10th U.S.-China Dialogue Held in Beijing

“We are gathered so that we may gain from each other’s perspective, knowledge and state of mind, and so that we may grow more at home with each other, as a foundation for achieving even greater understanding and more profound communication in the future.”

Governor Raymond P. Shafer, then-chairman of the National Committee, used these words to open the first U.S.-China Dialogue, held in Tarrytown, New York in September 1984. More than 15 years later, these words still ring true as the National Committee’s flagship activity continues to bring together American and Chinese experts in foreign policy, security, domestic politics and other fields for off-the-record discussions on issues of fundamental importance in the bilateral relationship. The National Committee and the Chinese People’s Institute of Foreign Affairs co-host the event, alternately meeting in the United States and China.

The 10th U.S.-China Dialogue, held January 10-12 at the Diaoyutai Guest House in Beijing, was the latest installment in this annual exchange of views. Postponed from its original dates in June 1999 in the aftermath of the Belgrade bombing, the meeting provided American and Chinese participants an occasion to review progress, assess the outlook for further improvements and address new and continuing challenges in the Sino-American relationship.

The American delegation was led by National Committee chairman Barber B. Conable, Jr. and included L. Desai Anderson, Korean Peninsula Energy Development Organization; Bama Athreya, International Labor Rights

Security and Foreign Policy Processes: American and Chinese Perspectives

The following is adapted from United States-China Relations: Comparative Security and Foreign Policy Processes, a delegation report by Evan S. Medeiros published in the National Committee’s China Policy Series. The full text of the report is available on the National Committee website (www.ncuscr.org) or by request to aphelan@ncuscr.org.

Since the June 1998 U.S.-China summit, Sino-American relations have been plagued with a number of difficulties that have complicated the expansion and further institutionalization of political, economic and military ties between Washington and Beijing. The contentious negotiations over China’s entry into the World Trade Organization, China’s concerns about U.S. ballistic missile defense policies, the Cox Committee allegations about Chinese nuclear espionage, accusations of attempted Chinese influence on American elections via illegal campaign contributions, China’s crackdown on supporters of a democratic party and practitioners of Falun Gong, and most notably the accidental NATO bombing of China’s embassy in Belgrade are just some of the serious issues that have hindered the development of bilateral relations and undermined trust between China and the United States.

Underlying these problematic issues is a far deeper concern: suspicions and differences Washington and Beijing have about each other’s foreign and national security policies. The heated debates in the United States about China’s future direction as an Asian power and as a potential global challenger are matched by China’s concerns about the strengthening of American alliances and possible encir-
Fund; former Senator Howard Baker; former Senator Nancy Kassebaum Baker; Thomas Christensen, Massachusetts Institute of Technology; Carla A. Hills, Hills & Company International; Andrew Kohut, Pew Research Center for People & the Press; David M. Lampton, School of Advanced International Studies, Johns Hopkins University; Nicholas Lardy, Brookings Institution; and former Ambassador to China James R. Sasser. National Committee president John L. Holden and vice president Jan Berris accompanied the group to Beijing and during post-Dialogue travel to Guizhou province.

Given the events that have taken place since the last Dialogue was held in December 1997—arrests of falun gong practitioners, the accidental bombing of the Chinese Embassy in Belgrade, Lee Teng-hui’s pronouncement on state-to-state relations, the Sino-American trade agreement paving the way for China’s World Trade Organization accession—there clearly was a wide range of topics for the group to discuss. Rather than focus solely on these issues per se, the program was structured to enable participants to also examine the processes and influences that shaped reactions to these events and policies toward each other. For instance, presenters addressed foreign policy-making processes in both countries, in an effort to explore the roots of policy differences through an examination of actors, influences and constraints in both systems. They also looked at the impact of the news media on international relations, recognizing the important role this non-state actor plays in affecting relations.

Post-Dialogue travel took some of the Americans to Guizhou, providing them with an opportunity to meet with several school principals involved in the National Committee’s project on privatization and education in that province.

Participants in the 10th U.S.-China Dialogue toured the Forbidden City.

President’s Message

In recent months U.S.-China relations have been challenged by three issues, one of which moved closer to resolution when the House voted May 24 to permanently normalize trade relations with China (the legislation should pass the Senate handily). I wrote in this space six months ago that PNTR would pass, because it is so clearly in America’s interests. But the case for PNTR still had to be made, and it is to President Clinton’s credit that he devoted the effort to make it and to defeat strong opposition from organized labor. Not surprisingly, business lobbied hard and effectively for PNTR, and Republican votes (164 out of 237 yeas) carried the day. But PNTR also received key support from some unlikely allies, including the Dalai Lama, Martin Lee, Wang Dan and, most importantly, Taiwan’s new president, Chen Shui-bian.

The possibility of American deployment of National Missile Defense (NMD) and/or Theater Missile Defense (TMD) systems has important implications for U.S.-China relations as well. NMD development, for example, could neutralize China’s small (20+ single warhead liquid-fueled ICBM s) nuclear deterrent capability, and give political cover to those in China who advocate aggressive militarization. While it is likely that China will modernize its nuclear force no matter what the United States does, it is also likely that the nature and extent of such modernization will be affected by its perception of U.S. capabilities and intents. The cost/benefit equation of our deployment of these systems must take into account the Chinese response, and the responses of other actors in Asia. It is clear that considerably more debate about these matters is needed before the United States takes major decisions on missile defense.

The third issue—Taiwan—has been center stage in U.S.-China relations, one way or another, since Chiang Kai-shek retreated to the island in 1949. The challenge that the United States has faced—and met—since 1971 is to calibrate its relations with both the People’s Republic of China and Taiwan in such a way that peace prevails in the Taiwan Strait, and the United States optimally realizes its other strategic interests with regard to both entities and in the region. This challenge has become more acute since the PRC’s missile firings near Taiwan in 1995-96. Most recently, bellicose warnings from Beijing and the election of the pro-independence party candidate Chen Shui-bian have added to the tension. The margin for error seems to have diminished, which means that the United States must be especially careful that its policies are perceived by both Taipei and Beijing to be steady and predictable. To do this will require building a better political consensus behind Taiwan policy than we now have, an important task that election-year politics should not delay.

John L. Holden
June 2000
Vocational education in the Tibet Autonomous Region (TAR) has typically focused on agricultural and livestock skills, even as economic development has promoted job growth in other sectors. The result is that many jobs, particularly in urban areas, are often beyond the reach of Tibetans living in the TAR. To help advance and broaden the field of vocational education, the National Committee and the Tibetan Poverty Alleviation Fund (TPAF), a Boston-based non-governmental organization, hosted a delegation of Tibetan vocational education administrators and principals on a two-week study tour of the United States in March.

The delegation was led by Bai Tao, deputy director of the Tibet Poverty Alleviation Office, which serves as the Tibet counterpart to the TPAF. It included frontline educators from throughout the TAR, including Mr. Choezen of the TAR Education Commission, who oversees vocational education at primary, secondary and community college levels in all of Tibet; Mr. Dagar, director of the Education Bureau of Dakse County; Mr. Dawa, deputy director of the Education Bureau of Chushui County; Tashi Dundrup, deputy director of the Education Bureau of Nakchu Prefecture; Mr. Nyima, principal of the Vocational Training Center of Gongga County; Mr. Sonam, principal of the Vocational Training Center of Nakchu Prefecture; and Sonam Belmo, vice president of the TPAF.

The eight-member delegation’s enthusiasm and keen interest in experimental models were evident as they exchanged information with vocational education specialists at K-12 schools, workforce training sites, community colleges, non-governmental organizations and government agencies in Boston, New Mexico, Arizona and the San Francisco Bay area. The group was particularly interested in observing how occupational education skills are taught in American schools and community colleges, learning about the roles that government and local businesses play in vocational education, and understanding how vocational education teachers are trained.

The final stop for the Tibetan Vocational Education Delegation was the San Francisco Bay area, where the group met with educators at City College of San Francisco and the University of California, Berkeley. They also welcomed opportunities to introduce their own programs, bringing their schools and villages alive in presentations to educators, graduate students, elementary school students and others.

Delegation members didn’t wait until their return to Tibet to consider how some of the innovative models they had seen might be adapted for use in their own schools. National Committee program associate Shenyu Belsky, who escorted the group throughout the United States, said that many new ideas were generated in lively discussions on the bus that took the group from one meeting to another. The group was particularly impressed by the “hands-on” nature of the programs they had seen and found some possible models, including the following:

- The Boston Private Industry Council’s school-to-career program, which introduces students to a range of occupations and skill requirements in specific industries through worksite rotations and work-based curricula.
- Construction and carpentry classes at Southeastern Regional Technical High School in Easton, Massachusetts, whose students built half of the school’s classrooms, laboratories and workshops.
- Agricultural and animal husbandry classes in Chinle, Arizona that provide services to local farm families.
- A mini-TV station, inter-school post office, school supply store and writer’s cafe at Ganado Primary School in Ganado, Arizona, which give students opportunities to develop creativity and learn practical skills.

These delegation members were among the most adventurous visitors the National Committee has ever hosted, embracing one opportunity after another to observe and experience American culture. They also were very energetic: immediately after a trans-Pacific flight, when most travelers would head for the comfort of their rooms and sleep, they went on a two-hour walking tour of Boston, culminating in a birdseye view of the city from the top of the Prudential Tower. They frequently drew comparisons between the United States and Tibet, covering such diverse topics as raising children, local architecture, crop cultivation and cultural ceremonies, and inspired many of the Americans whom they met to share their own local history.
As part of its continuing program on the development of the rule of law in China, the National Committee sponsored workshops on civil trial procedure in Shanghai and Jinan in April. Led by a team of five American judges and a legal scholar, the workshops addressed the “nuts and bolts” of how civil trials are conducted in the United States, with presentations on judicial administration, the roles of judge and jury in civil trials, pretrial procedures, the enforcement of court orders and justice on appeal, and judicial ethics. This civil trial initiative was the second in a series of judicial reform programs that the National Committee has conducted with support from the United States Information Agency. The series began in 1998 with a workshop program in Beijing, Shanghai and Wuhan that focused on professional qualifications and training, the use of case law in a common law system, and court management and administration.

This delegation boasted a combined total of more than 150 years of legal experience, including 62 years on the federal, state and municipal bench. It was led by M. Margaret McKeown of the U.S. Court of Appeals for the Ninth Circuit and included Ronald S.W. Lew of the U.S. District Court for the Central District of California, Michael M. Mihm of the U.S. District Court for the Central District Illinois, Vicki Miles-LaGrange of the U.S. District Court for the Western District of Oklahoma, Stuart R. Pollack of the Superior Court for the City and County of San Francisco and Margaret Woo, Professor of Law at Northeastern University School of Law. They were hosted during their ten days in China by the Shanghai High People’s Court and by the Shandong Province High People’s Court.

The success of the workshops was undoubtedly driven by the high degree of enthusiasm of both the American and Chinese judges. As Judge Michael Mihm noted, “The curiosity of the Chinese judges as to how we process and litigate civil cases was both genuine and extensive. Our team had the same level of interest in learning more about their system. I quickly realized that, if you put judges from two different coun-
tries together, there is no ‘down time’ in creating meaningful conversation. The exchange of information (e.g., ‘how do you handle this situation?’ or ‘why do you do it that way?’) is immediate, almost compulsive.”

Margaret Woo observed that “while many Chinese judges might have some information about the American legal system in the abstract, they were unclear as to how things are actually done. Some of the most successful sessions were those that got down to the nitty gritty of how things are done—as in explaining who sets deadlines for discovery or what happens when there’s a discovery dispute.”

Chinese participants were particularly interested in professional and ethical standards for judges, with questions on this subject coming up in many of the small group discussions. What do judges do when a neighbor approaches them about a legal matter? Can judges maintain friendships with lawyers who regularly appear in their courtrooms? How can judges be persuaded to accept reform or innovation, particularly when they are already burdened with heavy caseloads?

While the American judges took note of the resources being invested in construction of courthouses and development of judicial training facilities, they were most impressed with the legal professionals and students they met in both Shanghai and Jinan. Judge Pollack added “The judges and law students with whom we met appeared bright, inquisitive, receptive to change and dedicated to improving their system.” Judge Lew, whose parents immigrated to the United States from China, commented that “the visit proved to be an outstanding learning experience for judges on both sides of the Pacific. I found the Chinese judges to be sincerely interested in the similarities and differences between our judicial systems and amenable to exploring how aspects of the American system might be incorporated into the Chinese system.”

After ten days in the PRC, the delegation traveled to Hong Kong for meetings at the office of the Solicitor General, the Hong Kong High Court and the Court of Final Appeal, as well as with the respective leaders of Hong Kong’s Citizens Party and Democratic Party and members of the law faculty at the University of Hong Kong. This portion of the program was intended to give the delegation an overview of Hong Kong’s legal system and a chance to learn more about the status of the special administrative region’s judiciary since the 1997 turnover and to discuss key cases, such as the recent decision on the right of abode, with judges, lawyers, legal scholars and political activists.
Delegation leader Justice M. Margaret McKeown provides a summary of her impressions of China following the group’s two-week immersion in China’s legal system.

The last time I was in China was 20 years ago under very different circumstances. I was part of the first American expedition to climb Mt. Shishipangma in Tibet. I spent much of my time in a tent, exposed to the cold and sealed off from Chinese society while tackling the mountain (albeit unsuccessfully). Needless to say, my experience as a member of the judicial delegation sponsored by the National Committee brought me a much broader and warmer exposure to China. Nothing prepared me for the enormous changes that have taken place since my last visit. Some of the changes are visual, like the enormous variety in the color and style of clothing; some of the changes are structural, such as the proliferation of private shops, the takeover of Hong Kong and the privatization of farming; and some of the changes are global, such as the push to join the WTO and the introduction of the Internet.

Despite major economic and other reforms, it struck me that the most significant change relates to the Internet. Globalization of information and instant access are already shaping the views and interests of Chinese citizens. Billboards and business cards sport “dot com” signatures. Internet access, while not ubiquitous, is clearly widespread among the legal community. In meetings with judges, lawyers and law students, I found them clamoring for information about legal and other websites. As a result of Internet access, they were remarkably knowledgeable about everything from the Microsoft antitrust case, to intellectual property and mass tort litigation, to privacy rights in the United States. I particularly enjoyed meeting with the law students and having the tables turned with the students peppering the judges with difficult questions.

Because we visited only two large cities, Shanghai and Jinan, I am hesitant to offer observations about the Chinese judicial system. Suffice it to say that enormous structural changes have been put in place in the past 20 years and good faith efforts are underway to implement the rule of law. The barriers that remain are not insignificant. I found that the workshop format (an idea initiated by the National Committee during a judicial visit two years ago) produced the most informative sessions and also yielded the most candid insights into the day-to-day operations of the judicial system. Our exchanges during the workshops were informal back-and-forth discussions rather than the typical “talking heads” speeches, which, of course, were also part of our visit. As an appellate judge, I was asked questions such as: Is a trial judge punished if his decision is reversed on appeal? Why is the American judiciary respected? Why can’t new evidence be introduced on appeal? How does the concept of precedent work and why do you need it when the court is just enforcing law or regulation? If you obtain a judgment, can you really enforce it? Chinese judges were particularly interested in our constitutional notion of full faith and credit—the concept that judgments and orders from one state are honored in another state as related to enforcement of judgments. Although a system is in place for obtaining judgments after trial, the Chinese acknowledge that there are a number of practical barriers to enforcement of judgments and that uncertainties undermine confidence in the system.

Finally, a note on Hong Kong where we met with the Chief Justice of the highest court, the Acting Solicitor General, legislators and law professors. The “one country, two systems” moniker was clearly evidenced in the legal system where common law and precedent remain the hallmark of the courts rather than the continental system of mainland China. The question voiced by several was whether this hybrid dichotomy will remain for 50 years. Virtually everyone with whom we met brought up the most sensitive and volatile legal issue: interpretation and application of the Basic Law which governs Hong Kong. Specifically, they pointed to the recent experience where the Standing Committee of the National People’s Congress overruled the Court of Final Appeals in a matter relating to the right of abode (residence) in Hong Kong. Although views varied concerning interpretation of the specific provision at issue, the broader conversation focused on the process for legislative review of a court decision and the tension between the traditional finality of court judgments and Beijing’s right to interpret the Basic Law. Whether this event threatens judicial independence and undermines Hong Kong’s autonomy is a source of continuing debate. In light of our own public debate about judicial independence, I found the Hong Kong dialogue to be of particular interest and relevance.

This was a spectacular visit. The long-term planning, attention to detail and coordination by the National Committee were in evidence at each session. I was privileged to be the leader of a wonderful group of judges and we were treated to generous hospitality by our Chinese hosts.
Local Initiatives in Environmental Protection

Local governments and organizations in China are shouldering greater responsibility for environmental protection as dynamic political, economic and social reforms accelerate the process of decentralization. As part of a three-year project funded by the Luce Foundation, the National Committee has convened a working group of American and Chinese environmental professionals to assess the use of local initiatives in the United States and China in resolving environmental problems. The National Committee brought the eight Chinese team members to the United States in November 1999 to meet with their American counterparts and to look at ways in which environmental policies and regulations are carried out at the local level in the United States.

The Chinese team members, all from the northeast provinces of Heilongjiang and Jilin, include scientists, engineers, a resource economist and local government administrators. Familiar with regional priorities and constraints, they were particularly interested in innovative American models that might be adapted for implementation in their own jurisdictions. The Americans in the working group include representatives of the U.S. Environmental Protection Agency, the U.S. Department of Agriculture, the National Science Foundation and the International Crane Foundation.

This two-week study tour included stops at nature reserves, lake regions and wetlands, designed to give the group a firsthand look at approaches to local water management in different regions of the United States. Destinations included the U.S. EPA’s Region III Office, a wastewater treatment plant, the Great Lakes Environmental Research Laboratory, the International Crane Foundation, the South Lake Tahoe Public Utility District and the Tahoe Regional Planning Authority. While the Chinese participants were eager to learn about the technologies, enforcement practices and incentive mechanisms used to address environmental concerns, they were initially ambivalent about the value of community participation. However, exposure to a number of innovative and successful government-community partnerships over the course of the trip made a strong impression on the group.

For example, the participants visited a dairy farmer in Wisconsin who has been working with his county government to improve conservation of his land by meeting standards for barnyard runoff, streamside protection and minimum tillage. Such soil conservation efforts, which could not have taken place without the active participation of the community, inspired a host of questions about cooperation, most of which pointed directly to the bottom line: the local economy has improved as a result of these initiatives.

The National Committee’s role as a catalyst in fostering Chinese-American partnerships in environmental protection was also evident during the course of these two weeks, as plans for future cooperation were put in motion. U.S. EPA Region III has agreed to run training sessions in China on non-point source pollution, Green Communities and geographic information system software. A team of Chinese and American scientists will conduct a wetlands survey in China June 2000. In addition, several University of Michigan professors intend to begin discussions about joint research at Songhua Reservoir and Jingbo Lake, both sites represented by Chinese working group members.

The working group plans to hold its next meeting in July in China.

China Economic Policy Committee Launched

The China Economic Policy Committee (CEPC) is a new National Committee program that seeks to engage Chinese decision-makers and American business executives in a dialogue about basic issues of economic policy. Open to National Committee corporate members, it is intended to be both a source of information to American companies involved in China’s markets and to Chinese policy-makers interested in the concerns of foreign investors. Nicholas Lardy, Senior Fellow in the Foreign Policy Group of the Brookings Institution and Frederic Hu, Executive Director of Asia Economic Research at Goldman, Sachs will serve as program advisors.

The CEPC is expected to break new ground in several ways. It will open new channels of communication between Americans and Chinese about fundamental economic issues; it will offer Chinese policy-makers practical, useful insights and experience from American corporate leaders to consider as they weigh the merits of available policy options; and it will help National Committee member companies gain insight about policy debates in China of relevance to their business.

China is wrestling with numerous challenges related to its continuing economic reform program, ranging from creating a viable, market-based financial system, to improving transparency, to establishing a market for housing. As “competition” is a basic component of all these economic issues, the committee’s first initiative will be to initiate a dialogue with Chinese counterparts on the experiences with competition policy in the United States and other countries.
A Year of Debating China
by Owen Harries

The National Committee occasionally highlights the views and commentary of observers of U.S.-China relations in Notes from the National Committee. The following text is written by Owen Harries, editor of the National Interest. Notes readers will be familiar with Mr. Harries’ writings; in the Fall/Winter 1997 issue we published a New York Times op-ed piece he wrote after a National Committee-sponsored trip to China of foreign policy journalists.


It is now widely believed that the most serious challenge to America’s primacy will come from China. If indeed this turns out to be right, there is some cause for concern, for over the years Americans have had great difficulty thinking rationally about China. They have tended to oscillate violently between romanticizing and demonizing that country and its people. Thinking has largely been dominated by stereotypes: China as Treasure, in the form of insatiable market or investment opportunity; China as Paragon, the source of a superior wisdom, either ancient and Confucian or from a little red book; China as Sick Patient, needing Christian or Western democratic understanding, care and cures; China as Ingrate, insufficiently responsive to and grateful for our ministrations; and, of course, China as Threat—at one time Yellow Peril, at another Red Menace, and now, in the eyes of some very vocal and not uninfluential Americans, as rival, malevolent superpower.

Given this background, if indeed China should emerge as America’s serious rival, the chances of a cool, sensible American reaction cannot be rated particularly high. Recent evidence of the way the issue is being debated bears this out. That debate has been structured as a sharp and clear choice between two options, usually labeled “engagement” and “containment.” While this in itself amounts to a considerable oversimplification, it has been made worse by the fact that each side has tended to distort not only its opponents’ position but its own. Thus “engagement” has been caricatured by its opponents as “appeasement”, and by many of its advocates, including the Clinton administration itself, whose policy it is, as “strategic partnership.” A realistic engagement would need to recognize that differences and friction—sometimes of quite a serious kind—are going to be unavoidable between two such different countries. The realistic objective should not be the creation of anything as ambitious as partnership, but the more modest one of the avoidance of enmity.

On the other side, many of the advocates of “containment” seem to proceed on the assumption that if China is finally getting its act together and emerging as an authentic major power, there is no option but to treat it as an enemy, starting from now. This kind of anticipatory enmity is evident in much of the strident rhetoric. Thus, the Chinese system is still routinely characterized as “totalitarian” by supposedly responsible commentators, though the regime’s writ no longer runs very effectively in many parts of the country—and even in those parts where its will does prevail, the degree of authoritarianism has more in common with the Hapsburg or Romanov empires in a bad week than it has with the tight grip and savage repression of Stalin’s Russia or Hitler’s Germany.

But there it is: belief in the virtual inevitability of a clash is widespread. During 1999 the China debate has been particularly animated and bitter. It has been fueled by five issues: first, the continuing repercussions of Chinese interference in the U.S. election process, in the form of illegal contributions during the 1996 campaign; second, the accusations of Chinese spying on U.S. defense secrets, given special prominence by the release of the Cox report in May; third, the troubled negotiation over Chinese membership of the World Trade Organization (WTO); fourth, the American bombing of the Chinese embassy in Belgrade in May; and finally, and most serious, the issue of the status of Taiwan, made highly controversial once again by the statement of Taiwan’s President Lee in July that in future Taiwan intends to conduct its relations with the mainland on a state-to-state basis. The cumulative effect of these five issues—working on already existing concerns—has been great. What can be said concerning their merits and the way they have been debated?

Interference in the U.S. Election Process

That there was some interference in the U.S. election process, in the form of illegal campaign contributions by a number of sleazy characters, some of whom were connected to the Chinese military, is not in dispute. In considering how much moral outrage, shock and anger is appropriate, however—and how much it should influence policy toward China—we might take three things into consideration:

First, though the Chinese contributions apparently ran into some hundreds of thousands of dollars, in a campaign that was awash in money its overall impact could only have been very modest indeed.

Second, insofar as it took place, this violation of U.S. electoral laws depended much more on the insatiable appetite of American politicians for money—or, to be more pointed, in this instance on the political greed of the President and the Vice President, and the indiscretion resulting from it—that than did on any

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exceptional villainy or cunning on the part of Beijing.

Third, indignation and a sense of outrage might be tempered by reflecting that, with the possible exception of the Soviet Union, no country has tampered more with the electoral processes of other countries in the last fifty years than has the United States itself. Indeed, half a century before, Washington famously intervened, massively and effectively, to buy an election for the Christian Democrats in Italy, in order to keep the Communist Party out. In the same period, and for the same reason, it interfered very forcefully in French politics. In later years it did so in a variety of other countries, including Greece, Chile, the Philippines and, only yesterday, Russia. So in a sense what happened to the United States with the Chinese intervention in its electoral politics was only a case of the biter bit, and bit rather gently at that. It is true, of course, that in most of these cases American motives were of the highest, but that is not exactly the point.

Chinese Spying

The second, and in some ways related, issue is that of China spying on the United States’ most sensitive military technology, which again raises the question of unwarranted and illegitimate interference in America’s internal affairs.

It should be noted that there is considerable confusion and disagreement concerning how successful and serious the spying has been. The congressional Cox report presented one, very grave, view; the Rudman Panel’s report, drawing on the views of various intelligence sources, drew a much more sanguine conclusion. At various times the security offices of the Energy Department, the FBI and the CIA have expressed differing views concerning the scope of the spying and the identity of the spies. They have differed as well on the questions of how much of the technology transfer that has taken place was the result of spying, and how much was given gratis in the form of published material and generous access to laboratories.

But assuming that serious spying has taken place, to what extent should this be considered grounds for condemnation of China? Here again we run into the tu quoque problem—that is, one’s own vulnerability to the charge that one is leveling against others. For all the major countries of the world spy on each other. Just as the Chinese spy on the United States, so does the United States spy on China—and on France, and Germany, and Japan. At least one hopes so. Indeed, as recently as October the German government requested the withdrawal of three CIA agents stationed in Germany because of their alleged activities in industrial espionage. Nothing shocking about this, it is the way the world works. If the Chinese have been particularly successful at it lately, that is not a reason for treating their behavior as something particularly dastardly, to be condemned and punished. Rather, it is a reason for punishing those who allowed them to get away with it, and for plugging the leaks.

Why is this so difficult to grasp? Why are we outraged that others behave toward us in the same way as we behave toward them? Clearly there is a double standard at work. The way this double standard is applied, I believe, often involves judging others by their actions but ourselves by our motives. Thus, for example, China’s military build-up is ipso facto condemned as sinister and threatening, while any inclination of the Chinese, or others, to regard the much, much bigger U.S. military as threatening is dismissed as absurd, if not paranoid. Again, China’s relatively modest arms sales are condemned as clear evidence of trouble-making and as dangerous to the world’s peace and stability, but the huge U.S. arms sales are regarded as normal business. While this way of carrying on is perfectly understandable among lay people, it hardly carries conviction as serious analysis.

Membership of the WTO

The third of the five episodes concerns the negotiation over China’s membership of the World Trade Organization. The WTO came into existence in 1995, succeeding the old GATT. Its function is to make and enforce the rules of international trade; its purpose is to enhance that trade by making it more free. China has been trying to become a member of these organizations for years. It has been blocked by the United States, on the grounds that its trade practices have not met the required norms of free and fair trade.

In April Chinese Prime Minister Zhu Rongji came to Washington. Zhu is the most pragmatic and reform-minded of the Chinese leaders. In Washington, as the culmination of prolonged negotiations, he made sweeping concessions to the United States, agreeing not only to slash tariffs on farm imports but to open China’s telecommunications and service industries—including insurance, banking, accounting and entertainment—to foreign competition. In doing so, Zhu was taking a huge gamble and exposing himself to attack from conservatives at home.

At the last minute, and despite his being on recent record that it would be an “inexplicable mistake” to turn China down, President Clinton did just that, leaving a humiliated Zhu to return home empty-handed. Why did he do this? Two reasons were advanced: first, that on the advice of some officials he was holding out for even more concessions; second, that against the background of controversy over Chinese spying and election contributions, already taking flack for his Kosovo policy, and with Republican and Democratic opposition to the deal, he was not prepared to bear the political costs involved.

In any case, it was a strange state of affairs—a “surreal” role reversal thought the Wall Street Journal: “The world watched a communist leader trying to persuade an American President of the benefits of free trade between the two nations.” And a Chinese trade negotiator was report-
ed as saying, “Trade is the one area where our two interests are really in line. So if we don’t even agree on trade, the outlook is not so good.”

There are two grounds for opposing Chinese membership of the WTO, one good, one bad. The good one is that the Chinese have a poor record of keeping promises they make in trade agreements, and that in all likelihood they would cheat once allowed in. At the very least, that is a reason for insisting on serious pledges to comply, tough enforcement measures, and provisions for significant penalties for noncompliance.

The bad argument for opposing China’s entry to the WTO is that membership should be treated as a kind of reward—and exclusion as a punishment—for good or bad behavior in other areas, with human rights usually the one emphasized. It is bad because the spread of free trade is desirable—is a major U.S. national interest—in its own right, not a favor to hold or bestow. And to quote the Wall Street Journal again, it is likely—not certain, but likely—that “a China that is much more open to trade will become a more responsible citizen in the community of nations.”

The Embassy Bombing

Almost immediately in the wake of the April WTO fiasco, and while the spying issue was still in the headlines, the fourth episode occurred: the bombing of the Chinese embassy in Belgrade. Of all the buildings in that city that might have been hit by accident, the fact that this most politically sensitive of structures was the one struck seemed bizarrely against the odds. To make things even more weird, it was reported that this was the one occasion when the CIA had intervened in the process of target selection. And to add improbability to improbability, not only was the building bombed, but with uncanny precision the exact floor on which the Chinese intelligence operations were functioning was the one hit.

The U.S. government immediately pronounced the bombing an accident and apologized. Virtually all Americans accepted that explanation, and when the Chinese subsequently allowed demonstrations and attacks on the U.S. embassy in Beijing to take place, American public embarrassment quickly gave way to anger and impatience at what was seen as the unreasonable refusal of the Chinese to put the matter promptly behind them.

When I passed through Hong Kong in early July, I had a clearer sense of why they would not. I did not meet a person there who accepted the accident thesis. They just maintained that the odds against such a thing happening by chance were too great. As well, one of them asked me to consider what the American reaction, popular and governmental, would have been had it been the other way around—that the Chinese destroyed a U.S. embassy and called it an accident. Would such a claim and an apology have been accepted as sufficient reason to put the matter to rest? In asking the question, he reminded me that when not so long ago U.S. embassies had been destroyed in Africa, Washington immediately responded by bombing targets in two countries—Afghanistan and Sudan—with which it was not at war. I pointed out that the two cases were not the same; he smiled.

In any case, the bombing took place in the context of American-led military intervention in the internal affairs of a sovereign state; an intervention, moreover, that served to emphasize dramatically the military and political dominance of the United States. Whatever one’s opinion on the Kosovo war, for obvious reasons it set a profoundly disturbing precedent for China. This, in turn, was part of the background for the fifth and most serious episode.

Taiwan and the “One China” Policy

In July Taiwan’s President Lee Teng-hui announced that his government now considered that its relations with Beijing should be conducted on a state-to-state basis—i.e., on the basis of one independent entity dealing with another independent entity. This amounted to a repudiation of the “one China”—or the “one China, peacefully achieved”—formula that had hitherto provided a satisfactorily ambiguous and workable basis for handling the Taiwan issue. Most commentators concluded that Lee had made his statement for domestic political reasons. It may be, too, that he was encouraged to do so by the deterioration in U.S.-China relations that had already occurred during the year. In any case, China reacted with fury, the U.S. government with disapproval. But a large segment of U.S. elite opinion, both conservative and liberal, responded by supporting Lee’s declaration and condemning both Beijing and Washington for their reactions.

Apart from denouncing China for its human rights record and as a totalitarian government, an important component of the criticism was that Lee was merely stating the obvious, recognizing reality. Thus a Wall Street Journal editorial maintained that, “Taiwan is doing little more than stating some obvious facts;” Jim Hoagland in the Washington Post wrote that, “Lee uttered an obvious but inconvenient truth” for which “he deserves praise, not verbal spanking;” and the Weekly Standard editorialized that all that Lee had done was to strip away “the absurd fictions of the ‘one-China’ policy.”

The trouble is that this appeal to the facts is very selective and ignores some other, rather vital, facts. Because another truth is that the “absurd fiction” of the one China policy has served the three parties very well, providing a fruitful status quo for
Continued from page 9

nearly three decades. It has given the United States the stability it wanted in the region, and an opportunity to develop a constructive relationship with China. It has allowed China to make enormous strides in developing its economy and has coincided with a very significant loosening up politically—for, even allowing for the awful Tiananmen Square episode, the China of today is enormously more open and relaxed than the China of two decades ago.

But the biggest beneficiary of all has undoubtedly been Taiwan. The status quo represented by the “absurd fiction” has allowed it to move peacefully from dictatorship to democracy. Its economy has made fantastic progress: two decades ago Taiwan’s GNP per capita was $1,450; by 1997 it was $13,467—almost a ninefold increase. And just how unoppressive this “absurd fiction” has been to Taiwan is indicated by the fact that 40,000 Taiwanese firms now have more than $40 billion invested in the PRC. De facto, Taiwan is an independent state in all respects other than membership of international organizations.

True, it does not have de jure independence: it does not have membership in the UN, and its diplomatic relations with most other countries have to be lightly disguised; and true, its dignity is affronted by these limitations. The crucial question, surely, is whether the dignity of the Taiwanese, the conversion from de facto to de jure independence, is worth the destabilization of the region, a massive deterioration in Sino-American relations, and, quite possibly, a serious war and the blood of American soldiers. Or put in another way: Should the United States cede decisions over whether to go to war with another major power to a client state that is suffering virtually nothing in the way of hardship and whose interests it has protected for the last fifty years? To me it seems that the obvious answer to both these questions is a resounding “no.”

Some would pose a different question: Should not the United States shape its policy on this issue in terms of its concern for human rights and democracy? My answer to that would also be “no”—partly because what the United States can do directly to influence the internal life of China is very limited and many of such efforts could be counterproductive; partly because there are other very important political, strategic and economic considerations—ones which also have an important moral content—that must take precedence; and partly because the most effective way available to us of promoting respect for human rights and democracy in China is by pursuing policies that will increase the wealth and raise the living standards of the country. The correlation between rising incomes and democratization is a very strong one, as Henry Rowen has pointed out in these pages.

The choice between engagement on the one hand and containment and isolation on the other is not one that has to be decided entirely in terms of abstract argument. There is historical experience to draw on.

For more than two decades—from 1949 to the early 1970s—the United States tried containing and, within its means, isolating China. That period was one of the most disastrous not only in Chinese history but in all of human history: a ruthless tyranny prevailed, millions of Chinese were killed by the regime or died because of its insane policies, obscurantism ruled, the economy was reduced to a shambles. Internationally, China actively supported subversion and insurrection throughout its region, fought a war against India, and even tried its hand at intervention in Africa.

For the last three decades the United States has opted for engagement. During that period the political system in China has changed from a ruthless and irrational tyranny to—and, again, I haven’t forgotten Tiananmen—a progressively milder form of authoritarianism. While some intellectuals, Christians and ethnic minorities are still given a very hard time, most Chinese live their lives with comparatively little interference from the state. Human rights abuses, which still exist, have become less widespread and extreme, and there is greater personal freedom. The living standards of ordinary Chinese have improved greatly. The international behavior of China has become unexceptionable—to the extent that its critics have to put great emphasis on the occupation of one uninhabited reef in the Spratly Islands in the South China Sea, and have to ignore the awkward fact that in recent years China has used force in the pursuit of its foreign policy much less frequently than has the United States itself. (This does not prevent other serious people from using terms like “appeasement” and “Munich” whenever a proposal for a compromise with China over any issue is put forward. A suggestion: anyone resorting to the term “Munich” should be obliged to identify the Hitler actor—that is, the insatiable expansionist—in the situation under discussion.)

In short, if one looks back over the last one hundred and fifty years, the last twenty of them stand out as easily the best ones that China and the Chinese people have enjoyed during that period. One cannot, of course, draw a simple causal connection between the shift of American policy and the changing fortunes of China. More things were involved in determining the latter. Still, American policy was certainly a major variable, and it will remain so in the years to come. So my vote goes to engagement—an illusionless engagement that does not mistake itself for partnership, that is tough-minded and alert to abuse of the relationship by Beijing—but, nevertheless, engagement.

National Committee on the Web

http://www.ncuscr.org

Whether you’re looking for information on National Committee programs and events, the text of its recent publications, or interesting articles and speeches by leading authorities on Sino-American relations, you’ll find it at the National Committee website. The address shown above takes you to the website, which also provides links to other organizations dealing with the People’s Republic of China, Taiwan and Hong Kong.
First Analysis of Taiwan’s Election

National Committee members and friends were among those closely watching Taiwan’s presidential election on March 18, as Taiwan’s citizens chose Chen Shui-bian as their next leader. Early risers in the Washington, D.C. area headed to the Voice of America (VOA) studios that Saturday morning to watch election results come in live and hear preliminary analysis from a panel of experts in a program co-sponsored by the National Committee and VOA. The joint programming included a television/radio broadcast to the PRC, with viewers able to direct questions by phone, fax or e-mail to panelists Senator Chuck Hagel, Robert Suettinger of the Brookings Institution and Shelley Rigger, a professor of political science at Davidson College, who participated “live” from Taiwan. At the conclusion of the hour-long program, Mr. Suettinger and Dr. Rigger were joined by Nancy Bernkopf Tucker, professor of history at Georgetown University, Andrew Semmel, legislative assistant for foreign policy to Senator Richard Lugar and Jay Henderson, managing editor of VOA’s East Asia/Pacific Division. These panelists shared their initial impressions in a session chaired by National Committee president John L. Holden and answered questions from the Washington audience.

While western media coverage of the campaign focused largely on cross-Strait relations, the election result demonstrated that Taiwan’s voters gave greater weight to domestic issues than regional and international concerns in the choice of a new president. From her vantage point in Taipei, Dr. Rigger observed that “Chen offers several opportunities for a little bit of fresh air to address practical issues, such as corruption, in a new way.” He appealed to voters who wanted a clean, efficient government and his pledges of moderation in cross-Strait relations during the last weeks of the campaign helped give him a narrow victory over independent candidate James Soong.

While domestic concerns took precedence in the election, the implications for cross-Strait relations could not be overlooked. Mr. Suettinger, a former National Intelligence Officer for East Asia, predicted that “Chen will adopt policies that will improve relations with the PRC and the world must give him time to build coalitions in Taiwan.” Senator Hagel cautioned that “We have to be careful and skillful as we work our way through the coming weeks. We should be as helpful as we can to avoid confrontation across the Strait.”

National Committee members also received early analysis of the election results via e-mail and fax. As part of its continuing effort to brief its members and friends on major events in U.S.-China relations, the National Committee invited four scholars to provide immediate, concise commentary on the election, each focusing on a particular aspect of the outcome and its implications. Shelley Rigger wrote on Taiwan’s domestic politics, Bates Gill, senior fellow in foreign policy studies at the Brookings Institution addressed regional security, Gustav Ranis, Frank Altschul Professor of International Economics and director of the Yale Center for International and Area Studies, covered Taiwan’s economy, and Richard Madsen, professor of sociology at the University of California, San Diego, focused on Taiwan’s political culture. The National Committee received numerous e-mails in response, expressing appreciation for the “excellent briefings” and “rapid-fire analyses.”

These essays are posted on the National Committee website at www.ncuscr.org. To receive future e-mail briefings from the National Committee, please contact Anne Phelan (e-mail: aphelan@ncuscr.org).

SOP Alumni Gather in Beijing

About 100 past participants in the National Committee’s Scholar Orientation Program (SOP) gathered in Beijing for a reunion on January 9. The SOP is a two-week study tour that exposes Chinese scholars and professionals about to return to China to aspects of American history, culture and society that they might otherwise not have experienced during their stay in the United States. More than 1,000 scholars have participated in this program since its inception in 1980.

This third SOP reunion was timed to coincide with the 10th U.S.-China Dialogue (see story page 1), affording SOP alumni an opportunity to hear commentary by leading American authorities on politics, economics and regional issues. As always, the SOP alumni engaged in discussion on a wide variety of topics, ranging from WTO accession for China, to U.S. involvement in cross-Strait issues, to how to get more American movies into China.

Alumni of the 1999 SOP were welcomed to the reunion by National Committee president John L. Holden (third from right) and program associate Shenyu Belsky (third from left).
Discussions made apparent two common challenges for foreign policy-makers in the United States and China. First, both countries have to manage the difficulty of pluralized decision-making systems in which multiple actors have influence over the process. Second, foreign policy-making in both countries is complicated by the expanding roles of the media and non-governmental organizations in this process. These challenges are new to China and represent a gradual shift from the Communist Party’s previously centralized, monopolistic control over foreign policy-making.

The group also discussed a variety of substantive, policy-relevant issues with officials and experts in Beijing and Shanghai, including arms control and nonproliferation, U.S. national missile defense (NMD) and theater missile defense (TMD) policies, Taiwan, and the upcoming U.S. elections. A constant theme was that China has reconfirmed that “peace and development” remain the dominant trends in the world and therefore economic modernization remains the top priority. The implied messages were that, Taiwan notwithstanding, the PRC would not be allocating significantly more resources into military modernization and its domestic preoccupations preclude any thought of meddling beyond its borders.

The delegation left these discussions with the impression that while the Chinese positions on issues such as Taiwan, NMD and TMD have not changed, the rhetoric used to address them was far less strident than in the recent past. The Chinese gave the impression of being much more anxious to eliminate the confrontational nature of Sino-American dialogue, which has been the norm since the embassy bombing last May. However, the much more measured demeanor and lowered volume does not necessarily mean that the Chinese now view the United States in more positive terms. Indeed, it may indicate a growing concern (and perhaps even anxiety) about what the PRC views as trends adverse to Chinese interests that derive from the state of its relations with the United States and from its failure to make any progress in creating a “multipolar” international order to counter American “hegemonism.”

**Essay Contest Will Honor A. Doak Barnett**

A. Doak Barnett was an internationally recognized scholar, devoted teacher and loyal friend of the National Committee from its founding in 1966 to his death in 1999. The National Committee and its Board of Directors are therefore pleased to announce that an essay contest has been established in his memory, open to American and Chinese graduate students. The essay topic will differ from year to year but its focus will always be on U.S.-China relations. The winning essay will be published as part of the National Committee’s China Policy Series and a cash award also will be made. Contributions to the A. Doak Barnett Memorial Fund, administered by the National Committee, will be used to support this program.

Further information on the essay topic and guidelines will be posted on the National Committee’s website (www.ncuscr.org). The deadline for submission of essays has tentatively been set for October 15. For further information, contact Anne Phelan at aphelan@ncuscr.org.
During his first visit to the United States since taking his post in Beijing in December, Ambassador Joseph W. Prueher spoke to National Committee members and guests in Washington, D.C. on February 28 and in New York on March 2. In both speeches Ambassador Prueher emphasized that a “secure, stable, prosperous Asia will not occur without a secure, stable, prosperous China.” Ambassador Prueher identified three changes that are taking place in China, which will benefit the United States and the global community: conversion from a controlled economy to an open, diverse, market system; change from the rule of individuals to the rule of law; and transformation from a closed, inward-looking society to a society open to the world.

Ambassador Prueher urged the United States to support permanent normal trade relations (PNTR) with China, continue efforts to engage China in a human rights dialogue, acknowledge the progress China has made in economic development and reform, and promote a security relationship with China.

The National Committee also held a dinner for Ambassador Prueher in Washington attended by several corporate members. Support was generously provided by the General Motors Corporation. In New York, the National Committee and the Asia Society convened an informal roundtable discussion with the Ambassador and corporate members of the two organizations.

Just prior to assuming his duties in China, Ambassador Prueher was a senior advisor to the Stanford-Harvard Preventive Defense Program and a senior fellow at the Center for Naval Analyses. He served for 35 years as an officer in the United States Navy, retiring on May 1, 1999. From February 1996 until his retirement, he was the Commander in Chief of the U.S. Pacific Command (CINCPAC), the senior U.S. military commander in the Pacific and Indian Oceans and their littoral areas.

YESTERDAY AND TODAY

Yesterday. Carol Bellamy and Donna E. Shalala, pictured here, have had a long involvement with the National Committee. Ms. Bellamy was a New York State Senator (1973-77) when she participated in the National Committee’s Young Political Leaders delegation in 1977. She subsequently went on to become New York City Council President (1978-1985) and to serve as Director of the Peace Corps (1993-1995), the first returned volunteer to hold that position.

As the Assistant Secretary for Policy Development and Research at the U.S. Department of Housing and Urban Development in the Carter administration, Dr. Shalala traveled to China as part of a National Committee delegation of civic affairs leaders in November 1978.

Shortly thereafter she became President of Hunter College and then Chancellor of the University of Wisconsin, the first female president of a Big Ten University.

Today. Carol Bellamy assumed office as the fourth Executive Director of the United Nations Children Fund (UNICEF) in May 1995. She has been appointed to a second term effective through April 2005. Donna Shalala joined the Clinton administration as Secretary of the Department of Health and Human Services in 1993 and is the longest serving secretary of that agency.
Highlights of Ezra Vogel's distinguished career include faculty positions at Harvard and Yale, government service, groundbreaking research and publications, and a host of honorary degrees. As a teacher, he is best remembered for two oft-repeated phrases—“Let the data sing!” and “Don’t forget there are people out there!”—which give as clear a picture of his approach to teaching sociology and Asian studies as any course syllabus or textbook.

On the occasion of his impending retirement and 70th birthday, some of Prof. Vogel’s former Ph.D. students convened a roundtable at the 2000 Association for Asian Studies Conference in San Diego to discuss his critical role in the development of Asian studies. Roundtable participants included former National Committee board members and Vogel proteges Thomas B. Gold of the University of California, Berkeley and Richard P. Madsen of the University of California, San Diego.

Panelists and members of the large audience combined reminiscences about their studies with Prof. Vogel with substantive reflection on how he, through his teaching, research or example, had influenced them. One participant praised Prof. Vogel as a model “public intellectual,” someone who worked hard to maintain contacts between academia and government, business, journalism, law and diplomacy.

The always-modest Prof. Vogel shied away from the praise of the assembled group of scholars and friends, instead using the Chinese expression qing chu yu lan to express his sentiment that students surpass their master.

New Post for Ambassador Sasser

Board member James R. Sasser, former U.S. Ambassador to China, has been named J.B. and Maurice C. Shapiro Professor at George Washington University’s Elliott School of International Affairs. This professorship was established to bring distinguished figures in the field of international affairs or diplomacy to the university. Ambassador Sasser plans to team up with fellow board member Harry Harding, dean of the Elliott School, and David Shambaugh, director of the school’s China Policy Program, in teaching graduate courses on U.S.-China relations.

Ambassador Sasser served in Beijing from 1996 to 1999. Prior to that he was a three-term U.S. Senator, representing Tennessee and chairing the Senate Budget Committee. He joined the National Committee board in November 1999.

Passings

Former board member Marshall B. Coyne, proprietor of the Madison Hotel, died at his home in Washington, D.C. on March 16. Known as “the dean of the hospitality industry in Washington,” he set the standard for luxury hotels in that city when he and his business partner Charles Rose opened the Madison in 1963. The hotel became a Washington landmark, hosting official delegations from Egypt and Israel during the 1979 Camp David Middle East peace talks and serving as a temporary foreign mission for the Soviet Union during the 1987 Reagan-Gorbachev summit meeting. Marshall Coyne frequently and generously opened the doors of the hotel to the National Committee, welcoming staff, board members and visiting Chinese delegations. When he retired from the National Committee’s board in 1993, his fellow directors noted in a resolution of appreciation that “Marshall has provided much of China’s leadership with a place to stay over the last two decades, giving them an environment in which they felt at home and in which they could be productive.”
PROGRAM CALENDAR

This calendar briefly describes major National Committee events since our last edition.
Programs were held in New York City unless otherwise indicated.

February 24, 2000
China and the World Trade Organization: The Road Ahead

Three long-time observers of China's economy presented their views on the implications of WTO accession for China to National Committee members and guests at a New York briefing. The participants were Pieter Bottelier, Adjunct Professor at the School for Advanced International Studies, Johns Hopkins University and Visiting Fellow at the Center for Strategic and International Studies; Merit Janow, Professor in the Practice of International Trade at Columbia University; and John D. Langlois, Jr., Professor in East Asian Finance at the Princeton University. While the recently concluded bilateral trade agreement represents an historic step in China's economic reform program, adjustment to WTO membership will place a substantial burden on China and some short-term effects are likely to be painful, the panelists predicted. Chinese leaders are likely to confront higher unemployment in the state sector, a reduced trade surplus and strong pressure to make changes in the banking sector.

February 27, 2000
U.S.-China Relations at the Crossroads: A Summit Dialogue

The National Committee joined several other organizations in co-sponsoring a one-day conference on the campus of the University of California, Los Angeles. The program combined historical overviews of Sino-American relations (from both American and Chinese perspectives) with breakout sessions focusing on some of the immediate challenges confronting policy-makers in both countries, including security issues, leveling the economic playing field and the role of the mass media in shaping public images. Among those headlining the program were Kenneth Lieberthal, Senior Director for Asian Affairs for the National Security Council, Chas. W. Freeman, Jr., Chairman of Projects International Inc.; Richard Solomon, President of the U.S. Institute of Peace; and Robert Kapp, President of the U.S.-China Business Council.

April 5, 2000
The Honorable C.H. Tung
Chief Executive
Hong Kong SAR

Hong Kong's Chief Executive, C.H. Tung, presented an optimistic view of Hong Kong's future to a New York audience of policy-makers, businessmen, economists, journalists and others. Mr. Tung cited a growth rate of 8.9 percent for the fourth quarter of 1999 as a strong indicator of Hong Kong's improving economic health and projected annual growth of 5 percent for 2000. He also outlined plans to make Hong Kong a World City in Asia, a major center for business, finance, trade and culture with a status comparable to that of New York in the Americas and London in Europe. This event was co-sponsored by the National Committee, the Asia Society, the Hong Kong Association and the Hong Kong Economic & Trade Office.

April 10, 2000
U.S. Energy and Environmental Initiatives in China

The National Committee and the Woodrow Wilson Center convened a group of government, foundation and industry representatives in Washington, D.C. to review clean energy initiatives underway in China and to assess promising future opportunities for this sector. Keynote addresses were given by Leon Fuerth, Assistant to the Vice President for National Security Affairs; D. Howard Pierce, President and Chief Executive Officer of ABB, Inc.; and Douglas Ogden, Vice President of The Energy Foundation.

April 12, 2000
United States and China: Defining a Relationship

The National Committee and the Asia Society co-sponsored a Capitol Hill briefing to consider the most challenging economic and security issues influencing Sino-American relations. The Washington audience heard presentations on U.S.-China Economic Interaction by Pieter Bottelier of the Johns Hopkins University School of Advanced International Studies (SAIS); Liu Yadong of Medley Global Advisors; Greg Mastel, New America Foundation; and Michael A. Santoro, Rutgers Business School. Kurt M. Campbell, Deputy Assistant Secretary of Defense for Asian and Pacific Affairs; Bates Gill, Center for Northeast Asian Policy Studies at the Brookings Institution; David M. Lampton of SAIS; and Arthur N. Waldron of the American Enterprise Institute and the University of Pennsylvania provided their perspectives on security issues. In his keynote speech, Harry Harding, Jr., Dean of the Elliott School of International Affairs, George Washington University, said that building a cooperative relationship with China will require a strategy with far more elements than are captured by words such as “engagement” or “containment.”
Kenneth Lieberthal put the upcoming vote on permanent normal trade relations (PNTR) for China in the context of national security in an off-the-record briefing to National Committee members. China’s entry into the WTO would strengthen the position of reformers within the country and would make problems between the two countries easier to deal with, by increasing Chinese cooperation on a number of issues and reducing its suspicions of American motives. A “no” vote on PNTR would be taken by China’s leaders, he suggested, as a strategic decision to adopt an anti-China policy.

May 17, 2000
Joining the Web:
The Information Revolution in China

The Internet’s impact on all aspects of Chinese society will be profound, experts on information technology told a Washington audience at a conference sponsored by the National Committee, the Asia Society and ChinaOnline. While it poses a challenge to the Communist Party’s control of information, “leaders at the highest level of the Chinese government believe that the Internet is absolutely necessary to the growth of the economy and that its overall benefits outweigh any (political) risks,” said panelist Lyric Hughes, CEO and president of ChinaOnline. Other panelists included Jay Xin Hu, managing director of the United States Information Technology Office in Beijing; Milton Mueller, director of the graduate program in telecommunications and network management at Syracuse University; and Charles P. Wu, general manager of e-Business Solutions at IBM’s Greater China Group.