

The Wire *China*

Q & A

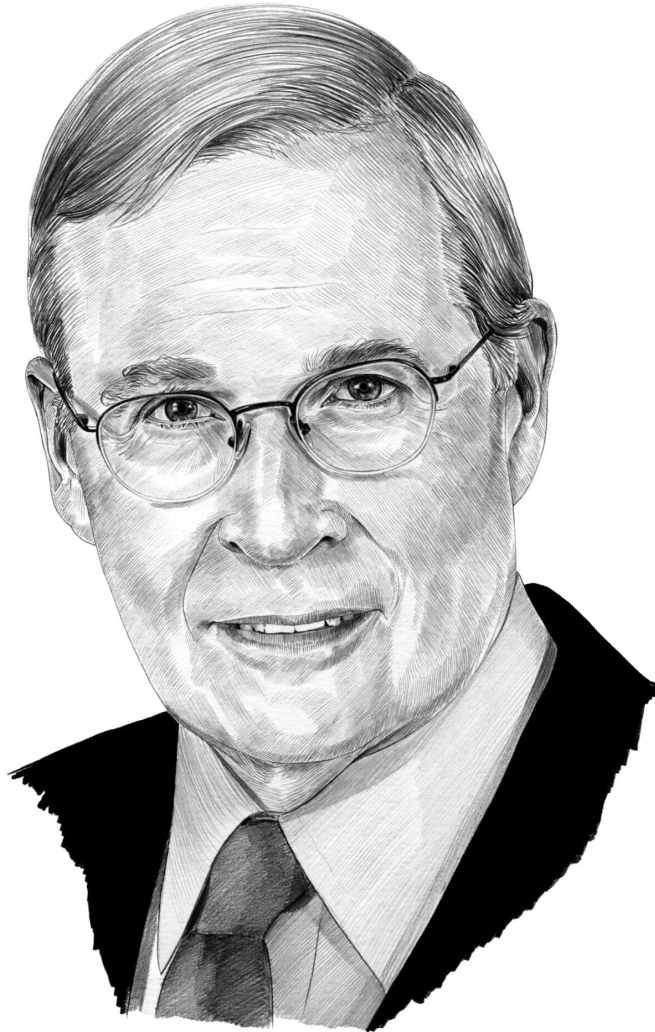
Stephen J. Hadley on Keeping China Relations on Track

The former national security advisor talks about George W. Bush's approach to China, Jiang Zemin's response to 9/11 and 'Track Two' engagement with Beijing.

BY BOB DAVIS — APRIL 2, 2023

*Stephen J. Hadley (<https://www.usip.org/people/stephen-j-hadley>) has long played a leading role in national security issues for Republican administrations. As a Pentagon aide under George H.W. Bush, Hadley worked mainly on issues involving nuclear weapons and NATO. Under George W. Bush, Hadley had a broader mandate first as deputy national security adviser where, among other things, he helped prepare arguments to support the invasion of Iraq. Later, as national security adviser, he helped craft the administration's engagement policy toward Beijing. The Bush team counted on Beijing to pressure North Korea to halt its development of nuclear weapons and to work with the U.S. to combat the global financial crisis. Since leaving office, Hadley has worked to improve relations with China through so-called Track Two dialogues involving former officials in both countries. Recently, he published Hand-Off: The Foreign Policy George W. Bush Passed to Barack Obama (Hand-Off: The Foreign Policy George W. Bush Passed to Barack Obama), a compilation and analysis of the foreign policy transition memos the Bush team prepared for the incoming Obama administration. This interview is part of **Rules of Engagement**, a series by Bob Davis (<https://twitter.com/bobdavis187?>*

[ref_src=twsrc%5Egoogle%7Ctwcamp%5Eserp%7Ctwgr%5Eauthor](#)), who covered the U.S.-China relationship at The Wall Street Journal starting in the 1990s. In these interviews, Davis asks current and former U.S. officials and policymakers what went right, what went wrong and what comes next.



Stephen J. Hadley.

Illustration by Lauren Crow

Q: You just came out with a very unusual book of transition memoranda from the Bush administration to the Obama administration. Why did you think that was important to publish?

A: The transition memorandums were designed to help Obama's administration be in a position to take responsibility for the various issues it could face and to do that on day one.

I thought the book would do two things. One, in this highly partisan atmosphere we're in, it's important to show that two presidents, one Republican and one Democrat, could work together to try to ensure a smooth transition. They built a set of practices and procedures that are now largely enshrined in legislation and are an important part of how we transfer power from one administration to another.

Second, I thought it was a good record of the foreign policy of the Bush administration. There are a lot of myths about the Bush administration's foreign policy — a lot of things people either didn't know or knew and have forgotten.

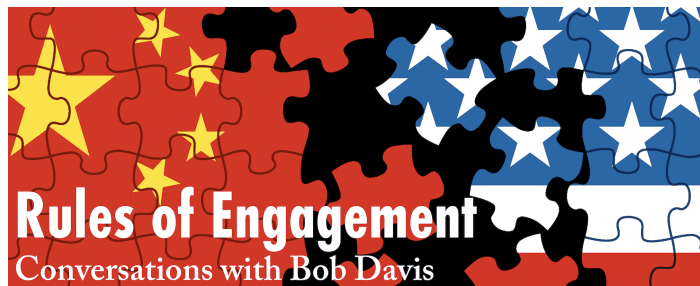


Illustration by Sam Ward.

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Everybody thinks the Bush administration did Iraq, Afghanistan, and the war on terror and that was it. And if you read through that table of contents, you'll see we were dealing with all the issues all the time. It's not just the Bush administration. It's true of any administration.

There's this notion that an administration can only do one or two things. That's not true. If you're running the United States of America, you're doing 30 or 40 things all at one time.

Second, the president really is the chief strategist for his or her administration. It's really interesting how many of the initiatives of the administration either came from the president or were conceptualized by the president, and he was critical for their implementation. Who you elect as president really matters.

Third, whether dealing with terrorism, proliferation, HIV/AIDS in Africa, or the like, I think the book shows — and it's still the case — not much gets done at the international level if the United States does not take the initiative.

Let's start in 2000 when candidate George W. Bush criticized Bill Clinton's talk of a U.S.-China "strategic partnership." Bush talked of a "strategic competition" instead. How did Bush think his administration might be different regarding China?

That was less a statement of what he wanted U.S. policy to be. It was more of a descriptive statement of how he thought China was behaving. He was basically saying, 'Look, I think China is more a strategic competitor than a strategic partner.' That put the Chinese on notice that they had a skeptical, potential President Bush that they were gonna have to deal with.

And his election was followed very quickly by the EP-3 incident, where a hot-dogging Chinese pilot [on April 1, 2001] forced a U.S. surveillance aircraft [to land on Hainan island]. The Chinese held the crew hostage for more than a week and held the plane for longer than that. We resolved that issue.

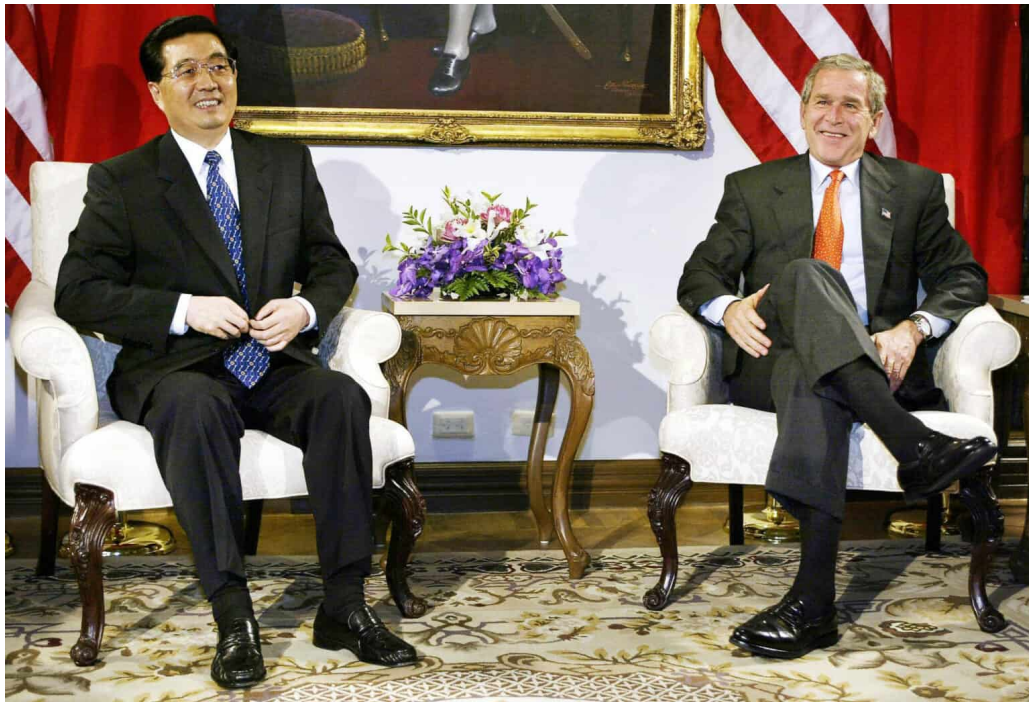
That initial message of toughness and skepticism sent by the president was a good way to set the table for the relationship. The transition memo on China makes it clear that despite the rather tough initial position by Bush, he tried to have a constructive relationship with China and tried to bring China into the international system. I think the way he started the relationship and the skepticism he showed helped with the Chinese.

The memo says that the Chinese were suspicious of Bush in the wake of the collapse of the Soviet Union. Why? He was the son of a president who was seen as a friend of China. [Editor's Note: George H.W. Bush had been the U.S. representative in China before the two

countries established diplomatic relations and, as president, continued relations with China after the 1989 Tiananmen Square crackdown.]

The fall of the Soviet Union and the liberation of central and eastern Europe were cataclysmic events. They echo not just for years, they echo for decades. The Chinese, of course, followed the Soviet collapse very carefully. One of the things that Xi Jinping has made very clear in his strengthening of the Chinese Communist Party is he wants to avoid the Soviet outcome.

Jiang Zemin and Hu Jintao [the Chinese leaders who were in office during George W. Bush's administration] were very different leaders [from Xi]. They had a very different agenda. They wanted a benign international environment in order to focus on the economic development of China. They wanted a constructive relationship with the United States because they thought it would facilitate China's economic rise.



Then Chinese President Hu Jintao and then U.S. President George W. Bush during a bilateral meeting held prior to the start of the APEC Summit in Bangkok, Thailand, October 19, 2003. Credit: Paul J. Richards/AFP via Getty Images (<https://www.gettyimages.com/detail/news->

[photo/chinas-president-hu-jintao-and-us-president-george-w-bush-news-photo/2614756\)](#)

When Bush made clear that he was willing to have a constructive relationship with China and to help bring China into the international system, that resulted in a pretty constructive relationship between the two countries. That had a lot of benefits for American policy, the American economy, and American consumers.

The classic notion of engagement — wrapping China into an embrace with the West that would lead, if not to democracy, then to a benign China — seems to be dead. What should replace it?

Remember, we didn't just have a policy of engagement, of trying to bring China into the international system so it would not act contrary to American interests. That was also backed up in parallel by strengthening our alliances in the region with Japan, the Philippines—though that was difficult during our administration —Korea, Australia. We also were bringing India into a strategic relationship with the United States.

BIO AT A GLANCE

FORMER POSITION	U.S. National Security Advisor
BIRTHPLACE	Toledo, Ohio, USA
AGE	76

Why did we do this? By strengthening those alliances, we presented a context in which we thought it made it more likely that China would act in a constructive way. It also gave us a hedge if engagement broke down and China adopted a more aggressive approach. We had a foundation for working with friends and allies in the region to manage a more aggressive and more assertive China.

That's what China has become, and the Biden administration is using those relationships to try to manage China. By ourselves we probably do not have the weight to do that anymore, but with our friends and allies in the region and with the cooperation of Europe, we do.

The Biden administration has it right — it's a different relationship now. [Biden's Secretary of State] Tony Blinken has talked about how we're going to stand up for our principles where we are at loggerheads with China over things like human rights. We're going to need to compete with China in high-tech areas and the like to make sure that we are a world leader in the technologies that are going to shape the future of the world economy and our military. But at the same time, we will try to cooperate in those areas where our mutual interests are consistent, such as in pandemics and climate change.



Antony Blinken delivers an address outlining the Biden Administration's policy towards China, in Washington D.C., May 26, 2022. Credit: State Department

(<https://www.flickr.com/photos/statephotos/52099987997/in/photolist-raK2Ei-G3T28s-FxwZjf-uJrMrs-uK9kKz-qMKz8f-Gna2NX-2ntz37q-s7Zp4o-zmeYxm-2mtBqFs-2mtAjaN-2nW8wsL-2nF8Gpb-qdWoyt-raA9jp-q8wb4X-q8wbai-2no1xVd-2mtAjcw-2nnZu8E-2nnU4i8-2nZu3LT-2nTh7jx->)

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There is a lane for engagement and cooperation, but it is shrunken and in some sense it's in tension with the two other lanes, where we are competing and where we are at loggerheads. The question is whether those other two lanes are making it almost impossible to cooperate in the engagement lane.

China recently is basically saying, 'Hey, we're not going to cooperate with you on climate or pandemics unless you tone down your behavior in the competitive lane and go a little bit more silent in the areas where we're at loggerheads.'

In some sense, China is holding cooperation hostage to try to get better American behavior in those other two lanes. The administration would like to pursue all three lanes in parallel. We're going to have to see how that sorts out.

This is not an unusual tactic on the part of the Chinese.

Not at all.

If you look at what the Chinese have said about areas for cooperation, they are pretty similar to the areas the Americans name: nuclear proliferation, climate and so on. But according to the administration, the Chinese won't act in those areas of potential cooperation unless the U.S. is willing to move in other areas that they consider more important. How do you deal with that?



Uncharted Waters

BY YUN SUN

Is the recent positive trajectory in U.S.-China relations temporary and tactical in nature? Or sustainable and strategic in essence?

You need to get into a cadence where the relationship is more predictable, where there's a floor under the relationship, where we can have some guard rails on the competition, so it doesn't spill over into confrontation or conflict. When Xi and President Biden met in Bali [in Nov. 2022] they talked about trying to get some basic principles to cover the relationship.

If we can insert some stability in the relationship, some predictability, that may make it easier for the two sides to find ways to cooperate on issues like pandemics, climate change, and maintaining the stability of the international financial and economic system.

At the end of the day cooperation in those areas is in both of our interests. Those problems can't be solved unless China and the United States cooperate along with the rest of the world. Both China and the United States also need those issues to be solved for their own stability and prosperity.

The administration has been criticized for going too far, not merely competing with China but trying to hobble it when it comes to technology. What do you think of that critique?

When it comes to the technology area and the so-called decoupling of China and the United States, the Chinese have been very successful in putting the blame on the United States. But look at their dual circulation policy [which promotes domestic technology development] and what they have said about technology in areas that really matter, like artificial intelligence, bioengineering, and cyber. They want to be self-sufficient in cutting-edge technologies and have the rest of the world depend upon them. That is basically decoupling.



Participants at the *Embracing the 14th Five-year Plan and Dual Circulation Strategy Summit* held in Hong Kong, August 24, 2021. Credit: *HK Financial Secretary* (https://www.fso.gov.hk/images/blog/20210829_02.jpg)

Both China and the United States have decided that in high-technology areas — at least those portions of them that are critical for national security and critical for the future of our two economies — we are going to go our separate ways. We are going to decouple.

But that's not to say we have to decouple our economies across the board. The trick will be to agree on some limits to decoupling. We also need some understanding that there are areas where it is okay for the two economies to be trading with each other, to be investing in each other — that it's actually good for the economies of both nations. We're going to have to get some balance here, and it's going to take us time to do so.

The steps the [Biden] administration has taken to invest at home so we can remain on the cutting edge in these technologies, to reshore — or friendshore, as they say — some supply chains and commodities that are critical to us is a good thing for our national security. In a lot of areas we did become too over-dependent on China. That was a vulnerability, and it was not good for our national security and not good for our economy.

It has long been an article of faith, repeated by president after president, that a strong and prosperous China is in the U.S. interest. Do you think that still is the case?

Given the level of trade between our two countries, if you were to cut that trade to zero, it would have an impact. It would have an impact on the prices of goods that Americans buy. It would've an impact on farmers and their ability to sell farm products. It would have an impact on a lot of Americans whose jobs depend on exports to China. So, in that sense, continued economic cooperation between the two countries is a good thing.

We've never had a situation where our principal competitor is also our biggest trading partner. That's the dilemma. How do you balance those two things?

But China today is clearly a different, more competitive China. It's a China that is taking actions that are not in our interests. So, I think it's a very mixed picture.

The trick is: can we counter, deter, and manage China in areas where they are acting contrary to our interests, while at the same time not destroying the entire economic relationship between the two countries, given the impact that would have at home and on the global economy.

That's the challenge China poses for the United States. We've never had a situation where our principal competitor is also our biggest trading partner. That's the dilemma. How do you balance those two things? We're in the process of trying to figure that out.

During your administration, [Former Deputy Secretary of State] Bob Zoellick (<https://www.thewirechina.com/2022/08/05/robert-zoellick-on-accepting-china-as-it-is/>) famously challenged China to become what he called a 'responsible stakeholder' in the international order. During the Bush administration do you think China became a responsible stakeholder? What about now?

They were moving very much in that direction during the Bush administration. It seemed to be what Jiang Zemin and Hu Jintao wanted. People will say, well, the Chinese Communist Party had a different agenda then. It probably did. Remember, that was a time when both of those two presidents were emphasizing governmental institutions over party institutions.

Now Xi Jinping comes in. Rather than being what we saw with Hu and Jiang in terms of wanting to pursue reform and opening up, he was a party man. His priorities were political over economic. He wanted to strengthen the party at the expense of governmental institutions. He wanted to insert the party into all aspects of society. He has a much different agenda.

Under Xi Jinping, it's very hard to see prospects for the kind of vision of a responsible stakeholder that Bob Zoellick

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Robert Zoellick on China being a “responsible stakeholder”, 10th May, 2006. Credit: C-SPAN (<https://www.c-span.org/video/?192445-1/us-china-relations>)

(<https://www.thewirechina.com/2022/08/05/robert-zoellick-on-accepting-china-as-it-is/>) talked about. Rather than being a stakeholder in the current international system, as we would define it, Xi Jinping wants to change that international system in a direction that is more congenial to Chinese interests. Also, quite frankly, in a direction that squeezes out elements of freedom, democracy, rule of law, and human rights. It would move the international system in a way much more congenial to authoritarians.

Let's talk a bit about 9/11. The transition memo says Jiang Zemin watched 9/11 live on CNN and decided the attack would become a way to cement relations with the U.S.. Bush visited Shanghai very quickly after 9/11. [He landed Oct. 18, 2001.] How did the terrorist attacks change U.S.-China relations?

The President wanted to go to Shanghai for a couple reasons. One, we were looking for support, for what was going to be really a global struggle against terrorism. He also wanted to show the world that

while the United States was going to deal with the challenge of terrorism, we weren't going to be preoccupied with terrorism. We were going to continue to play the global role that the United States had traditionally played.



Then Chinese President Jiang Zemin gestures to then U.S. President George W. Bush during a joint press conference at the Xijiao Guest House in Shanghai, October 19, 2001. Credit: Sam Yeh/AFP via [Getty Images](https://www.gettyimages.com/detail/news-photo/chinese-president-jiang-zemin-gestures-to-his-us-news-photo/1245230617) (<https://www.gettyimages.com/detail/news-photo/chinese-president-jiang-zemin-gestures-to-his-us-news-photo/1245230617>)

So rather than staying home, hunkered down, dealing with terrorism, he thought, I'm going to get on the airplane, go to Shanghai, and show that America is still in business, is still a global power, and is going to be discharging its global responsibilities. Terrorism was an area where the United States and China could cooperate. But I don't think it was transformative. It was one of a variety of areas in which the two countries were able to cooperate.

Could you see a change in how Jiang Zemin treated the U.S.?

It was an element that got the relationship between the two men off to a good start, particularly after the rocky start with the EP-3 incident. This was an area where we had common interests, where we could

cooperate, and where the two leaders could engage.

What about the way the Chinese thought about President Bush, given that he was the son of the other President Bush who played such an important role, in opening China to the U.S. and keeping the relationship going after the Tiananmen crisis?



Then President George H. W. Bush and Chairman Deng Xiaoping in Beijing, February 1989. Credit: [George Bush Presidential Library and Museum](https://bushchinafoundation.org/u-s-china-relations-legacy/) (<https://bushchinafoundation.org/u-s-china-relations-legacy/>).

Given Chinese culture and their reverence for senior people, they certainly had great regard for George H.W. Bush, and they assumed in some measure that that would rub off on the son. That may be one of the reasons why the second President Bush made his comments about how he saw China less as a strategic partner and more as a strategic competitor. He wanted to make it clear he was going to have his own identity and his own policy on the issue of China.

Once it was clear that Bush was interested in pursuing a constructive and cooperative relationship with China, the fact that he was the son of George H.W. Bush probably helped him pursue that agenda with the

Chinese and made the Chinese more receptive. They were perhaps more willing to give him the benefit of the doubt as we tried to bring China into the international system and build a constructive relationship.

During your administration, one of the big initiatives was the Strategic Economic Dialogue [an annual meeting between senior Chinese and American economic officials]. Former Treasury Secretary Hank Paulson says he thought the relationships he developed during the SED helped during the global financial crisis. But the transition memo notes some ambivalence, saying “it’s not entirely clear that China views the SED as more than a method to stem Congressional angst and stave off protectionist legislation.” Do you think the SED was a success or failure, or something in between?

Well, like everything, nothing is an unmitigated success, and few things are unmitigated failures. It’s always a mixed picture.

Clearly the SED facilitated establishing relationships between the two governments in the economic sphere. And as Hank has made very clear, China was extremely constructive during the financial crisis in terms of their cooperation with the United States government. Their economy also helped pull the world out of the doldrums that resulted from that financial and economic crisis. So that was a plus.



Then Chinese Vice Premier Wang Qishan
(<https://www.thewirechina.com/2023/01/15/wang-qishan-the-last-of-the-reformers/>) looks on as then Treasury Secretary Henry ‘Hank’ Paulson speaks during the Strategic Economic Dialogue, June 18, 2008. Credit: National Archives (<https://catalog.archives.gov/id/6893054>).

There was also a lot of frustration in some quarters that we were not able to make more progress than we did on economic issues. The Chinese love dialogue, but sometimes dialogue does not translate into concrete action. We spent a lot of time urging them to let the yuan appreciate and let market forces set the value of their currency. The Chinese began to move in a constructive way but didn’t do it as far or as fast as Americans would have hoped.

There is sometimes a lot of frustration that the Chinese are willing to enter into all kinds of dialogues, but it’s really hard to get constructive action out of the Chinese.

The transition memo also says, “the core of the Bush administration’s strategy for dealing with China’s rise was to build a security and trade architecture with regional allies and partners that would reinforce the role of the United States as a Pacific power.” The Obama administration continued that with negotiations for a Trans-Pacific Partnership, which fell apart during the Trump administration. What do you think of the Biden administration’s efforts to create what they call the Indo-Pacific Economic Framework, which is very clearly something less than a trade deal. [Editor’s Note: The Biden administration has made clear that it won’t cut tariffs as part of any IPEF deal.]

Remember, TPP had its origins in the Bush administration.

The purpose was to try to link the United States and our close friends and allies in a tight trading relationship. In some sense it was not just about trade, it also had strategic significance in shoring up and

strengthening our relationships with our allies in the region as a foundation for dealing with an emerging China.

It obviously fell prey to the disaffection with international trade and trade agreements that afflicted both the Republican and the Democratic Party. Even before Trump pulled the United States out of TPP, both Trump and Hillary Clinton, the two candidates for president in 2016, had disavowed the TPP. I still think the TPP makes strategic sense.

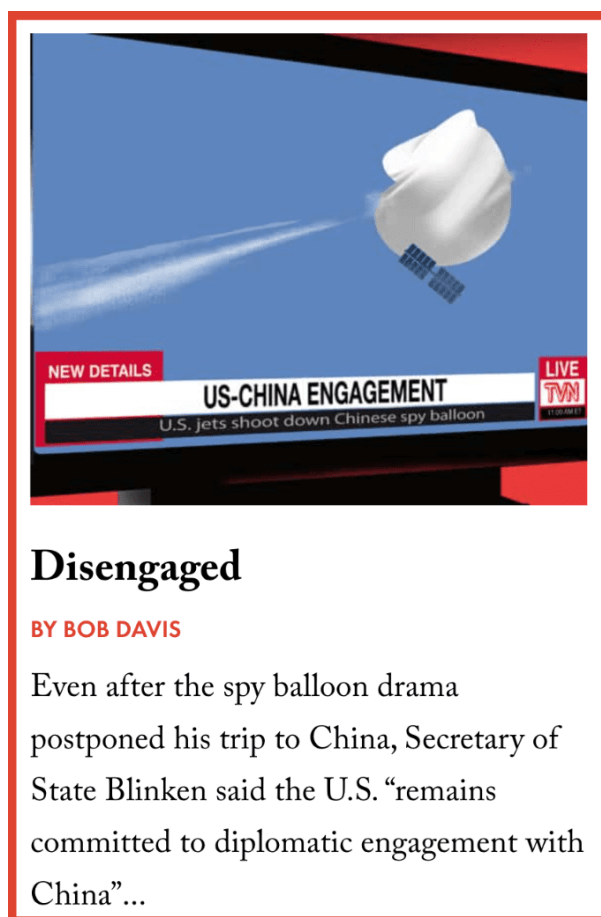
The problem is that China has its own competitor trading arrangement that involves a number of America's friends and allies, called RCEP. [Editor's Note: In the Regional Comprehensive Economic Partnership, 15 Asia-Pacific nations agreed to reduce tariffs among one another]. So, there is a trading framework for the region that includes China and some of our friends and allies and does not include the United States.

You can't beat something with nothing. The Chinese are offering trade concessions and we aren't at this point. That's a mistake. It's a real shortcoming on the part of our strategy for the region and needs to be remedied.

Now China is saying that it wants to become a member of the successor to TPP called the CPTPP [Comprehensive and Progressive Agreement for Trans-Pacific Partnership]. Japan went forward with the TPP without the United States and established a trade framework [CPTPP] with some of our closest friends and allies in the region. China now says it wants to join, and the United States is on the sideline. This is not in our strategic interest.

The Indo-Pacific Economic Framework is a good try. It has a lot of constructive elements to it, but it does not have a trade framework. It does not have market access or market opening aspects. And our friends and allies in the region are saying that that is a significant omission in our economic approach to the region.

You can't beat something with nothing. The Chinese are offering trade concessions and we aren't at this point. That's a mistake. It's a real shortcoming on the part of our strategy for the region and needs to be remedied.



[\(https://www.thewirechina.com/2023/02/12/disengaged-chinese-spy-balloon/\)](https://www.thewirechina.com/2023/02/12/disengaged-chinese-spy-balloon/)

You were talking about putting a floor on the relationship. With the balloon incident, even Tony Blinken isn't going to China. Would it make sense to use economic officials as envoys to restart the

relationship? Treasury Secretary Yellen has talked about going to China and the Chinese have said they would welcome her visit.

It's an opening. It would be a good thing to do.

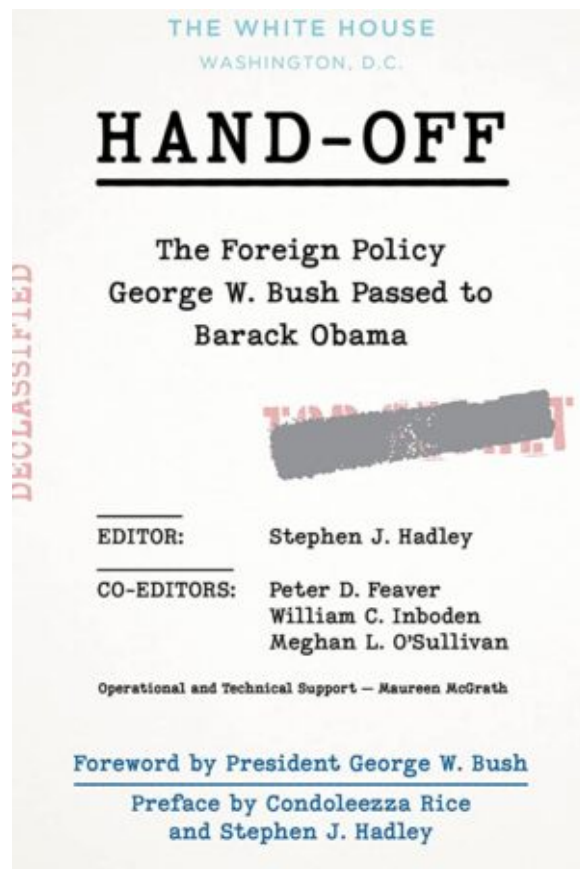
The balloon incident shows the problems in getting the relationship to a more stable basis. Coming out of the Bali meeting between President Xi and President Biden, they both wanted to try to insert some stability in the relationship and put a floor under the relationship. That was really derailed by this balloon incident, which became a political issue in the United States and in China.

There are forces in our politics and forces in Chinese politics that are very quick to emphasize our differences and disagreements. That has a tendency to pull the two countries apart, even as the two presidents are trying to stabilize the relationship. The two leaders face these centrifugal forces as they try to carry out the relationship.

Nonetheless, they need to try to establish some framework and principles that can stabilize the relationship and add some predictability to it. That's going to be a difficult challenge given the politics in both of our countries.

In the United States, Xi has done something quite remarkable. The need for a more vigorous China policy is one of the few things on which virtually all Republicans and Democrats agree.

Shortly after Bush came into office, he talked about doing “whatever it took to help Taiwan defend herself”. But later when it looked as if Taiwan would call a referendum on independence, Bush said he was opposed to that. Did Bush’s view about Taiwan shift after 9/11?



Hand-Off: The Foreign Policy George W. Bush Passed to Barack Obama, released in February 2023. Credit: ***Rowman & Littlefield***
(<https://rowman.com/ISBN/9780815739777/Hand-Off-The-Foreign-Policy-George-W-Bush-Passed-to-Barack-Obama/>)

His view was pretty consistent all the way through.

He made it clear that Taiwan was important and that the will of the Taiwanese people should be respected, and that China should not try to use military force to force a unification with Taiwan. At the same time, he made it clear that we did not support an independence movement for Taiwan. He helped contain the Taiwanese leader at that point in time, who was really a handful. [Taiwanese President Chen Shui-bian.]

President Bush also articulated a principle of no unilateral change in the status quo by either side. That was the mix. First, we stand with Taiwan. We're fulfilling our obligations under the Taiwan Relations Act. Second, we oppose the use of force by China against Taiwan. Third, we made clear we did not support Taiwanese independence. And fourth, there should be no unilateral change in the status quo by either side.

That was a pretty good formula. It maintained stability on the Taiwan issue over the eight years of the Bush administration.

The transition memo also says that Jiang Zemin set a 2008 deadline for China to be prepared to take military action on Taiwan. Presumably such action would have failed. This is exactly what you hear now from the administration except the year is 2027. Do you think the administration now is overplaying the threat?

I thought [Central Intelligence Director] Bill Burns in his comments with Margaret Brennan (<https://www.youtube.com/watch?v=HN4bgqKq2MU>). [on "Face the Nation" in February] was pretty good. He said, 'Look, we think that Xi Jinping has set 2027 as the day when he wants the Chinese military to have the capability to seize control of Taiwan. But that doesn't mean he's made a decision — that's what he is going to do when that time comes.



Now CIA Director William 'Bill' Burns meeting with then Taiwanese President, Ma Ying-jeou, January 18, 2016. Credit: 總統府
<https://www.flickr.com/photos/presidentialoffice/23825465723/in/photolist-CinJTM-DdrWnL-CNDemm/>

The Chinese position continues to be that they want to resolve the issue of Taiwan peacefully but they're not taking the use of force off the table.

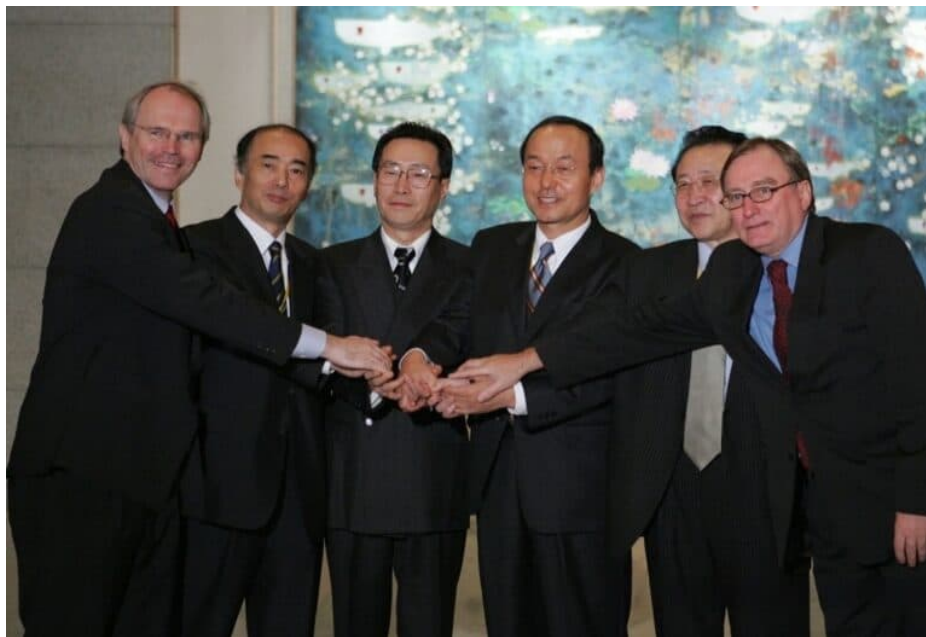
Hopefully they have been a little chastened by the Russian experience in Ukraine, which may make Xi Jinping a little bit skeptical if his military comes in and says, 'Now we have the capability to take over Taiwan.' I think he's been surprised by the shortcomings of the Russian army, the courage and effectiveness of the Ukrainian resistance, and the extent to which the United States and Europe have rallied to support Ukraine in its effort to resist this Russian invasion.

Why did the Bush administration think 2008 was the date [that the Chinese military were supposed to be prepared to take military action]? I presume the intelligence was mistaken.

I'm not sure it was mistaken. The intelligence was that Jiang Zemin had given that direction to his military. What the military told him when that date came by, I don't know. What we did know was that Jiang Zemin gave that instruction to his military.

On North Korea, the book has a very detailed recitation of the Bush administration's effort to halt its nuclear program, which involved an enormous effort by President Bush to enlist Jiang Zemin and Hu Jintao to pressure North Korea.

This is a good example of how the effort to have a constructive relationship with China paid off in the short run. We established the framework of the Six Party talks. We pushed China to try to take a leading role in those talks to try to get North Korea to agree to give up its nuclear program. Interestingly, the Russians also participated constructively in that effort.



The six representatives at the conclusion of the Six Party talks in Beijing, September 19, 2005. Credit: *Yonhap* (<https://cn.yna.co.kr/view/ACK20170818003800881>)

It was successful, as the memo shows. In September of 2005, the North Koreans did agree to give up their nuclear programs — not just the weapons program, but also their civil nuclear program. What we didn't know at the time, and what they had not disclosed, was that they had a secret enrichment program which set back those negotiations. But in any event, in September of 2005, we got an agreement from them to give up enrichment, to give up reprocessing, to give up their nuclear weapons.

The problem was in trying to implement that agreement and come up with a useful verification of the arrangement, which would ensure that the North Koreans were in compliance. By the end of the administration, and in the early years of the Obama administration, the North Koreans walked away from that agreement. The Obama administration was not able to bring them back into that agreement or into any other agreement.

And of course, once Kim Jong-un took over power he basically made it a signature element of his administration to accelerate their nuclear program and accelerate their ballistic missile program. That's where we are today.

Can you talk a bit about your work regarding China since you left office in the so-called Track Two dialogues [between former officials and business leaders from the U.S. and China]. What are you trying to achieve?

Particularly in times of tension, we need to maintain as many channels of communication between China and the United States as possible. Obviously, government-to-government contacts are best. But sometimes when government-to-government talks are difficult, so-called Track Two level meetings with non-governmental or former government officials on the United States side and both former government officials and also government officials on the Chinese side can be constructive and useful. You can learn useful information that can inform conversations that are going on, government to government, in Track One.



Stephen J. Hadley talks with Former Ambassador of China to the U.S., Cui Tiankai, at a U.S. Institute of Peace event, April 10, 2014. Credit: U.S. Institute of Peace via *Flickr*

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The other thing you can do in Track Two is to try to develop ideas and concepts that would advance the relationship that could be shared with Track One. For example, the two presidents said they wanted to have an exercise of developing principles that would guide the relationship between the two countries. Well, it may be useful in a Track Two dialogue to try to explore what those principles might be.

If you could get an agreement between non-governmental folks in Track Two on a set of principles between American and Chinese delegations, the Track Two then could give those principles to our respective governments. That might help a Track One conversation to develop a common set of principles to govern the relationship.

Are you working on that project now?

I think lots of people are working on projects of that sort.

During the worst of the pandemic, did those contacts continue by video conference and are you now restarting them person-to-person?

There were a lot of Zooms between a variety of groups of Chinese and Americans during the COVID period. That was very useful. Now that COVID is on the way out and the two countries have reduced their restrictions on travel, I think you're going to see people starting to go back to China and more Chinese come to the United States. But I don't think that process has really started yet.



Stephen J. Hadley participating in Zoom sessions with the U.S. Institute of Peace during the COVID period. *Credit: U.S. Institute of Peace via Flickr*

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RdQobh-612Ej8-2cy29Me-z19UQR-EvNZiX-2khhc9r)

What did you make of China's recent political moves, where people that the U.S. counted on to see eye-to-eye — at least on economic issues — have been removed from the Politburo?

In terms of the Politburo, historically, there have been three or four factions within the Communist Party that would be reflected in the Standing Committee of the Politburo. That would be kind of negotiated among the factions.

In the past, generally, when Xi has had a choice between economic reform or political control, he's always opted for political control. We'll see whether that continues.

What Xi Jinping has done — and you saw that in the changes he made and most graphically in the ushering of Hu Jintao out of the meeting of the Communist Party — is [now] there's now only one faction represented in the Politburo and it's his faction. The people in the Politburo are people he has worked with and knows. This is a consolidation of his personal power over the party.

Similarly, in the meeting of the National People's Congress, two things are interesting. One, senior governmental positions are also now held by people who are close to him and who he has worked with in the past. Second, organizational reforms have been made that make the government much more subservient to the power of the party. This is the reassertion of the party's control over the governmental structures in China.

Xi Jinping leads CPC leadership to ...



A CGTN video showing Xi Jinping leading the members of the Politburo Standing Committee to an old revolutionary base in Shaanxi, October 27, 2022.

A number of the people that are now in senior positions are people who have worked with Xi Jinping and are close to Xi Jinping. But a number of them also have a record of being economic reformers.

The question is whether Xi has enough confidence in them to allow them to move the Chinese economy in a more positive and more market-oriented direction. You're seeing a little bit of this in the shift away from the zero-COVID policy, the easing up on some of the pressure on the private sector and on some of the major internet companies in China.

We will just have to see whether this bears fruit or whether the past is prologue. In the past, generally, when Xi has had a choice between economic reform or political control, he's always opted for political control. We'll see whether that continues.

What did you make of Hu Jintao being ushered out of the Party Congress? That was an amazing scene.

Hard to know, but certainly it was a surprise to everybody in the room except for Xi Jinping.



Bob Davis, a former correspondent at *The Wall Street Journal*, covered U.S.-China relations beginning in the 1990s. He co-authored “Superpower Showdown (<https://www.amazon.com/Superpower-Showdown-Battle-Between-Threatens-ebook/dp/B07Z3RZ9NY>),” with Lingling Wei, which chronicles the two nations’ economic and trade rivalry. He can be reached via bobdavisreports.com (<http://bobdavisreports.com/>).