A Message from the President

America and China’s Dream

Forty five years ago as a high school senior, I stood on street corners handing out literature for Senator Robert F. Kennedy’s run for president. I listened to him quote Shaw and say, “Some see things as they are and say why, I dream things that never were and ask why not.” I believed that his vision would bring a prosperous and peaceful America.

Last February I stood with Chinese President Xi Jinping - he was then vice president - at a luncheon and I experienced a new kind of Chinese leader. I presented him with a photo album of his father’s 1980 American visit hosted by our organization. The photos showed a Chinese delegation of provincial governors and party secretaries, led by his father, visiting the United States right after the historic “opening” of China and eager to understand the American dream as they met with leaders and ordinary Americans across the United States.

Rather than simply saying thanks and putting the book aside, he opened it and we discussed each picture. He told me who each Chinese leader was, asked where the pictures were taken and who each American was. It was unscripted, human, extended far beyond the allocated time and showed a Chinese leader willing to expose his human side. Today when President Xi speaks of his “Chinese dream,” I’m reminded of that time 45 years ago when RFK talked about that dream. Like RFK, President Xi dreams of poverty alleviation, national rejuvenation, and freedom from corruption.

His message is to not repeat the mistakes of history, to not allow historic great power rivalries to dictate our future. This weekend, when President Obama meets President Xi in California, they will have the first opportunity to define that concept together and see if they can dream things that never were and ask why not.

We have already begun to see the outlines of Xi’s China dream. On the domestic front, Premier Li Keqiang, in a speech delivered to senior party leaders, committed to an aggressive agenda for economic reform, pledging to reduce government involvement in the economy and allowing market forces to play a greater role in guiding economic growth and increasing investment and innovation.

The National Development and Reform Commission proposed an absolute cap on greenhouse gas emissions, as well as a cap on coal consumption. Additionally, Xi’s elevation of substance over form, his decision to follow in the footsteps of Deng Xiaoping’s 1992 Southern trip by visiting Shenzhen (which launched economic reform), and his anti-corruption drive, all combine to demonstrate his commitment to reform.

Internationally, China is becoming the responsible stakeholder that Robert Zoellick called for in his speech before our National Committee in 2005. Unequivocal statements that a denuclearized Korean peninsula is China’s first priority, vastly improved military-to-military relations between our countries, commitment to establish standards for cyber hacking and progress on long-stalled discussions regarding diligence by auditors on Chinese listed companies show progress in issues long stalled.

Xi’s dream is about reform, and Obama should do all that he can do to help him achieve the reform he seeks. As a first step, Obama and Xi should announce the commencement of negotiations for a free trade agreement with a three-year deadline for conclusion. Just as WTO accession helped Jiang Zemin and Zhu Rongji reform China, a free trade pact would do the same, as well as add jobs here in America.

They should also enliven the negotiations for a bilateral investment treaty and set a one-year deadline for completion. Bilateral investment will play an increasingly important role in this new great power relationship. To jump start a major Chinese investment in the U.S., Obama should also pledge to authorize exports of shale gas to China. Construction of the terminals and extraction of the gas will create American jobs, reduce China’s reliance on imported energy and coal, reduce China’s CO2 emissions, and improve its environment.

The protection of intellectual property must be a top priority in a new great power relationship because both sides require it. In order to achieve an innovation society, China knows it must protect intellectual property. For the United States, theft of its citizen’s intellectual property makes it difficult to believe that China is committed to a truly new relationship. The presidents should establish a bilateral task force to agree on specific policies that will ensure greater protection for intellectual property.

Finally, the presidents should announce that Obama will visit China within the next twelve months and during that visit he will directly address the Chinese people about his vision of the future for America and U.S.-China relations. Let the two presidents lay the foundation for this new great power relationship and dream things that never were and ask why not.

Adapted from an op-ed published in POLITICO on June 7, 2013
Forum on China’s Economy at NYSE

Forecast for 2013 from China’s Leading Economists

The National Committee’s fourth annual forum on China’s economy in the coming year brought some of China’s leading economists to a capacity audience of 300, including nearly 50 journalists, at the New York Stock Exchange on January 7. Conducted in cooperation with Peking University’s China Center for Economic Research (CCER), the program’s speakers included Dr. Justin Yifu Lin, former chief economist and senior vice president of the World Bank; Dr. Qin Xiao, former chair of China Merchants Bank and current chair of the Boyuan Foundation; as well as CCER Director Yao Yang and economist Huang Yiping, among others. The visiting economists, as well as other leading specialists and business leaders were in New York for this event and to participate in the National Committee’s U.S.-China Track II Economic Dialogue (see page 4).

The forum was introduced by NYSE Euronext CEO Duncan Niederauer and included keynotes on long-term growth in China by Dr. Lin and on China’s new leadership and reform agenda by Dr. Qin. Panel discussions featured analyses of China’s capital markets and investment strategy, financial markets and monetary policy and projections for financial reform and real estate in China. Video of the full program and presentation slides are available on the National Committee’s web site.

The National Committee is grateful for the generous support from Xcoal Energy & Resources, Van Eck Global, The Starr Foundation and NYSE Euronext that made this year’s forum possible. ■
Leading Economists Develop Consensus View

The U.S.-China Track II Economic Dialogue provides opportunities for leading economists from both sides of the Pacific to collaborate in developing suggestions to inform policy decisions. The sixth round of the dialogue was held in New York City January 8-9, 2013. The frank and productive meetings produced a consensus document of recommendations (see below) that was delivered to senior U.S. and Chinese leaders.

The Track II initiative was launched by the National Committee in 2010 in partnership with Peking University’s China Center for Economic Research (CCER); five prior meetings have been conducted in China and the United States since its inception. Many dialogue participants (see page 5) have been involved from the start of this initiative and the talks have remained substantive, open and productive. In 2013 the dialogue focused on risks and challenges faced by both countries, reforms needed on both sides to address these challenges and recommendations for collaborative efforts to improve trust between the two countries.

Following the dialogue in New York, the Chinese participants visited Washington, D.C., for meetings with Assistant to the President and Deputy National Security Advisor Michael Froman, Under Secretary of State Robert Hormats and Acting Secretary of Commerce Rebecca Blank, among others. The consensus document was given to those officials, as well as to Secretary of State John Kerry and to incoming Chinese President Xi Jinping, Premier Wen Jiabao and Vice Premier Wang Qishan.

The National Committee is grateful to Xcoal Energy & Resources, Van Eck Global and The Starr Foundation for their support of the dialogue.

Consensus View of the Sixth U.S.-China Track II Economic Dialogue

January 8-9, 2013 — New York

This year, a leadership transition in China and the reelection of Obama in the United States present both new opportunities and challenges in improving the economic relationship and building trust between the two countries. Chinese economic growth stabilized in late 2012 and will likely improve modestly in 2013. However, three favorable economic factors that drove growth in the past – unlimited labor supply, low production costs and rapid export expansion – are diminishing rapidly. Future growth in China will depend more on reforms, innovation and industrial upgrading. The U.S. economy narrowly escaped the fiscal cliff at the start of 2013, but near-term legislative deadlines on key fiscal issues still pose significant risks that could disrupt markets. Despite progress by households in deleveraging their balance sheets, a recovery in housing and a modest resumption in job creation, the U.S. unemployment rate remains high and economic growth is well below its long-term potential.

Both China and the United States require important structural reforms to sustain growth and support stability. As new teams take over economic leadership in both governments, they should move expeditiously to implement needed reforms, rather than await a crisis to act. Reforms in China and the United States, combined with collaboration between the two largest economies, can underpin prosperity for both countries and support the global economy.

The new leaders in China have made firm commitments to re-accelerate economic reforms, with the central theme of urbanization. They will likely introduce or deepen reforms in several areas, such as the household registration (hukou) system, extension of experiments on service VAT, property tax and resource tax, and income distribution policy. In coming months, the Obama administration will have to work with Congress to raise the debt ceiling, avoid sequestration by agreeing on a plan to cut spending and pass a continuing resolution to keep the U.S. government operating. Over time, the United States will also need to revitalize its tradables sector, rebuild

Justin Yifu Lin and Robert E. Rubin

continued on page 22
Track II Economic Dialogue Participants

Chinese Participants

Qin Xiao  Chairman of the Board, Boyuan Foundation, Dialogue Co-Chair; Member, 11th Chinese People’s Political Consultative Conference; Former Chairman, China Merchants Group
Justin Yifu Lin  Professor and Honorary Dean, National School of Development (NSD), Peking University (PKU); Senior Vice President and Chief Economist, World Bank
Gao Shanwen  Chief Economist, Essence Securities Co., Ltd
Huang Haizhou  Chief Strategist, Managing Director and Co-Head, Research Department, China International Capital Corporation (CICC)
Huang Yiping  Professor, Deputy Director, China Macroeconomic Research Center (CMRC), PKU
Lu Feng  Deputy Dean, NSD; Director, CMRC, PKU
Wang Jianye  Chief Economist, the Export-Import Bank of China
YAO Yang  Deputy Dean, NSD; Director, China Center for Economic Research (CCER), PKU
Zha Daojiong  Professor, School of International Studies, PKU
Chen Xi  Coordinator, CCER

American Participants

Maurice R. Greenberg  Chairman and CEO, C.V. Starr & Company
Carla A. Hills  Chair, National Committee on United States - China Relations; Co-Chair, Council on Foreign Relations; Chair and CEO, Hills & Company
Trevor Houser  Partner, Rhodium Group; Visiting Fellow, Peterson Institute for International Economics
Constance Hunter  Senior Advisor, International Solutions Network
Dino Kos  Managing Director, Hamiltonian Associates, Ltd.
Nicholas R. Lardy  Senior Fellow, Peterson Institute for International Economics
Edward Matthews  (Observer) President and Director, C.V. Starr & Company
Robert Millard  Managing Director, Realm Partners
Stephen A. Orlins  President, National Committee on United States - China Relations
Daniel H. Rosen  Founder, China Practice Leader, Rhodium Group
Robert E. Rubin  Co-Chair, Council on Foreign Relations; Former U.S. Treasury Secretary
Kim Schoenholtz  Professor of Management Practice, Economics Department, New York University
Jeffrey Shafer  Former Vice Chairman, Global Banking, Senior Asia Pacific Officer in New York, Citigroup
Jan van Eck  Principal and Director, Van Eck Global
Taking Congress to China

NCUSCR Member and Staff Delegations

The education of senior policy makers about the realities of the U.S.-China relationship is central to the National Committee’s mission. The National Committee sent the first delegation of Congressional staffers to China in 1976 and sent its first group of members in 1996. After several years’ hiatus, member and staff delegations were resumed in 2006, the latter under the Mutual Education and Cultural Exchange Act of 1961 (MECEA). Since then, the National Committee has taken 14 members of the House of Representatives to China, most of whom belong to the Congressional U.S.-China Working Group (with which we work closely), as well as 24 Senate and 51 House staff members. The program promotes informed decision-making by enabling members and staffers to speak directly with key PRC officials and learn firsthand about China’s accomplishments and challenges. We also run a program for newly elected Congressmen about China.

**Congressional U.S.-China Working Group Members Delegation to China**

National Committee President Stephen Orlins led a bipartisan delegation of five Congressional members to China for an informative series of high-level meetings and site visits in Shanghai, Beijing and Hong Kong from January 24 to February 1, 2013. The group included U.S.-China Working Group Co-Chair Rick Larsen (D-WA) and Representatives Jim Costa (D-CA), Leonard Lance (R-NJ), Billy Long (R-MO), and Mike Turner (R-OH), accompanied by Rep. Larsen’s legislative assistant Marc Numedahl and scholar escort Mary Gallagher, associate professor of political science, director of the University of Michigan’s Center for Chinese Studies and a fellow in the National Committee’s Public Intellectuals Program.

The overall agenda focused on several issues affecting American interactions with China that were of specific interest to the Congressmen, including the leadership transitions in both countries, China’s economic reforms, U.S. business in China, regional security issues, American and Chinese domestic challenges, and Hong Kong’s relations with the United States and China.

The program began in Shanghai with a busy weekend stay. In fact, immediately upon arrival at the Shanghai Pudong International Airport, the delegation went first to meetings/briefings at the Boeing Shanghai Aviation Services and then FedEx (both of which are situated quite close to the airport), and only then proceeded into the city and to their hotel. A roundtable organized by AmCham-Shanghai and the US-China Business Council that focused on economic and trade issues began the next day’s program. This was followed by three programs held in conjunction with the U.S. Consulate: a luncheon hosted by Consul General Robert Griffiths that included a very interesting and eclectic mix of Americans living in Shanghai involved in a broad range of activities; a briefing from the Consul General and his senior staff; and a panel of leading Shanghai-based academics focused on the potential for political and economic reform under the incoming Chinese leadership, and its impact on Sino-American relations. The group also had an

continued on page 14
NCUSCR Gala Dinner

3M and PepsiCo Honored for Roles in China

More than 500 guests attended the National Committee’s Gala Dinner honoring 3M and PepsiCo, held at the Plaza in New York on October 8, 2012. The celebration coincided with the fortieth anniversary of the National Committee’s role in Ping Pong Diplomacy. The $1.4 million raised will provide critical funding for many National Committee programs throughout the year.

The evening’s honorees, Inge G. Thulin, chairman, president and CEO of 3M, and Indra K. Nooyi, chairman and CEO of PepsiCo, both delivered remarks on the work of their companies in China and their aspirations for Sino-American relations. The honorees were each presented with a large scroll painting by renowned Chinese artist Zhao Wei, president of the China National Academy of Painting.

Special congratulatory messages to the National Committee came from President Obama and President Hu Jintao and were read, respectively, by National Committee Chair Carla A. Hills and PRC Ambassador to the United States Zhang Yesui.

Award-winning jazz trombonist and Young Leaders Forum alum Wycliffe Gordon and his jazz combo entertained guests with several compositions on the YLF theme of person-to-person dialogue and friendship.

This year’s honorees were selected for the exceptional contribution their companies have made to the U.S.-China relationship. Established in 1984, 3M China Limited was the first wholly foreign-owned enterprise in China outside the Shenzen Special Economic Zone. Renowned for innovation, research and development, 3M China employs more than 8,200 people and has brought thousands of products and technologies to the people of China through customer centers in 27 cities and more than 40 laboratories. In addition, the company’s exemplary corporate citizenship, highlighted by 3M’s placement on China’s Top 10 Green Foreign Enterprises list for a fourth year in a row, has significantly benefited U.S.-China ties.

In 1981, PepsiCo was one of the first U.S.-based companies to invest in China after the country’s “reform and opening up,” and PepsiCo has since grown to become one of the most successful food and beverage companies there. For more than thirty years, it has distinguished itself through the development of a diverse range of products to meet local tastes, including Mirinda, the top-selling flavored soft drink in the country. PepsiCo was honored for its commitment to innovation, stringent safety standards, local sourcing, sustainable agricultural practices and environmentally sound operations in China.

The Gala Dinner is an important source of income for the National Committee’s many programs and activities. The Committee is grateful for the generous financial assistance from companies and individuals in support of its mission to foster productive and cooperative Sino-American relations.
Public Intellectuals Program III

Engaging Next-Generation China Specialists

The Public Intellectuals Program (PIP) nurtures a new generation of American China specialists who have the potential to serve as leading public intellectuals. Each two and a half year program helps twenty scholars and specialists establish relationships with their academic peers and with policy makers on both sides of the Pacific; deepen and broaden their knowledge about China’s politics, economics, and society; and use this knowledge to inform policy and public opinion. PIP includes meetings in Washington, D.C., focusing on the China policy community; a meeting in San Francisco to interact with specialists on the west coast; trips to Greater China as a cohort; participation in National Committee exchanges as scholar-escorts; and a requirement that fellows organize local public education programs. PIP Rounds I (2005-07), II (2008-10) and III (2011-13) have been generously funded by The Henry Luce Foundation and The Starr Foundation.

The third round of the Public Intellectuals Program is going into its final months and since last reported on in this newsletter has included two fellows’ delegations to Greater China, a workshop in San Francisco, several public outreach projects conducted by fellows, gatherings at the March 2012 and 2013 Association for Asian Studies annual meetings, the publication of numerous articles with the assistance of our PIP media coach, and a U.S.-China relations refresher workshop for Rounds I and II of PIP fellows. Some highlights from these activities are noted below.

Fellows Trip to Mainland China and Taiwan

Each round of PIP includes two cohort trips to Greater China for groups of about ten fellows each. The two-fold goal is to introduce these promising China specialists to people, places and institutions they might not otherwise meet and to provide time for focused interaction and bonding among the fellows. The host organization in China is the China Foreign Affairs University. Dr. Thomas B. Gold, a National Committee director, professor of sociology at the University of California, Berkeley, and PIP advisory committee member, was the senior scholar-escort for the July, 2012 Mainland/Taiwan trip and former National Committee president and director of the China Studies Program at SAIS, David M. Lampton, served in that capacity on the June, 2013 Mainland/Hong Kong trip. NCUSCR Vice President Jan Berris and Director of Special Initiatives Dan Murphy accompanied the first delegation and Jan Berris, the second.

Both groups had fully-packed three-day programs in Beijing that included many of the same meetings and people: at the Foreign Ministry (in 2012 with now Ambassador to the United States and then Vice Foreign Minister Cui Tiankai); officials at the American Embassy; Kaiser Kuo, Baidu’s director of international communication, on social media and the Internet in China; Tong Lihua, China’s leading legal advocate for migrant workers; He Liliang, former diplomat and widow of Chinese foreign minister Huang Hua, who provided her first-hand perspective on life as a revolutionary in Yan’an and her later work as a senior diplomat at the United Nations; editors and correspondents from various western media outlets to hear their perspectives on reporting from China; the Beijing Urban Planning Museum with Ma Liangwei, deputy director of the city planning department (and an NCUSCR Young Leaders Forum member); and Hanban, with its director, Xu Lin, and her senior deputies. Other long-time Committee friends saw one or the other group: among these were Wu Qing, director of the Beijing Cultural Development Center for Rural Women, an outspoken representative of Haidian District’s People’s Congress, and longtime professor at Beijing Foreign Studies University; Tian Yuan, the founder of Yabuli China Entrepreneurs Forum and member of a 1984 NCUSCR-hosted economic delegation; Lu Feng,
Public Intellectuals Program Fellows 2011 - 2013

Dr. Gardner Bovingdon
Associate Professor and Director of Graduate Studies, Central Eurasian Studies, Indiana University at Bloomington

Dr. James Carter
Professor of History and Director, International Relations Program, Saint Joseph’s University

Dr. Michael Chang
Associate Professor of Chinese History, Department of History and Art History, George Mason University

Dr. Martin Dimitrov
Associate Professor of Political Science, Tulane University

Dr. Taylor Fravel
Associate Professor, Political Science and Member, Security Studies Program, Massachusetts Institute of Technology

Mr. Keith J. Hand
Associate Professor of Law, University of California Hastings College of the Law

Dr. Yinan He
Associate Professor, School of Diplomacy and International Relations, Seton Hall University

Mr. Thomas Kellogg
Director for China and Northeast Asia, Open Society Foundations; Lecturer in Law, Columbia Law School

Dr. Sabina Knight
Associate Professor, Chinese and Comparative Literature and Director for Comparative Literature, Smith College

Dr. Joanna Lewis
Assistant Professor, Science Technology and International Affairs, Edmund A. Walsh School of Foreign Service, Georgetown University

Dr. Darrin Magee
Associate Professor, Environmental Studies, Hobart and William Smith Colleges

Mr. Carl Minzner
Associate Professor, Fordham University School of Law

Public Intellectuals Program fellows meeting in San Francisco

Dr. Tashi Rabgey
Research Professor of International Affairs, Elliott School of International Affairs, The George Washington University

Dr. Kay Shimizu
Assistant Professor, Department of Political Science, Columbia University

Dr. Anthony J. Spires
Assistant Professor, Sociology, The Chinese University of Hong Kong; Associate Director, Centre for Civil Society Studies, The CUHK Hong Kong Institute of Asia-Pacific Studies

Dr. Phillip Stalley
Associate Professor, Political Science, DePaul University

Dr. Jessica Teets
Assistant Professor, Political Science, Middlebury College

Dr. Janet Theiss
Associate Professor, History; Director, Asia Center, University of Utah

Dr. Elanah Uretsky
Assistant Professor, Global Health, Anthropology, and International Affairs, The George Washington University

Dr. Jessica Weiss
Assistant Professor, Political Science, Yale University
Student Leaders Exchange

Reflections by American and Chinese Students

Each year since 2004, the National Committee has selected a group of twelve Presidential Scholars (a designation conferred annually upon 141 American graduating high school seniors by the U.S. Department of Education) to participate in its annual U.S.-China Student Leaders Exchange to China. In the spring of 2013, the National Committee welcomed a delegation of outstanding Chinese high school students to the United States – the third time since the founding of the program – for a reciprocal visit that exposed these future leaders to a wide range of experiences and people.

Both directions of the exchange provide rare opportunities for these students to learn about the other country and ignite a passion and curiosity they often continue to explore in college and beyond. The April 2013 program for Chinese students included stops in Boston, New York City, Washington, D.C., and North Sutton, New Hampshire; the two-week June-July 2013 American visit included Beijing, Xi’an, and Changsha. Both groups had the unique experience of staying in local homes, providing an intimate window into life and culture in the host country.

The Student Leaders Exchange serves as a first step toward ensuring that the next generation of Chinese and Americans has a deep understanding of one another, and the reflections from participants of the 2012 program, excerpted below, show the depth and impact of their experiences.

Kenan Jia
Xi’an, China
Yale University

In April 2012, I was very lucky to participate in the Student Leaders Exchange to the United States. The two-week trip left me with warm, fun and inspiring personal memories that I really cherish. This amazing program provided me with great opportunities to gain insights into two main aspects that really make me think deeper about U.S.-China relations: the daily lives of typical Americans and the differences in our respective education systems, both at the high school and college levels.

One of my favorite parts of this trip was staying with host families in each of the places we visited. In New Hampshire, I stayed with a family with two kids: a boy my own age and his younger sister. During the three days I lived with them, I got a small taste of what family life in a small, beautiful, and peaceful American town is like.

Importantly, I also got a glimpse of what it’s like to grow up with a sibling. This is kind of a big deal to me and most of my contemporaries growing up in China under a one-child policy: we have no idea what having a sibling feels like. When my American host brother went off to school in the morning, I spent time at home with my little host sister, who loved to regale me with stories about her and her brother’s lives: how they bathe their dog Angel together; how they bake cookies for the holidays together; and how her brother teaches her to solve easy math problems.

Chinese kids, especially when they’re young, can be very clingy with their parents. I feel that having siblings is part of what makes American kids more independent than Chinese kids, or at least more reliant on their siblings than their parents. Having a sibling means more love and responsibility. I remember the way my 10-year-old New Hampshire host sister talked to her younger cousins at the birthday celebration for their grandma; she was like a leader, telling them to present their gifts to grandma in turn, to put the toys in order, and to help their parents wash dishes after dinner. She told me her brother always taught her to do these things and she just wanted to be an “influential adult” like her brother.

Having a sibling makes children be aware of the influence of their actions on their sisters and brothers and thus start to act maturely earlier. Due to the one-child policy in China, Chinese parents are more likely to spoil their kids by doing a lot of things for them rather than letting them to try and be challenged, which in turn make children what we call in Chinese pop culture “little emperors” and “little empresses” of the family. My experiences with my dear host families let me feel the love and bonds among family members in American families. I still keep in touch with these families now and I will certainly visit them sometime during my college years.

During the visit we also visited many different schools and even attended classes, through which I gained a better understanding of the difference between the Chinese and American educational systems. When we stayed with students attending the St. Alban’s School, one of the best private high schools in the U.S., I attended my host sibling’s world history seminar where students are encouraged to interact with their teacher.

Students in that class surprised me most with their bravery to challenge their teachers, standing up and explicitly pointing out a loophole in a statement the teacher made. This behavior is unlike Chinese...
students who, most of the time, acknowledge their teachers as the authorities with the correct answers. The relationship in the United States is perhaps more like a friendship; students seem more at ease with their teachers and are more willing to challenge them.

But at the same time, what struck me the most was the unruliness of the classroom: students seemed to say whatever they wanted whenever they wanted to. Sometimes they chatted with each other or walked directly out of classroom without notifying the teacher. This too is quite different from the situation in China, where students need to first raise their hands and be called upon by the teacher; then they stand up to raise or answer a question. I feel that Chinese students are more respectful to their teachers than American students. I think Chinese students and American students may find a balance: respecting teachers but at the same time challenging them, their authority, if necessary.

Visiting Harvard was another fantastic experience. For two days, I was hosted by an econ major in her junior year. On the night we arrived, we went out with our hosts for dinner, and didn’t get back to the dormitories until 3 a.m. What surprised me most was that no one in my host’s suite was asleep! My host sister stayed up to prepare for an interview the next day with Goldman Sachs and her suitemate was up writing a research paper. Everyone seemed to be really busy but at the same time very happy. I really enjoy talking to her about her college life: taking difficult but rewarding classes, going to fun parties, and attending guest lectures.

The environment is quite different from college life in China, where students may care more about their GPAs in advanced calculus than attending a lecture by the founder of an NGO. Liberal arts education offers students more opportunities outside academics for them to explore what they are truly passionate about and become a more versatile person.

I appreciate the opportunities and experiences that SLE provided me. From a personal perspective, I feel this is a great chance for me, a Chinese student with traditional Chinese background, to experience American life and explore American culture in the well-planned two-week trip. From a long-term perspective, SLE is a significant platform for outstanding American and Chinese high school students, the future leaders, to communicate with each other and find the opportunities and problems in U.S.-China relations and further work on them when they grow up. We may not contribute to this relationship right after the trip, but the influence SLE had on us is the incentive for us to be aware of the things we can do in the future, and to enrich ourselves with a deeper understanding of China, the United States, and their significant relationship. I hope more and more students can participate in this amazing program and make a difference in U.S.-China relations.

Emma Townley-Smith
Aliso Viejo, CA
Stanford University

It was during the homestays with our Chinese families that I felt the most hesitant to venture out of my comfort zone. My host mother in Changsha spoke about as much English as I did Chinese, which, to be generous, was not much. As I stared out the window of their car, bringing me to their home for the first time, and watched the cranes, taxis, and omnipresent poplar trees go by, my host sibling and mother talked, and I understood nothing but my name weaving in and out of the conversation. I wasn’t sure what they knew about our schedule, or my allergies, and I longed for an opportunity to start the deep, cultural-exchange sort of conversations that I had perceived as being the most important part of the trip. As it was, we had a smartphone translator application and a few nouns. After some short introductions, we ate dinner...
Policy Leaders Orientation Program

For Chinese Officials

The National Committee’s Policy Leaders Orientation Program builds on the Scholar Orientation Program and the Consular Orientation Program that the National ran from 1980 through the early 2000s. The revived version of the program occurs in two iterations: one for Chinese diplomats posted in the United States at the Chinese Embassy, Mission to the U.N., and the five Consulates General; and the other for their counterparts who work at various ministry-level offices in Beijing.

A Policy Leaders Orientation Program delegation of officials based in China was scheduled to arrive in Norfolk, Virginia on October 28, 2012, the evening before Hurricane Sandy was expected to make landfall on the east coast. Flight cancellations and office closures up and down the Eastern Seaboard forced the visit to be postponed, but on February 24, 2013, the delegation finally arrived in the States. Members were selected by the Chinese People’s Institute for Foreign Affairs, our Chinese partner on this and many other programs, and hailed from government offices ranging from the Ministry of Commerce to the Ministry of National Defense, the Central Organization Department, the National Development and Reform Commission, and the Industrial and Commercial Bank of China. This was the most senior delegation we have received in the seven years of the program.

The program began in the historic Virginia sites of Williamsburg and Jamestown, followed by Washington, D.C.; Lancaster, Harrisburg, and Philadelphia, Pennsylvania; West Point and New York City. Activities in each location were designed to expose the delegation to diverse elements of American society and in many cases to connect them with Americans both inside and outside their professional network. Some of the many highlights are described below.

Washington, D.C., featured meetings at several government offices, many of which gave the delegation members a chance to interact with their counterparts and discuss issues of mutual concern and areas for cooperation. The first meeting at the Department of Commerce with Nicole Melcher, director of the Office of China and Mongolia, was particularly lively and candid, with discussion on U.S.-China trade matters and the potential trade agenda during the second Obama administration. National Committee member and former Commerce official Henry Levine joined the conversation to contribute a perspective gleaned from his many years of work with American companies doing business in China. A subsequent meeting at the Congressional Research Service with another Committee member, Susan Lawrence, specialist in Asian affairs, was equally well-received. Ms. Lawrence briefed the group and fielded questions in Chinese about the methods by which members of Congress gain information on certain issues, a meeting that several members of the delegation wished were twice as long.

Though the Washington itinerary was rich with engaging briefings and site visits, the stays in the homes of D.C.-area residents was perhaps the experience that left the most lasting impression. As has been our tradition for all such programs, we asked members and friends of the National Committee to open their homes to one or two delegation members. Not only were we delighted to have several Committee members agree to be hosts, but this year we had a number of new families, all of whom have children attending the Yuying Public Charter School, which offers a Chinese language immersion program. For these families, the experience of having a member of the delegation stay with them, share meals and sit around at night talking provided their children an exciting opportunity to put their Chinese skills to use and practice with a native Chinese speaker. But it wasn’t just the families that benefited; the home stays were consistently cited by the Chinese visitors as an
invaluable experience and the most memorable window into American life they garnered on the trip.

Lancaster County provided the most eclectic days of the itinerary. The group began a Sunday morning at St. Paul’s Lutheran Church in Hummelstown, where the pastor and several members of the congregation hosted a reception and informal conversation after services. They quickly changed out of their Sunday best and traveled to Brandt-View Farm, where owner Dan Brandt showed the group around his 120-plus head of dairy cattle farm that he and his two sons run and talked about the challenges of family farming. The final stop of the day was the headquarters of the Pennsylvania National Guard at Fort Indiantown Gap, where Adjutant General Wesley Craig briefed the group on the Guard, his personal history, and the concept of citizen-soldiers. When the group arrived in the meeting room with the Major General, his aide remarked, with a grin on his face, “Smells like you were just on a farm. Takes me back home.”

The following day included visits to U.S. Congressman Joe Pitts’ district office in Lancaster and a meeting with Pennsylvania State Senator Mike Brubaker at the Capitol in Harrisburg, which helped the delegation members better understand the interaction between local and national political structures. All of the day’s activities, as well as the National Guard the day before, were arranged by the state and district directors for U.S. Senator Pat Toomey and Representative Pitts, both of whom participated in National Committee-organized delegations to China for Senate and Congressional staffers.

A visit to the U.S. Military Academy at West Point was another highlight, particularly the level of access afforded the group thanks to the assistance of long-time Committee friend and member Sherwood (Woody) Goldberg, who had also hosted the group for an evening of dinner and music at his home in Philadelphia. A former civilian aide to the secretary of the army and former professor of international relations at West Point, Woody helped arrange a roundtable discussion with international relations professors and classroom visits for the delegation members to observe the cadets learning about and debating the ethics of a just war. The Chinese were impressed by the candor of the students and their thoughtfulness in the class discussion.

Two highlights from the group’s final stop in New York City were a lively discussion with Associate Managing Editor Larry Ingrassia at The New York Times, and a bike tour through Central Park and Manhattan’s west side on the group’s last day in the country, led by Teachers Exchange Program alum Richard Sanford. It was a fitting end to a two week excursion that exposed the group to a wide range of experiences and people and helped provide a deeper foundation of knowledge about this country on which they will draw in their future work. Two more Policy Leaders Orientation Programs are scheduled for 2013, one for China-based officials and their diplomatic counterparts posted in this country and another for officials based in China.
NOTES

opportunity for informal discussions with municipal officials at a dinner hosted by the Shanghai Municipal People’s Congress.

In Beijing, the delegation met with several senior government leaders responsible for the areas of most interest to the group. Vice Premier Wang Qishan discussed the upcoming leadership transition and its impact on the U.S.-China relationship, along with his new role overseeing the anti-corruption movement; key foreign policy issues were covered in a meeting with Foreign Minister Yang Jiechi and one with representatives of the National People’s Congress Foreign Affairs Committee; Deputy Chief of the People’s Liberation Army General Staff Qi Jianguo gave an overview of the PRC’s military concerns; members of the Development Research Center of the State Council focused on economic issues, while a discussion at the Railway Ministry focused on domestic challenges as well as external ones, such as the Chinese experience in bidding for California high-speed rail projects.

There were very interesting meetings with friends of the National Committee: C.H. Tung, former chief executive of Hong Kong, who was in Beijing for a series of meetings, discussed the leadership transition; Ma Jun, who founded and runs the influential Institute of Public and Environmental Affairs, talked about his organization’s goal of raising awareness, increasing transparency and providing information and data on air and water pollution; and Linda Wong, an energetic real estate entrepreneur, briefed the group on her company’s development.

The Congressmen also spent time with fellow Americans. Ambassador Gary Locke and other senior Embassy officials provided a briefing, as did AmCham China and US-China Business Council officials and American corporate representatives as well as several American Beijing-based journalists.

The delegation essentially had only one program day in Hong Kong, and it, too, was jam-packed, beginning with a breakfast meeting with AmCham directors for a discussion of economic and business conditions in Hong Kong and Greater China; meetings with the financial secretary and the head of the Hong Kong Monetary Authority, both of which concentrated on the internationalization of the renminbi, a subject of particular interest to the group; a luncheon with the deputy secretary for environmental affairs; and culminating in a very interesting and in-depth discussion with C.Y. Leung, the chief executive of Hong Kong. The group’s farewell dinner, hosted by Victor Fung, vice chair of the China-U.S. Exchange Foundation, was held at the famous Hong Kong Jockey Club on the grounds of the Happy Valley Racetrack.

The busy agenda of high-level meetings and wide-ranging discussions with a variety of people in the three cities provided the Congressmen with insights that will inform their decision making and enhance their understanding of issues relating to the U.S.-China relationship.

Senate Staff Delegation to China

For the last few years, the National Committee has provided opportunities for staff members from Congressional districts to visit China. From December 5 to December 13, 2012, we took a bipartisan group of eleven Senate district office directors and senior staff members to China, accompanied by our Public Intellectuals Program Fellow Janet Theiss, associate professor of history and director of the Asia Center at the University of Utah, and National Committee Senior Director for Leadership Initiatives Jonathan Lowet.

The schedule, which was designed to introduce the delegation members to Chinese politics, society, and culture, as well as to focus on particular issues relevant to their work, took the group to Beijing, Xishuangbanna, and Kunming, the latter two in Yunnan Province, in southwest China.

In Beijing the focus was on China’s domestic issues and international relations, including the overall U.S.-China relationship, especially economic ties. Meetings were held with representatives from the Ministry of Foreign Affairs, the China People’s Institute of Foreign Affairs and the China Reform Forum. At a meeting with managing directors of the China International Capital Corporation, the discussion centered on the challenges faced by Chinese
companies seeking to invest in the United States. Useful insights into China’s media environment were explored at several places: with the international editor Huang Shan and the editorial staff at Caixin Media, a leader in financial and business news; with multimedia expert Kaiser Kuo, prominent blogger, musician, and director of international communications at Baidu, Inc., China’s leading web search company; and at an informal meeting with several American journalists based in China. At the Institute of Public and Environmental Affairs, the delegation received an informative overview of environmental issues and the Institute’s influential corporate pollution monitoring program.

The delegation spent two days in Xishuangbanna Prefecture learning about developing areas of China, regional administration, minority populations, and border issues. Activities included a meeting with the governor of the Xishuangbanna Dai Nationality Autonomous Prefecture, a visit to a Dai minority village, and a trip to the China-Laos border.

In Kunming, the staffers received an overview of the work of NGOs in China in a round table meeting with local leaders from Population Services International and The Nature Conservancy. They also toured a manufacturing facility and met with the leadership of a successful 20-year-old U.S.-China joint venture producing cellulose fiber used in filters, a model of constructive business cooperation between the two countries.

**Briefing for Freshman Members of Congress & Members of the U.S.-China Working Group**

For the fourth time in as many U.S. House election cycles, the National Committee organized a dinner discussion on critical issues in the U.S.-China relationship for newly elected members of the House of Representatives and members of the Congressional U.S.-China Working Group (USCWG). Our speaker for the March 19, 2013, program was new board member and former ambassador to China, Jon M. Huntsman, Jr. Fourteen members attended: six freshmen, seven USCWG members, and one USCWG prospect.

Following brief remarks by USCWG co-chairs Charles Boustany (R, LA) and Rick Larsen (D, WA), Stephen Orlins and Governor Huntsman discussed critical issues in the relationship. Governor Huntsman offered remarks about the new Chinese leadership, indicating that he thought President Xi Jinping could be China’s most important reform leader since Deng Xiaoping. Concerned that the U.S. executive branch often acts too timidly, not showing enough bold leadership to come up with a sound, comprehensive strategy to deal with an emerging China, he suggested that Congress could blaze the trail, provided that its parts and factions could avoid excessive partisanship.

During the Q&A, Members asked Governor Huntsman a variety of questions, most of which revolved around China’s rise and its ability to challenge the United States. There were also questions about China’s ability to keep its own house in order. (Is there a real estate bubble? What is the impact of the growing disparity between the Chinese haves and have-nots? How far up in the Chinese government does corruption reach?) And there were questions about whether China truly poses a threat to U.S. security.

With his measured responses, Governor Huntsman provided plenty of fodder for further thinking, and encouraged the attendees to support Congressional initiatives that focus on the sizeable common interests in the bilateral relationship, instead of the differences: actions that can enhance nearly non-existent military-to-military relations; that can encourage the construction of basic cyber rules of the road; and that can backstop a Chinese government looking to reform its own state-owned sectors and increase market access. He also suggested that Congress do what it can to tackle visa issues, to allow more Chinese to come to the United States more quickly and easily and thereby strengthen our business and tourist economies.
Education Delegations

International Student Services, Arts & Physical Education

Since 1981, the National Committee has administered study tours for educators in the United States and China on behalf of the U.S. Department of Education and China’s Ministry of Education, under a Memorandum of Understanding signed by the two countries. These study tours provide valuable insights to senior educators and administrators, who in turn enhance their schools, districts and universities and colleges by helping to adapt and promote successful innovations and best practices. The two most recent study tours for Chinese educators, covered below, focused on K-12 physical and arts education and university international student services.

K-12 Physical and Arts Education Delegation

Despite high levels of academic achievement in China, in the opinion of Chinese experts and officials, scholastic excellence has compromised health and fitness, with an increase in overweight children. In addition, China faces challenges in arts education; although instruction in music and visual arts is included in primary and middle school, the emphasis placed on examination results for college-bound students has meant that the arts receive little attention in many Chinese high schools.

In response to these trends, the National Committee developed a study tour focusing on K-12 physical and arts education for a seven-person delegation that included officials from the Chinese Ministry of Education (MOE), representatives from municipal education departments, and an elementary school principal. The itinerary included Washington, D.C.; Austin, Texas; Los Angeles, California; and Portland, Oregon and ran from November 4 through 16, 2012.

Meetings in Washington, D.C., provided an overview of the U.S. education system and pre-collegiate physical education and arts initiatives. Briefings were provided by the Department of Education; the American Alliance for Health and Physical Education, Recreation and Dance; the Afterschool Alliance, which focused on after-school programs at a Washington, D.C. arts center; and the Center on School, Family and Community Partnerships at Johns Hopkins University, where the group learned about the practical application of research in education policy, issues with implementation, and the use of community partnerships by teachers and administrators.

In Austin, the delegation attended an informative round table discussion with the executive director of the Texas Music Association, the past president of the Texas Educational Theater Association, and the executive director of the Texas State Organization on Arts and Disability. They also visited two high schools and a middle school, where they observed programs in art, music, physical education and after school activities, including a bilingual school play.

The delegation members were keenly interested in learning about the integration of facilities design and construction in academic planning through a visit to the recently built Playa Vista Elementary School in Los Angeles with representatives of the Osborn Architecture Company, the school’s designer. This afforded a first-hand look at and explanation of design features, new technology, environmental measures, safety codes, and general dimensions of the school infrastructure.

Through an introduction by 2011-2012 Teachers Exchange Program (TEP) participant Iraise Garcia, the delegation went to Jefferson Middle School in Los Angeles. They met with the principal and faculty members, learned about the school’s 90 percent minority population, and discussed areas such as curriculum design and how cooperative support by the Parent Teachers Association and a local community-based foundation supplements the education process. In Portland, the following day, the group met with another TEP alum, Kevin Crotchett, principal of Arleta School, who also offered useful insights on the U.S. and Chinese education systems informed by his year of teaching in China.

Gao Jun with an Arleta School student in Portland, Oregon
International Student Services Delegation

To support China’s development of effective services for international students, particularly in light of the 100,000 Strong Educational Exchange Initiative, a project to increase the number of American students studying in China, the National Committee welcomed a delegation of twelve Chinese university administrators, provincial Department of Education officers and international education specialists to Washington, D.C., Louisville, Phoenix, and Seattle from January 20 to February 2, 2013.

In Washington, D.C., meetings at the U.S. Department of Education, the Institute of International Education (IIE), the College Board, and the International Student Exchange Program provided a full overview of the U.S. education system with supplemental information on exchange programs. Discussions at IIE provided an overview of trends in Chinese students at American institutions, steps being taken to promote the 100,000 Strong Initiative, and challenges that U.S. institutions have met in the creation of branch campuses and partnerships in China.

Discussions at the University of Kentucky in Lexington and the University of Louisville explored admissions, financial aid, internships, ESL training, and the integration of international students into campus life. The Louisville visit also included several opportunities for our Chinese visitors to learn about America through prisms other than education: They went to two museums, the Portland History Museum and the Asia Institute-Crane House.

The highlight of Louisville was meeting Katy Christopherson, long-time National Committee director and former secretary. She and a friend of hers welcomed the delegation members into their apartments in the retirement home where they both live. They discussed retirement benefits, the cost of living for retirees, and the range of services available to residents of retirement homes. Additionally a friend of Katy’s invited the entire delegation to her home for dinner along with several prominent local citizens.

The delegation’s three days in Phoenix included visits to a skills center and two campuses within the Maricopa Community College system that gave the group an appreciation for the value of community colleges, and provided insights into issues of credit transfer, diversity, continuing education, and workforce development. The delegation was particularly interested in the process of assigning credit for life experience. Meetings at Arizona State University included a long discussion of the university’s overseas programs and initiatives to integrate foreign students (including nearly 1,000 from China) into the campus community, such as creating student associations, social clubs, and a “buddy system.” A meeting at the Thunderbird School of Global Management also provided an overview of admissions criteria, the school’s full-immersion study abroad program (including programs in Shanghai and Beijing), and an international women entrepreneurs program.

In Seattle, the group was very interested in the Chief Sealth International High School, which has partnerships with schools in other countries that include student and faculty exchanges: serendipitously this included seven Chinese teachers who are currently at the school for the academic year and could talk personally about the advantages of the program.

A highlight of the time in Seattle was a visit to One World Now (OWN), a small NGO focusing on high school exchanges. The executive director, who had lived in China, briefed the group on OWN’s programs in Chinese, and introduced a 21-year-old Eritrean-American alumnus of the program who dazzled the delegation with a fifteen-minute presentation in fluent Mandarin on his experiences with the program in a high school in Heilongjiang Province.

The most recent education delegation completed a U.S. visit in April 2013 and the next is scheduled for the fall of 2013.
Track II Dialogues

Human Rights & Rule of Law and East & South China Seas

Rule of Law & Human Rights Dialogue

To promote the exchange of ideas on the rule of law and human rights issues in the United States and China, the National Committee has partnered with the China Foundation for Human Rights Development to conduct an annual Sino-American Dialogue on the Rule of Law and Human Rights. The most recent meeting of the dialogue, which has been held in both China and the United States since 2009, took place December 3-5, 2012, in Haikou, Hainan Province.

The dialogue fosters candid discussion among experts from the American and Chinese governments. These include representatives from China’s National People’s Congress, State Council, Supreme People’s Court, Supreme People’s Procuratorate, and Ministry of Justice and from the U.S. federal judiciary, the departments of commerce and justice, academia and the legal field, who gather to discuss developments in areas of law that affect human rights. The experts bring multiple institutional perspectives to the topics under consideration, adding greater focus and depth to the discussions.

Topics discussed at the December meeting included open government and public access to information about government officials; law enforcement, rule of law, police detention and re-education through labor; the role of judges and courts, focusing on the role of judges in balancing power among police, prosecutors and defense, as well as media and public opinion; and the role of lawyers and impact of the new criminal procedure law, effective January 1, 2013.

This was the fourth such meeting. While the discussions are often difficult, we are very pleased that they generate much greater mutual understanding and respect among participants, and enable prominent experts from both countries to reflect on their own legal practices and consider alternate approaches to addressing issues in legal reform.

The National Committee is grateful to The Starr Foundation for its ongoing and generous support of the dialogue.

U.S.-China Dialogue on East and South China Seas Issues

As part of its mission to promote high-level constructive dialogue on critical and emerging topics, the National Committee partnered with the U.S.-Asia Law Institute at New York University School of Law to conduct the U.S.-China Informal Dialogue on East and South China Seas Issues October 15-16, 2012, in New York City. The dialogue brought together American and Chinese legal experts to explore issues surrounding China’s maritime disputes and assess their impact on China’s relationships with its neighbors and the United States.

The delegation of Chinese legal experts, led by Gao Feng, legal counsel of the Department of Treaty and Law at the Ministry of Foreign Affairs (MOFA), included representatives from the State Oceanic Administration, Shanghai Maritime University and Department of Boundary and Oceanic Affairs at
Public understanding of the Sino-American relationship is essential to the development of sound U.S. policies that serve our country’s interests and promote cooperation on critical issues such as climate change, energy security, economic stability and public health. To help educate Americans about the realities of their country’s complex relationship with China, the National Committee conducted the sixth annual nationwide CHINA Town Hall: Local Connections, National Reflections, on October 29, 2012. U.S. Ambassador to China Gary Locke was the featured speaker.

The program, scheduled to be held in sixty locations, featured a live webcast from Beijing with Ambassador Locke in conversation with National Committee President Stephen Orlins. The format offered the opportunity for the national audience to submit questions to the Ambassador. The program also included leading specialists on-site at each of the venues to discuss issues of importance to the local community and answer questions from the audience. Unfortunately, Hurricane Sandy struck the Eastern Seaboard the night of the program, forcing 22 venues from Virginia to Maine to cancel their local programs; 38 programs went forward, including one in Beijing. CHINA Town Hall is a rare opportunity for Americans around the country to join an informed and balanced discussion on the U.S. relationship with China and learn about its connections with their own lives. Ambassador Locke’s presentation and Q&A are available on the National Committee’s web site.

CHINA Town Hall 2013 is scheduled for October 28 and will feature National Committee director and former Secretary of State Madeleine K. Albright.

The National Committee is grateful to the local host organizations, Ambassador Locke and the expert speakers upon whom we depend for the programmatic content, as well as to The Starr Foundation for making CHINA Town Hall possible.
Members of the American Armed Forces whose work involves China are highly informed about the intricacies and nuances of our bilateral security relationship. However, there are often few opportunities for them to gain a broader understanding of China outside the military sector – its history, culture, politics, economics and development. To address this gap, the National Committee has been running a series of programs for the various services over the past five years. The most recent in this series were two programs, one in Washington, D.C. and the other in Honolulu.

The National Committee convened its second seminar for U.S. Navy officers in October 2012. (The first was held in September of 2007.) Fourteen men and women, with a wide range in rank and China-experience met for 15 sessions over four days on topics as diverse as China’s economic policies, minority relations, resource development, the rule of law, leadership politics, and innovation initiatives. The slate of presenters comprised a veritable “who’s who” of China scholars, including several National Committee Board members and fellows in the Committee’s Public Intellectuals Program.

Each session was conducted informally and included ample time for discussion between the presenters and Navy officers. The participants brought their considerable knowledge and experience in military-to-military relations to bear on the discussions, which enhanced the quality of questions and depth of material covered.

One evaluation from the program read, “This was a turning point professionally. This seminar gave me a greater understanding of China and its issues, whether political, historical, environmental, resource-based, or cultural. This better understanding will hopefully translate into a more informed perspective not only shaping my own analysis, but also that of the Office of Navy Intelligence.” Another stated, “an extraordinary group of lecturers, the likes of which I have not encountered anywhere in the international policy realm.”

Having heard about this series of very successful seminars, the office of the commander of the U.S. Pacific Command contacted the National Committee about organizing a similar briefing for its senior officers in Hawaii. This was done February 12 – 15, 2013. Given the expense in transporting all fifteen specialists to Honolulu, we put together a three-day program that entailed six China scholars going to Honolulu and six others participating via videoconference, allowing the participants to learn from and interact with a wide range of experts on the non-security elements of the relationship. A special half-day session was arranged for Admiral Samuel Locklear, commander of the Pacific Command, and sixty of his most senior staff, including the component commander of each of the services, the Admiral’s subordinate commanders and flag officers holding key positions in either planning or operations throughout PACOM.

National Committee vice chair and former U.S. ambassador to China J. Stapleton Roy also delivered a lecture on current trends in U.S.-China relations at a public program co-sponsored by the East-West Center in Honolulu.

The NCUSCR plans to expand its programming for the Armed Forces to continue providing these unique opportunities to better equip our nation’s military to manage the complex and nuanced U.S.-China relationship.
in near silence, because we had already exhausted our limited vocabulary in each other’s languages. I worried about all the ways in which I might offend them without knowing—what I said, what I didn’t say, or the way I excused myself from the table. Most of all, I braced myself for disappointment, because I concluded that no real cultural exchange could come from a situation where we couldn’t even comment on our differences in experience.

Fortunately, connecting with people doesn’t have to be about sharing words. There can be a certain kindness and intimacy in feeding the turtles together, or in sharing an umbrella in an unexpected rain. We put much emphasis on language and culture as our primary means of understanding each other, and I wrongly assumed that the disparity between us would leave us staring at each other blankly for the three days we shared. Forced to adapt, I learned to open myself to this community that welcomed me so kindly into their home, and into their country. I prepared dishes with my family, joined them for a walk by the river and played piano duets with their daughter. In the evening, I had tea with my host mother, and though she could not explain the tradition in English, she poured tea over clay sculptures of animals and people and let the steam rise around us. “For you,” she said, and added a bird to the Buddha, frog, and person bathed in chamomile. On a field trip to the Yuelu Academy, a local woman saw how much I enjoyed playing with children, and gave me her baby boy to hold, reassuring him that I was another one of his sisters. We explored the renowned academy, learning about the Confucian principles that influenced its development, and I got as much from interacting with locals as I did from listening to the Song dynasty history lectures of our tour guide. On the last night, as my host mother and I watched shirts dance on clotheslines from the fourteenth floor window of the high-rise, I marveled at just how much at home I could feel on the other side of the world.

In Beijing, as representatives of top American students, we met with Chinese government officials in ministries analogous to the U.S. Departments of State and Education. We were able to discuss the issues of U.S.-China exchange students, North Korean policy, education for migrant children, and pollution and environmental challenges, among others. Regardless of our own political views, listening to the full rationale behind some domestic and foreign policies helped explain their necessity in the eyes of the Chinese government. Understanding more about the internal challenges that China faces and the perception of this growing world power from the inside helped us to understand the logic behind current policy and, as in America, the slow and steady path to betterment that is aided by people like us.

I think everyone is skeptical at some level when told that a mere two-week trip will change their lives. I assumed that I would learn a little more about international relations, pocket a few stories to tell my family and friends, and take some pictures on the Great Wall. The Student Leaders Exchange was so much more than that. No history textbook can quite explain the hum of a dozen traditional Chinese yo-yos on a Saturday morning, the cascade of camera flashes in Tiananmen Square after dark, or the quiet reverence with which some Chinese tourists wait, for hours on end, for a glimpse of the face of Mao Zedong in his mausoleum. The trip piqued my interests in politics, cultural studies, and the Chinese language in ways I never could have anticipated.

In its way, SLE impacts more than just a handful of American students and Chinese families. The students of both nations bring home fresh perspectives on our international relationship, which is shared in their families, classrooms, and communities. The trip may inspire them to keep in touch, form partnerships, seek internships, and find opportunities to build upon the connections that SLE helped establish. Several students who participated in our exchange this year expressed a desire to return to China during college, study Mandarin, or volunteer in educational programs that would help spread in the United States the insights we gained during our travels. On the whole, SLE is setting the stage for hundreds of small, person-to-person connections to grow into the strong and vital international partnerships that will be influencing our countries in years to come.
Economic Dialogue Consensus - continued from page 4

its infrastructure and educational system, reduce projected increases in health care spending and put its entitlement outlays on a sustainable path as it seeks to reduce unemployment. These will help to create robust growth on a sustainable basis.

The dialogue discussed the respective concerns China and the United States have for the other country in the economic arena, the needed reforms to address these concerns and recommendations for collaborative efforts to improve the trust between the two countries.

American Concerns About and Suggested Reforms for China

From a U.S. perspective, China appears to have slowed the pace of reform in recent years. The critical shift toward reliance on market forces has gradually lost steam. That is seen in the continued state control of interest rates, energy prices, and the exchange rate as well as the continuing presence of state-controlled monopolies, the lack of transparency and lack of intellectual property protection. Increasing disclosure and transparency will be critical to make the market for private securities function effectively as a capital allocation mechanism. Thus required reforms include liberalization of factor markets (for capital and labor) as well as liberalization of entry into sectors where state-owned firms have extensive market power. In addition, to make the system robust, China needs a deposit insurance scheme that can sustain confidence in a liberalized banking system.

• Expedite Interest Rate Liberalization: Interest rate liberalization in China, which began in the late 1990s but slowed substantially after 2004, should resume and accelerate. The next round of reform should focus on liberalization of medium- and long-term bank deposit rates and later short-term deposit rates as well. Likely this will lead to higher rates, which would increase household income and thus contribute to increased consumption expenditure, a key objective of the government’s rebalancing policy. Banks undoubtedly would pass on in part their higher cost of funds and this would tend to reduce China’s extraordinarily high rate of investment. Liberalization of interest rates should also include the corporate bond market, which would lead to the development of a yield curve that would improve the allocation of capital.

• Market-Determined Value of Currency: In order for the value of its currency to become even more market determined, China should further reduce its intervention in the foreign currency market and allow greater flexibility of the exchange rate.

• Hukou Reform: China should consider accelerating the reform of its household registration (hukou) system. This liberalization of the labor market would lead to a more efficient allocation of labor and help reduce income inequality, a major concern not only of China’s citizens but its leadership as well.

• State Sector Reform: China’s private businesses have become an important source of China’s economic growth but their contribution would be further enhanced by reducing barriers to entry in sectors where state-owned firms exercise monopolistic power and by improving private firm access to capital. These reforms will allow private firms to compete on a level playing field with state companies and drive innovation in China’s next wave of growth.

• One-Child Policy Reform: China also needs to reform its one-child policy given the potentially grave population aging issue and the related health care and welfare problems.

Chinese Concerns About and Suggested Reforms for the United States

There are four key areas of policy concern: fiscal, monetary, trade, and bilateral relations with China.

• Fiscal Sustainability: The fiscal situation in the United States continues to deteriorate with no agreement on spending cuts. The U.S. Administration and the Congress need to compromise on a long-term plan for expenditures and outlays that restores the sustainability of the federal debt path and ends the periodic crises that result from policy stalemate.

• Federal Reserve’s Quantitative Easing (QE): The Fed has conducted three rounds of QE. While there is considerable doubt that QE has done much to spur output growth or job creation, repeated rounds of QE introduce distortions into the U.S. and global economies by injecting excessive liquidity that places upward pressures on commodity prices and, as a result, price levels in emerging economies. The Fed’s QE policies also risk the creation of new asset bubbles that will lead to future disruptions.

• Protectionism: Rising protectionism in the United States is evidenced by the number of anti-dumping cases against Chinese companies. Some of the punitive actions adopted by the U.S. government have triggered retaliatory actions by the Chinese government. Although the volume of trade involved has been relatively small, this exchange of punitive actions influences public opinion in both countries and is detrimental to building mutual trust. Free trade has been one of the key elements of American success and one of the cornerstones of American foreign policy. The U.S. government should put up a strong firewall between its trade policy and populist demands, so that trade continues to serve the country’s long-term interests.

• Hedging on China: Before the financial crisis, the
U.S. foreign policy toward China was one of engagement. Since 2010, however, this policy has been increasingly replaced by one of caution and hedging. China and the United States have different political systems; but history shows that this need not—and should not—be an obstacle for the two countries to improve their relations. While the U.S. caution is most evident in the political and security arena, the shift also affects the U.S. economic policy toward China. One example is the “Trans-Pacific Partnership” (TPP) proposal. This proposal for free trade sets standards for membership that China will not be able to meet over the medium term, but its impact on the economies of the Pacific region will be severely limited if China is excluded. Another example is the U.S. government’s tighter security check on Chinese acquisitions and greenfield investment in the United States. The earlier U.S. engagement policy brought positive changes in China that are in the U.S. interest. The U.S. government needs a policy toward China that is based on coexistence and cooperation.

- Reform of the Financial Sector: The United States should strive to further enhance real reform of the financial sector, expand/revive its tradable sector and reduce external imbalance in order for its economic recovery to continue.

- Open Trade Environment: Both countries benefit from an open trade environment and therefore both governments should institute an open trade regime that allows for natural resources to move back and forth with fewer restrictions. The promotion of bilateral energy trade can be a fruitful foundation for cooperative policy making.

- Bilateral Investment Treaty (BIT): Chinese investment in the United States is increasing rapidly while U.S. investment in China should increase as China implements its 12th Five Year Plan and moves to a consumption-driven economy. Increased investment creates jobs, helps both economies and strengthens US-China relations. Both the process of negotiating and the actual establishment of a BIT would facilitate investment, so joint efforts to move towards a BIT should be a high priority in both countries. In the interim, each country should appoint a public ombudsman to help resolve investment problems that the other country’s investors encounter.

- Free Trade Agreement (FTA): A free trade agreement between the United States and China will require many years to negotiate and build political support to ensure approval. Nonetheless, commencement of negotiations on an FTA would symbolize both countries’ desire to build an even more mutually beneficial economic relationship. In addition, the discussions would help China anticipate what domestic economic reforms it would need to undertake to conclude an FTA. The same discussions would allow the United States to understand Chinese concerns about impediments for deepening entry into the American markets.

- Restructure the Strategic and Economic Dialogue: The two governments need to revitalize the structure of bilateral economic dialogues away from the large-scale media event that the Strategic and Economic Dialogue has become and return to smaller, more frequent (at least twice a year) gatherings where top leaders from both countries devote at least two days to the economic issues at each meeting. Groups of 10-12 persons on each side will accomplish more than the 200 participants on each side that have met in the past. In addition to leading discussions on the important issues, this more focused process will foster strong working relationships that build trust over time.

- Protection of Intellectual Property Rights (IPR): China needs to enhance its protection of intellectual property, both to foster continued foreign investment and to promote domestic innovation. Foreigners will invest in and export more advanced technologies when they have confidence that those technologies will be protected. A stronger IPR regime also is important for China because domestic entrepreneurs will need the same protections as the economy shifts toward services and away from manufacturing. China can build on its progress in IPR protection that has encouraged domestic companies to use IPR lawsuits to secure their interests. There is ample room for improvement. For example, both sides of this dialogue acknowledge that the Chinese government should implement more vigorous enforcement of the intellectual property laws. One way to expedite this process is for the two governments to set up a working group comprised of scholars and industrial experts to study the issue and come up with some model IPR arrangements to recommend to both Chinese and American companies.
Public Intellectuals Program continued from page 8

deputy director of the academic committee at Peking University’s China Center for Economic Research and participant in the National Committee’s Track II economic dialogue; Yuan Peng, director of the China Institutes of Contemporary International Relations’s Institute of American Studies; and in the publishing world – Caixin’s managing editor Wang Shuo and colleagues, publisher of Leaders magazine Zhou Zhixing, and Zhou Mingwei, head of China’s International Publishing Group.

In both 2012 and 2013 the next four days were devoted to exploring a single province: in the former it was Guizhou and the latter Liaoning.

Guizhou was selected because of long-time National Committee ties in the province stretching back to the 1990s when we ran a multi-year program focused on the intersection of privatization of the education system and vocational education. Five of the six school principals the Committee worked with almost 20 years ago helped set up an interesting schedule for the PIP 2012 program. This included meetings at Guizhou’s Provincial Party School and Development Reform Commission (of particular interest to the political scientists in the group who had read about but never visited such institutions); visits to two of the vocational schools that are still being run by the same principals but which have expanded enormously – one in historic Zunyi, where the group also had a fascinating few hours steeped in revolutionary history at the site of the Zunyi Meeting; and, in Liupanshui, in the far west of Guizhou, where the landscape turned to green mountains, deep valleys, and torrential rivers, meetings with the municipal Labor Arbitration Center, representatives from a mining company, and both municipal and rural officials. We were also able to take advantage of contacts made by Dan Murphy during a 2011 environmental law project to set up a meeting at the Qingzhen Environmental Court and with journalists in Guiyang.

The decision to take the 2013 group to Liaoning was also based on long-time National Committee ties, in this case with Liu Tianyu, the head of the Liaoning Foreign Affairs Bureau’s Division of America and Oceania and a member of the 2006 Young Leaders Forum. He helped arrange an excellent program in Dalian, Shenyang and Dandong, a major city that sits across the Yalu River from North Korea. The American Consulate in Shenyang also provided welcome advice and assistance. Some of the highlights included discussions with provincial and municipal leaders, the Youth Federation, and the Liaoning Academy of Social Sciences (where the focus was on North Korea); meetings with local companies, one of which has set up a major university focusing on hi-tech and the other which is heavily (and happily) invested in companies in South Carolina, Germany and Brazil; briefings from two local NGOs – one on HIV/AIDS issues and the other on disability issues and both founded by very charismatic individuals; and the opportunity for some fascinating sightseeing – including a tour of the Shenyang Palace Museum with a Manchu/Qing specialist and various North Korea-related sites, among them the Broken Bridge (across which China first crossed the Yalu) and the Korean War Museum. The most nostalgic of the meetings, at least for Jan Berris, was with the Shenyang Acrobatic Troup, which the National Committee had hosted in December, 1972 on its four week tour of the United States. Several of the members of the company at that time were present and Jan was able to present them with a copy of the poster for that trip, signed by all 77 troupe members, that hangs in the National Committee office.

After the mainland portion of the program, PIP fellows spend another two to three days in either Taiwan or Hong Kong. The 2012 visit to Taiwan was informative, not just for the excellent series of meetings, but also because few of the fellows had ever been there. Excellent conversations and meetings were had with Deputy Foreign Minister Kuo-yu Tung; the mayor of New Taipei City, Eric Chu; Michael Ying-mao Kau, former vice foreign minister and professor of political science at Brown; DPP legislator Bi-khim Hsiao; Mainland Affairs Council Minister Lai Shin-yuan; Diane Ying, the publisher and editor-in-chief of
the Commonwealh Magazine Group; and a concluding dinner with Chiang Ching-Kuo Foundation President Chu Yun-han and former deputy National Security Advisor Ho Szu-yin.

The 2013 time in Hong Kong was shortened by a half day because of plane delays but still managed to pack several interesting discussions into less than a day and a half that helped PIP fellows better understand that dynamic society. Former Chief Executive C.H. Tung, former Chief Secretary Anson Chan, highly-respected community leader Anna Wu, longtime China watcher-cum-journalist Frank Ching, Undersecretary for the Environment Christine Loh, AmCham Hong Kong President Richard Vuylsteke and several AmCham governors, and American Consul General Steve Young and key members of his team all provided lively conversation, interesting information and much food for thought.

While all PIP fellows have spent years of their lives in China, these trips enable them all to delve much deeper into areas and aspects unfamiliar to them and thus enhance their ability to be more well-rounded public intellectuals.

**Fellows Meeting in San Francisco**

The San Francisco workshop was added during PIP II in order to expose fellows to important people and institutions engaged with China on the west coast and to provide an additional opportunity for fellows to bond and to learn more about each others’ work. Indeed, a full day of the October 2012 PIP III San Francisco workshop was taken up with talks given by individual PIP fellows about their current research. In addition, two National Committee directors gave presentations to the delegation: Tom Fingar, Oksenberg-Rohlen distinguished fellow in the Freeman Spogli Institute for International Studies at Stanford University, shared reflections on working both in academia and government, most recently as chairman of the National Intelligence Council and before that as deputy director of national intelligence for analysis; and Jeffrey Wasserstrom, professor of history at the University of California, Irvine, and editor of the *Journal of Asian Studies*, discussed his impressive work reaching new, non-academic audiences through publishing books and articles and via social media. In addition, the group had an outstanding conversation with former Secretary of Defense Bill Perry who shared his experiences moving between the worlds of academe and government over the course of his long and distinguished career. The group also met with Lin Jiang, senior vice president of the Energy Foundation; John Kamm, founder and head of the Duihua Foundation, on his advocacy work; a representative of the Monitor 360 Group who talked about the company’s use of innovative modeling tools to provide analysis on China to corporations, the government and NGOs; a session with several venture capitalists and business-people who focus on China; and a moving afternoon at Angel Island with the daughter of a Chinese-American internee who has written a book on her father’s and others’ experiences there. NCUSCR Director Tom Gold accompanied the group as a mentor to the fellows and was also helpful in planning the program.

**Public Outreach & Publication in Popular Media**

In addition to providing useful professional contacts in the United States and China, PIP also encourages fellows to cultivate their skills as public intellectuals through outreach projects and media training.

Recent such programs have taken many forms and covered a myriad of topics: PIP III Fellow Carl Minzner developed a program at the Houston World Affairs Council on domestic and foreign challenges for China’s incoming leaders that was attended by around 300 people. Carl’s fellow speaker on the program was PIP III Fellow Taylor Fravel. The pair also spoke to about 85 senior high school students and Taylor gave a presentation to a corporate/professional audience in downtown Houston on the South China Sea issue with Carl as moderator.

Other recent outreach projects have included a screening and discussion of the documentary film “The Revolutionary,” about the life of Sidney Rittenberg, with Mr. Rittenberg joining a Q&A session via Skype (PIP III Fellow Phillip Stalley); a program on the role of community-based organizations in dealing with HIV/AIDS in China (PIP III Fellow Elanah Uretsky); a discussion on rule of law issues in China (PIP II Fellow Alex Wang); a conversation about technology and its influence on the Chinese media (PIP II Fellow Charles Laughlin); a panel discussion on “A Rising China: Challenges or Opportunities” at the Stanford World Affairs Forum (PIP III Fellow He Yinan); and a program on China and the presidential election and a day of teacher training (PIP III Fellow Jessica Weiss).

To hone their media savvy and encourage fellows to provide information and analysis on developing issues in the U.S.-China relationship, PIP provides media training at the Washington, D.C. meeting, as well as ongoing access to a media coach who helps them edit and place op-eds, articles, and other opinion
pieces. This program component has been very successful in bringing well-informed analyses of China to a wide audience. Since its beginning about a year ago, fellows have placed 22 pieces in publications ranging from Foreign Affairs, International Herald Tribune, National Interest, The Diplomat, The New York Times and the online Wall Street Journal on topics as varied as developments in the South China Sea, contemporary ramifications of the Taiping Rebellion, and the role of American foundations in China.

**PIP Programs at Association for Asian Studies Annual Meetings (AAS)**

The PIP gatherings at the annual AAS meetings are designed to take advantage of occasions where a critical mass of PIP fellows is likely to be together for non PIP-related activities. The first of these was a panel at the 2008 annual meeting in Atlanta where several PIP I fellows and advisory committee members Ezra Vogel and Tom Gold comprised a panel focused on PIP and how being a public intellectual focusing on China has changed over the years. That panel and one in 2011 in Hawaii, that featured Dan Piccuta, former DCM at the American Embassy in Beijing, were open to all attending the conventions. The most recent two programs have been designed for PIP fellows only and have combined a discussion with a social gathering. In each instance we have taken advantage of local talent: in Toronto in 2012, York University Professor Emeritus Bernie Frolic (who served in the Canadian embassy in Beijing for many years) and PIP II fellow Professor Michael Szonyi (a former Canadian citizen now at Harvard) talked about the differences between Sino-American and Sino-Canadian relations; in San Diego in March, 2013, UC San Diego professors Susan Shirk and Barry Naughton were joined by Harvard professor Ezra Vogel in talking about their careers as public intellectuals working on China.

**Refresher Workshop on U.S.-China Relations for PIP I and II Fellows**

A new program element in the third round of PIP was a special refresher course on U.S.-China Relations for PIP I and II fellows. This three-day event convened in Washington, D.C., in December 2012, and included meetings with specialists and policy makers in the government and private sectors. Its purpose was to bring PIP fellows up to date on issues and developments in Sino-American relations since their period as active fellows. We were delighted that over half of those eligible to attend this optional program chose to do so.

**Other Activities**

The National Committee often calls on PIP fellows to serve as scholar-escorts for our exchanges; this is mostly for groups visiting China but occasionally for groups coming here or for Track II dialogues. Since the last newsletter report on PIP (Spring 2011), two fellows have accompanied Members of Congress to China, seven have been scholar escorts on Congressional Staff delegations, and one has traveled with an environmental law delegation to China.

Fellows also contribute in numerous ways to the National Committee: one of the programs in which they are most active is our annual CHINA Town Hall (CTH): dozens have participated in the last few years either by organizing a CTH program at their own institution or by speaking at a different institution.

We are gratified to find that an increasing number of fellows are quoted in major newspapers, interviewed on television and radio, and publish op-eds. In all, the Public Intellectuals Program has successfully nurtured nearly sixty of America’s leading younger China specialists, broadened their horizons about the country, and encouraged them to move beyond academia to engage with policy makers, the media and their local communities.
Two thousand and twelve was a sad year for the China studies field. Four of its leading lights died after having bravely struggled with cancer for several years: Richard Baum of UCLA and founder of China Pol, the largest and most active listserv on Chinese politics; Christina (Chris) Gilmartin of Northeastern University, pioneer in Chinese gender studies and women’s issues; Nancy Tucker of Georgetown University, a diplomatic historian who took two breaks from academe to serve in the U.S. government; and Alan Wachman, who, like Nancy, went beyond academia to do other types of China-related work, in his case as president of the China Institute and co-director of the Hopkins-Nanjing Center. Two historians and two political scientists; all four dedicated teachers, forceful speakers, wonderful writers, and committed not just to explicating China to their fellow academics and students, but also to the broader community in their roles as public intellectuals.

Each was involved with the National Committee and always willing to help, whenever called upon for assistance. Chris was very involved with our Teachers Exchange Program (TEP); Alan was also involved with TEP and participated in several of our meetings and conferences, especially those focused on Taiwan, his special area of interest; Rick and Nancy served on our board (Rick from 1973 to 1976, and Nancy three times: 1993-95, 1997-98 and 2000-2005), and both were involved in numerous conferences we have organized over the years. We selected Rick to be the scholar escort for the 95-member Track and Field Delegation we sent to China in spring 1975; and while working for the U.S. State Department as a Council on Foreign Relations fellow, Nancy worked closely with us on the 1987 visit of Deng Pufang, Deng Xiaoping’s disabled son. Neither event would have been as successful without them.

In addition to missing them professionally, we will miss them for their great senses of humor, their warmth, and their humanity.

Another old friend of the National Committee’s died recently, and also of cancer: Zhuang Zedong, the head of the Chinese Ping Pong team that went to Nagoya Japan in April 1971 for the World Championships. It was there that he helped spark Ping Pong Diplomacy and became part of history, when an American player, Glenn Cowan, stepped onto the Chinese bus, having missed the U.S. team bus to the stadium. Everyone froze: they had been told not to speak to Americans, not to shake their hands, not to exchange any gifts with them, and here was one of them on their bus! After about ten minutes of silence, Zhuang stepped forward and, defying all the rules, said hello and offered Glenn a scarf as a present. He later would say that while he didn’t want to get into trouble, his coach had told them to make friends while at the competition and also that his Confucian upbringing compelled him to be polite.

Cowan instinctively knew that he should present something in return but after desperately rifling through his gym bag all he could find was an old comb – clearly not an appropriate reciprocal gift! So he went out and bought two shirts emblazoned with a peace symbol and the words “Let It Be.” Wearing one the next morning, he showed up at the Chinese 8:30 a.m. practice session and presented the other shirt to Zhuang Zedong, who accepted it with delight. The media covering the event went crazy! Zhuang’s Confucian instincts remained with him: when Glenn died in 2004, Zhuang called his mother in California to express his condolences and several years later, when she visited China, he took her to a karaoke bar where together they sang “Let It Be.”

In April 1972, Zhuang Zedong headed the 32-member Ping Pong delegation that came to the United States under the auspices of the National Committee on U.S.-China Relations and the U.S. Table Tennis Association. In addition to his terrific ping pong skills, Zhuang was a great ambassador for China, charming ordinary Americans and government officials alike, throughout the five week, nine city tour.

Unfortunately, Zhuang went through a difficult period in the late 1970s, spending four years in prison after the fall of the Mao’s widow, Jiang Qing, who had befriended Zhuang. He then coached a Shanxi provincial ping pong team for several years before returning Beijing in 1985, where he coached young players for many years. As he grew older, he devoted more and more time to his other great talent, Chinese calligraphy.

The National Committee is privileged to have known him as well as we did and to have his beautiful calligraphy gracing a wall in our office.