Lord wanted to keep the administration's options open.³⁰

The first question was what conditions to attach to China's trade status. In early May, *The New York Times* reported that Washington had evidence that China had shipped missile parts to Pakistan. Beijing had promised the Bush administration the year before that it would not do so. When allegations surfaced in December that China had broken that promise, Bush had held up the sale of a supercomputer to China. The press wondered whether the reports that the U.S. government now had evidence corroborating the allegations would threaten MFN renewal in 1993. Pelosi and Mitchell urged the administration to include weapons proliferation and market access conditions in its executive order alongside human rights conditions. Lord convinced them that existing legal authorities were sufficient to address proliferation and trade concerns.³¹

The second question was whether the conditions were rhetorical or real. Mitchell and Pelosi worried that the draft executive order did not say China would *definitely* lose its MFN status in 1994 if Beijing did not make progress on human rights issues; the draft said the President might extend MFN if he thought an extension would promote human rights. The Jackson-Vanik

³⁰ Winston Lord oral history, 570-71, 565-66.

³¹ Press reports about missile sales: Jehl, "China Breaking Missile Pledge, U.S. Aides Say," A1, A6. Lord's discussions with Congress: Letter from Nancy Pelosi and George Mitchell to Winston Lord, May 14, 1993, OA/ID 149, China and MFN... 9303682, FOIA 2014-1037-F, box 1, Clinton Library. Lord convinced Pelosi and Mitchell of existing authorities: Letter from Nancy Pelosi and George Mitchell to Winston Lord, May 14, 1993; Memorandum from Lake to the President, "China MFN," May 24, 1993, OA/ID 150, China and MFN... 9303736, FOIA 2014-1037-F, box 1, Clinton Library, 1.

Amendment, which gave the President responsibility for deciding whether to renew China's MFN status each year, gave him similar discretion. Mitchell and Pelosi also wanted progress on all of the conditions to be required for MFN renewal. The administration wanted to limit the required conditions to allowing freedom of emigration as mandated by the Jackson-Vanik amendment and compliance with bilateral agreements on the export of goods produced by prison labor.³²

The question of which conditions should be required for MFN extension in 1994 was the most politically contentious issue in the negotiations, requiring discussion at the highest levels. Lord was able to convince Mitchell and Pelosi to handle trade and proliferation issues separately. The question of whether the human rights conditions should be requirements, however, they took to the President. Lake wrote to Clinton, laying out the above-mentioned disagreements with Congress and requesting the President's guidance.³³

The fact that the question had to go to the President indicates how contentious it was. Lake's memo even mentioned Congressional Democrats opposed to taking a hardline on China that the administration could use to pressure Mitchell and Pelosi. While there is no record of Clinton's reply, it is apparent that Clinton supported his negotiators' recommendations. China was not required to make progress on all of the conditions to justify MFN renewal.³⁴

It was also clear in Lake's memo that the administration was against doing anything that could revoke China's MFN status. He warned of "enormous strategic and economic consequences" should China lose its MFN status. Therefore, the President, the NSC staff, and the State Department agreed from the outset that revoking MFN was not an option.³⁵

³² Memorandum from Lake to the President, "China MFN," May 24, 1993, 1-2.

³³ Separating trade and proliferation concerns: Letter from Nancy Pelosi and George Mitchell to Winston Lord, May 14, 1993, 2. Lake's memo: Memorandum from Lake to the President, "China MFN," May 24, 1993, 1-2.

³⁴ Other Congressional partners: Memorandum from Lake to the President, "China MFN," May 24, 1993, 2. China not required to make progress: Winston Lord oral history, 571.

³⁵ Memorandum from Lake to the President, "China MFN," May 24, 1993, 1-2. Mann discusses the debate over weapons proliferation and market access conditions, but he does not discuss the disagreement over whether meeting

Executive Order 12850 turned out largely as Lord wanted. It did not include weapons proliferation and trade conditions. It required that China comply with emigration and prison labor standards (as it was expected they would) in order to receive MFN status the following year. Finally, in its rhetoric, the executive order introduced five additional human rights provisions that the administration would weigh in its 1994 decision; in words that would become infamous, it called for China to make “overall, significant progress” in five areas: complying with the Universal Declaration on Human Rights; releasing political prisoners, including those arrested in connection with the Tiananmen Square protests; permitting international organizations to enter prisons; preserving Tibet’s “religious and cultural” identity; and allowing international media publication in China.³⁶

Lord knew that U.S. businesses and the administration’s own economic officials were not pleased even with these non-binding provisions. But he stood by the strategy. U.S. observers noted in the press that the executive order’s standards were entirely achievable. As Harry Harding, then an expert at The Brookings Institution, told *The Washington Post*, renewal of MFN in 1994 now seemed assured. It would take a major change in Chinese policy for China to lose its MFN status.³⁷

Beijing complained about any appearance of MFN linkage. Meeting with Senator Inouye of Hawaii and Senator Stevens of Alaska three days after the executive order was announced, Chinese Vice Premier Li Lanqing said the United States was setting up “obstacles” to friendly

the human rights provisions should be required for extension or the administration’s agreement that it should not revoke MFN: Mann, *About Face*, 279-81. Mann did not find evidence that the Clinton knew whether he would revoke China’s MFN status at the time he issued the EO: Mann, *About Face*, 284.

³⁶ Executive Office of the President, “Executive Order 12850: Conditions for Renewal of Most-Favored-Nation Status for the People’s Republic of China in 1994,” May 28, 1993, 31327.

³⁷ Lord’s response: Winston Lord oral history, 570-71. Press response: Sun, “China Protests Trade Decision, Issues Warning,” A21.

relations. He argued that U.S.-China relations would remain strained so long as China's MFN status was subject to conditions.³⁸

Having addressed the immediate MFN question, Lord turned to the second prong of his approach to China: developing a strategy for general engagement with China. The strategy revoked many of the limits on high-level diplomatic contacts the Bush administration had imposed after Tiananmen. After Clinton formally approved the strategy in September 1993, senior U.S. officials met with their counterparts on the full range of major issues in the U.S.-China relationship: human rights, weapons proliferation, and trade. In light of increasing tension between Washington and Beijing, the press welcomed the new engagement strategy.³⁹

Lord believed he and his colleagues had reason to be optimistic in the latter months of 1993. They had successfully navigated MFN renewal earlier in the summer and had a new China strategy in hand. They were looking forward to a meeting of Asia-Pacific Economic Cooperation (APEC) national leaders in Seattle that November, which they hoped would raise the profile of the group and help cement U.S. trade with the region. President Clinton was planning to meet one-on-one with the new Chinese President Jiang Zemin at the APEC meeting. It seemed the Clinton administration had charted a new course toward the goals Bush had failed to reach.⁴⁰

Beijing released some political prisoners and provided more information about how many people it had detained. It toned down its rhetoric on Tibet. It agreed to restart formal talks with

³⁸ Cable from U.S. Embassy Beijing to the Secretary of State, "CoDel Inouye-Stevens May 31 Meeting with PRC Vice Premier Li Lanqing," June 2, 1993, case no. F-2010-04466, State FOIA VRR, sec. 2 p. 3-4, sec. 3 p. 2-3.

³⁹ Drafting and approval of the engagement strategy: Winston Lord oral history, 577. The results of the engagement strategy: Kerry Dumbaugh, "China-U.S. Relations," Congressional Research Service Issue Brief, January 11, 1994, in Digital National Security Archive collection *China and the United States: from hostility to engagement*, Digital National Security Archive accession no. CH01669, 7. Press reaction: Friedman, "U.S. Shift on Beijing: Will Embrace Win Change?", 10.

⁴⁰ Lord's optimism: Winston Lord oral history, 545, 573. APEC: Green, *By More than Providence*, 463-64; Winston Lord oral history, 535-36. Green argues that Clinton succeeded in implementing a multilateral strategy for Asia where Reagan and Bush had not: Green, *By More than Providence*, 464. In mid-1993, MFN would have seemed like another area in which Clinton had succeeded where Bush had failed.

Washington on human rights issues. As expected, Beijing complied with the executive order's mandatory conditions on emigration and prison labor exports.⁴¹

China Calls the Bluff

And yet, despite their early optimism and more frequent contact with their Chinese counterparts, administration officials still seemed unable to put U.S.-China relations on a more positive footing. The United States imposed sanctions on China for its missile sales to Pakistan and insisted on inspecting a Chinese ship it suspected of transporting chemical weapons components to Iran despite Beijing's denials. That autumn, China conducted an underground nuclear test despite U.S. warnings. President Clinton instructed the Department of Energy to be ready to conduct its own nuclear tests.⁴²

The controversy around Beijing's human rights practices was on full display in September 1993 when Beijing lost a bid to host the 2000 Olympics in a vote the press described as divided between developing countries who saw the Olympics as a way to encourage China's modernization and Western countries who were disturbed by Beijing's human rights practices. China had applied to host the Olympics in the hopes of redeeming its image after Tiananmen and garnering international prestige going into the new century, but many in the U.S. Congress and many human rights organizations opposed the bid. The loss was a national embarrassment.⁴³

Amid growing frustration over weapons proliferation and human rights questions, the planned meeting between Presidents Clinton and Jiang Zemin at APEC offered an opportunity to

⁴¹ Winston Lord oral history, 573.

⁴² Marcus Brauchli, "Nuclear Test by Beijing Adds Strain To Already Troubled U.S.-China Ties," *The Wall Street Journal*, October 6, 1993, A12.

⁴³ Analysis of the vote: William Drozdiak, "Sydney Tops Beijing for Olympics: China Loses Bid For Games in 2000 By Two-Vote Margin," *Washington Post*, September 24, 1993, A1. The significance of the application and vote to China: Lena H. Sun, "China has Biggest Stake in Olympic Games: Amid Human Rights Criticism, Beijing Risking Reputation on Winning Bid," *Washington Post*, September 21, 1993, A1, A14.

turn things around. But the meeting went poorly. The two men failed to connect. Jiang began by reading from prepared remarks. Clinton tried to interrupt him and start a more informal dialogue, but Jiang simply resumed his remarks when Clinton finished speaking. It was a missed opportunity that did not bode well for the administration's human rights policy. Before Clinton and his advisors departed for Seattle, they had received a letter from Pelosi's office, signed by 270 members of Congress from both parties, expressing concern over China's failure to make progress toward meeting the administration's human rights provisions.⁴⁴

When Clinton returned to Washington from Seattle, thus far Lord's two-pronged strategy of pressing on human rights and engaging the Chinese leadership had failed to induce Beijing to make more than a few concessions. The administration began to fragment. Significantly, given how influential Lord had been early on, the White House and State Department's thinking began to diverge after Clinton's meeting with Jiang.⁴⁵

The President and his White House advisors began to regret that they had made such an issue over human rights changes. They believed they had not appreciated Beijing's political constraints. Deng Xiaoping was expected to pass away soon, and Beijing was in the midst of a leadership transition. Mulling over his meeting with Jiang a few days afterwards, Clinton thought that no one hoping to succeed Deng could cave in to Washington. If Beijing made the political reforms Washington wanted, the new Chinese leaders would renege on Deng's argument that economic growth required limited political freedom. Lake later agreed that Beijing had been

⁴⁴ The opportunity the meeting presented: Memorandum from Lake to the President, "Developments on China," October 18, 1993, OA/ID 166, China and MFN... 9307801, FOIA 2014-1037-F, box 1, Clinton Library, 2. Details on the meeting: Taylor Branch, *The Clinton Tapes: Wrestling History with the President* (London: Simon & Schuster UK Ltd, 2009), 87-88. The missed opportunity: Winston Lord oral history, 576. Pelosi's letter: Letter from Nancy Pelosi to Winston Lord, "[Fax Transmission of Letter, Dated November 4, 1993, concerning Human Rights and Seattle Summit]," November 17, 1993, in Digital National Security Archive collection *China and the United States: from hostility to engagement*, Digital National Security Archive accession no. CH01645. It claims to have 270 signatures but may have had 269. Representative Benjamin Gilman appears to have signed twice.

⁴⁵ Only a few concessions: Winston Lord oral history, 573.

unwilling to offer more concessions because of their concern that economic liberalization would result in political instability. He also believed the administration had not realized that because China's humiliation by Western powers loomed large in the Chinese leaders' historical memory, Beijing did not want to be bullied by Washington. NEC director Robert Rubin later recalled Clinton remarking that China defied the Soviets in the 1960s; he doubted that Beijing would accommodate the United States now.⁴⁶

A few blocks away at the State Department, Lord was concerned, but optimistic that the administration still had time to win more Chinese concessions. Lord agreed China's leadership transition made things difficult, but he believed the bluff might work, since China's trade with the United States was so important. Lord wanted U.S. businesses and some of his colleagues to stop publicly opposing the conditions and casting doubt on Washington's willingness to actually revoke China's MFN status (even though he knew no one in the administration actually would be willing to revoke MFN). Then, in February, trade talks with Japan took a turn for the worse, and North Korea began blustering about withdrawing from the Nuclear Nonproliferation Treaty. The Clinton administration was losing ground with three crucial countries in Asia.⁴⁷

The NSC convened a cabinet-level meeting in February 1994 to discuss the status of the engagement strategy. The administration knew it had not seen enough progress by Beijing to

⁴⁶ Leadership transition: Memorandum from the Assistant Secretary of Defense for Regional Security Affairs to the Secretary of Defense and the Deputy Secretary of Defense, "Seattle APEC Meeting: China, etc.," November 23, 1993, in Digital National Security Archive collection *China and the United States: from hostility to engagement*, Digital National Security Archive accession no. CH01647, 1-2. Clinton's views after meeting Jiang: Branch, *The Clinton Tapes*, 148. Lake's views: Anthony Lake oral history 2, 23; Anthony Lake oral history 1, 93. Rubin's recollections: Robert E. Rubin and Jacob Weisberg, *In an Uncertain World: Tough Choices from Wall Street to Washington* (New York: Random House, 2003), 227.

⁴⁷ Winston Lord oral history, 573-74, 547-48.

justify renewing China's MFN status that summer on the basis of the human rights standards in the 1993 executive order.⁴⁸

The administration agreed it would be wise to lower the profile of the annual MFN renewals. The United States had leverage due to its important economic and security role in Asia, but the Chinese leadership could make few changes while it faced an impending leadership transition. A good U.S.-China relationship would be crucial in the coming years given China's economic and political rise and the possibility that a bad relationship might destabilize the Asia-Pacific region. Japanese and South Korean foreign policy would be complicated if they became caught in the cross-fire between Washington and Beijing. U.S. counter-proliferation efforts would become more difficult without Beijing's cooperation.⁴⁹

Should China fail to make further concessions by May, in theory the administration could revoke China's MFN status entirely. It could also revoke MFN for only some Chinese entities. It could renew MFN with conditions. Or it could renew China's MFN status without conditions and develop a new strategy for addressing human rights concerns.⁵⁰

The NSC staff also brainstormed options for just delinking MFN from human rights or ending the annual MFN renewal altogether. One possibility was to propose tougher conditions for Beijing to meet before the summer; if Beijing met them, the administration could *then* de-link human rights from its trade status. Another possibility was to focus on Tibet. The Dalai Lama seemed willing to make concessions to Beijing. Visible improvement in Beijing's relations with

⁴⁸ The meeting: Agenda, "Principals Committee Meeting on China," February 10, 1994, OA/ID 2163, China and MFN... 9420177, FOIA 2014-1037-F, box 2, Clinton Library. Reviewing engagement and not enough progress: "Status of China Engagement Strategy: Discussion Paper for Principals Committee: Executive Summary," n.d., OA/ID 2163, China and MFN... 9420177, FOIA 2014-1037-F, box 2, Clinton Library, 1-3.

⁴⁹ "Status of China Engagement Strategy: Discussion Paper for Principals Committee: Executive Summary," n.d., 1-4.

⁵⁰ The discussion paper for the principals' meeting identified three options; it combined partial revocation and extending with conditions as variations of one possibility: Ibid., 4.

Tibet might be used as a reason to walk back from linkage. Or perhaps they could find a way to avoid the annual renewal of China's MFN status altogether. If Beijing reformed its emigration system renewal might be automatic; if Washington could determine that China was a market economy, Jackson-Vanik would not apply and the annual review would not be required at all.⁵¹

The State Department, however, had not entirely given up. Christopher planned to make one final push for concessions when he stopped in Beijing in March during a wider trip to Asia. Instead, the trip killed any remaining hope that the Chinese might cooperate on human rights issues. As Christopher was en route to China, Beijing fiercely criticized Assistant Secretary of State for Humanitarian Affairs John Shattuck, who had been in Beijing in advance of Christopher's arrival, for meeting with the prominent Chinese dissident Wei Jingsheng. Chinese authorities arrested Wei and held him briefly after meeting with Shattuck. Now, they arrested him again, along with a number of other dissidents. It was not clear whether the arrests were related to Christopher's visit, but the sight of Beijing arresting a number of dissidents just as the U.S. Secretary of State was arriving to press Beijing on its human rights record was politically embarrassing.⁵²

Christopher huddled with his advisors and called several members of Congress to discuss whether he should cancel his meetings in China. If he continued onto Beijing, the meetings would likely be unproductive and the press coverage would undoubtedly be negative. If he cancelled his meetings, the administration would not have another chance to push the Chinese on human rights at a high level before the MFN renewal decision, and Beijing would be livid at the abrupt

⁵¹ Tougher sanctions or progress on Tibet: Memorandum from Wiedemann to Lake, "China, Tibet and MFN," February 16, 1994, OA/ID 469, China and MFN... 9401219, FOIA 2014-1037-F, box 1, Clinton Library, 1-2. No annual renewal: Memorandum from Schifter to Lake, "History of the Jackson-Vanik Amendment," February 14, 1994, OA/ID 2283, China and MFN... 9401061, FOIA 2014-1037-F, box 1, Clinton Library, 2.

⁵² Hopes for Christopher's trip, and China's arrests of dissidents and criticism of Shattuck: Winston Lord oral history, 579-80. Wei's two arrests: Patrick E. Tyler, "China Arrests Leading Dissident For the Second Time in a Month," *The New York Times*, April 2, 1994, 1. Analysis of the arrests: Robert S. Greenberger, "Cacophony of Voices Downs out Message From U.S. to China: Beijing Is Able to Exploit Washington Infighting Over MFN Trade Status," *The Wall Street Journal*, March 22, 1994, A8; Tyler, *A Great Wall*, 407.

cancellation. Christopher decided to continue on to Beijing. Things only got worse when the delegation landed in China. They learned that Beijing had also arrested two U.S. journalists. Physical altercations broke out between U.S. and Chinese security officers.⁵³

The story of Christopher's meetings with his Chinese counterparts is well known. Premier Li Peng openly called the American bluff. He dared the Secretary to revoke China's MFN status. He needled him about race relations in the United States, and argued that Beijing guaranteed the most basic of human rights by keeping its people fed. The only concession he received was a promise to release two dissidents if Christopher agreed to make no statement about the decision. Curiously enough, Christopher surmised that Beijing's response was unrelated to the MFN conditions; rather, he thought the Chinese leadership was angry about the failed Olympic bid and Shattuck's meeting with Wei, and that they were retaliating by embarrassing him.⁵⁴

While in Beijing, Christopher also had breakfast with the heads of U.S. businesses in China. The corporate leaders tore into the Secretary for even trying to link human rights to trade relations. Should China lose its MFN status, they argued, U.S. companies would be less competitive in China. Lack of favorable access to the Chinese market would hurt U.S. companies' global competitiveness since foreign companies would gain market share at the United States' expense. In addition, U.S. businesses would have less of a role in China's economic development. Christopher was sympathetic to their concerns, but he believed the United States had to champion human rights in its international relations. He was also unimpressed with Beijing's argument that

⁵³ Christopher's deliberations and the decision to go to Beijing: Winston Lord oral history, 580-81. His options and the situation upon landing: Christopher, *Chances of a Lifetime*, 341-42.

⁵⁴ Christopher, *Chances of a Lifetime*, 343-46.

human rights were outside the realm of international relations. He believed U.S. relationships with foreign partners would necessarily be limited in scope without shared values.⁵⁵

Briefing his colleagues back in Washington, the Secretary of State tried to strike an optimistic tone. He explained his Chinese interlocutors had largely supported continued engagement with Washington and asked his colleagues to refrain from leaking to the press so he could bring MFN over the finish line. But he was met with silence. Even the rhetorical linkage was now dead.⁵⁶

The Clinton Administration's New MFN Policy

By mid-1994 China had met the mandatory conditions for MFN extension: those on emigration and prison labor exports. But Beijing had not met the “overall, significant progress” standard for the human rights provisions. Robert Suettinger has asked why the administration did not find Beijing’s concessions sufficient. The State Department, especially Lord, maintained the concessions were inadequate. His original reasons for advocating conditions on China’s MFN status suggests why.⁵⁷

The question of political prisoners best illustrates the problem. There was a difference between securing the release of a few political prisoners and securing a fundamental change in

⁵⁵ Christopher’s breakfast: Ibid., 344-45. The corporate leaders’ arguments: Cable from U.S. Embassy Beijing to the Secretary of State, “Beijing AMCHAM Reacts to Breakfast Meeting with Secretary of State Christopher,” March 17, 1994, in Digital National Security Archive collection *China and the United States: from hostility to engagement*, Digital National Security Archive accession no. CH01694, 1-2. Christopher’s reaction: Christopher, *Chances of a Lifetime*, 345-46.

⁵⁶ Christopher, *Chances of a Lifetime*, 347.

⁵⁷ Out of time: Winston Lord oral history, 582. What China did and did not do: Office of the Secretary, U.S. Department of State, “China’s MFN Status: Summary of the Report and Recommendations of Secretary of State Warren Christopher,” May 26, 1994, in Digital National Security Archive collection *China and the United States: from hostility to engagement*, Digital National Security Archive accession no. CH01706, 1. Suettinger’s questions: Suettinger, *Beyond Tiananmen*, 180-81, 183, 198. State’s determination: Mann, *About Face*, 306; Suettinger, *Beyond Tiananmen*, 193-94.

Beijing's treatment of political and human rights. Though some political prisoners had been released, many more dissidents had been detained. Beijing was more intransigent on Tibet and relations with the Dalai Lama. In January 1994, China released two Tibetan political prisoners; days before, it sentenced twelve Tibetan nuns to prison. Most political prisoners were released toward the end of their sentences and the releases corresponded to significant occasions. Beijing had pledged to adhere to the International Court of Justice's human rights provisions, but Washington did not believe any meaningful changes would come of that pledge. Conditions in military-run prisons seemed to have gotten worse despite pledges to improve them.⁵⁸

If the executive order was meant to bring changes in Chinese policy that would improve U.S.-China relations, it had clearly failed to do so; the relationship was still strained in mid-1994, as Christopher's visit made clear. If it was meant to restart the political reforms that would underpin economic growth and stable foreign policies in the 20th century, it had clearly failed there, too; releasing a few high-profile political prisoners a few months before their sentences concluded was hardly a change in policy while many others remained in prison for political crimes. Based on those standards, Beijing had not made "substantial, overall progress" on human rights.

The administration was in a no-win situation. There were now fewer voices in Congress advocating a hardline on China, but the politics were hardly clear-cut. At the end of May, Rubin wrote to the President that there was no consensus in Congress on whether to prioritize human

⁵⁸ The distinction between prisoner releases and improvement of human rights treatment: Daniel Williams, "China Trip Expectations Lowered: Christopher Concerned Beijing Is 'Going in Wrong Direction,'" *Washington Post*, March 10, 1994, A34. Concern about continued detentions and deteriorating Chinese Tibet policy, and China's human rights pledges and deteriorating conditions in military prisons: Branch, *The Clinton Tapes*, 147-48. For examples of Tibetan political prisoners and releases when sentences were nearly completed: "Bentsen in Beijing," *The Wall Street Journal*, January 21, 1994, A14.

rights concerns, strategic foreign policy concerns, or economic concerns in the U.S.-China relationship. No key decisionmaker within the administration was arguing *for* revoking MFN.⁵⁹

Revoking China's MFN status promised to have too many consequences for the United States. From the beginning, Lord had argued that maintaining a cooperative relationship with China was paramount. Revoking MFN would preclude a cooperative relationship. The administration had never intended to revoke China's MFN status. During the spring of 1994, Lord and Christopher had argued only for trying to shore up the linkage bluff. Rubin argued revocation might prompt charges that the administration had "'lost' China." Secretary of Commerce Ron Brown argued revocation would achieve nothing on human rights and would have destructive economic and political ramifications in the United States.⁶⁰

The State and Commerce Departments did consider imposing targeted sanctions instead of revoking MFN entirely. Commerce analysts determined that it would be impossible to sanction only Chinese military industries; the economic relationships were too intertwined. Any sanctions on China were also going to hurt Taiwan and Hong Kong. Taiwan began trading with mainland China in the 1980s, and when international firms pulled back their investments in China after Tiananmen Square, Taiwanese foreign direct investment had swelled. A second wave of Taiwanese investment had flowed into the mainland beginning in 1993, mostly into exporting industries as Taiwanese firms attempted to compete more effectively in the European and U.S. markets. Hong Kong played a key role intermediating mainland-Taiwanese trade. Some goods

⁵⁹ A no-win situation: Winston Lord oral history, 583-85. Changes in Congress: Mann, *About Face*, 308, 313; Tyler, *A Great Wall*, 412. Rubin's analysis of Congress: Memorandum from Rubin to the President, "China MFN Decision – Political Context," May 22, 1994. Suettinger recalls Assistant Secretary Shattuck arguing for revocation: Suettinger, *Beyond Tiananmen*, 194.

⁶⁰ Lord and Christopher's arguments: Winston Lord oral history, 574; Christopher, *Chances of a Lifetime*, 347; Christopher, *In the Stream of History*, 153. Rubin's concerns: Memorandum from Rubin to the President, "China MFN Decision – Political Context," May 22, 1994. Brown's concerns: Memorandum from Suettinger to Lake and Rubin, "Memorandum from Secretary Brown Opposing Revocation of China's MFN Status," April 25, 1994, OA/ID 472, China and MFN... 9402994, FOIA 2014-1037-F, box 1, Clinton Library.

originating in mainland China were completed in Hong Kong and shipped to the United States from there. The same thing happened on a smaller scale in Taiwan as well. Since Taiwan and Hong Kong had such close ties to China's exporting industries, there would be no way to limit the impact of U.S. sanctions to the mainland alone.⁶¹

The State Department could not have been comfortable risking damage to Taiwan's economy at this time. Cross-Strait relations have long been recognized as potentially very dangerous, and in the early 1990s they were very much in flux. The Bush administration had worried about a shifting military balance across the Taiwan Straits. U.S.-Taiwan relations had changed so much by the time Clinton took office that the Clinton State Department had begun a review of Taiwan policy, but the White House had been unhappy with the result and put the effort on ice amid crises with Beijing over human rights and weapons proliferation. Beginning in 1993, Taiwanese President Lee Tenghui, who had overseen a steady increase in ties between Taiwan and the mainland, appeared to be moving away from wanting closer relations with Beijing.⁶²

After the chaos of the last year, the administration could not extend China's MFN status and maintain the human rights conditions. That left renewing China's MFN status and finding other ways to advocate for human rights. It was the only viable option.⁶³

⁶¹ The administration's analysis of limited sanctions and their impact on Taiwan and Hong Kong, as well as an explanation of goods being shipped through Hong Kong and Taiwan: Winston Lord oral history, 583-85. Suettinger also mentions limited sanctions: Suettinger, *Beyond Tiananmen*, 194. Taiwanese investment in mainland China: T.J. Cheng, "China-Taiwan Economic Linkage: Between Insularity and Superconductivity," in *Dangerous Strait: The U.S.-Taiwan-China Crisis*, ed. Nancy Bernkopf Tucker (New York: Columbia University Press, 2005), 95, 97, 103. Hong Kong's intermediary role: Timothy Ka-Ying Wong, "Compromise on Depoliticization: Post-1997 Hong Kong-Taiwan Ties under the Cross-Straits Conflict," in *One Country, Two Systems in Crisis: Hong Kong's Transformation Since the Handover*, ed. Wong Yiu-Chung (Lanham, MD: Lexington Books, 2004), 196.

⁶² The dangerous nature of the Taiwan Strait: Tucker, "Dangerous Strait," 1. Changes in Cross-Strait relations: Green, *By More than Providence*, 448-49. The Taiwan policy review: Suettinger, *Beyond Tiananmen*, 205-206. Lee Tenghui's policy changes: Richard Bush, "Lee Teng-Hui and 'Separatism'" in *Dangerous Strait: The U.S.-Taiwan-China Crisis*, ed. Nancy Bernkopf Tucker (New York: Columbia University Press, 2005), 77-82.

⁶³ Inability to extend MFN with conditions and no options other than extension: Winston Lord oral history, 584-85. Lord also addresses these various options: Winston Lord oral history, 583-85.

In May 1994, the President announced that he would renew China's MFN status. The only future condition on China's trade relationship would be the Jackson-Vanik amendment's emigration provision. The administration would develop a new human rights strategy (though no details were given), and work with U.S. companies to develop voluntary principles for promoting human rights in China. Voice of America (VOA) would expand its programming in China. The United States would introduce VOA television programming and Radio Free Asia broadcasts.⁶⁴

The day after the President announced the new policies, Christopher defended the decision in a speech to the Asia Society in New York City. Not conceding that the supposed conditions had been a bluff from the start, Christopher framed the apparent reversal as a matter of regional stability. Asia was a region in transition, and U.S. involvement in that transition was critical to its future direction. As China goes, Christopher argued, so goes Asia. Thus, the United States would continue advocating for political liberalization in China by engaging China, not isolating it. Ross Terrill, writing in the *Chicago Tribune*, reflected the conventional wisdom—that Clinton had abandoned his misguided linkage and adopted the Bush administration's policies. In fact, the bedrock of America's China policy—continued trade plus pleas to ease domestic repression—had never changed at all. And as Christopher suggested, that was because of international politics more than U.S. domestic politics.⁶⁵

⁶⁴ The extension announcement: Office of the White House, "Fact Sheet: China MFN Decision," c. May 28, 1994, in Digital National Security Archive collection *China and the United States: from hostility to engagement*, Digital National Security accession no. CH01708, 2.

⁶⁵ Christopher's speech: Christopher, *In the Stream of History*, 159-61. Terrill's article: Ross Terrill, "U.S. will not 'change China,'" *Chicago Tribune*, June 10, 1994, SW31.

Conclusion

Should the administration have done something different in the summer of 1993? It had to sound different than the Bush administration, at least. The Clinton team did think the U.S.-China relationship was in a rut, and something had to be done to give at least some appearance of forward movement. By mid-1993 it had been four years since Tiananmen Square, and the U.S. public and U.S. government officials were still calling for changes. The annual MFN renewal process was an obvious tool to examine.

But conditioning China's MFN status on its human rights practices had been a bluff. Revoking MFN was never an option. The years 1993 and 1994 were defined by loud protests from U.S. businesses and government agencies, and shifting views in Congress. But U.S. policymakers recognized from the beginning that revoking China's MFN status would damage U.S. strategic interests and would be too high a cost to pay for maintaining credibility on human rights. Once Beijing refused to make meaningful concessions, reversal in 1994 was inevitable.⁶⁶

James Mann has asked whether the administration was sincere in linking MFN to human rights in 1993. Linkage would only work if Beijing believed the administration was willing to revoke its MFN status, but all indications are that no important decisionmaker within the administration was willing to do so. In my view, the administration was sincere in attaching conditions to China's trade status in that the supposed conditions did reflect genuine desires. Lord expected the administration would reconsider the "conditions" in 1994, but they were supposed to get U.S.-China relations back on a surer footing. Suettinger later argued that if tensions had not arisen in other areas during 1993 and 1994, the bluff may have worked. Lord later argued that if

⁶⁶ Business and U.S. government opposition: Sun, "China Presents Dilemma for Clinton's Policy Makers," A28; Winston Lord oral history, 570. Congressional views: Mann, *About Face*, 313; Tyler, *A Great Wall*, 412. The administration's early opposition to revocation: Winston Lord oral history, 565; Memorandum from Lake to the President, "China MFN," May 24, 1993, 1-2.

the U.S. government's economic agencies and business leaders had only helped say that improvements in Beijing's human rights practices were necessary, the bluff would have worked. Some outside observers later agreed that Beijing refused to make major concessions because they realized that they could play on business opposition and divisions within the administration and did not need to conciliate the State Department.⁶⁷

However, I suspect that divisions in U.S. politics were not the reason why Beijing did not make further concessions. First, arguing that Beijing did not make further concessions *because* they could tell the U.S. administration and public was divided assumes a fairly detailed understanding of how U.S. domestic politics work and how U.S. politicians would respond to Chinese actions; some policymakers have suggested Beijing might not have such detailed knowledge. Second, if trade with the United States was becoming a smaller part of the Asian economy and other countries seemed ready to invest more in China if U.S. companies pulled back, Beijing may have decided that it did not need to maintain access to the U.S. economy. Third, the White House assessed that they had not appreciated how important the changes they wanted on human rights were to the legitimacy of the Communist Party. This assessment makes a certain amount of sense. Christopher's speeches on human rights had connected human rights to democratization. And finally, Beijing might have been impressed by the fact that Lord, the administration's lead China expert, had publicly opposed revoking MFN. Therefore, playing on divisions within the United States might have been the strategy Beijing used, but was not necessarily the causal reason for its refusal to make further concessions.⁶⁸

⁶⁷ Mann's question: Mann, *About Face*, 312. Suettinger's views on international dynamics: Suettinger, *Beyond Tiananmen*, 168-77. Lord's views on political dynamics: Winston Lord oral history, 574. Examples of outside observers' arguments about political dynamics: Garrison, *Making China Policy*, 138; Green, *By More than Providence*, 463.

⁶⁸ Skepticism about Beijing's understanding of U.S. politics: Suettinger, *Beyond Tiananmen*, 183, 189. Suettinger is not specific about what misconceptions Beijing might have had about U.S. domestic politics; however, in an oral history interview with the University of Virginia's Miller Center, former U.S. Trade Representative Charlene

The U.S. ambassador in Beijing at the time, Stapleton Roy, has criticized the Clinton administration for not adequately defining concrete steps it wanted Beijing to take, and several observers have picked up on that criticism. What the administration wanted, ultimately, was a liberalizing China. Lord wanted the flexibility to define what that looked like in context. If the administration had set concrete intermediate objectives, it is likely the outcome would not have been materially different. Beijing made a number of concessions. But in the end that alone was not what the administration wanted. They wanted a change in Beijing's political culture.⁶⁹

The story of the ill-fated MFN "conditions" reminds us that well before the Clinton administration supported China's entry into the World Trade Organization, they first tried to be China hawks. It did not work. It did not work, not primarily because of domestic political pressures, but because they had to give up too much in their other foreign policies in order to take a hardline on China. Today the U.S. government is pursuing a much harder line in China policy than recent administrations have pursued. Under the George H.W. Bush and Clinton administrations, international political dynamics and the influence that China had over other U.S. foreign policy priorities constrained U.S. China policy. This story suggests that to have a much more confrontational China policy, the United States needs to either bring along its other friends in Asia—or decide that those friendships are not so important any more.

Barshefsky suggests the type of misconception that might impact Beijing's ability to play on U.S. politics; she recalls that Beijing seemed to believe that Congress acts at the direction of the President: Charlene Barshefsky Interview, March 2, 2005, MC Clinton PHP, accessed March 8, 2019, 29. U.S. accounting for smaller share of Asian trade: Green, *By More Than Providence*, 465. As one example of other countries' interest in investing in China, according to Mann, German Chancellor Kohl visited China with German business leaders and signed \$2 billion worth of deals on the eve of Clinton's first meeting with Jiang: Mann, *About Face*, 293. Suettinger also argues the administration misjudged the importance of economic issues to the Chinese: Suettinger, *Beyond Tiananmen*, 198. The White House's view that they had misjudged the significance of human rights issues: Branch, *The Clinton Tapes*, 148; Anthony Lake oral history 2, 23; Anthony Lake oral history 1, 93. Examples of Christopher's speeches on human rights and democracy: Christopher, *In the Stream of History*, 65-73. Lord's public opposition to revoking MFN: Winston Lord oral history, 566.

⁶⁹ Stapleton's critique: Suettinger, *Beyond Tiananmen*, 180, 198; Tyler, *A Great Wall*, 401-402.

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