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The Influence of Lobbies on U.S. Foreign Policy

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The area around K Street in Washington, D.C., abounds with lobbyists, many of whom represent foreign governments or entities. Although some major foreign governments continue to work mainly through their embassies in Washington, nearly one hundred countries rely on lobbyists to protect and promote their interests. The subculture of public relations and law firms that do this kind of work reflects a steady decline and privatization of diplomacy -- with an increasing impact on how the United States conducts its own foreign policy.

The strongest lobbies promoting foreign interests are driven by cohesive ethnic population groups in the United States, such as Armenia, China, Greece, India, Israel, Taiwan, Ukraine, and, historically, Ireland. Even countries that have strong bilateral relations with the United States, such as Australia, Japan, and Norway, need lobbyists as well as embassies. Lobbyists can operate within the system in ways that experienced diplomats cannot. A lobbying group can identify with a domestic ethnic bloc even though it is paid by a foreign government. Ethnic politics can trump corporate interests and, more important, influence what agencies within the U.S. government may see as the national interest.

The United States is a nation of immigrants -- a strength that has also created vulnerabilities. Although ethnic population groups have at times offset isolationist tendencies in the United States, they also can find themselves conflicted on issues that could divide the motherland from the adopted country, the United States. In other cases, these so-called hyphenated groups unhesitatingly side with the United States and, in effect, become more royalist than the king.

Many lobbyists function as surrogates. A law firm or lobbying firm can make arrangements and put forward arguments in ways that its foreign client cannot, in part because most embassies do not operate as comfortably or effectively on Capitol Hill as can the firms. And then, the U.S. government has become so complex that only insiders, such as former members of Congress or congressional staff members turned lobbyists, can navigate its confusing structure. The most well-connected individuals are likely to join one of the major hybrid law

and lobbying firms, such as Patton Boggs, Akin Gump Strauss Hauer & Feld, or BGR Group. The last firm became involved in the internal affairs of Iraq after the U.S.-led invasion in 2003. Led by former Ambassador Robert Blackwill, it was paid \$380,000 to represent the Kurdish regional government of Iraq and \$300,000 for providing "strategic counsel" to former Iraqi Prime Minister Ayad Allawi, who was striving to regain his post as leader of the Iraqi government. Official records show that other recent clients of this firm have included the governments of Qatar, Serbia, and Taiwan.

The most effective lobbying is done on Capitol Hill. Although members of the executive branch face limits on what they can do for lobbyists, congressional members and their staff are generally less constrained.

When a faction in Congress takes a position under pressure from lobbyists, it can become very hard for executive-branch offices to resist. Functionally, the U.S. government is an anomaly, with a potent legislature unconnected to the executive branch but open to being exploited by domestic agents representing foreign governments.



Some of the big embassies, starting with the British and Israeli ones, have no difficulty gaining access on either end of Pennsylvania Avenue. But many, if not most, of the other missions are spread thin, with limited access to the people and offices that matter. A typical midsize embassy will have one or two officers covering the agencies of chief importance at home. Most often, this means the State Department and the Department of Defense, along with other agencies involved in security issues. These embassies cannot begin to compete with lobbying groups for influence and may not even try to cover Congress. A retired British diplomat who served as ambassador to Washington in the mid-1990s said that he spent most of his time on Capitol Hill, leaving his staff to monitor the national security apparatus.

Lobbyists for foreign governments operate in ways that help U.S. officials and reinforce incumbency. A lobbying firm, for example, can help set up a deal for a foreign country to purchase agricultural machinery from a U.S. supplier. A member of Congress from the district in which the supplier is located will then announce the sale -- and the lobbyists, in turn, will say that congressional support of certain bills will help that business and others in the district.

The American Israel Public Affairs Committee, known as AIPAC, is the model for other lobbying groups and for lobbying firms that aim to influence U.S. foreign policy. It shows how they must focus on the internal rivalries within congressional committees and on other groups that involve politicians with voices that carry. Lobbyists working for foreign clients play a game that one of them described as "five-dimensional chess," which includes the White House, Congress, interagency conflicts, and the Republican and Democratic Parties.

A firm lobbying on behalf of a foreign client keeps data on every member of Congress, their staffs, and even some representatives in state legislatures who are considered rising figures. The firm will do a meticulous analysis of the voting records and public statements of various key players, notably the chairs of the Senate and House Foreign Relations Committees.

On Capitol Hill, the most influential lobbying factions are those that represent overseas business interests, such as Airbus, the European aviation conglomerate, and Gazprom, the Russian state-owned energy giant. The next most influential group is comprised of caucuses within Congress, which representatives and senators join to identify with or express support for a given country. The Congressional Caucus on India and Indian Americans, for example, is one of the largest and contains well over 100 members of Congress, none of them Indian.

The fallout from the process is sometimes seen not only in foreign capitals but also within the Washington bureaucracy as a tendency to "move the goalposts." A lobbying firm, for example, may hear of a negotiation that the State Department has concluded or is on the verge of concluding. It may then intervene on Capitol Hill, or, on occasion, with the White House to alter the outcome in a way that benefits its client. This represents a uniquely Washington way of doing business -- a deal is not necessarily a done deal if one or more of the major parties wants to change its position.

Foreign governments, of course, do require help from time to time in navigating the Washington labyrinth, and many strive to have Washington support their interests and not their adversaries'. Israel and Taiwan are two countries that feel dependent on U.S. political support of this kind.

The activities of lobbyists working on behalf of foreign governments or businesses -- notably those whose focus is largely commercial, not political -- can be useful and in line with the national interest. The United States relies on a free and open trade and investment climate, which these lobbyists work to promote. Lobbyists representing foreign clients say that their work is a normal part of the U.S. political process and indistinguishable from lobbying on behalf of domestic clients. But the latter, however abusive it can be and often is, does not carry the risk of skewing U.S. foreign policy or compromising the national interest. Lobbying on behalf of foreign countries, many in Washington believe, can have an adverse affect on U.S. interests by challenging the sensible and balanced formation of foreign policy.

## A HISTORY OF INFLUENCE

Among the earliest and most robust promoters of foreign causes in the United States were the Irish. Beginning in the early nineteenth century, the Irish American diaspora in the United States began providing material and political support to the forces of Irish nationalism. This continued through the 1990s and the so-called Troubles, when groups such as Irish Northern Aid funneled aid to families of political prisoners in Ireland.

In the 1930s, as the Third Reich began to gather strength in Germany, many German Americans in the United States joined small groups such as Friends of New Germany. These were swiftly spun off into larger organizations -- one became the German American Bund, and another was a fascist organization widely known as the Silver Shirts, a reference to the Nazi Brown Shirts.

Although these organizations had more visibility than actual impact, they did attract the attention of the U.S. Congress. In 1935, a report prepared by the House of Representatives warned of propaganda that aimed to "influence the internal and external policies of our country." The report led to the passage in 1938 of the Foreign Agents Registration Act, or FARA, which was designed to monitor the activities of groups lobbying on behalf of foreign causes. The law covers anyone who engages in political activities or acts in a public relations capacity for a foreign principal. Such agents are required to report their activities to the Justice Department and to disclose whatever gifts and services they provide to elected or appointed officials. These criteria are far stricter than what is required of lobbyists who represent domestic interests. However, compliance with and enforcement of FARA regulations are notoriously lax, and they are often ignored entirely if enforcing them could be politically awkward for U.S. allies.

Since 1966, when FARA was amended, there have been only three indictments on alleged FARA violations and no successful criminal prosecutions. The cases were dismissed because of statute-of-limitations problems. Asked about this seemingly limp enforcement, Dean Boyd, a Justice Department spokesperson, replied in writing, "The Justice Department generally seeks to obtain voluntary compliance with the FARA statute through a variety of mechanisms, including if needed civil and/or administrative resolution." Since the changes to FARA in 1966, Boyd wrote, the U.S. government has faced an increased burden of proof, which has "reduced the incidence of criminal FARA prosecutions and increased civil and administrative resolution of FARA questions."

Another law, the Lobbying Disclosure Act of 1995 (LDA), is even weaker. It is filled with thresholds that define what must be reported, such as requiring disclosure only when foreign clients represent more than 20 percent of a lobbying firm's total contacts. "The LDA is a joke," one Washington lobbyist told me, "because no one looks at those filings, and there has been no enforcement."

In June 2008, Senators Charles Schumer (D-N.Y.) and Claire McCaskill (D-Mo.) and then Senator Barack Obama (D-Ill.) introduced legislation that would require all lobbyists representing foreign clients to register under FARA, even if they have already registered under the LDA. Under current law, lobbyists registered under the LDA are exempt from also registering under the more rigorous FARA regulations. Another measure under this proposed legislation would require disclosure in cases in which lobbyists represent foreign principals -- including governments and political parties -- to U.S. officials stationed outside the country. Currently, FARA requires the disclosure only of those agents who represent foreign clients in front of agencies or officials located within U.S. territory. The Justice Department has not yet publicly expressed a position on the legislation.

The issue, then, is whether it is possible to enforce the existing statutes -- if necessary by tightening them -- or whether foreign agents and their influence will continue to flourish. The proposed Senate bill would be a good place to begin strengthening the oversight process. But statutes, however tightly written, must be enforced. As Senator Schumer said last year, "Too many lobbyists are skirting the law and operating in the shadows, and in too many cases the Justice Department is standing at the light switch and refusing to turn it on."

THE MODEL LOBBY

The Israel lobby operates within a loose umbrella organization called the Conference of Presidents, which contains a number of subgroups and committees. The centerpiece of the overall organization is AIPAC. Through AIPAC's network of contacts in government agencies and on Capitol Hill, its ability to influence events and policy in Washington is probably without precedent. In one example, AIPAC successfully lobbied Congress in 1995 to pass a bill requiring the United States to move its embassy in Israel from Tel Aviv to Jerusalem, despite private objections from the government of then Israeli Prime Minister Yitzhak Rabin and the Clinton administration.

Although AIPAC characterizes its role as promoting financial assistance to Israel from the U.S. government, most of this appropriation has become routine and is rarely challenged. Where AIPAC devotes most of its energies is in defending Israel's hard line on the Palestinians to a U.S. audience and deflecting criticism in the United States of Israel's equally hard line on Hezbollah and, above all, Iran. Under the Bush administration, officials such as Vice President Dick Cheney and Secretary of Defense Donald Rumsfeld were determined to support AIPAC in its efforts to align U.S. foreign policy with that of Israeli Prime Minister Ariel Sharon and his Likud Party -- namely, in identifying Iran as not only a regional threat but also a global threat to peace and stability. In pressing for votes and support, AIPAC does not threaten members of Congress so much as it makes them worry about angry phone calls from wealthy constituents. Defying AIPAC can make life complicated for those in Congress who are looking toward their reelection.

Whether AIPAC will be able to sustain its dominant role is not clear, however. A growing number of Jewish Americans regard the lobby as a group of largely ethnocentric extremists and oppose its tactics. Support for Israel is becoming age-related -- a recent poll conducted by New York University, for example, showed that more than two-thirds of the young, non-Orthodox Jewish students surveyed did not consider the situation with Israel and the Palestinians a high priority for the 2008 U.S. presidential election, whereas more than half of the Jewish Americans over the age of 65 who were surveyed did. Another poll, part of the Middle East Academic Survey Research and Exposition, conducted by the Institute for Research: Middle Eastern Policy, showed that an overwhelming majority -- roughly four-fifths -- of those U.S. academics polled regarded the Israel lobby as "negative" to "extremely negative" to U.S. interests. A slightly greater majority of those polled said they believed that the lobby's tactics expose the United States "to avoidable hostility in the Middle East."

Historically, the notable exception to AIPAC's uniform hold on the Israel lobby has been the Israel Policy Forum. According to M. J. Rosenberg, the group's director of research and its key figure, the forum's mission is to encourage the United States to pursue an end to the Israeli-Palestinian conflict and the establishment of a two-state solution.

An alternative group calling itself J Street was launched in April 2008. J Street defines itself as "the political arm of the pro-Israel, pro-peace movement," with the purpose of ending the Arab-Israeli and Israeli-Palestinian conflicts peacefully and diplomatically and supporting a new direction for U.S. policy in the Middle East. It has a lobbying arm that operates on Capitol Hill, and its political action committee endorsed 41 candidates in the 2008 congressional elections and distributed \$578,000 among them. Thirty-three of these candidates won, although the degree to which J Street may have helped is unclear.

Reactions to J Street have been mixed. Skeptics, of whom there are many, feel that its efforts will founder -- the two major political parties have trained themselves to listen to AIPAC first and act accordingly. Although an increasing number of Jewish Americans take issue with Israel's position on the Palestinians and favor a two-state solution to the Palestine problem, AIPAC holds several advantages, the first of which is that hard-liners in the Jewish American community care much more about advancing their position than do those who lean toward a two-state solution. Second, a deep fear of Arab intentions still leads many Jews in the United States to be more comfortable with AIPAC's politics. And lastly, and of no small importance, AIPAC is run by professionals who are rightly considered to hold black belts in the art of Washington politics.

This March, the clout of the Israel lobby and its allies on Capitol Hill was forcefully displayed by their successful derailment of the appointment of Charles Freeman to be chair of the National Intelligence Council. Freeman is among the most widely respected foreign policy analysts, and he has often taken exception to Israeli policies. In withdrawing from the appointment, Freeman wrote, "There is a powerful lobby determined to prevent any view other than its own from being aired. . . . It is not permitted for anyone in the United States to say so. This is not just a tragedy for Israelis and their neighbors in the Middle East; it is doing widening damage to the national security of the United States."

#### A QUICK STUDY

India's U.S.-based lobby is the only lobby in Washington likely to acquire the strength of the Israel lobby. It both relies on a strong network of law and public relations firms and is supported by a large ethnic population group in the United States, many of whose members are well educated and financially successful. For example, 20 percent of all the companies in Silicon Valley are owned by Indian Americans. The U.S.-India Business Council, which has a core committee of 200 companies that make up part of the United States' corporate elite, is closely allied with the India lobby. And like Jewish Americans, Indian Americans are strongly inclined toward political activism.

To date, the most controversial and potentially troublesome venture in which the maturing India lobby has played a major role was its promotion of the July 2005 statement issued by President George W. Bush and Indian Prime Minister Manmohan Singh that called for shipments of U.S.-produced nuclear fuel and technology to India. Under the agreement subsequently reached, India will separate its military and civilian nuclear programs and in return gain access to U.S. expertise and materials.

Many in the arms control community opposed the deal, suggesting that the agreement would increase India's ability to produce fissionable material for its nuclear weapons program. Congressman Ed Markey (D-Mass.), co-chair of a House task force on nuclear nonproliferation, called the agreement a "historic failure" that "pours nuclear fuel on the fire of an India-Pakistan nuclear arms race." A major complaint is that the deal in effect endorses India's refusal to join the Nuclear Nonproliferation Treaty and exempts India from the global rules that govern the nuclear trade. Under the agreement, India becomes eligible for the same trade and scientific benefits acquired by NPT signatories -- including the five original nuclear weapons states.

Critics in the United States and India saw political as well as energy-related factors pushing the deal. Bush, they felt, was seeking to tap into India's expanding economy while creating a stronger strategic balance against China. Others suggested that the Bush administration's strong push for the deal was largely driven by Bush's quest for a legacy -- an opinion shared by some Indian officials, who often heard from their U.S. counterparts that the deal had to be completed while Bush was still in office.

Within the United States, commercial pressure for the deal came from the U.S.-India Business Council, the U.S. Chamber of Commerce, the military-industrial sector, and the two U.S. companies that produce nuclear reactors, General Electric and Westinghouse. "Billions of dollars were at stake," one lobbyist involved in the negotiations told me. "The idea here was to bind India in a strategic relationship, and the military orders would then follow."

What the Bush administration was proposing ran sharply counter to provisions of the U.S. Atomic Energy Act, which require full-scale safeguards for any U.S. exports of nuclear material or technology. In order for the deal to go through, both houses of Congress would first have to approve legislation exempting India from U.S. law. The lobby began a full-court press, with the U.S.-India Business Council retaining the Washington law firm Patton Boggs and the Indian embassy hiring Venable, a law firm that employs Birch Bayh, a former U.S. senator and the father of the current senator Evan Bayh (D-Ind.).

The lobbying effort brought together for the first time a disparate coalition of Indian American groups, ranging from the Asian American Hotel Owners Association and the American Association of Physicians of Indian Origin to larger groups, such as the Indian American Friendship Council. The founder of this last group, Swadesh Chatterjee, proclaimed that a strategic partnership between the United States and India "will define the twenty-first century." Other groups that played an active role in the lobbying included the U.S. India Political Action Committee, which is run by Sanjay Puri, an influential businessman and lobbyist who was also a member of the transition team for Virginia's governor, Tim Kaine, now the new chair of the Democratic Party. Shekhar Tiwari, who unofficially represents the Indian American Republican Council, with 36 chapters around the country, told me that his group was "the main force behind the scenes" in pushing the deal.

The various groups supporting the deal argued that its passage would be good for the environment. India, the argument went, needs alternative energy sources to soft brown coal, the dirtiest power source and the one on which India and China chiefly rely. To make its case, the lobby spread a great deal of money around, and fundraisers were held for pivotal figures, such as then Senator Joe Biden (D-Del.), who was chair of the Senate Committee on Foreign Relations; Senator Richard Lugar (R-Ind.), the senior Republican member of that committee; and Senator John Kerry (D-Mass.), Biden's future replacement as chair. Former Senator Hillary Clinton (D-N.Y.), then the co-chair of the Senate India Caucus, was another beneficiary of the lobby's largess.

By November 2006, both houses of Congress approved the deal, known as the Hyde Act, by large margins. The debate over the deal and this outcome revealed a curious polarity -- whereas majorities in both the Senate and the House supported the deal, a significant part of the foreign policy community had strenuously opposed it. This left Congress with an unanswered question -- namely, how should the United States measure the advantages of a stronger, more productive partnership with this rising global power against the risks posed by

the agreement, starting with its prejudicial bearing on the NPT and on nuclear arms control in general?

The Obama administration has encouraged India and Pakistan to keep relations with each other on a stable track. And the U.S.-Indian deal may not rock any boats in Washington unless India decides to test a warhead for its new intermediate-range missile system, the Agni II, a weapon allegedly designed to target China. It is clear, however, that on Capitol Hill, any future testing would be seen as conflicting with the legislative intent of the agreement and hence would put it in serious jeopardy.

## AT NATO'S DOOR

The question of how far and how fast to expand NATO was a deeply contentious issue within the U.S. foreign policy community in the mid-1990s. Countries in central and eastern Europe used their tightly focused political activities in Washington to promote various goals, including admission to Western institutions, starting with NATO. These countries included the Czech Republic, Hungary, and Poland, and later Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia. More recently, Georgia and Ukraine have used lobbyists in Washington to push for NATO membership, so far unsuccessfully.

By the mid-1990s, the risks of expanding NATO were clear. Russian nationalists could exploit the issue at the expense of more moderate figures. What Russia wanted then was to reclaim its historical place as a major player in European security -- and it still does. At the time, figures inside the Russian security structure were nursing an old grievance. In 1991, just a few years before talk of enlarging NATO began, the Soviet Union's then leader, Mikhail Gorbachev, had received assurances from U.S. officials that in return for the Soviet Union's earlier acquiescence on German reunification, NATO would not deploy forces beyond Germany's eastern border.

Germany favored having a buffer between itself and Russia and was the only serious western European advocate of enlargement. Various Washington luminaries pushed the idea as a way of preemptively stifling Russia's imperial impulses. There was also an assumption, probably well founded, that the Clinton administration saw enlargement as a means of gaining the support of ethnic eastern European voters in the run-up to the 1996 presidential election.

From the candidate countries, the Polish government pushed hard for enlargement, mainly through its embassy in Washington but also with strenuous support from the Polish American Congress, an umbrella organization that includes more than 3,000 Polish American groups, and with the assistance of a lobbying firm. Poland no longer worried about being threatened militarily by Russia, but it did have concerns about becoming part of a European security vacuum. Moving NATO in its direction, the thinking went, would further commit the United States to Europe's security. The Czech Republic and Hungary made similar efforts.

On April 30, 1998, the U.S. Senate approved a bill supporting NATO enlargement, and one year later, in March 1999, the Czech Republic, Hungary, and Poland gained admission to NATO. Five years later, in March 2004, other aspirants -- Bulgaria, Romania, Slovakia, Slovenia, and the three Baltic states -- were also accepted into the alliance. In order to achieve this end, each of them had turned to Washington-based lobbyists for help.

One lobbyist heavily involved in arguing for NATO expansion was Randy Scheunemann, who would later serve as chief adviser on foreign policy for John McCain's presidential campaign. For years, Scheunemann has been a central figure in a hawkish circle of foreign policy advisers who have sought to bring NATO steadily closer to Russia's doorstep and have argued for expelling Russia from the G-8 (the group of highly industrialized states), a position McCain took as a presidential candidate. Until early 2008, Scheunemann was simultaneously working for the McCain campaign and as a paid adviser to the government of Georgia. He was also a registered lobbyist for Latvia, Romania, and Macedonia. In 2006, McCain had co-sponsored legislation that passed in the Senate endorsing an expansion of NATO to include Albania, Croatia, Georgia, and Macedonia.

Among the other firms involved in lobbying for aspirant NATO members was the K Street firm of Jefferson Waterman International, which represented Bulgaria and Romania in the process. One of JWI's first and biggest clients was the Croatian regime of Franjo Tudjman, which various human rights groups have accused of committing war crimes during the Bosnian war in the 1990s. JWI assured the Croatians it could help. In a memo drafted by Charles Waterman, the firm's CEO, JWI was ready to counter "a wave of criticism" if Tudjman were to seize control over territory patrolled by UN peace monitors. Tudjman continued to renew JWI's contract through the end of 1998 (he died in 1999).

JWI, much like similar firms in Washington, draws its leadership and senior staff from government agencies, especially the CIA. Waterman is a former vice chair of the CIA's National Intelligence Council and was also national intelligence officer for the Middle East. Samuel Hoskinson, the firm's vice president and chief financial officer, also served as vice chair of the NIC and as a senior adviser to three national security advisers -- Henry Kissinger, Brent Scowcroft, and Zbigniew Brzezinski. Samuel Wyman, the firm's executive vice president and chief operating officer, was an operations officer for the CIA in Africa, Europe, and the Near East.

In June 2007, Hoskinson and one of his colleagues at JWI became the heads of a group that calls itself the Alliance for a New Kosovo. They were advising Bexhet Pacoli, a wealthy Kosovar Albanian businessman, who made open claims of paying a large team of lobbyists and consultants in Washington to push the White House and Congress to support Kosovo's independence. Hoskinson told me that the foundation hired eight people to lobby Congress and the State Department and circulate arguments in the media. When the United States, along with dozens of other countries, recognized Kosovo as an independent state in February 2008, the firm regarded the outcome as among its largest achievements.

In May 2002, Ukraine made clear that membership in NATO was one of its principal goals. A year later, at the invitation of Davis, Manafort & Freedman, an influential Washington lobbying firm, Sergey Lavochkin, chief of staff to the Ukrainian prime minister, visited Washington. In Washington, Lavochkin contacted the State Department and was told that it did not deal with lobbying firms on K Street and that he should try working through the U.S. embassy in Kiev. Later, in 2005, a staff member at the National Security Council called McCain's Senate office, which itself was pushing for Ukraine's acceptance into NATO, to complain that Davis, Manafort & Freedman's lobbying was undercutting U.S. foreign policy in Ukraine.

By early 2008, matters were changing. The Bush administration was arguing that both Georgia and Ukraine had all but met the conditions for NATO membership. France and Germany dissented, reflecting a generalized concern in Europe about Russia's increasingly shrill and intimidating protests. Indeed, Russia was threatening to target nuclear missiles at Ukraine if it joined the alliance. Predictably, this state of affairs worsened considerably when in August 2008, just four months after the NATO summit meeting in April, the conflict between Georgia and Russia erupted.

## THE PERENNIAL QUESTION

The Armenia lobby is built on a strong domestic ethnic base in the United States and is committed to having Turkey publicly condemned for genocide relating to the slaughter of Armenians that occurred in 1915. Intense lobbying for a congressional resolution accusing Turkey of genocide began in the 1980s and has since become a perennial question. Most years, the White House and the State Department support the principle behind such a resolution but ultimately conclude that adoption of a resolution of that kind against the Turks would be harmful to U.S. interests.

In 2007, the outcome could have been different, and Congress came close to adopting a genocide resolution. The Armenian community was feeling confident after Democratic victories in the 2006 midterm elections -- Nancy Pelosi (D-Calif.), Speaker of the House, and Steny Hoyer (D-Md.), House majority leader, were seen as allies, as was then Senator Biden. Passing the resolution could have meant the end of efforts to build a reliable and productive U.S.-Turkish relationship. And it could have strengthened Turkey's incentive to hedge against its weakening position in the West and the rising instability in western Asia by initiating a nuclear weapons program.

The vote was close, with the House Foreign Affairs Committee approving the resolution 27 to 21. But then, Pelosi, after stating her intention to move ahead with a vote on the floor, drew back in the face of a strong, well-coordinated argument that its passage would threaten national security. Most convincing was a strongly worded open letter signed by eight former U.S. secretaries of state who all opposed the resolution on national security grounds. Also leading the charge against the resolution were former Congressmen Bob Livingston (R-La.) and Dick Gephardt (D-Mo.). (Gephardt had just signed on with the firm DLA Piper to promote Turkish interests under a contract worth \$1.2 million annually.)

In early 2009, however, the genocide resolution's prospects rose sharply. As reported in the *Financial Times*, the public denunciation by the Turkish prime minister, Recep Tayyip Erdogan, of Israel's Gaza offensive last January angered many of the Jewish American and pro-Israel groups that had supported Turkey behind the scenes during the debate over the genocide resolution in 2007.

The Armenian government spends virtually nothing on lobbying services in Washington, because it does not need to: the Armenian community in the United States -- concentrated in California, Maryland, Massachusetts, New Jersey, and the New York area -- promotes Armenian causes through financial contributions and its influence on Capitol Hill. The Armenia lobby in the United States is surpassed in strength and influence only by the Israel lobby and the India lobby.

A major backer of Armenian causes in Congress is Kentucky Senator Mitch McConnell, who is the Republican minority leader in the Senate. McConnell is a senior member of the Senate Appropriations Committee and for years served as chair of the pivotally important Senate Subcommittee on State, Foreign Operations, and Related Programs, which controls roughly \$20 billion in foreign aid. He has helped steer high amounts of earmarks and mandatory allocations toward Armenia and Ukraine. In fact, in some years, Armenia has been second only to Israel as the largest beneficiary per capita of U.S. aid. McConnell does most of his fundraising away from Kentucky, in major coastal cities where Armenian Americans and other ethnic groups are most politically active. In October 2006, the *Lexington Herald-Leader* reported that several years ago, while speaking on the Senate floor, McConnell said, "We have a lot of Jewish-Americans who are interested in Israel, a lot of Armenian-Americans who are interested in Armenia and a lot of Ukraine-Americans who are interested in Ukraine." He continued, according to the newspaper's account, "Boy, when we hear from them, we get real interested." The article also reported that McConnell has, over the years, received a large amount of campaign donations from lobbies representing those three countries and has awarded hundreds of millions of dollars more in aid to them than was requested by either Democratic or Republican presidents.

The Turkish government, on the other hand, measures the success of its heavy spending on lobbying in Washington by Congress' unwillingness, thus far, to adopt a resolution on the Armenian genocide. To block the resolution's adoption, Turkey relies on influential figures with prior service on Capitol Hill or in downtown Washington, such as Douglas Feith, a former undersecretary of defense for policy, and Richard Perle, former chair of the Defense Policy Board. In addition, Livingston, a former congressman and founder of the Livingston Group, and Gary Hymel, chief lobbyist for the New York-based firm Hill & Knowlton, have been useful to the Turks in the recent past thanks to the depth of their experience in Washington and their high-level contacts. In 1999, Livingston registered with FARA as a representative of the Turkish government. In March 1999, he created the Livingston Group, which describes itself as providing "comprehensive public affairs, government relations and lobbying services on a global basis." Its eight clients have included not only Turkey but also Azerbaijan, the Republic of the Congo, the Cayman Islands, firms in Morocco, and the Qatar Foundation, a nonprofit organization founded by the emir of Qatar.

Before Hymel arrived at Hill & Knowlton, he was an administrative assistant to Majority Whip Hale Boggs (D-La.) and then administrative assistant to Speaker of the House Tip O'Neill (D-Mass.) for eight years. Later, while associated with Gray and Company, he was asked to offset efforts by the Greek lobby to arrange a cutback in U.S. military aid to Turkey. Turkey ended up receiving more military aid from Congress than the year before.

In Washington, the executive branch has traditionally supported Turkey as a bulwark of NATO, with the core of the U.S.-Turkish relationship based on military assistance. Turkey is also a major procurer of U.S. military hardware, which has led Lockheed Martin and other major arms suppliers to spend a lot of money supporting the Turkish government.

## LOBBYING ACROSS THE STRAIT

For years, the lobby that promoted Taiwanese interests, known simply as the China lobby, was the superpower of lobbies representing foreign causes in the United States. From the 1940s, when the Chinese nationalist leader Chiang Kai-shek addressed a joint session of Congress, to

the 1970s, no U.S. president challenged the so-called China lobby, which opposed all contacts with mainland China.

Until recently, the People's Republic of China chose not to emulate Taiwan, believing strongly that players on the world scene should not interfere in one another's internal affairs. The concept of lobbying another state's government struck Beijing as morally tainted. Instead, China used its strategic weight to cultivate special relationships with powerful figures such as Brzezinski, Kissinger, and James Schlesinger, who was secretary of defense from 1973 to 1975.

Although their principal focus was the White House, the Chinese were also creating a generation of their own "Americanologists," or Chinese diplomats who had assignments in the United States early on in their careers. Over time, these Chinese ambassadors came to be recognized as superior diplomats who could operate effectively on Capitol Hill.

In 1989, the Chinese government reconsidered its position on lobbying following the intense international reaction to its crackdown on student protesters in Tiananmen Square, an event that nearly caused a wave of severe economic sanctions against China. Its view of lobbying changed even more abruptly in 1995, when the Clinton administration reversed a previous decision and granted a visa to Taiwan's president, Lee Teng-hui. Beijing was shocked, and its embassy in Washington drew criticism from home for being bested by the "renegade bandits" in Taiwan. Chinese diplomats in Washington were deeply embarrassed and faced pressure to be more active; as a result, they began a process of making contacts in parts of Washington that they had previously ignored. Since then, China's reluctance to revalue its currency and refusal to address its big trade imbalance with the United States have become chronic political issues in Washington. On such trade-related questions, lobbyists can work more effectively than diplomats in promoting and protecting the interests of their foreign clients.

By 2005, China had acquired still stronger incentives to hire lobbyists. It had made a huge financial investment in the United States by buying U.S. Treasury bonds and other U.S. securities, and the U.S. market for its manufactured goods was large and growing. The Chinese government first hired Hogan & Hartson, one of Washington's largest law firms, and soon retained another firm, McDermott Will & Emery, to lobby Congress on textile quotas. In 2005, Patton Boggs signed on as well and, according to its FARA filing, contacted 13 of the 18 members of the Senate Foreign Relations Committee. Patton Boggs' China team included Mark Cowan, a former Reagan administration official and CIA operations officer.

In June 2005, China embarked on its biggest effort to date to take over a foreign company. The China National Offshore Oil Corporation (CNOOC), a state-owned oil company based in Beijing, made an offer of \$18.5 billion for Unocal, the eighth-largest energy firm in the United States, as part of China's global campaign to secure energy resources. A bidding war loomed with Chevron, the U.S. oil giant, who was also looking to acquire Unocal. To help it win, CNOOC hired Akin Gump, a powerhouse Washington law firm.

The struggle on Capitol Hill over whether Congress would approve the deal pitted China's deep pockets and Akin Gump's potent human resources against Chevron and its political allies in Congress. Lobbyists working for Chevron wrapped their argument in nationalism, portraying CNOOC as a predatory arm of China's leadership looking to acquire a high-value U.S. asset.

In August 2005, CNOOC withdrew its bid, citing "regrettable and unjustified" political opposition in the United States. The level of political resistance in Washington had taken Beijing by surprise. Should Akin Gump, or another of China's highly paid firms, have better prepared CNOOC for the vector of Washington politics? Or, in fact, had China not fully transcended its past ambivalence toward the lobbying culture in Washington and so failed to invest enough resources?

Since then, residual anti-China sentiment on Capitol Hill has found its way into legislation aimed at changing Chinese policy on currency and trade issues. To counteract such measures in the future, China will likely call on lobbyists on K Street to draw support from a large swath of the U.S. business community, which views the growing Chinese market with great interest.

### THE POWER OF MONEY

The effects of the relentless increase in the privatization of U.S. foreign policy in recent years remain underexamined and minimally understood. Many foreign governments, friendly or allied or both, deplore the skewing of U.S. policy caused by the activities of Washington-based foreign agents. Not so long ago, the foreign and defense ministries of these governments would swallow hard when they saw a U.S. policy being redirected by special interests. But there was also a confidence that the U.S. government would, in the end, set policy back on a sensible course.

Over the past several years, however, these governments have lost that confidence. They have learned that the control of policy, once lost, may not be restored to capable, disinterested hands. Instead, they see a uniquely American habit of sustaining the democratic process with money; they see a broad and deepening pattern of corrupt and corruptible members of Congress making self-serving deals with lobbyists working for foreign entities.

Some of what these lobbyists do is harmless and perhaps even useful. However, more and more, the big money financing this activity works to steer U.S. national security policy in the wrong direction. The lobbying process ignores -- or, in some cases, promotes -- instability in potentially volatile regions, such as South Asia and the Middle East, often backing questionable regimes by disguising their activities and the threats they pose. The activities of lobbies representing foreign interests have contributed to the gradual erosion of the United States' credibility and influence in the world.

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