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## *The National Committee on United States-China Relations*

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# Premier Wen and Vice Premier Wu Honored in Washington

Premier Wen Jiabao and Vice Premier Wu Yi both stressed the importance of sound economic and trade relations in strengthening Sino-American ties during their recent visits to the United States. National Committee members and guests were among those in attendance at the December 9 dinner in honor of Premier Wen and the April 22 dinner for Vice Premier Wu, both of which took place in Washington, D.C.

Among the highlights of Premier Wen's first official visit to the United States were a 19-gun salute on the White House lawn; a small working lunch with President Bush; much-appreciated remarks by President Bush on Taiwan; a banquet hosted by Secretary of State Colin Powell; and a standing ovation from guests at the dinner co-hosted by the

party that included Foreign Minister Li Zhaoxing and three other ministers; the Americans included Secretary of Agriculture Ann Veneman, members of Congress, former cabinet secretaries and ambassadors, and corporate leaders. Speaking to dinner guests and a C-SPAN audience, Premier Wen observed that the United States and China would soon celebrate the twenty-fifth anniversary of normalization, and said "our bilateral relations have weathered storms and moved forward." He concluded from a review of Sino-American relations over the past 50 years that "China and the United States both benefit from peaceful coexistence and lose from conflict;" that "[m]utual interest serves as the bedrock of our cooperation;" and that "Sino-U.S. cooperation is conducive to stability in

largest partner and the biggest investor in China, whereas for the U.S., China is the third largest trading partner and the fastest growing export market." He projected that, during the first 20 years of this century, China's GDP would quadruple to US\$4 billion. "Just imagine the vast vistas for American investors and companies," he said.

It was during the premier's visit that the United States and China agreed that their Joint Commission on Commerce and Trade (JCCT) needed more senior representation. The next JCCT meeting, April 21 in Washington, D.C., therefore featured Vice Premier Wu Yi, U.S. Secretary of Commerce Donald Evans and U.S. Trade Representative Robert Zoellick. The following evening, Vice Premier Wu discussed the meeting's highlights and other aspects of Sino-American commercial cooperation at a dinner co-hosted by the National Committee, U.S. Chamber of Commerce and US-China Business Council.

The vice premier's traveling party included Minister of Commerce Bo Xilai and Minister of the Administration of Quality Supervision and Inspection Li Changjiang. The American guests included Secretary of Transportation Norman Y. Mineta, members of Congress, former senior government officials and corporate leaders.

In her remarks, Vice Premier Wu focused on such sensitive issues as protection of intellectual property rights, the trade imbalance between the two countries, the currency exchange and WTO compliance. While pointing to steps the Chinese have taken to address these concerns, she also emphasized that "Trade should be two-way and opening should be mutual. Trade protectionism has been on the rise recently in the U.S. and some other places...I'm gravely worried about that. Trade protectionism can never inject vitality into [the] economy or provide fundamental solutions to the unemployment problem."

The full text of Premier Wen and Vice Premier Wu's remarks can be found on the National Committee website ([www.ncuscr.org](http://www.ncuscr.org)). ■



*Right: Maurice R. Greenberg and Henry A. Kissinger greet Vice Premier Wu Yi.*

*Photo copyright 2004 U.S. Chamber of Commerce*

*Cover: National Committee Chair Carla Hills shares a light moment with His Excellency Wen Jiabao.*

*Photo copyright 2003 Kaveh Sardari*

National Committee and the US-China Business Council, in cooperation with seven other organizations.

Premier Wen was joined at the dinner by a distinguished Chinese traveling

the Asia-Pacific region as well as peace and development in the world."

Premier Wen documented our economic interconnectedness: "Today," he noted, "the U.S. is China's second

# China's Peaceful Rise

***China's political leaders have deemed the next 20 years a strategic opportunity to develop their country. This presents an opportunity for the international community as well.***

Several years ago I had a private conversation in Shanghai with a senior adviser to top Chinese leader Jiang Zemin. I offered the observation that one of the reasons why there was so much debate in the United States about the "China threat" is that China had not offered a clear and compelling vision of what sort of future she sought. Deng Xiaoping's clarion call for "Reform and Opening" was extremely effective in unleashing powerful forces for change in China, but did not say enough to allay the fears of those who, having observed the problematic rise of nations like Germany and Japan, worry that China is headed in a similar direction.

My interlocutor agreed that a vision or roadmap for China's future had not, in fact, been articulated. Not only was it unclear to the outside world where China was headed, it was also unclear to many within China. He would therefore set forth his own views on the matter in an article intended for publication in *Foreign Affairs*. He was convinced that it would be possible to explain to an educated foreign audience that China sought to attain a modicum of wealth and modernity without challenging the established powers such as the United States. At the same time, he said, Chinese leaders were determined to pursue their goals without risking economic meltdown and disintegration. He told me that I would better understand what he meant when I read a book that would be delivered to my hotel later that day.

The book turned out to be the five-volume, 2,600-page *70 Years of Decisions by the Top Leaders of the Soviet Union: From Lenin to Gorbachev* by Xing Guangcheng. I spent the evening skimming through it, particularly the last volume, which covers 1985-1991 and includes the author's extensive analytical conclusions. I was

beginning to understand how traumatic it had been for the Chinese leadership when the country that had once been their model, and seemed so powerful, came unglued. And it wasn't simply Gorbachev's *glasnost* and *perestroika* that were responsible for the USSR's downfall; fateful decisions made by his predecessors were also instrumental. This book, and the adviser's remarks to me, were evidence of the strong determination of China's leaders to avoid repeating what they regarded as the mistakes of the Soviet leadership.

Alas, the article was never submitted. But I heard an echo of that Shanghai conversation when another senior adviser to the Chinese leadership, former head of the Communist Party School Zheng Bijian, participated in a National Committee/ Preventive Defense Project program in November. He spoke of China's determination that its rise be a peaceful one, unlike those of Japan, Germany, and other states whose challenges to the status quo had provoked bloody conflict. A month later, China's "peaceful rise" (*heping jueqi*) was one of the principal themes in Premier Wen Jiabao's speech at the dinner the National Committee co-hosted for him in Washington, D.C.

The "peaceful rise" concept apparently arose out of a major study commissioned by Zheng Bijian that examined the history of the major powers since the 15th century – why some powers were able to rise from obscurity to prominence, and why others collapsed. This was a much bigger undertaking, in its scope, than the study of the Soviet Union I had been given several years earlier. Its conclusions were presented by two professors in a November 24 meeting of the Politburo that was characterized in the Chinese press as "Party Central Seeks Laws of Nations' Rise and Fall." One

commentator wrote: "The answer to the question of whether or not a 'peaceful rise' can be achieved is contained in the historical experience and lessons of the rise and fall of hegemonic powers in modern history. The keys lie in whether we can obtain a peaceful international environment and the strategically correct choices of those in power."

It should certainly not be surprising to hear that Chinese elites regard peace as being so important. Ultimately, however, the words of China's leaders are less convincing than their actions. On this, the record shows that China has been working hard and successfully to maximize cooperation and minimize conflict with her neighbors - and with the United States. In an excellent article in the November/December issue of *Foreign Affairs*, Evan Medeiros and Taylor Fravel describe "China's emergence as an active player in the international arena. In recent years, China has begun to take a less confrontational, more sophisticated, more confident, and, at times, more constructive approach toward regional and global affairs." The authors, two of this country's best young China specialists, conclude: "China's top political leaders have deemed the next 20 years a strategic opportunity (*zhanlue jiyuqi*) to develop their country. But an opening exists for the international community as well, and U.S. policymakers should use it wisely, to address the challenges and opportunities created by China's rise."

Secretary of State Colin Powell has observed several times in the past few months that U.S.-PRC relations are better than they have ever been. Nevertheless, it is self-evident that much remains to be done to build a robustly enduring, candid and co-operative relationship. Former Premier Zhu Rongji famously quipped in 1999 that "Sino-American relations won't ever get too good, but they'll never get too bad, either." That observation, made after the Belgrade Embassy bombing, is, I hope, overly pessimistic. With wise leadership in Washington and Beijing, China and the United States will both continue to grow and prosper, relations will further improve, and China's "rise" will indeed prove to be "peaceful." ■

*John L. Holden, President,  
National Committee on  
U.S. - China Relations*

# Young Leaders Forum

What do you get when you put an astronaut, a math champion/entrepreneur, a TV news anchor, a state senator and a few dozen other superstars from China and the United States together for the weekend? No, this is not the setup for a joke, but it is a lead in to a description of the National Committee's innovative program, the Young Leaders Forum (YLF).

The forum brings together exceptional Chinese and Americans who represent the new generation of leading citizens in both countries, and fosters dialogue and friendship between them. In October, 2003, 19 Fellows from the 2002 forum were joined by 17 new Fellows to discuss the theme "Balancing Change and Tradition" – at the summit of Mount Huang, in a Ming-era clan hall, on a

day-long bus ride through the Anhui and Zhejiang countryside, and on the banks of Hangzhou's West Lake.



*At right: YLFers on Mt. Huang (L to R): Robert Yung, Steve Okun, Li Hong, Ted Halstead, Gabrielle Giffords, Stephan Fowlkes, and William Wechsler*

The Committee is grateful to the sponsors of the event, Time Warner Inc., PepsiCo, Inc., United Parcel Service, Inc., Intel Corporation, and BP for their generous support and to the Chinese People's Institute of Foreign Affairs for its cooperation.

Naval aviator and NASA space shuttle commander Mark Kelly started the dialogue with a multimedia presentation entitled "A View from Space," during which he reflected on his experiences as

## 2002 and 2003 YLFers

**Roger Barnett** is managing partner of Activated Holdings, LLC, a private company managing over \$2 billion in assets.

**Roslyn McCallister Brock**, director of System Fund Development for Bon Secours Health System, Inc, is the youngest person and the first woman ever to be elected vice chairman of the NAACP Board of Directors.

**Cheng Wenhao**, assistant professor of political science at Tsinghua University's School of Public Policy and Management has a forthcoming book on institutional innovations to control government-level corruption.

**Du Changping** is vice mayor of Fuyang City, in Anhui Province.

**Fang Xinghai** is the deputy CEO of the Shanghai Stock Exchange.

**Stephen Fowlkes**, an award-winning artist, is artist/curator for the North Bennington, Vermont, Sculpture Park.

**Fu Jun** is professor, deputy dean and chair of the Department of Political Economy at Peking University's School of Government.

**Gabrielle Giffords**, the youngest woman ever elected to the Arizona State Senate, balances her government role with her work as managing partner of Giffords Capital Management.

**Paul Haenle**, a major in the U.S. Army, is China policy advisor for the Joint Chiefs of Staff.

**Ted Halstead** is president of the New America Foundation, which relies on a venture capital approach to bring new voices and new ideas to America's public discourse.

**Alexandra Harney** is the Hong Kong-based South China correspondent for the *Financial Times*.

**Darryll Hendricks** is senior vice president for the Federal Reserve Bank of New York.

an astronaut. Presented just days after the triumphant return of China's first manned space flight, Commander Kelly's talk captured the imagination of YLFers from both countries, and provoked a lively discussion about new possibilities for international cooperation in space exploration.

YLFers were treated to an array of interesting speakers – including Victor Yuan, who founded China's first and largest polling organization; Cui Tiankai, deputy head of the Foreign Ministry Department of Policy Research; and Zhou Mingwei, vice minister of China's State Council Taiwan Affairs Office – and panel discussions on topics like the role of the media, the making of foreign policy and evolving styles of artistic expression. “But at the end of the day,” said Stacy Kenworthy, a finance and technology expert new to the forum, “the most impressive thing about YLF was the opportunity to interact with such high-quality people. This was just an incredibly synergistic group.”

The mission of the National Committee on U.S.-China Relations is to foster mutual understanding between

China and the United States, and YLF accomplishes this by opening up channels for alternate dialogues. So, for example, the 2003 YLF gathering brought Gregg Pasquarelli, an award-winning architect from New York, together with Beijing city planner Ma Liangwei; Gabrielle Giffords, the youngest woman ever elected to the Arizona State Senate, joined Chinese public policy experts Cheng Wenhao and Fu Jun and Fuyang Vice Mayor Du Changping in a candid discussion about

**“YLF has been one of the absolute highlights of my life, second only to flying in space.”**

**Mark Kelly,  
U.S. Naval Commander  
and NASA astronaut**

the nature of the political process; CCTV anchor Rui Chenggang and *Financial Times* correspondent Alexandra Harney talked about the different missions of media enterprises in China and the United States; and we understand that Eachnet.com founder Shao Yibo, Audry Li (a lawyer specializing in corporate transactions and foreign direct investment) and Stacy Kenworthy have stayed in close contact since November. As one YLFer put it, “Where business goes, diplomacy is bound to follow.”

In this age of globalization and



increasingly permeable national borders, it is easy to underestimate the importance of basic cultural exchange; even in this group of highly educated, well-traveled, cosmopolitan leaders, cultural misperceptions are unavoidable. “I continue to be surprised,” said Shao Yibo,

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*Top: Roslyn Brock  
and Han Pingping  
(from the Chinese  
People's Institute of  
Foreign Affairs)*

*Bottom: Fang  
Xinghai talks about  
his work at the  
Shanghai Stock  
Exchange.*

**Jack Hidary** is co-founder and managing director of Vista Research, an independent firm providing proprietary research from primary data sources.

**Mark Kelly**, a U.S. Navy commander and NASA astronaut who piloted the Space Shuttle *Endeavour*, is currently assigned as pilot on the STS-119, the 22nd mission dedicated to the assembly of the International Space Station.

**Stacy Kenworthy** is chairman and CEO of OptiFacio, Inc., a holding company focusing on globally diversified investments in the high-tech and software markets.

**Li Fang (Brian)** is president of the Beiya Industrial Group, a Harbin-based natural resources processing company.

**Li Hong (Audry)**, a partner in Shanghai's Shujin Law Firm, specializing in international corporate and intellectual property law.

**Liu Yadong** is managing director for Medley Global Advisors' Asia Group.

**Lu Hongyan**, founder of several environmental NGO's, is currently project manager for the Institute of Applied Material Flow Management at Trier University.

**Ma Liangwei** is deputy director of the Beijing Municipal Institute of City Planning and Design.

**Steve Okun** is vice president of public affairs for United Parcel Service's Asia-Pacific Group.

**Gregg Pasquarelli** is the award winning co-founder of the architectural firm SHoP (Sharples, Holden, Pasquarelli).

**Qiu Zhijie** is an artist and the curator of the Long March Foundation, devoted to bringing contemporary art from China and abroad to Chinese who rarely, if ever, are exposed to such work.

**Joshua Cooper Ramo** is managing partner for the John Thornton Group; before joining the Thornton group, he was editor-at-large for *Time* Inc.

**Philip Reeker** is spokesman-at-large for the U.S. Department of State.

*Above:  
Thirty-six exceptional  
Americans and  
Chinese took part in  
the Young Leaders  
Forum.*

*Right:  
Rui Chenggang,  
Shao Yibao,  
Joshua Ramo and  
Alexandra Harney  
discuss media issues.*



*Young Leaders Forum  
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“by how little even well-educated Americans know about the real China. Further, I saw how difficult it was to communicate ideas accurately across cultural and language barriers between two groups in YLF who are arguably already well equipped and inclined to make this exchange happen.” YLF helps to reduce the potential volatility of such misperceptions by giving participants the opportunity to reassess their assumptions in a relaxed and convivial setting.

YLF exposes participants not only to another culture, but also to a range of professions with which they might not normally come into contact. It's rare to think of another venue where leading entrepreneurs running multimillion-dollar businesses interact with activists such as Lu Hongyan, who has created an

environmentalist network of students on campuses throughout China, or Todd Sigaty, the founder of Village Focus, a nonprofit organization that provides training and capacity-building in rural communities in Southeast Asia. In the end, all YLFers were motivated and stimulated by the talents, intelligence and energy of their fellow participants.

It is not surprising that YLFers organize many meetings and get-togethers on their own. As Mark Kelly exclaimed shortly after returning from last

**“YLF forms a bridge of friendship between two great countries and grants me the opportunity to know the most promising young people in both.”**

*Cheng Wenhao,  
assistant professor of political science  
at Tsinghua University*

year's gathering, “YLF has been one of the absolute highlights of my life, second only to flying in space.” How's *that* for an endorsement? ■



## 2002 and 2003 YLFers

**Rui Chenggang**, a director, producer and news anchor for China Central Television (CCTV), helped launch China's first and only 24-hour news channel.

**Shao Yibo**, a former national math champion, founded Eachnet.com, China's most popular online auction house, which he sold to eBay.

**Todd Sigaty** is founder and executive director of Village Focus International, a nonprofit organization that provides training and capacity-building to vulnerable rural and urban communities in Southeast Asia.

**Wang Yang (Orlando)** is vice president of the Global Banking Division at Deutsche Bank's Shanghai Branch.

**Wang Zitao (Tara)**, the president of Elan PR, was previously the president of Opus Productions Media Group and editor-in-chief of *Madame Figaro China*.

**William Wechsler**, vice president of Greenwich Associates, an international financial services research and consulting firm, formerly held positions at the White House, Pentagon, Department of the Treasury, and National Security Council.

**Weng Ling** is director of the Shanghai Gallery of Art at Three-on-the-Bund, a showcase for contemporary Chinese artists.

**Xing Yi** is executive vice president of Taikang Life Insurance's Asset Management Center.

**Xu Qiyu** is a lecturer and research fellow for the People's Liberation Army's Institute for Strategic Studies.

**Robert Yung** is Intel Corporation's chief technology officer for enterprise processors.

**Zheng Baohua** is director of the Center for Community Development Studies, an organization that promotes sustainable development and natural resource management in Yunnan.

# HIV/AIDS Education and Outreach Fellows Program

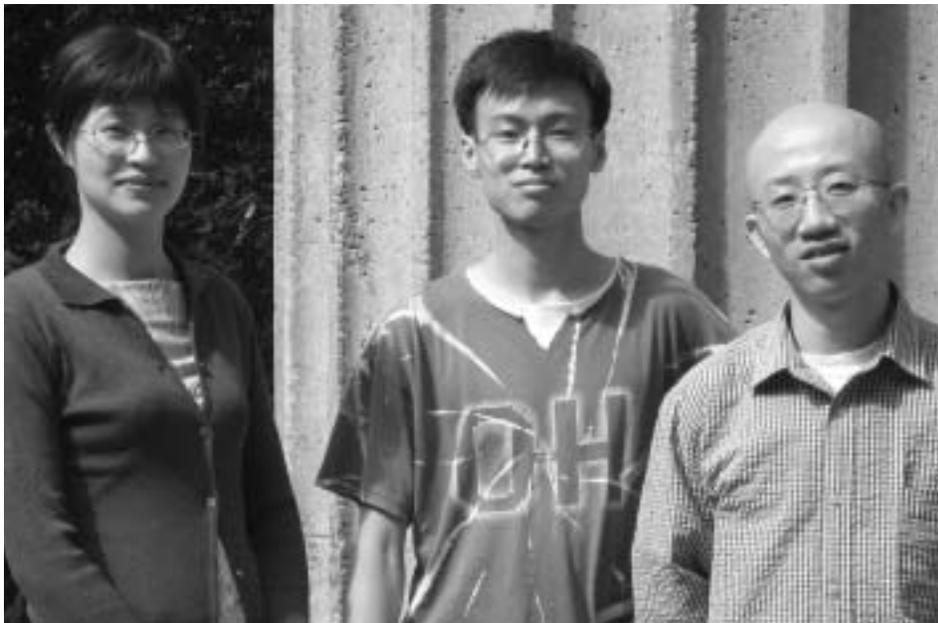
Disease prevention is an essential but often overlooked component of furthering economic development and strengthening civil society. Promoting sound health practices in China, as in other countries, relies on dissemination of accurate information about prevention and treatment to at-risk populations combined with access to appropriate medical care. Thus far, China has a very poor record at this, especially when it comes to the issue of HIV/AIDS.

Currently, two-thirds of the PRC's population has been infected with hepatitis B, mainly through the use of dirty syringes and acupuncture needles. Official statistics recently tallied the HIV/AIDS infection rate at 600,000 nationwide, a conservative number according to some experts, and the Chinese Academy of Preventive Medicine estimates that HIV/AIDS infections could grow to 6 million by 2005. The UN statistics are even grimmer: it estimates that 0.1 percent of China's adult population (approximately 1.3 million people) is currently infected with HIV, and that by 2010, 10 million Chinese adults will be HIV positive, with 260,000 children orphaned as result of AIDS.

One response to this crisis has been the emergence of independent philanthropists and non-governmental organizations (NGOs) dedicated to reining in and remedying the blight of HIV/AIDS in geographic areas and segments of society that might otherwise prove beyond the reach of China's central and local governments.

The United States has compelling reasons to work with China on public health crises, as they can lead to internal political instability, rapid spread of communicable diseases across international borders, and the

proliferation of drug-resistant organisms. The Centers for Disease Control and Prevention (CDC) are collaborating with their Chinese counterparts at the national level as epidemics worsen and as China has begun to face up to its growing HIV/AIDS crisis. And several western NGOs have been working to help ameliorate this terrible epidemic. However, most of this work takes place at the national level and there has been little formal exchange of ideas between Chinese and American public health specialists at the local level – where



*HIV/AIDS Fellows:  
Tian Lichun, Li Dan  
and Hu Jia*

people are actively dealing with important issues of education and raising awareness.

This was the context for the National Committee's HIV/AIDS Education and Outreach Fellows Program. The purpose of this two-month program was to strengthen the capabilities of independent NGOs working on HIV/AIDS in China, particularly in the areas of education outreach. Three Chinese HIV/AIDS activists/educators – Hu Jia, Li Dan and Tian Lichun – came to the United States for six-week placements at community-based health

clinics/agencies; the placements were bracketed by a nine-day study tour and a three day wrap-up. The program was supported by a grant from the U.S. Department of State, with additional funding from the CE&S Foundation. Information on the Fellows and their organizations can be found in the sidebar (page 9).

The June 28 start of the Fellows' study tour was timed to coincide with the Gay Pride parade in San Francisco, since this event has always been used as an important opportunity for HIV prevention outreach. For the participants, all on their first trip to the United States, the parade was definitely an eye-opener. The U.S. Supreme Court had struck down the Texas anti-sodomy law just a few days before the parade, so there was a celebratory spirit in the air throughout the city.

The Asian & Pacific Islander Wellness Center, one of our host organizations,

sponsored a parade float featuring professional singers rapping AIDS prevention messages, as well as booths offering photo exhibits, free testing and counseling. This was the Fellows' first exposure to community-based HIV prevention activities, and they were amazed at how effectively messages were passed on to the community through entertaining activities.

In San Francisco the Fellows met with the Asian & Pacific Islander American

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Outreach Fellows Program  
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*HIV/AIDS Education and Outreach Fellows Program continued from page 7*

Health Forum (APIAHF) – a national advocacy organization dedicated to promoting policy, program, and research efforts for the improvement of the health of Asian American and Pacific Islander communities. The APIAHF recently established a China AIDS Relief Fund, a group of volunteers planning to raise funds to help fight the epidemic in China. The Fellows gave a presentation to these volunteers, informing them about the AIDS situation in Henan and Yunnan in particular, and describing some of the work they do.

The next stop was the CDC in Atlanta, where the Fellows learned about the role the federal government plays in HIV/AIDS prevention, especially through community involvement. They were particularly impressed with the amount of funding that goes directly from the CDC to community-based organizations and also with the “community planning process,” a prerequisite for the transfer of federal HIV/AIDS prevention funds to the states.

The Fellows inquired at some length about the specifics of how such programs were designed, monitored and evaluated.

When a representative from the CDC's Global AIDS Program (which has just established an office in Beijing) asked the Fellows how the CDC could assist with their work, one of them commented that it would be constructive if, through dialogues and

projects, the Chinese government could be made to understand that grassroots NGOs are not “trouble-makers,” but loyal and concerned citizens reaching out to communities that would otherwise be difficult to connect with through official channels.

The Washington-Baltimore metropolitan area was the final stop on the Fellows' study tour. At the Whitman-Walker Clinic and La Clinica del Pueblo, two organizations dedicated to delivering high-quality health care, case management and legal counseling to marginalized groups with HIV/AIDS, Fellows learned how a wide range of prevention-oriented programs are implemented, how community-based organizations work with federal and state governments, and how outreach programs deal with issues relating to culture and stigma.

An important highlight in D.C. was a roundtable discussion at the Center for Strategic and International Studies (CSIS) organized by National Committee board member Dr. Bates Gill, a leading expert on AIDS issues in China. The Fellows discussed their work, and pointed out the urgent need for assistance to AIDS orphans in Henan and for more prevention programs in the Mekong River Valley and rural Yunnan. The gathering included key representatives from CSIS, the Congressional-Executive Commission on China, the U.S. Department of Health and Human Services, the Harvard AIDS Coalition,

prevention; capacity-building courses to train the media on the best practices for communication about HIV/AIDS; and curricula and accompanying “condom negotiation” videos for counseling commercial sex workers about HIV prevention. Tian Lichun, our public health professional from Yunnan, described the day as “a dream come true.”

From Washington, the Fellows went their separate ways to their placements. Dr. Tian spent her six weeks in California, first at Asian Health Services in Oakland and then at the Asian & Pacific Islander Wellness Center in San Francisco; Mr. Hu was at the Asian & Pacific Islander Coalition for HIV/AIDS and the Chinese-American Planning Council (both in New York); and Mr. Li spent four weeks at Philadelphia's AIDS Services for Asian Communities and two weeks at the Massachusetts AIDS Prevention Project in Boston. All of these host institutions were able to provide language support to our Fellows, which was important since not all were entirely fluent in English.

These host institutions' focus on Asian, immigrant and underprivileged communities gave our Fellows a useful context in which to explore issues of stigma and discrimination, the development and use of educational materials, cost-effective measures for dealing with HIV/AIDS prevention and treatment, and capacity-building strategies. Fellows participated in a wide

range of activities, including organizing outreach efforts at health fairs, in public theaters, at gay parties, and in bathhouses;

***“This two-month program has changed my life forever.”***

*Li Dan, HIV/AIDS Fellow*

the Kaiser Family Foundation, and the Bill and Melinda Gates Foundation.

The group spent one of its most useful days at the Center for Communication Programs at the Johns Hopkins Bloomberg School of Public Health, a leading center for public education about health issues. Specialists introduced the Fellows to the Center's HIV/AIDS-related activities, which include producing and disseminating Q&A booklets, radio and TV series, and life-skills videos about HIV/AIDS care and

distributing condoms and information leaflets on HIV testing and counseling; Internet chatroom outreach; and working with troubled teens and immigrants. They learned first-hand from their colleagues how outreach venues are targeted, how to build trust with clients, how to protect clients' privacy, and how to develop culturally appropriate outreach materials.

In addition, Fellows gained some understanding of organizational issues, including operational and management questions, establishing a board of directors, the relationship of board to



staff, fundraising and accounting, staff development and training, and cooperation and information sharing with similar institutions. This was particularly important to Fellows because their biggest challenges in China are logistical/organizational, particularly when it comes to interfacing with local and national government officials.

The host organizations demonstrated an extraordinary level of commitment and attention to the Fellows. Some assigned mentors; others arranged for the Fellow to rotate from one staff member to another in order to experience a variety of functions within the organization. Hosts often made arrangements for Fellows to meet with other organizations to fill in gaps and broaden the Fellows' experience. For example, Li Dan's host organization introduced him to individuals and agencies that work with AIDS orphans (since it did not), and Tian Lichun's host organization introduced her to local schools of public health. When language issues arose, those host

organizations without bilingual staff hired interpreters at their own expense. Occasional differences of culture and style were met with good humor, good will, and a deep respect for the Fellows' work in China.

Fortuitously, a four-day national conference on community-based HIV/AIDS prevention took place in Atlanta during the Fellows' placements, and the CE&S Foundation generously agreed to pay the expenses associated with the Fellows' travel and attendance at this conference. Here they observed firsthand a full-scale policy fight as heated debate on new policy initiatives proposed by the CDC got underway. Fellows were also grateful for the opportunity this conference provided to network with leaders and experts in HIV/AIDS prevention and treatment from throughout the United States.

The two-month program broadened the horizons of each participant and opened doors to resources and partnerships that will benefit their work

for a long time to come. Inspired by a network that allows Philadelphia-based organizations working on AIDS-related issues to share information once a month, Li Dan determined that upon returning to China, he would start an Internet-based forum to facilitate the sharing of information among NGOs. He also formed a partnership with the AIDS Educational Global Information System to translate informational materials for Chinese audiences. Hu Jia left the United States with funding commitments for the Beijing Aizhixing Institute of Health Education. And Tian Lichun was filled with new ideas about how better to interface HIV/AIDS outreach activities with Chinese governmental structures and funding. As Li Dan said before his return to China, "When we go back, we will no longer feel we work in isolation. We now know where to access information and assistance from those who are more experienced in this field. This two-month program has changed my life forever." ■

## HIV/AIDS Program Participants



### Hu Jia

Co-founder and executive director of the Beijing Aizhixing Institute of Health Education. The Institute promotes AIDS prevention and safe sex education among male homosexual and bisexual communities, as well as focusing on combating discrimination against homosexuals in China. After 1998, the project also increased awareness about AIDS in Chinese villages and unsafe blood collection practices.



### Li Dan

Founder of the Dongzhen AIDS Orphans Project. Based in Shangqiu in Henan Province, the project cares for children who have lost parents to AIDS. An astrophysicist by training, Li Dan has been deeply involved with a wide range of AIDS-related work, including raising funds to support medical treatment of AIDS patients and making a video of the plight of AIDS victims in Sui County.



### Tian Lichun

Medical doctor, researcher and project manager of the Yunnan Reproductive Health Research Association. Dr. Tian has over a decade of experience working with poor, rural, and minority populations in Yunnan on reproductive health as well as STD/HIV/AIDS issues.

# China's Economic Growth: Is It Sustainable?

## Financial Times' James Kynge addresses the NCUSCR Board of Directors

It's a great honour for me to be here, especially as I am more than a little conscious that everyone in this room knows a lot more about China than I do. I can, however, take some solace in the old Chinese saying that "Out of every thousand utterances, the wise man will say one that is foolish and the fool one that is wise." Given the fact that this speech is about 2,000 words long, your challenge might be to work out which two words are worth hearing.

I have decided to address the issue of China's current growth spurt. The questions that I wish to delve into revolve around the sustainability of the current torrid period of economic expansion. Is it a bubble? Is it overheated? Or not?

But before we start examining the evidence, first a little reminiscence. During the 19 years that I have spent as a journalist in Asia, I have been fortunate enough to cover two pretty spectacular busts. The first was the deflation of the Japanese bubble in the late 1980s and the other was the financial crisis that laid the Asian tigers low in 1997-1998. Miserably, I predicted neither. But in consolation, I did learn a bit about the irrepressible little human foibles that seem to proliferate when the top of the business cycle is near.

In my view, studying hemlines is somewhat imprecise and anyway it isn't cool to look. More revealing indicators of impending value destruction, in my experience, are things like the thickness of brokerage house reports (the thicker they are, the more overheated the economy is), the amount of grumbling by taxi drivers (the fewer general complaints, the worse the crash will be), and the number of buzzwords that emerge to reassure people that rapid growth is the manifest destiny of the economy in

question. In Japan in the late 1980s, when 22-year-old analysts were spraying champagne all over Roppongi and the Nikkei was nearing 40,000, there was *Zaitoku, Japan as Number One, Japan in the Passing Lane, Dai Nippon*, etc. In Malaysia in mid-1997, there was *Malaysia boleh!* and *Vision 2020*.

The other thing that seems invariably to happen as growth reaches its apogee is that one's bosses decide to visit – a lot. I call this the Big Cheese Index of Moulding Expectations. The Index measures the number of times that your boss decides to fly into town. The bigger the boss, the more Cheese points you add to the Index; the shorter the notice the boss gives you before landing, the more points. Add further points for a big car from the airport, drunkenness at dinner and completely undeliverable demands for access at the top levels of government.

In Malaysia, in the heady days before the Asian crisis, one senior corporate figure – who will remain nameless – gave three days' notice of his arrival, demanded to meet the deputy prime minister, rode a limo from the airport, hit the mini-bar in his hotel room, slept in and missed his appointment at Government House.

If that happens to you, my advice is: Sell.

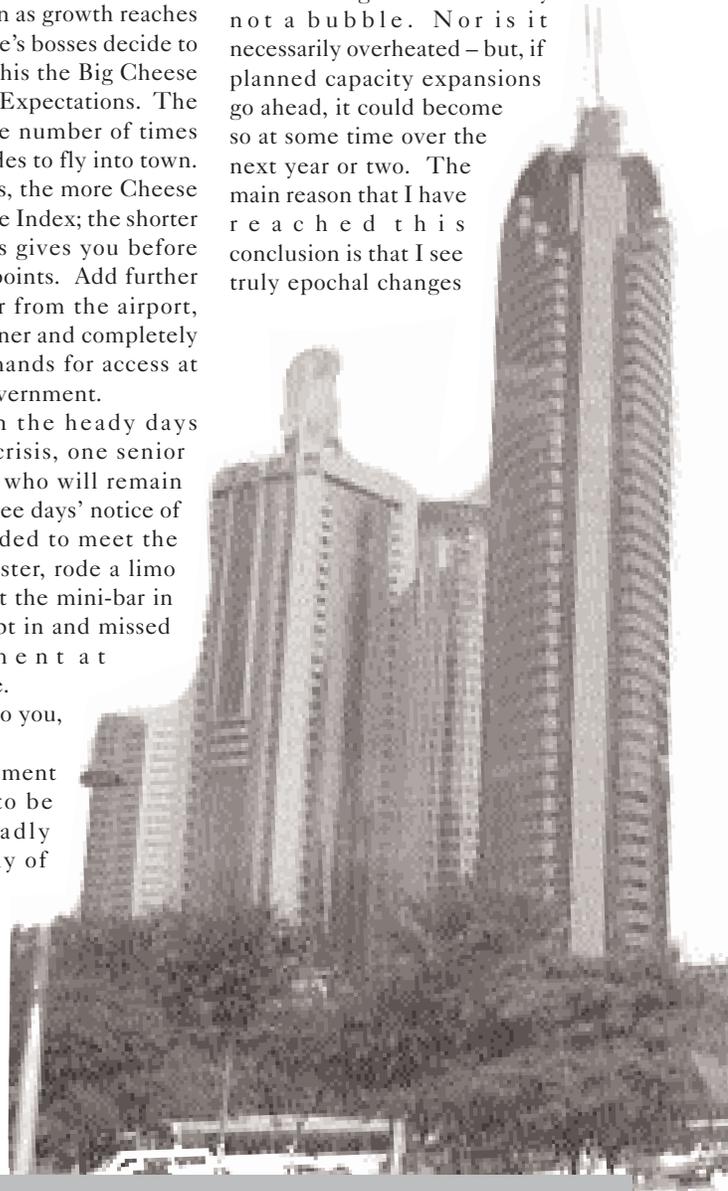
China at the moment does not appear to be holding up too badly under the scrutiny of such homespun indicators. The Beijing taxi drivers, you will be happy to know, are still effing and blinding their way down the Avenue of Eternal Peace;

the brokerage house reports are getting thicker but are not yet books; and although there are quite a few propaganda buzzwords around, wasn't it ever thus?

My bosses are due in town Sunday for a week. If their mini-bars get raided, I'll let John know by e-mail.

But human foibles aside, how do more conventional economic indicators rate the sustainability of Chinese growth? Certainly, there is a big difference of opinion among brokerage house analysts, industrialists – both Chinese and foreign – and the government in Beijing. Some see a massive bubble inflating, others see overheating – not in a general sense but in some industry sectors only. Others think that China's current level of growth is quite sustainable.

My own sense is that what we are seeing now is definitely not a bubble. Nor is it necessarily overheated – but, if planned capacity expansions go ahead, it could become so at some time over the next year or two. The main reason that I have reached this conclusion is that I see truly epochal changes



going on. It takes a leap of faith – something that does not necessarily come naturally to a somewhat cynical journalist – to trust the testimony of your eyes rather than the various figures that are supposed to define the contours of China’s transformation.

Let’s deal with the figures first. I go along with the work of some economists, notably Jonathan Anderson at UBS in Hong Kong, who believe that China’s economy is growing at around 11 or 12 percent at the moment, rather than the 8.3 percent avowed by the National Bureau of Statistics. The reason for this is straightforward: other indicators such as electricity production, industrial output, freight volumes, and demand for proxy indicators of consumer activity such as

petrochemicals, all suggest a rate of growth that is significantly higher than the official reading.

This growth is being driven more by a genuine boom in demand than is commonly realized. By official reckoning, the growth in retail sales this year has been about 9 percent. I think this figure is far too low, and obviously there are many reasons –

***This growth is being driven more by a genuine boom in demand than is commonly realized.***

most of them to do with tax avoidance – why retailers, more and more of whom are private enterprises these days, would want to understate their sales.

I prefer to trust more anecdotal evidence. For example, a friend of mine runs the BP Acetyls plant in Chongqing. He said that sales of acetyl - a feedstock that eventually ends up in plastics, paint and a range of other consumer products – are up 22 percent so far this year. A visit to shops like Ikea and B&Q in Beijing – where the companies simply cannot restock shelves fast enough – reinforces the idea that consumer spending is not a mirage. Car sales, as everyone knows, are growing at an unprecedented rate – spurring demand for raw materials for thousands of

booming car parts companies. Export demand is also very high; you may have noticed that the trade surplus for October announced today was the highest in many years. Total exports are expected to exceed \$400 billion this year, and with the U.S. economy recovering so fast, this source of

demand will remain very significant for the whole economy.

But in trying to judge whether growth is sustainable, it is obviously key to examine what is driving this demand. I see three important trends: the first is a consumer credit revolution; the second is the start of a consumer society in rural areas; and the third is what I call the staircase effect.

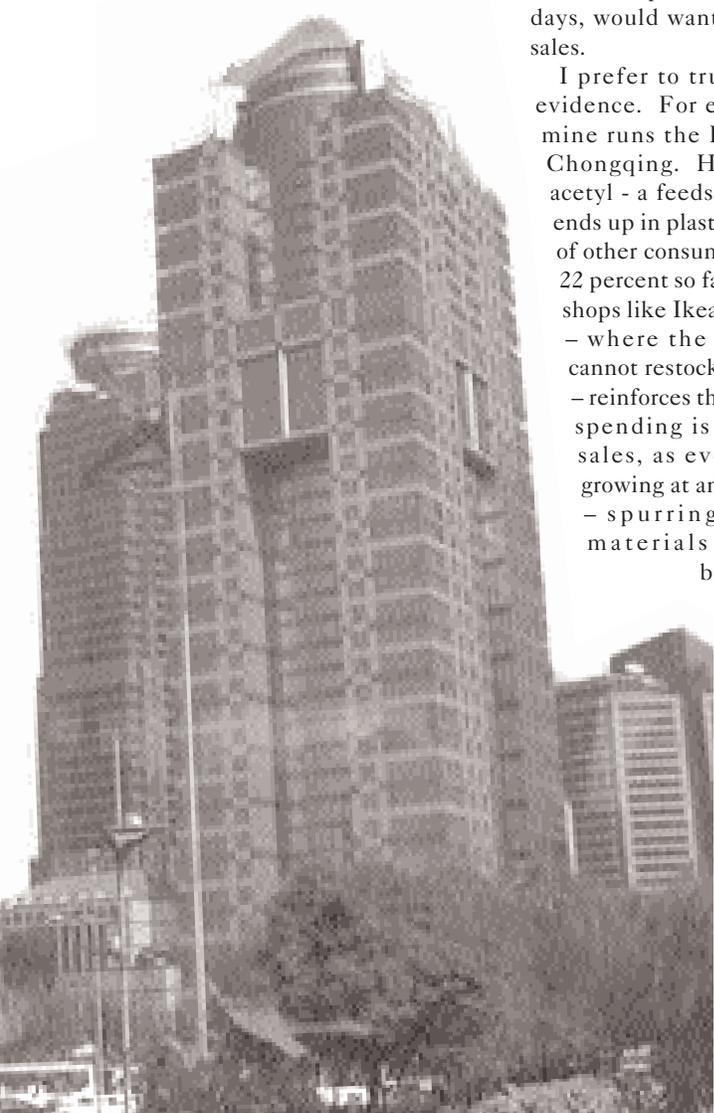
Consumer credit as a proportion of the GDP remains small, but it is growing fast. Six years ago when I arrived in Beijing, few people owned their houses. Now more than 70 percent of people have a mortgage. Some have bought second houses; others use their houses as collateral to buy cars, the purchase of which is

on average financed 40 per cent by credit. The accumulation of such collateral has in turn driven a sharp increase in education loans taken by parents on behalf of their children. I should add a cautionary note here: not all of this consumer credit is of good quality. Recently almost all insurance companies in China stopped insuring car loans because the delinquency rates are rising sharply. Nevertheless, there is no sign that I have picked up on so far that banks are going to clamp down on one of their fastest growing businesses.

So consumer credit is fuelling demand, but so are other fundamental factors. Most important among these is rural development. Although it remains true that the rural sector in China is an important problem, or the “important of the important of the important,” as Beijing puts it, it should not be overlooked that tens of millions of peasant farmers are joining the ranks of the consumer every year. One of the main ways in which this is happening is through the remittance of monies from migrant workers back to their home towns.

The vice governor of Sichuan told me last week that in 2002, some 45 billion renminbi had been sent back to villages in Sichuan by the some 15 million Sichuanese migrant workers operating in factories in Guangdong, Fujian, Shanghai and elsewhere, making stuff that no doubt ends up in

*China’s Economic Growth continued on page 12*



*China's Economic Growth  
continued from page 11*

Wal-Mart outlets all over the United States. This 45 billion amounts to nearly double the fiscal revenue of Sichuan province and, unlike state funds, is less susceptible to a corrupt process of siphoning. Villagers spend the money remitted home on things such as education, tools, white goods, motorbikes and other vehicles. The manager of Jianghuai Truck in Hefei told me that his sales of cheap, crude trucks in the countryside had risen 40 percent this year. The CEO of Lifan Motorcycle, based in Chongqing, said that his cheapest models, which cost a little over 1,000 RMB, were selling fast in some countryside areas.

This brings me to the staircase effect. It is well known that when average incomes reach certain critical levels, there is a disproportionate expansion in consumer spending. In China, one of these levels, according to the BP manager in Chongqing and the CEO of Lifan, is US\$1,000 in average income per year. I am afraid I don't have any figures for how many people in China have now surpassed this level, but according to BP, Lifan and Jianghuai, there must be several tens of millions of people surpassing this US\$1,000 threshold this year. The effect is rather like climbing a staircase. Not much changes as you ascend each step, but suddenly when you make it to the top, you find yourself on a whole new level. I believe that this is happening now in China.

I don't mean to be blind to the many problems that China still faces, nor to the possibility that the current spurt could yet become very much overheated or indeed develop into a bubble. There is no shortage of material with which to furnish pessimistic scenarios. Clearly, some statistics give one pause. Investment is growing at three times the rate of the official GDP figure – a level not seen since China last overheated in 1993-1994. Total investment as a percentage of GDP

reached 44 percent in the first half of 2003 – a figure very reminiscent of Thailand and Malaysia just before the Asian crisis struck. Sustaining the current ultra-high level of GDP growth would require pushing the investment ratio up by five percentage points each year – a trend that obviously could not last forever.

The investment splurge is concentrated in several distinct sectors: property, building materials (especially cement), cars, steel, aluminum and some electronics. Automobile

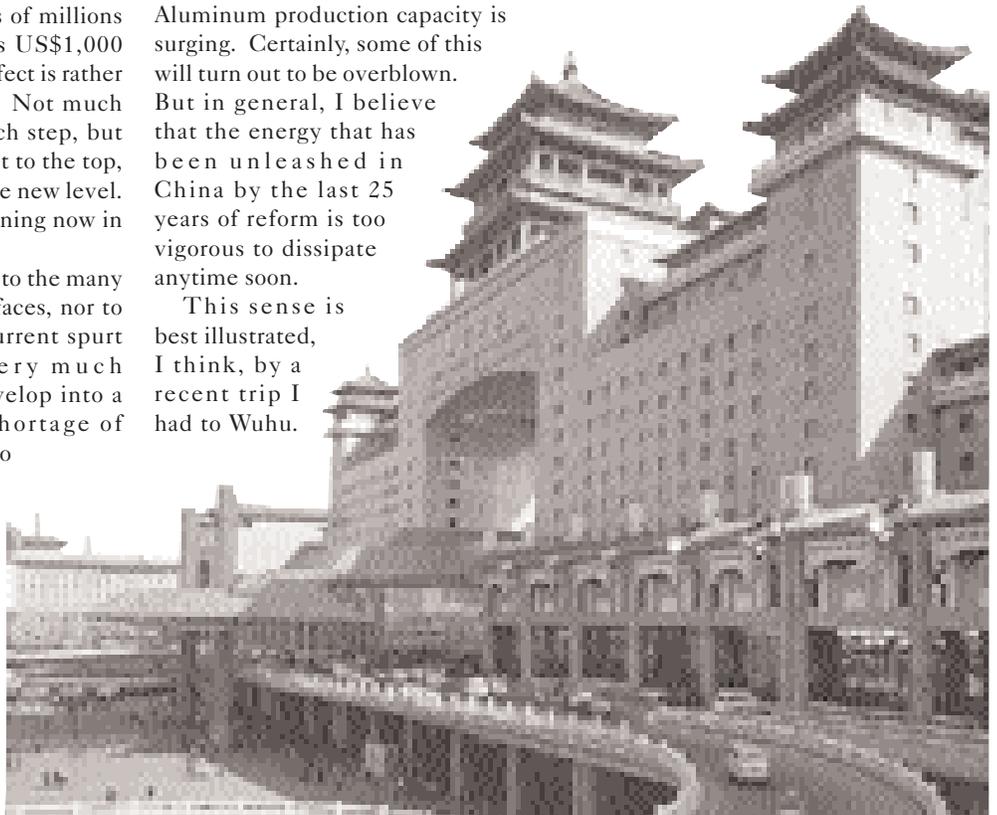
***The point is that this type of value creation is happening across China at a truly breathtaking rate.***

production is expected to triple over the next four years. Domestic steel capacity – which already stands at over 200 million tons a year – could grow by 30 to 40 percent by the end of 2005. There are more than a dozen semiconductor foundries currently under construction. Residential floor space construction has risen by one third in the last twelve months. Aluminum production capacity is surging. Certainly, some of this will turn out to be overblown. But in general, I believe that the energy that has been unleashed in China by the last 25 years of reform is too vigorous to dissipate anytime soon.

This sense is best illustrated, I think, by a recent trip I had to Wuhu.

Just five years ago, this Anhui city was a backwater on the Yangtze River with little to recommend it but an old mildewed church built by the British more than 100 years ago. But since 1997, four expressways and one rail bridge over the Yangtze have connected Wuhu to the big cities of Shanghai, Nanjing, Suzhou and Hangzhou around it. The mayor told me that now you can reach 250 million people – roughly the population of the United States – within ten hours of the city. As I got up to leave, the mayor also told me that for every investor I attracted through writing my story, he would give me 0.005 percent of the invested amount. So if you need his contact details, I might just have them on me.

The point is that this type of value creation is happening across China at a truly breathtaking rate, roughly equivalent to the railway and canal building boom in the United States at the start of the nineteenth century. It is said that upon the completion of the 364-mile Erie Canal in 1824, shipping costs between Detroit, Cleveland, Buffalo and New York fell by 90 percent. ■



# In Memoriam

## **Barber B. Conable, Jr., 1922-2003: In Appreciation and Admiration**

by David M. Lampton

Congress-watcher Norman Ornstein wrote recently in *Roll Call* that his “profound disappointment with the current House...has been colored by [his] knowing, loving and respecting Barber Conable.” It is not often that public figures profess *love* for one another, but Barber was, to say the least, a special man.

I had the honor to work “with” (he was far too considerate to say “for”) Barber for nearly six years during his long and distinguished term as the National Committee’s chairman. In that period I never encountered a single negative sentiment about Barber - his integrity, intelligence, humor, balance, and dedication to making this world a better place were too appealing and unassailable. I did, however, frequently bump up against the following evocative words and sentiments, which will surely resonate with those who knew him. For those who did not, meet Barber Conable, a man I loved.

*Charlotte.* Barber was devoted to his wife and wanted to spend increasing amounts of time with her, but he sacrificed some of that precious time to assist the National Committee. We owe much to Charlotte for sharing Barber with us, and indeed, it was through her that we reached out to Barber to become our chairman in the first place.

*Junior.* I remember the first document I drafted for Barber’s consideration and signature - I had omitted the “Jr.” at the end of his name. He said, “I am junior, and I want it there!” He never forgot his roots or his father, Barber Benjamin Conable, with whom he practiced law in Batavia, New York early in his career.

*Iwo Jima.* Or “Iwo,” as Barber called it - his own distinctive shorthand for a life-transforming experience. He looked forward to the periodic gathering of survivors, but lamented their dwindling numbers. “Iwo” was the foundation for Barber’s special bond with National Committee founding board members Doak Barnett and Lucian Pye,

themselves fellow Marines. Barber went out to Doak’s home in McLean near the end of Doak’s life to say good-bye in his own way to the man as well as the memories they shared.

*The Grandchildren.* He had enormous pride in them - each and every one of the eleven. He loved to talk about them and reveled in the fact that several lived nearby.

*Trees.* Barber loved trees and was able to name the genus and species of both domestic and foreign varieties. They were for him a metaphor for strength and values, tempered by flexibility. His property in upstate New York was a veritable arboretum, and each holiday season the National Committee staff received a large box of apples from his orchard. Whenever asked about World Bank activity in China during his tenure as president, almost always first on his list of things he was proud to have been associated with was, “We planted millions of trees!”

*Constructive Diplomacy.* In the shocked and retaliatory aftermath of the June 1989 Tiananmen violence, some in the U.S. government proposed using the World Bank as an instrument to punish China. “The World Bank is not a wholly owned subsidiary of the U.S. government!” Barber protested. He kept the Bank as constructively involved in China as was conceivable under the circumstances. In subsequent crises, whether the tragic Belgrade bombing or the reconnaissance plane incident over the South China Sea, Barber was a voice of moderation.

*Civility.* When Barber testified to the House Ways & Means Committee in February 1994 on the subject of China’s MFN trade status, the Democratic Committee Chairman Sam Gibbons invited Barber (a staunch Republican) to speak first - just one sign that Barber really was beyond political parties. Barber had been out of Congress for about a

*In Memoriam: Barber B. Conable, Jr.  
continued on page 14*



**Barber B.  
Conable, Jr.  
1922-2003**

*In Memoriam: Barber B. Conable, Jr.  
continued from page 13*

decade at that point, but it was clear that his former colleagues longed for the civility he had always brought to the House during his two decades of service to Congress. The respect with which the Committee treated him, even as he ever so politely pressured them to think more seriously about our long-term national interests with China, was breathtaking.

*Native Americans.* Barber knew more about Native Americans than anyone I ever met; he appreciated their culture and history and expended enormous effort trying to preserve that heritage in a national museum.

*Direct Contact.* Dealing with Barber was a contact sport – physically and intellectually. In his World Bank office, Barber pressed his desk against the wall so that when people came to visit he could turn around and not have furniture standing between him and his interlocutor.

In this same vein, when the Board of Directors' search committee instructed me to ask Barber (whom I had not met previously) if he would consider becoming chairman of the National Committee in 1992, he sauntered jauntily into my office, plunked himself down on the couch right next to me, and said: "Mike, tell me why I should become chairman!" I made my ten-minute pitch and he responded: "Gee, this sounds like fun – I'll do it." That was it.

How could one *not* love this man? Each of us, the nation, and the world were made better by him. ■

*David M. Lampton is the George and Sadie Hyman Professor of China Studies and Director of the China Studies Program at the Johns Hopkins University's School of Advanced International Studies. He was president of the National Committee from 1988-1997.*

# In Memoriam

*by Jan Berris*

Two people who helped shape the early days of the National Committee have passed away.

Richard Walker, known to his many friends as Dixie, died of cancer on July 22 at the age of 81. William A. Delano died on December 15 of kidney failure. He was 79.

Drawing on a family missionary background and intensive language training, Dixie was a Chinese-language interpreter with General MacArthur's headquarters during World War II and was recalled to active service during the Korean War.

After graduating from Drew University in 1944, he received an M.A. in Far Eastern and Russian Studies and a Ph.D. in International Relations from Yale. In 1957 he left his faculty position at Yale to establish a new International Studies program (which now bears his name) at the University of South Carolina. At the time of his death, Dixie was the James F. Byrnes Professor Emeritus of International Studies and Ambassador-in-Residence at the University of South Carolina, but during his long and distinguished career he also taught at the National Taiwan University, Kyoto and Sangyo Universities in Japan, and the National War College in Washington, D.C.; he traveled frequently in Northeast and Southeast Asia on behalf of the U.S. Department of State and the U.S. Information Agency; and he served as Ambassador to the Republic of Korea from 1981 until 1986, longer than any other American ambassador.

The author of 17 books, contributor to more than 70 others and writer of scores of articles and reviews, Dixie emphasized the cultural aspects of foreign affairs in his research and writing.

The National Committee was fortunate to have Dixie as one of our early and active members. He joined in 1967, shortly after the Committee's founding; helped run several of our early regional seminars and meetings; served on the first Publications Committee (a difficult task in those

***Richard Walker, 1922-2003***  
***William Delano, 1924-2003***

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days); and was a model board member from 1970-1981 and 1987-1993, attending almost every meeting and consistently making an annual contribution. He brought to his service a wonderful sense of humor and courtly Southern ways, but his biggest contributions to the Committee were his thoughtfulness and principled character. He continually asked fundamental and challenging questions: about the role of the Committee, about the balance of our activities with regard to the PRC and Taiwan, about the selection of delegation members. As the board resolution drafted at the completion of his service as a Director states, "Dixie has walked the corridors of policy influence and academic contemplation, and has done both with integrity and an incisive intellect."

Like Dixie, Bill Delano earned a Chinese language and area studies certificate - his from Harvard. He made use of this expertise during his World War II military service in the China-Burma-India Theater. It was during that period that he first met Zhou Enlai, an honor he repeated when he participated in the second National Committee Board Delegation to China in 1973.

After the war Bill received his B.A. and law degree from Yale. He was hired by Winthrop, Stimson, Putnam & Roberts, a Manhattan law firm that encouraged its young lawyers to take on pro bono clients. Bill, a distant cousin of Franklin Delano Roosevelt, worked on the cases of mentally ill patients committed against their will, and the experience turned him toward the worlds of volunteerism and public service.

He was appointed the first general counsel of the Peace Corps in 1961 and special counsel to its director, Sargent Shriver. He held that post until 1964, when he became secretary general of

the foreign arm of the Peace Corps, the International Secretariat for Volunteer Services, a position he held until 1967. After this governmental and inter-governmental experience, Bill served as president of a Washington-based management consulting firm specializing in development issues, vice president and general counsel of an operating foundation that helped pioneer global perspectives in education at the elementary and secondary levels, and executive secretary of the Association of the Bar of the City of New York.

Also like Dixie, Bill was an early member of the Committee and joined the Board in 1970, serving until 1993.

***Two people who  
helped shape  
the early days of the  
National Committee***

Though no formal Fundraising Committee then existed, Bill devoted much of his time in the

Committee's first two decades to broadening its funding base. Bill always gave generously of his legal advice, even for unexciting and laborious tasks such as updating its bylaws. He did a masterful job, but his work finally brought his own long tenure on the Board to an end, as one of the things he introduced was term limits.

Bill played a major role in some of the most notable moments in Committee history: he was heavily involved in the visits of the Ping Pong Team in 1972 and the Shenyang Acrobats in 1973, traveling with both delegations. He participated in two National Committee board delegations to China (1973 and 1980), and accompanied a delegation of educators in 1977. He worked tirelessly to make all of those undertakings successful, doing whatever task was most needed at the moment.

Bill and Dixie served the National Committee at a unique period in its history, giving selflessly of their time and helping to make it a better organization. We miss them both. ■



**Richard  
Walker**  
**1922-2003**



**William  
Delano**  
**1924-2003**

# Winners of the A. Doak Barnett Essay Contest

The annual A. Doak Barnett essay contest was established three years ago with generous donations from his family and friends.

The contest honors the founding National Committee member and former chairman by encouraging and recognizing original thinking and clear writing by graduate students of Sino-American relations. The contest is open to Americans and Chinese who are currently enrolled in a graduate program or who have received a graduate degree within the previous 12 months.

Members of the contest's Planning Committee select one winner and one honorable mention each from the American and Chinese entries. This year there was a tie on the Chinese side.

All students were asked to respond to the following question:

***“New leaders are at the helm in both China and the United States. Against this backdrop, what issue provides the greatest opportunity for these leaders to enhance Sino-American cooperation? How can they do so?”***

**FIRST PLACE-  
CHINESE  
(tie)**

**Li Li,  
University of  
New Mexico**

***“The Internet,  
Educational  
Exchange,  
and Sino-US  
Relations”***

The development of technology, and in particular, the Internet, has ushered in a new age of communication across the world. This paper will discuss how to utilize this technology to benefit Sino-U.S. relations. The United States has taken the lead in technological research, development, and usage. Today, the U.S. boasts the most Internet users in the world. According to the latest Pew Survey on Internet use, the U.S. alone has 166 million Internet users, accounting for 28 percent of users across the globe. The Internet knocked on China's door in the late 1980s and developed rapidly in the ensuing decade. Internet users in China now total 46 million, and six major networks now serve China's educational and business sectors.

One important use of the Internet, particularly in the U.S., is in education;

more specifically, the Internet has been widely utilized to facilitate distance education (DE). In the past decade, DE conducted through the Internet in the U.S. has mushroomed. Among DE's various benefits, it has, most importantly, offered more people access to education. Soon after President Bush started his term, he proposed his “No Child Left Behind” campaign. The purpose of this campaign is to ensure that all school-aged children in the U.S. receive an adequate education by way of teacher and administrator accountability. Given such momentum, the Department of Education has funded various on-line DE related projects, such as PBS teacher training projects and various Star School projects aimed at providing online professional development opportunities to high school teachers across the country.

Similarly, in China, even though the Internet is still at its nascence, the government has foreseen the potential benefits of the Internet for the country's educational development. The Chinese government estimated that in the next five years all universities will be connected to the Internet. The government has also expressed plans to improve network infrastructures on campuses. The new President, Hu Jintao, has also expressed that the use of technology to improve education in China is a critical component of his domestic agenda.

How then can the apparent U.S. and Chinese long-term investments in educational technology be used to benefit Sino-U.S. relations? The answer lies in educational exchange through the Internet. Undoubtedly, some Chinese and American students, through surfing the Internet, have become friends and maintain regular contact with one another. Yet, such friendships merely occur on an individual level. It is evident that the Internet can enhance educational exchange between American and Chinese students on a much larger scale. However, government-funded,

systematic, and purposeful educational exchanges between institutions of higher education through the Internet are few and far between. Therefore, there is an opportunity for the leaders of the two countries to address this deficiency by funding the design and implementation of a site specifically devoted to educational exchange between Chinese and American students in institutions of higher education. To best facilitate Sino-U.S. ties, the educational site should bear the following unique features.

First, the target audience for the site is university students from the two countries. All university students in the countries will be encouraged to participate, although participation is voluntary. Second, students will be identified by the site in such a way that they are matched with overseas peers with similar interests. Following the initial matching, students will be directed to a different, more specific page that includes the following areas:

*A discussion forum* devoted to conversations on a given discipline area.

*A profile* through which students can disclose personal information, such as interests, goals, etc. Students could also upload pictures so that others could get a better sense of their online friends.

*A chat room* where students can have discussions on various non-academic topics of interest to them.

*A collaboration forum* where students can work on the same projects to share knowledge and information with each other.

*An "Ask an Expert" area* where students can pose a question to an expert in their area of study. Experts are professors from institutions of higher education from the two countries. They are experts in various discipline areas and are proficient in both languages.

Furthermore, a designated number of mentors will moderate the discussions in the areas listed above. Mentors will be selected from the two countries and will be proficient in the discipline area and the two languages. The primary purpose of the mentors is to facilitate discussions and supply responses to students before they turn to an expert to seek an answer. The difference between a mentor and an expert is that a mentor will monitor the

site on a regular basis while an expert will be present only when students pose a question in the "Ask an Expert" area. The number of designated mentors will be contingent on the number of students in each specific discipline group.

The site will also have two versions: English and Chinese. The two versions will be identical in content and students will be given access to both when they log on to the site. The technology embedded in the system will enable translation between the two languages. Students will have the options of viewing and composing in either language.

The design and implementation of the

***Ultimately, Sino-U.S. relations will best be enhanced by focusing on connections between people, not government agencies.***

site calls for personnel specialized in different areas to work together to produce the best results. For example, the designing stage will call for specialized computer technicians to design the site and make it work on a designated server. The implementation stage of the site will require consistent efforts from mentors proficient in both languages from the two countries, and content experts in different discipline areas who can provide answers to students from the two countries. Meanwhile, technical personnel also need to continually monitor the technical aspects of the site to ensure its ongoing functionality. Not only will the design and implementation of the site require long-term collaboration between people with diverse backgrounds and skill-sets from each country, but the continued professional collaboration will also be conducive to enhancing Sino-U.S. relations more generally.

Overall, the site will primarily enhance educational exchange between students of the two countries. First, the site will enhance students' understanding and knowledge of each other's culture and language through information exchange both formally in the academic fora and informally in the chat rooms. Second, there will be a platform that supports more frequent academic exchange between experts in the

different disciplines from each country. Lastly, the site will help improve students' language skills by providing Chinese users with rich opportunities to read and use English, and vice versa.

Of course, no individual or organization alone would have the means to design and implement such a multipurpose site. Only efforts launched on a governmental level would make the full scope of the project possible and sustainable. To this end, the leaders of the two countries must designate relevant departments to take over the project and set aside sufficient educational funds for the project. The Department of

Education in the United States and the Ministry of Education in China would be the two supervising bodies of the project and would become responsible for choosing appropriate individuals, higher educational institutions, and other relevant

organizations to get involved in the project. It is natural to predict that an educational site with such scope could have a great impact on educational exchange between the two countries.

Ultimately, Sino-U.S. relations will best be enhanced by focusing on connections between people, not government agencies. Accordingly, relations will continue to be improved and strengthened through exchange in various areas, such as education, culture, and trade. Exchanges in the educational arena have drawn more and more attention in recent years. Against the backdrop of technological development in the two countries, insightful leaders will be able to make the greatest use of new communications technologies to bring about a new phase of educational exchange – one that benefits students, institutions of higher education, and many other aspects of the Sino-American relationship. ■

*Li Li received a master's degree in communications from the University of New Mexico in July 2003.*

## FIRST PLACE- CHINESE (tie)

Xia Nailing,  
Duke University

*“Towards a  
Win-Win Outcome  
via ‘Peripheral’  
Cooperation”*

President George W. Bush said last year that Americans were living in a world where “our former enemies are our friends.”<sup>1</sup> Although Communist China was one of America’s foremost enemies prior to 1972, over the last three decades the two countries have gradually normalized bilateral relations and have been closely linked with each other. However, China has yet to be considered a friend of the U.S. Actually, in the past ten years there have been various examples of non-cooperation, sometimes even conflicts, between the two countries on such key issues as cross-Strait relations and the nonproliferation of weapons of mass destruction (WMD). Given this, one debate that rages in the United States and China alike is whether the world’s largest developed country and largest developing country are strategic partners or strategic competitors.

The many American officials and influential thinkers who are dominating this debate have argued that a prosperous though undemocratic China could be a serious threat to the United States, as well as to the whole world. They see few meaningful opportunities to cooperate

with the Communist China of the post-Cold War era. However, the recent dismissals of the Chinese Health Minister and the Mayor of Beijing after their mishandling of the Severe Acute Respiratory Syndrome (SARS) crisis suggest that China and the United States may have ample opportunity to work together on some “peripheral” issues, for example public administration, to achieve a win-win outcome. For the Chinese government, it would be to enhance its governing capacity and social stability; for the American administration, it would be to prepare China for further political reform by increasing the transparency and accountability of China’s public administration.

Given the disparity in their national interests, it is only natural that the U.S. and China often opt not to cooperate on crucial issues. Chinese officials have insisted that the Taiwan problem is the most important and the most sensitive issue, and China will not compromise its sovereignty on this matter. As China regards Taiwan to be an inalienable part of the country, the Chinese government does not want the United States to interfere with any efforts to reunify with Taiwan, even if Beijing resorts to the use of force. The United States, on the other hand, claiming to prefer a peaceful solution, has refused to accept the Chinese position. Some experts point out that, at least in the near future, the United States cannot afford to lose Taiwan as a leverage device to contain the rapid rise of China. In fact, quite a few Chinese

***The practice of public administration in China has emerged as the most feasible opportunity for U.S.-China cooperation.***

elites consider the U.S. to be the only outside power willing and able to prevent a reunification.

By contrast, in an effort to promote American values in China and enhance security at home, America is more concerned with the elimination of human rights violations in China, the reduction of the trade deficit with China, and the prevention of the proliferation of WMD from China. For example, U.S. officials have been pressing China to stop exporting banned weapons and techniques, only to end up with repeated

denials. Their Chinese counterparts even ask how the United States can expect China not to act in the same way it has with regard to advanced weapon sales.

The potential for further U.S.-China economic cooperation is also limited. After China’s accession to the WTO, it automatically gained most favored nations status and fairly stable access to the U.S. market. To further develop its economy, China will be more interested in reforming the ailing state-owned sector, rather than expanding its already big share of the U.S. market. To be re-elected in 2004 after swift military victories in Afghanistan and Iraq, President Bush will focus on reviving the U.S. economy, which largely depends on domestic consumer spending. In their complaints about the enormous trade deficit with China, it is clear that many Americans see more economic cooperation with China as a threat rather than a benefit to the U.S.

In fact, no matter who is in power in the United States or China, their conflicting interests have predetermined a slim possibility of Sino-American cooperation on core issues. However, the two countries do have similar stakes in many peripheral issues. With the SARS crisis unfolding, the practice of public administration in China has emerged as the most feasible opportunity for U.S.-China cooperation. Indeed, both countries can promote their interests through such cooperation.

On the part of China, after 20 years of impressive economic advancement, the Chinese government, at all levels, is facing serious challenges like growing unemployment, a collapsing pension system, and an eroding healthcare system, among others. These bottlenecks have caused social unrest and jeopardized further economic growth, which are two main concerns of the Chinese government. Although many experts have suggested that political reform would be the solution to these problems, the ruling communist party has long been reluctant to reform, fearing the possibility of regime change, as well as the huge social and financial commitment required to implement such reform. Since the overhaul of national welfare programs and government capacity-building at both provincial and local levels are expected to ease social tensions brought about by the broadening

gap between rich and poor without touching on sensitive political issues, reform of the public administration system is arguably the most effective and politically feasible alternative.

The improvement of Chinese public administration can be the prelude to further political reform and a tacit opportunity to promote democracy and freedom in China. Moreover, as the world increasingly integrates, disasters resulting from poor administrative management in China can affect countries throughout the world, including the U.S. The ongoing SARS epidemic serves as a compelling example: in this case, helping China to manage the crisis simultaneously protects America itself.

Among all areas of public administration, health is most likely to be the pilot U.S.-China cooperation program. Six months after the first case was reported in southern China, the SARS outbreak, exacerbated by the initial cover-up and far from being under control at the time of this writing, has led to the most serious political crisis in Beijing since the 1989 massive student demonstrations. The newly sworn-in Chinese cabinet, headed by pragmatic President Hu Jintao and Premier Wen Jiabao, is facing a decisive challenge. They must eradicate the SARS virus to maintain stability and stay in power. At this point, China welcomes any assistance to help the country combat SARS. As a matter of fact, the Chinese government has remarkably taken advice from the World Health Organization (WHO) and permitted WHO experts to do research on SARS in China.

The United States also has vested interests in helping China combat SARS. With 1.6 million Chinese living in America and a total of some \$147 billion in trade with China, the U.S. would like to see a safe and healthy China. As the only superpower in the world, the United States has both the financial and technical capabilities to assist China. More importantly, the Chinese government, because it has had to be open about the ongoing crisis, may become more open as a result. Some even predict that the crisis will help in the realization of the long-discussed proposals that will allow greater press freedom, public oversight of officials, and more governmental accountability. These changes will lead to a more responsible and democratic China, which is in the United States' best interest. One of the most urgent tasks for

China is to single out the virus causing SARS and produce an effective vaccine. American scientists have more funding and state-of-the-art technology, but lack the virus specimens which are abundant in hard-hit China. Joint research by Chinese and American medical experts will greatly accelerate the discovery of a cure for SARS.

The SARS crisis has also brought attention to the failing Chinese health system. Due to the sudden privatization of public health services and the long-time neglect of medical services in poor areas, China's once successful health network of urban hospitals and rural clinics is now considered one of the weakest in the global medical system. Having learned a lot from the crisis, the Chinese government is expected to make reforming the public health system a top priority when the outbreak is over. These reforms should focus on three areas: efficiency in and equity of the health care system, transparency in the provision of health information, and vigilant monitoring as well as emergency reaction mechanisms for disease outbreaks. While China has paid a huge price in decentralizing its top-down government-controlled health system, the U.S. government has struggled to gradually play a larger role in health care through Medicare and Medicaid programs. As the health care systems in the two countries become more and more alike, they can share lessons and experiences for successful transitions.

When cooperation on health issues succeeds, cooperation in other areas of public administration will likely follow. Working together will not only help to establish a modern public administration system in China, but will help to further Sino-American relations as well. ■

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<sup>1</sup> Speech by President Bush to the George C. Marshall ROTC Award Seminar on National Security at the Virginia Military Institute on April 17, 2002. Excerpts of the speech can be accessed at the following site: [http://www.marshallfoundation.org/educational/rotc\\_awards\\_25th\\_anniversary\\_president\\_speech.html](http://www.marshallfoundation.org/educational/rotc_awards_25th_anniversary_president_speech.html).

## FIRST PLACE- AMERICAN

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*“Time Is Ripe  
for Increased  
U.S.-China  
Cooperation  
in Health”*

The Severe Acute Respiratory Syndrome (SARS) epidemic reminds us not only of the challenges that exist in global health, but also of the opportunities that exist for mutual collaboration between nations. The SARS crisis reveals that diseases can emerge suddenly, and can spread throughout the world in a matter of days. As the Chinese Premier, Wen Jiabao, remarked in a speech on the potential threat of SARS to China's ill-prepared healthcare system in the countryside, “before we know it... the consequences (of SARS) could be too dreadful to contemplate.”<sup>1</sup>

For decades, the United States has engaged in dialogue with the Chinese government on mutual cooperation in health. As recently as 2002, the U.S. Health and Human Services Secretary, Tommy Thompson, and the former Chinese Health Minister, Zhang Wenkang, signed a Memorandum of Understanding in Washington aimed at promoting enhanced Sino-American cooperation on HIV/AIDS prevention and research.<sup>2</sup> The reason for this was very simple: health is a commonly shared human value that is transnational in

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nature. It is the foundation for stable governments, peace, democracy, economic development, and international trade. Health discourse is an easy way to build the trust and confidence on which trade and cooperation in other areas are based.

Although China has proven to be one of the developing world's greatest success stories in combating parasitic and infectious diseases such as influenza, tuberculosis and cholera,<sup>3</sup> China has been a reluctant player in dealing with new infections such as the Human Immunodeficiency Virus (HIV) and SARS. This may be due in part to the behavioral component of HIV transmission, the concept of "shame" in disease reporting, as well as governmental neglect as a result of its focus on economic growth. The SARS epidemic reminds us that it is time that health came to the forefront of U.S.-China relations.

Why should we be more concerned about the transmission of infectious diseases now? First, globalization has increased the speed and volume of travel, and as a result has also facilitated the spread of disease around the world. As we have experienced in the outbreak of SARS in China, infectious diseases do not recognize national borders. It is no longer possible to control diseases exclusively on a national or local level. In recent years, travel volume between the U.S. and China has been substantial. In the year 2001, for example, 949,161 U.S. nationals visited China,<sup>4</sup> while 232,416 Chinese nationals came to the United States.<sup>5</sup>

Second, new threats have emerged. The extensive use of antibiotics in both developed and developing countries has created drug-resistant organisms whose proliferation via international travelers poses a formidable challenge to healthcare workers around the world. Moreover, diseases that were once thought to have been eliminated (e.g., smallpox) could return in more virulent and drug-resistant forms. Further, advances in biotechnology and the material sciences have increased the threat of bio-terrorism.<sup>6</sup> We have already

experienced the threat of anthrax on U.S. soil. Americans, as well as the rest of the world, are at great risk from both emerging and reemerging infectious diseases.

For China, discussions on health are even more critical. China's healthcare system is outdated and inadequate. An unexpected disease burden could be devastating to its developing economy, especially given the fragility of the labor market and fluctuations in the savings rate. A disease epidemic could also severely affect the direct foreign investment decisions of China's trading partners, threatening China's claim to be the "world's factory." Foreign companies would choose not to place managers in areas of high health risk, nor would they wish to deal with both the uncertainty and the costs of a workforce exposed to constant health threats. Internal markets in China would also shrink in response to a large health shock, diminishing economic growth. During the recent SARS epidemic, analysts at Citigroup<sup>7</sup> revised their GDP forecasts for China

### ***The SARS epidemic reminds us that it is time that health came to the forefront of U.S.-China relations.***

from a growth of 7.6 percent to 6.7 percent, and Hong Kong's GDP has now been projected to grow at a rate of 1 percent instead of 2.8 percent.

Even more worrisome is that when the Chinese people realize their government is incapable of dealing with emerging healthcare shocks, their trust in the government will be damaged. The health disparities between the rich and the poor would become more evident with an increased disease burden, and this burden could further exacerbate these social and economic inequities. This could in turn inspire skepticism and disenfranchisement in the Chinese population at large. Political instability could also result from the striking healthcare divide between China's prosperous coastal areas and the less developed inland provinces.

Given that health is a concrete input of

economic growth and global security, one must ask if the timing is right to increase the collaborative health efforts between the United States and China. For America, there is no better time to increase discussions of health policy and public health issues in its foreign policy dialogue with China. In the post 9/11 era, U.S. foreign policy has been dominated by military issues and the war on terrorism, and U.S. leadership has attracted international resentment as a result. Fortifying health as a foreign policy dimension would provide a fresh framework for the U.S. to lead an international humanitarian effort that would be viewed as sensible and practical. This cooperation would also reduce the threat of diseases endangering the health of U.S. citizens at home and abroad, and the threat to U.S. armed forces deployed overseas.

For the Chinese government, cooperation with the U.S. on health issues would help the new generation of leaders set a new tone of governance. With the introduction of the "Three Represents" at the 16<sup>th</sup> Party Congress, the Communist party is committed to representing advanced culture, advanced technology, and the shared interests of the people. This declaration provides an implicit commitment to

promoting a middle class society.<sup>8</sup> With this subtle but important change in the government's attitude, the Chinese people are more likely to demand increased accountability from their government, especially in the provision of basic necessities such as food, shelter, healthcare, and education. One sign that the government is becoming more accountable to the Chinese people was the dismissal last spring of both the Chinese health minister and the mayor of Beijing because of their mismanagement of the SARS outbreak.

It seems that this is an opportune time for both sides to use health as a foreign policy instrument in order to re-establish communications and nourish a dialogue of cooperation. What, then, should be done to ensure the success of health as a foreign policy tool?

In addition to the work done by the

World Health Organization, both countries could address health issues on a global level. They could do this by adding health to the agenda at multi-lateral summits and organizations, such as the G-8, the Asia Pacific Economic Cooperation, and the World Trade Organization. This would facilitate the development of closer links between trade and health aid. For example, developed countries could provide debt relief through the International Monetary Fund or the World Bank to countries that have achieved effective disease control. Multinational corporations could increase their commitments to invest in healthcare in poorer countries, provided that these countries agree to share their health information with the rest of the world or with an international health oversight board.

At the governmental level, Chinese and American leaders must come to see health as an essential element in the relationship between the two countries. China and the United States could work together to improve sanitation, access to potable water, and health education. The Centers for Disease Control and Prevention and the National Institutes of Health in the U.S. could help train Chinese healthcare personnel in the prevention, diagnosis and treatment of infectious diseases. In return, the Chinese Ministry of Health could promise to report and share important health information as new diseases arise. Patent and pricing structures could also be reshaped so that low prices on pharmaceuticals and medical equipment would be offered by the United States to China in exchange for tight controls on parallel exports of these items from China to full-priced markets. This would ensure funding for the development of drugs targeted at diseases such as SARS and HIV. Furthermore, both countries could work jointly on improving surveillance and detection of bioterrorism, which would lead to increased capabilities for both public health and healthcare delivery systems in the event of a terrorist attack.

At the institutional level, partnerships between U.S. and Chinese medical and public health institutions are desperately needed to share health information across borders and cultures. Healthcare communities could act in concert with national government efforts. The transfer of knowledge relating to health culture and local resources would be just as

important as the transfer of medical technology. Business institutions would also need to be educated about the impact of their actions on the health of the communities in which they operate, as well as the health of the consumers of their products.

Beyond enhancing security, prosperity, and democracy, making health a priority in U.S.-China collaboration makes sense. By setting the example of nations working together to solve a common problem, this effort could bring the two countries together and would likely enjoy support that cuts across partisan lines in the United States. This will also mitigate some inequalities resulting from globalization. By emphasizing humanitarian and transnational issues, countries that work together can pave the way for social and economic prosperity for all. The idea for cooperation in health is not new, but the time is ripe to make it a priority. ■

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<sup>1</sup> Reuters, April 22, 2003.

<sup>2</sup> U . S . E m b a s s y - C h i n a . <http://tinyurl.com/ywvtvx>

<sup>3</sup> Wolf, Jr., Charles, unpublished book, Chapter 4: "Epidemic Disease: A Wild Card in China's Economic Future."

<sup>4</sup> C N T O . O R G tourism database. [http://www.cnto.org/tourism\\_data.htm](http://www.cnto.org/tourism_data.htm)

<sup>5</sup> Office of Travel and Tourism Industries. <http://tinyurl.com/3h9dj>

<sup>6</sup> Brower and Chalk. "The Global Threat Of New And Reemerging Infectious Disease: Reconciling U.S. National Security And Public Health Policy." RAND 2003.

<sup>7</sup> Economic implications of SARS mount. CNET News.com, May 11, 2003. <http://news.com.com/2009-1086-999475.html>

<sup>8</sup> Overholt, William H. "China After the 16<sup>th</sup> Party Congress." RAND Seminar, December 2, 2002.

## HONORABLE MENTION- AMERICAN

**Mark D. Jacobs  
Cornell University**

***"Mutual  
Understanding,  
Its Relevance,  
and a Means to  
Achieve It"***

Mutual understanding is critical to the existence of cooperative relations between nations. Often, however, conditions exist which make such understanding difficult to achieve. Given this, it is imperative for a nation's leaders to take action and enact measures that give rise to an improved level of reciprocal appreciation.

Changing power differentials at the state level often lead to disagreements between countries. Nations with established influence generally feel threatened by change, while states in the process of attaining new power demand recognition. Idealism and subjective issues of legitimacy operate to guide action, and differences in perspective give rise to misunderstandings. It is within such a scenario that the possibility for conflict increases. George Bush and the United States represent established power; Hu Jintao and China symbolize new power. The Bush administration seeks to maintain the United States' status, while the Hu government hopes to achieve self-validation and increased respect for China. Given this situation, the possibility for misunderstanding between the two nations is substantial. A

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resulting question, then, is what can be done to mitigate the possibility for conflict? A resolution to this question is key to the enhancement of Sino-American cooperation.

Inaction is not a possibility. Left alone, the present situation will only lead to a greater likelihood of hostility. Even now, the foundations of such tendencies are evident. Ten years ago the mention of China at a gathering of Americans would most often elicit curiosity and positive feelings. Now, however, references to China more often than not result in some remark like, "China is stealing jobs away from us," or "How can we compete?" There is a perception that China represents a threat to the American way of life and that something should be done to deal with this threat.

On the Chinese side, an illustration of the worsening state of U.S.-China relations may be found by signing onto any one of a number of Chinese student association message boards here in the United States. One finds, particularly during periods of increased interaction between the United States and China, a range of comments supporting a more aggressive posture by China, as well as attitudes that are often almost belligerent with regard to the United States and her China-related policies. Many participants in these online forums assert that China should stand up for herself and reject what they perceive of as the demands of the United States.

Obviously, the present situation is not ideal. The possibility for confrontation appears to be rising, and relations between the United States and China must improve. While economic development is China's right, both China and the United States need to accept that such development must occur in a patterned sort of way, bounded within a specified set of rules and constraints, a set that is mutually recognized and that applies equally to all parties involved. Such recognition requires improved mutual understanding, and this will require a concerted effort by both China and the United States.

Some might think that increased understanding between China and the United States is a forgone conclusion. Interaction between Chinese and Americans is at an all-time high. China and the United States are involved in countless economic and intellectual

exchanges. All of this, by itself, would seem to be leading to the desired outcome of improved mutual awareness. Unfortunately, however, such is not the case.

To realize this, all one needs to do is spend time in the major cities of China or on the college campuses of the United States to see that the closer proximity and increased interaction between Americans and Chinese is not at the same time leading to more interpersonal relationships between the two groups. Apart from contacts at work and school, there is not a great deal of organic intermingling. Generally, the Chinese stay to themselves, and the Americans do the same. Given these conditions, increased mutual understanding, if happening at all, is progressing much too slowly to resolve the existing potential for conflict.

Presidents Bush and Hu must take this situation into account. The leaders must act to implement various means by which mutual understanding can arise more rapidly. Creating forums for free expression where Chinese and Americans may exhibit their views, while perhaps a valuable first step, is simply not enough. Participation in such forums simply results in Americans and Chinese verbalizing their own accepted dogmas, as in the example of the message boards mentioned above. Though each group is made aware of differences in the opinions and positions of the other group, little understanding results. What is needed is a more fully integrated, mutually agreed upon plan with the specific goal of increasing understanding between Americans and Chinese.

My recommendation is that a program be inaugurated in which Chinese and Americans are intentionally brought together in small group settings, working together in concert to achieve socially beneficial goals. Although such an undertaking has not been attempted in the past, it would not be a program without existing foundations. Here in the United States, lessons might be drawn from such ventures as the Civilian Conservation Corps and AmeriCorps.

The program that I propose would take place in the summer and would operate, both in the United States and in China, in conjunction with a particular university in each country. The Chinese and American participants would be university students, at the undergraduate and graduate level, selected from a pool

of applicants from their respective countries through a specific application process. The 80 participants in each country (for a total of 160 participants, broken down into groups of 40 Americans and 40 Chinese in each country) would be split into teams of seven to nine members, who would live together and be assigned a project or set of projects aimed at a socially beneficial goal such as the setting up and/or maintenance of parks, the construction of public housing, and the beautification of public lands. A limited amount of funding and guidance for the programs would be allocated by the U.S. and Chinese governments, particularly in the form of cultural education such as sponsored visits to museums or arranged lectures, but the principal share of resources would be derived from corporate sources and managed in conjunction with various non-governmental organizations (NGOs), for example the Asia Foundation acting in conjunction perhaps with Habitat for Humanity or a similar organization here in the United States. The language used for communication in the programs would be English or Chinese depending on the location of the program: English here in the United States and Chinese in China. Participants, in addition to having their food and living expenses covered, would receive limited compensation, perhaps in the form of educational rebates.

While such a program might seem overly idealistic, there are a number of incentives that would contribute to its likelihood of success. For the U.S. and Chinese governments, the program would provide the opportunity to show that attempts toward improving the two countries' bilateral relations were taking place. Furthermore, the similar undertakings in each of the nations would represent a kind of bridge linking the two countries. From this, additional benefits would likely materialize. Also, because understanding and cooperation most readily emerges in small group settings, particularly in contexts where a group is tasked with a specific responsibility, one could argue that the end goals of improved Sino-U.S. understanding and cooperation would be achieved through the teamwork required for a project of this type. Though such gains, given the numbers of participants involved, might seem miniscule, media coverage and alumni networks would ensure that the derived benefits would be greater than might be assumed. Lastly, the work

performed by participants would have socially beneficial effects in both countries.

For the participants themselves, in addition to the benefits of compensation in the form of educational subsidies and resume building experiences, they would achieve an enhanced cultural awareness, improved language ability, and understanding of the challenges implicit in bicultural work environments. The expanding contact between China and the United States would guarantee that the value of past participation would only continue to increase in the future.

There would be a number of benefits for the managers and sponsors of the program as well. The program would enhance the standing of NGOs working on the project by broadening contacts and exposure for them, and also improving their capabilities for carrying out multi-faceted, creative endeavors. Sponsors would also derive the advantages of both culturally aware and bilingual employee resources to draw on in the future. Furthermore, they would have the opportunity to use their sponsorship for promotional benefits through advertising and they would improve their reputations among government officials by positioning themselves as firms that are concerned with the improvement of U.S.-China relations. In sum, for a modest contribution of resources and effort, all parties involved in this program would reap meaningful rewards.

Hu Jintao and George Bush are in the midst of deciding how best to lead their nations. Change is inherent in this situation. As such, the potential for mutual misunderstanding is quite high, affecting the ability of the two nations to act cooperatively. Understanding between the two nations must be improved. This essay introduces one means by which such enhanced understanding might be achieved. It is a method strengthened by existing incentives, and feasible in its approach, and is my suggestion for improving cooperation between the United States and China. ■

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