

**30th Anniversary of the Establishment of PRC-US
Diplomatic Relations:
Past, Present and Future**

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OPENING SESSION:

Chairman: Prof. Huang Ping, Director General, Institute of American Studies (IAS), Chinese Academy of Social Sciences (CASS)

Opening Remarks: Prof. Wang Weiguang, Executive President, CASS

Gen. Xiong Guangkai, Chairman, China Institute for International Strategic Studies; Former Deputy Chief of the General Staff of the PLA

Amb. Ma Zhengang, President, China Institute of International Studies

Chargé d'affaires Daniel Piccuta, US Embassy Beijing, China

On December 15 and 16 the Chinese Academy of Social Sciences' Institute of American Studies (IAS) in cooperation with the United States-China Policy Foundation (USCPF) organized a two-day conference to celebrate the thirtieth anniversary of Sino-American relations. The conference, part of official Chinese anniversary celebrations, was the only academic conference held to discuss Sino-American relations; the USCPF was proud to be the only American institution participating in the event. The USCPF lead a six-person delegation that included Amb. Chas W. Freeman, Jr., co-chair, USCPF and former director for Chinese Affairs at the US Department of State (1979-1981); Dr. David M. Lampton, dean of faculty, professor, and director of China Studies at the Johns Hopkins School of Advanced International Studies; Dr. Kenneth Lieberthal, China director at the Davidson Institute of the University of Michigan and former director for Asia on the National Security Council; Amb. J. Stapleton Roy, former US ambassador to the People's Republic of China and director of the Kissinger Institute on China and the United States, Woodrow Wilson International Center for Scholars; Dr. Chi Wang, president and co-chair, USCPF; and Ms. Corinne Milliken, program associate, USCPF.

The event began on December 15 with welcoming remarks from Professor Huang Ping, director general of IAS, Amb. Ma Zhengang and Chargé d'affaires of the US Embassy in Beijing, Daniel W. Piccuta. All of the welcoming speakers echoed the sentiment that in the 30 years since normalization, Sino-American relations have developed remarkably and positively. Professor Huang introduced a theme that would be prevalent throughout the conference: the PRC-US relationship is the most important bilateral relationship today. Both Amb. Ma and Chargé d'affaires Piccuta touched upon another major topic of the conference: the expansion in Chinese-American trade since normalization.

SESSION ONE: Overview of Sino-US Relations Since 1972

Chairman: Prof. Huang Ping, Director General, IAS, CASS

Speakers: Amb. Chas W. Freeman, Jr., Co-Chair, United States-China Policy Foundation (USCPF)

Prof. Tao Wenzhao, Senior Fellow, Former Deputy Director, IAS, CASS

Dr. David M. Lampton, Dean of Faculty, SAIS of Johns Hopkins University

Commentators: Mr. Cui Liru, President, China Institutes of Contemporary International Relations

Prof. Zhang Yunling, Director, Academic Division of International Studies, CASS

Following the opening remarks, the conference began with a session dedicated to providing an overview of Sino-US Relations since 1972. On February 28, 1972, the United States and the People's Republic of China issued the Joint Communiqué of the United States of

America and the People's Republic of China, commonly referred to as the “Shanghai Communiqué.” Amb. Freeman began the session by briefly reviewing Sino-American relations in the context of eight theses that illuminated both the history of the past 30 years and the future path of Sino-American relations.

Professor Tao Wenzhao, Deputy Director of the IAS, argued the normalization of diplomatic relations was an integral part of Deng Xiaoping’s plan of economic reform and openness introduced at the Third Plenum of the Eleventh National Party Congress Central Committee in December 1978. Professor Tao continued by addressing what he saw as the major aspects of current Sino-American relations: 1) PRC-US relations are continually expanding; 2) bilateral ties are being institutionalized; 3) the relationship is increasingly mature; 4) there is a deepening economic interdependence and the PRC and US have become long term economic partners; 5) Sino-American relations have become societal with increased people-to-people contact; and 6) misgivings and differences between the US and China continue, but the two countries have increased their mutual understanding. In his remarks, Professor Tao concluded that despite differences, relations have progressed because of shared national interests.

Dr. Lampton touched upon the climate in which relations were normalized and then addressed current relations, which he argued are defined by the concept of “managing common threats; seizing common opportunities.” Dr. Lampton reflected that relations have become more complex than anticipated in the 30 years since normalization, and highlighted two dimensions of that complexity. First, whereas 30 years ago, relations were primarily conducted by a small set of individuals, today relations are increasingly broad and societal, and are therefore more difficult to manage. Dr. Lampton argued that the second dimension of the growing complexity arose from the increasingly multilateral nature of relations. In conclusion, he posited that the current multidimensional and complex relationship presented not only challenges, but also opportunities, and he was hopeful for future relations to continue along the standard set by leaders 30 years ago.

Mr. Cui Liru presented the first comments of the conference by introducing what he believed are the two major characteristics of relations over the past 30 years. First, the strategic view has been fundamentally important, and second, relations have been managed carefully. If China and the United States maintain these two characteristics, in the future, he is confident relations will be well handled. Although differences between the two countries exist, he argued that these differences need not be obstacles, but rather can present opportunities for reflection. He maintained the policy of both the United States and China is to encourage communication and cooperation, and currently, the United States and China have found means to do so in addressing the financial crisis.

Professor Zhang Yunling followed Mr. Cui by discussing three important changes that have taken place in US-China relations over the past 30 years. First, while once distant, the United States and China increasingly work together in the international arena and possess a growing interdependency. Second, although bilateralism is still prevalent, the US and China are now leaning toward managing their relations in a multilateral context. Lastly, the US and China share global responsibility on a level greater than ever before. However, although China supports the existing power struck in which it exerts its responsibility, as its power increases it will support a change of the international system based on the existing framework that will accommodate a stronger China. Professor Zhang concluded by reminding the audience changes in the US-PRC relationship will continue in future years, but underscored his confidence that despite the expected continuation of differences, he is hopeful for progress in the relationship.

SESSION TWO: Sino-US Relations Under Strategic-Context, 1980s

Chairman: Prof. Kenneth G. Lieberthal, China Director of the Davidson Institute, University of Michigan

Speakers: Mr. Ding Xinghao, Vice President, CASS

Prof. Yuan Ming, Associate Dean, School of International Studies, Peking University

Commentators: Amb. Chas W. Freeman, Jr., Co-Chair, USCPF

Prof. Ni Shixiong, Former Director, Center for American Studies, Fudan University

Following a lively question and answer period, the conference turned to relations in the 1980s. Mr. Ding Xinghao introduced the concept that stable US-China relations require both the existence of common interests and a mutually recognized conceptual framework. He argued that these two preconditions were met during the 1980s, and during that decade, the Sino-American relationship could be categorized as a honeymoon. Although the United States and China originally had established normalized relations to minimize the threat of the USSR, Sino-American relations would have remained limited without the expansion of relations that took place in the 1980s. Professor Yuan Ming followed Mr. Ding by presenting two thoughts: China did not have a defined international strategy in the 1980s, and the 1980s established a strategic setting for further developments in the relationship.

Following Mr. Ding and Professor Yuan's remarks, the commentators touched upon the ideas presented by the speakers. Amb. Freeman introduced the idea that the nature of the 1980s Sino-American relationship is dependent on the period's limiting dates. The 1980s could be seen as a honeymoon if the decade is defined as the period between 1979 and 1988; however, if one defines the 1980s as beginning in 1981 and ending in 1989, then it began and ended on a bad note and was marked by periods of tension in the middle. Professor Ni Shixiong followed Amb. Freeman by reflecting on the strategic background of the 1980s during which US-PRC relations shifted from bilateral to multilateral and from confrontation to dialogue; the importance of the 1980s as a period of foundation building; the interest-driven long-term nature of Sino-American strategic consensus; and the lesson of the importance of maintaining high-level contacts while expanding grassroots interaction.

SESSION THREE: Sino-US Relations in the 1990s: Cooperation and Disputes

Chairman: Prof. Gu Guoliang, Deputy Director General, IAS, CASS

Speakers: Prof. Kenneth G. Lieberthal, China Director of the Davidson Institute, University of Michigan

Prof. Shen Dingli, Director, Center for American Studies; Executive Director, Institute of International Affairs, Fudan University

Mr. Qian Wenrong, Senior Fellow, Research Center of World Issues, Xinhua News Agency

Commentators: Dr. Huang Renwei, Vice President, Shanghai Academy of Social Sciences

Prof. Xiong Zhiyong, China Foreign Affairs University

The 1990s were the subject of the next two sessions; the issue of redefining US-PRC relations in the context of a post-USSR environment was touched upon by all the speakers. During his remarks, Dr. Kenneth Lieberthal discussed the major events that defined relations in

the 1990s. He maintained that after the fall of the USSR and the end of the Cold War, the US and PRC needed to find a new foundation for their relationship. He argued that crises during this period were caused by a failure by one or both countries to understand the political dynamics in the other. Lastly, Dr. Lieberthal maintained that issue of mutual trust was paramount in order to navigate times of tension.

Professor Sheng Dinli continued the session by echoing the theme that Sino-American relations, especially in the 1990s, were on one hand turbulent—defined by a set of reoccurring difficulties—but on the other hand, posed challenges that were handled increasingly through engagement and not conflict. Sheng also pointed out China gained a better understanding of the American political process. The final speaker in Session Three, Mr. Qiang Wenrong, argued that the question of China's strategic role in the post-Cold War context, Taiwan, human rights, and trade defined relations during the 1980s. He concluded by summarizing three lessons he saw emerge from the 1990s: the US and PRC have different social systems and levels of economic development, but should respect one another as equals; Chinese and American national interests are never the same, and differences are natural, but one issue should not be allowed to affect the overarching relationship; and China and the United States should redouble their efforts to increase understanding and trust.

The session continued with comments from Dr. Huang Renwei and Professor Xiong Zhiyong. Dr. Huang argued that the 1990s were the most uncertain period in Sino-US relations to date and marked a turning point from naïveté to realism. During this period, Dr. Huang suggested the three major issues of concern for relations were human rights, Taiwan and trade; among these, he believed Taiwan was the most critical issue. Despite these points of concern, looking back, one can see the truth in Deng Xiaoping's statements that Sino-American relations would improve no matter what hurdles may arise. For Professor Xiong, the most vital lesson learned over the past years was the importance of maintaining close dialogues and respect and seeking common interests.

SESSION FOUR: Sino-US Relations in the 1990s: Cooperation and Disputes (Continued)

Chairman: Prof. Hu Guocheng, Deputy Director General, IAS, CASS

Speakers: Prof. Wu Xinbo, Deputy Director, Center for American Studies, Fudan University

Prof. Sun Zhe, Director, Center for Sino-US Relations Studies, Tsinghua University

Amb. J. Stapleton Roy, Director, Kissinger Institute on China and the United States, Woodrow Wilson International Center for Scholars

Commentators: Prof. David M. Lampton, Dean of Faculty, SAIS of Johns Hopkins University

Amb. Li Daoyu, Former Chinese Ambassador to the United States

Prof. Shi Yinhong, Director, Center for American Studies, Renmin University of China

On the second day of the conference, the speakers in Session Four continued to develop the major themes introduced the day before. Professor Wu Xinbo opened the session by reintroducing the issue of reshaping the Sino-American relationship and building new security structures after the end of the Cold War. He argued that the United States wanted to maintain and expand the existing structure, whereas China hoped to create a new security concept. Wu believed that the difference between Chinese and American visions for a post-Cold War security structure had negative consequences. For example, the US redefined its alliance with Japan,

while China sought to build a strong partnership with Russia. In reflecting on the events of the 1990s, he argued that the US and China need to build a new regional security structure accommodating post-Cold War developments; China and the United States should introduce new thinking and approaches to balance their interests; the United States ought to think more progressively about the regional security structure; any new East Asian security structures should be inclusive and non-hierarchical; and lastly, the Korean Peninsula was a starting point for the creation of the new regional security structure.

Professor Sun Zhe continued the session by presenting the lessons that should be learned from the 1990s. First, dialogue and patience between the two countries was necessary in times of crisis. China needs to increase its efforts to understand and work with the American Congress. Lastly, long-term interests need to outweigh the short-term. Amb. J. Stapleton Roy was the final speaker to discuss the Sino-American relations in the 1990s. He presented a chronological development of relations during the 1990s. In his opinion, Sino-American relations of the 1990s were ostensibly dominated by negative views and crises. By the mid 1990s, China and the United States were in a better position to cooperate and the negative impressions among Americans made by the Tiananmen Incident were beginning to fade.

Dr. David M. Lampton began the comment period by making two primary points. First, he argued that in the 1990s, one saw that people-to-people diplomacy might not necessarily improve Sino-American understanding; in fact, he pointed to several examples where individual contacts between Chinese and Americans heightened confusion. He also argued the Chinese push toward military modernization in the 1990s led to an increased importance in the United States of military buildup and preparedness, which in turn led to hedging by each country. We are faced now with the issue of how to prevent hedging from escalating and resulting in conflict.

Amb. Li Daoyu pointed to the linkage of Chinese human rights record with its Most Favored Nation status and the visit to the United States by Taiwanese President Li Teng-hui, as the two major crises in Sino-American relations in the 1990s. He argued the underlying causes for these crises was a belief held by some in the United States that the PRC was no longer strategically relevant in a post-Cold War climate and an American underestimation of China's desire to defend its bottom-line (i.e. Taiwan). In conclusion, he pointed out that China and America have learned from these crises and know that if they handle major issues, crises can be avoided.

Professor Shi Yinhong provided the final comments of Session Four, and focused his on the comments of major success of the 1990s. First, he argued that the aftermath of June 4, 1989 saw Deng Xiaoping's during which finest hour that period that maintained a lasting influence. Then, Deng's 1992 southern tour increased China's involvement in the world system. In conclusion, Professor Shi argued that we should look to Deng as an example when shaping current and future relations.

SESSION FIVE: Sino-US Relations in 2000s: From Strategic Competitors to Responsible Stakeholders or Constructive Partners?

Chairman: Prof. Mei Renyi, Director, American Studies Center, Beijing Foreign Studies University

Speakers: Dr. Yuan Peng, Director, Institute of American Studies, China Institutes of Contemporary International Relations

Mr. Benjamin Moeling, Acting Political Minister Counselor, US Embassy
Beijing, China

Dr. Chen Dongxiao, Vice President, Shanghai Institutes for International Studies
Commentators: Dr. Fu Mengzi, Assistant President, China Institutes of Contemporary
International Relations

Following the second session on the 1990s, the participants turned toward more recent history. Dr. Yuan Peng was the first speaker in Session Five. During his remarks, Dr. Yuan maintained despite President George W. Bush's unpopular policies in other regions, his China-policy has been positive and has created a stable Sino-American relationship. However, he pointed out that despite current stability, there remain three unresolved issues that could affect long-term strategic stability. First, misperceptions and residual lack of mutual trust have the potential to cloud Sino-American interactions. Second, relations continue to be interest-based; China and America need to find common values to interest-based diplomacy. Finally, the unresolved Taiwan issue means military conflict in the Taiwan Strait remains a tangibly possibility.

Following Dr. Yuan, Mr. Benjamin Moeling outlined areas where the United States and China can work to improve relations. First, using the framework laid out 30 years earlier, the two countries must work together to promote mutual and global prosperity. He pointed out China is affected by all major international developments. In addition, he echoed the need for the US and PRC must decrease mutual misperceptions and mistrust. He suggested the key working-level challenge is whether China will allow relations to be hampered because of conflict on a single issue. In conclusion, he maintained that finding a way to move relations forward while maintaining momentum is the greatest concern for relations.

Dr. Chen Dongxiao concluded the remarks portion of Session Five by positing that the United States coined the terms used to define the Sino-American relationship and it established the benchmarks for phrases such as "responsible stakeholder." He then turned to address the positive developments in Sino-American relations since 2000 and outlined what he believed to be the reasons for the positive change. First, there was a redefinition of the American perception of China from that of competitor to stakeholder. Second, both sides are increasingly sensitive to the other's interests. This period also saw the institutionalization of mechanisms to manage the relationship. Finally, Chinese foreign policy shifted from a primarily US focus to a more international focus as the PRC placed its bilateral relationship with the United States in a broader context. Dr. Chen then addressed the issue of future relations by raising three questions: how should the international system be expanded to accommodate rising powers? how can the capacity of the international value system be expanded to prevent confrontation between the Chinese model of development and Western ideology? finally, how can international powers work with key players in the global community to increase the ability of international bodies to respond more effectively to non-traditional security threats? In response to the first question, Dr. Chen argued that economic globalization and the nuclear age introduced new means to obtain power, and as a result allowed for the accommodation of rising powers. Next, in response to the question of the international value system, he allowed that the issue was complex; he indicated China believes Western ideology dominates the discourse, but an ideological focus on China does not work. Finally, China's response to the third question has been to increase its work with transnational institutions.

Professor Fu Mengzi served as the commentator in Session Five and emphasized two points during his remarks. First, the new century has introduced the longest period of sustained development in Sino-American relations since the end of the Cold War. He pointed to the

September 11 attacks on the US and American support of China's entry into the World Trade Organization (WTO) as major turning points in relations. Following September 11, the war on terrorism became the America's top priority, and it sought the cooperation of other countries, including China, in its efforts. US support of the PRC's bid to join the WTO increased access to and expanded Sino-American trade. Second, he argued there are more reasons and benefits than not to continue to move Sino-American relations forward.

SESSION SIX: Key Issues in Sino-US Relations and Lessons Learned

Chairman: Amb. J. Stapleton Roy, Director, Kissinger Institute on China and the United States, Woodrow Wilson International Center for Scholars

Speakers: Prof. Kenneth G. Lieberthal, China Director of the Davidson Institute, University of Michigan

Prof. Chen Baosen, Senior Fellow, Honorary Academy Members, IAS, CASS

Prof. Zha Daojiong, School of International Studies, Peking University

Commentators: Amb. Chas W. Freeman, Jr., Co-Chair, USCPF

Prof. Jin Canrong, Associate Dean, School of International Studies, Renmin University of China

Dr. Kenneth Lieberthal opened the session by introducing two issues that will have an increasing importance in future Sino-American relations: the global economic crisis and climate change. Dr. Lieberthal pointed out that there is a question of Chinese confidence in the American government's handling of the crisis. He also pointed out that China must be sensitive not only to how the crisis affects its domestic economy, but also to how its actions affect the US. China needs to be aware of the differences between quality and venture investments. Dr. Lieberthal then turned to the second issue; he argued that climate change and its twin issue of energy pose the biggest threat to stability and security. There will be major pressure on the United States and China to change their behavior to positively affect climate change. Dr. Lieberthal reminded the audience that climate change and the economic crisis are among President-elect Obama's top four priorities. If both issues are handled with skill, the US and PRC can make major improvements to their overall mutual trust.

Professor Chen Baosen followed Dr. Lieberthal, and echoed his concerns regarding the current financial crisis. He maintained that Sino-American cooperation is necessary in order to overcome the current crisis. In addition, he argued reform of the international monetary and currency system, increased regulation and the closure of loopholes are vital to overcome the crisis.

In his remarks, Professor Zha Daojiong discussed the three issues that he feels we affect Chinese development and as a result the Sino-American relationship: Chinese access to food, law and order, and China's relationship with countries labeled "rogue" by the United States. Regarding access to food, he indicated that although China has established a grain reserve system, there are concerns in China about the possibility that the United States could limit or even blockade Chinese access to grain. Turning to the issue of law and order, Professor Zha pointed out that the United States only extradites Chinese fugitives to China on a case-by-case basis. He argued that Chinese extradition requests are denied when it is politically profitable in the United States, and expressed his concern that this behavior challenges the Chinese government's legitimacy in the realm of law and order. Lastly, countries that the United States considers "rogue" often expect China to act as a substitute for the United States. However,

Professor Zha maintained that China should think about the bargain it is striking with these countries in order to obtain access to things like energy, and argued that China does not need to be at the service of problematic countries.

Amb. Chas W. Freeman, Jr. followed Professor Zha by beginning the comment portion of the session. Amb. Freeman raised issues that he believed will be of increasing importance. He echoed the concerns about the global economic crisis and the effect of rising unemployment, bankruptcy, and other outcomes of the crisis on Chinese stability and the Sino-American relationship. Additionally, he maintained that political-military issues will remain a major issue in the coming years. He pointed to Pakistan, maritime piracy, and North Korea as sources of continuing global tensions. Professor Jin Canrong followed Amb. Freeman by highlighting what he believed to be the primary lesson learned over the past 30 years: China-US relations are sophisticated and need to be handled carefully; issues can be either a challenge or a starting point for future relations, and global issues will require Sino-American cooperation and strategic trust.

SESSION SEVEN: The Future of Sino-US Relations

Chairman: Amb. J. Stapleton Roy, Director, Kissinger Institute on China and the United States, Woodrow Wilson International Center for Scholars

Speakers: Dr. Liu Jianfei, Deputy Director, Institute of International and Strategic Studies, Party School of Central Committee of CPC

Dr. Xiao Geng, Director, Brookings-Tsinghua Center for Public Policy

Dr. Jonathan Woetzel, Director, McKinsey & Company's Greater China Office

Prof. Joseph Nye, Harvard University (read by Ms. Corinne Milliken, Program Associate, USCPF)

Commentators: Prof. David M. Lampton, Dean of Faculty, SAIS of Johns Hopkins University
Dr. Liu Xuecheng, Senior Fellow, Executive Director of the Center for Sino-US Relations Studies, China Institute of International Studies University

In the final discussion session, the participants turned their attention toward the future and what it holds for Sino-American relations. Dr. Liu Jianfei began his remarks by pointing out first, China and the United States need to participate in a structure that seeks to build a harmonious world, and second, Sino-American cooperation needs to be increased. While the US and PRC do not yet agree on how to achieve a harmonious world, if they work to minimize confrontation and maximize cooperation, they will achieve a win-win situation. He then made several suggestions to improve the chances for cooperation. First, China and the United States need to build strategic mutual trust. Next, the United States needs to deepen its understanding of China's peaceful development and Chinese domestic politics. Improved American understanding of China's military development is also necessary to improve the potential for cooperation. Lastly, both the United States and China need to understand the other's international role and that any role played by one does not necessarily harm the other. In conclusions, he reiterated that while the United States and China have different social systems, ideologies, and international relationships, they can work together to expand their cooperation through increased mutual understanding and trust.

In his remarks, Dr. Xiao Geng addressed the current financial crisis and future economic relations and made several suggestions. First, he called for the establishment of a trilateral currency pact fixing the exchange rate between the US Dollar, Chinese Renminbi, and Japanese Yen. Next, after establishing a fixed exchange rate, a global central bank with the capacity to

serve as a lender of last resort and contribute to a currency reserve pool will be needed. Third, macroeconomic policy needs to be coordinated to create crisis management policy and guidelines. Fourth, Financial institutions and corporations must recapitalized using American, Chinese and Japanese funds. Fifth, following the recapitalization, it will be necessary to manage wages and consumer prices indices to encourage growth and prevent deflation. Sixth, in order to prevent a repeat of the mistakes that led to the current crisis, the interest rate must be kept high enough to ensure that it is truly positive. Lastly, he argued that employment will be necessary to maintain inflation, which is needed to decrease the real value of debt acquired by nations during the crisis. In conclusion, he suggested that if the United States and China take these steps, Japan and then the European Union will join the efforts. In the long-term, Sino-American cooperation has the potential to repair the financial crisis and create a win-win situation.

Following Dr. Xiao's discussion of Sino-American economic relations, Dr. John Woetzel turned to the other major theme raised by previous participants: energy. For China, energy, he argued, is primarily a security concern, and secondly a financial burden. For the United States, the environmental impacts of energy and energy consumption are paramount. Dr. Woetzel then turned to address the specific characteristics of energy; energy is expensive and complex and it is both a local business and a political commodity. Given the nature of energy and the fact both China and the United States have energy concerns, albeit different ones, Dr. Woetzel suggested that a large project that can afford the large expensive and maintain momentum, but will have local benefits would promote action on the issue. He acknowledged, however, that such a project would be difficult to find, but he suggested four projects that might meet the requirements. The first initiative he suggested was the introduction of increased energy efficiency. Electronic vehicles or other alternate energy vehicles also have the prospect to meet both American and Chinese concerns about energy access and consumption. On the supply side, the introduction of solar power farms could supply up to 20 percent of energy by 2030. Lastly, although still theoretical, carbon capture had the potential to absorb emissions and use the sequestered carbon in alternative industries. Dr. Woetzel concluded by asking why the United States and China should work together. He admitted each could obtain the technologies and funding needed to address the energy issue without the help of the other. However, potential returns would be greater if the two countries worked together.

The final remarks came from Professor Joseph Nye, whose comments were read by Ms. Corinne Milliken. Professor Nye addressed the question of a possible Sino-American conflict over China's rise. While some scholars argue that China's rise will not be peaceful, Dr. Nye argued that conflict is not a given. He noted that only in the last half millennium has China lost its position as a global leader, and argued that China's current development, while far from complete, is allowing it to reestablish its past global position. Economic growth will lead to the likely increase in Chinese military power, but he argued that the balance of power will not necessarily undergo a radical shift because it is unlikely that China will soon close its military gap with the United States. Dr. Nye then addressed the creation of a strategy shaped to address challenges in Sino-American relations and pointed to the Clinton and Bush administration's approach of balancing power and economic integration when defining China-policy. Dr. Nye concluded by calling upon policymakers and analysts to be wary of exaggerating the threat of China's rise, and reminded the audience that a rising China will not necessarily precipitate conflict.

Dr. David M. Lampton opened the comments portion of the session by introducing the idea that the current economic crisis provides the most compelling reason to date for Sino-

American cooperation. He pointed to three issues that will be major factors in the Sino-American cooperation. First, it will be necessary to regulate domestic and international actors. Second, the inauguration of President-elect Obama introduces a factor of uncertainty in American policy—it is impossible to predict the new administration's policies. Third, the United States will realize the limitations of its power, while China will take a greater leadership role. With the uncertainties implied by a new administration in mind, Dr. Lampton presented four of the characteristics of President-elect Obama's approach to policy: he leans toward soft power; he favors a multilateral over unilateral approach; his decisions will be pragmatic and fact based; and he will be focused on the domestic situation.

Dr. Liu Xuecheng was the final commentator of the conference. Dr. Liu began by summarizing the key characteristics of President George W. Bush's China policy. Bush's strategy sought to encourage China to make the best strategic choices for its people, while also hedging against China. Additionally, Bush established continuing strategic dialogues, and finally, Bush pursued effective multilateral mechanisms under US leadership. Dr. Liu then addressed the incoming administration's expected China policy. He agreed with Dr. Lampton that President-elect Obama's China policy can be expected to be pragmatic. He also suggested that there would be no fundamental change from Bush's China policy. Under Obama, the US will still emphasize its leadership in the region, strengthen ties with its allies, focus on creating democracies, combat terrorism and address energy and climate security concerns. In summary, Obama's China policy will continue the three-pronged approach of engagement, shaping, and hedging. He concluded by reiterating the overarching theme of the conference: in order to continue improved Sino-American relations we must work toward increasing communication and trust, and thereby minimize suspicion and misunderstanding.

CONCLUDING SESSION:

Chairman: Prof. Yang Yang, Director General, Bureau of International Cooperation, CASS

Speakers: Dr. Chi Wang, President and Co-Chair, USCPF

Prof. Huang Ping, Director General, IAS, CASS

In his concluding remarks, Dr. Chi Wang began by thanking Dr. Huang Ping and Dr. Tao Wenzhao of IAS, and by congratulating all attendees for their substantial contributions to one of the best conferences he had the pleasure to attend. Dr. Wang then took the opportunity to review briefly Sino-American relations over the past 30 years and his personal involvement. In 1972, he was the first Chinese-American federal employee to visit the People's Republic of China, and in his many visits to China since that first trip, the progress in the US-China relationship has impressed him. In conclusion, he reiterated how honored he and the USCPF were by the invitation to co-sponsor the conference.

Dr. Huang Ping followed by thanking Dr. Wang for his participation. He reminded the attendees that the conference was the only academic program in the Chinese government's national celebrations for the anniversary. Dr. Huang also thanked the participants for attending, especially the former Chinese ambassadors and the scholars who travelled from Shanghai to participate. Lastly, he expressed his gratitude to all CASS employees and students who dedicated their time to make the conference a success.

Following Dr. Huang's remarks, Professor Yang Yang thanked the attendees again and declared the conference officially ended.