



CARNEGIE-TSINGHUA
CENTER FOR GLOBAL POLICY

U.S.-China Relations

College of Defense Studies, National Defense University |
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My background

- Retired army Lt. Col.
- 3rd infantry division (Germany), 1st armored division (Desert Storm)
- Company commander, Republic of Korea
- US embassy China defense attaché office
- Pentagon, China Director, Joint Staff
- Principal assistant to President's national security advisor
- White House China Director to Presidents Bush and Obama



Media Headlines vs. Reality

- Popular narratives on U.S.-China relations:
 - Destined for conflict
 - Zero-sum
- Certainly, we have tough issues (cyber security, Taiwan, maritime disputes).
- But in the past 35 years since normalization, we've made enormous progress.



Taking a Step Back

Where have we come from?

- End of WWII-1979: very little contact
 - No embassy until liaison office in '73, embassy in '79
 - No business people, academics, scholars, students
 - Communication via Pakistan
- 1979: Normalization of relations



A Turbulent Period

Highs:

- Deng Xiaoping's official visit to the US
- Countless official visits since
- 2008 Olympics

Lows:

- Taiwan Straits Crisis
- The accidental US bombing of the Chinese embassy in Belgrade
- US EP-3 reconnaissance plane collision with Chinese fighter aircraft



Relations Management

Despite these crises and challenges, we've managed to sustain our bilateral relationship, and even improve relations along the way

- Both China and the US view improving relations to be in its own interest and so the two countries have persevered through times of crisis



Where We Are Today

One of the most active, highest-profile, and important bilateral relationships in the world

- In 2013, bilateral trade reached \$520 billion, and two-way investment stood at \$100 billion.
- In the last decade-and-a-half, cumulative Chinese investment in the U.S. has gone from near zero to \$36 billion.
- 1.8 million Chinese visitors to the US in 2013
- From 2008-12, 285,000 Chinese students studied in US universities
- In 2014, over 100,000 Americans had studied in China



Opportunities and Challenges

- We have positives in the relationship:
 - Interdependent economic and trade relationship
 - Cooperation on climate change, denuclearization of the Korean Peninsula, anti-piracy
 - Improving the quality of mil-mil relationship
 - High level of people to people exchange
 - High level of government interaction at all levels including over 100 US-China working groups
- And negatives:
 - Issues of strategic rivalry in the Asia-Pacific
 - Strategic mistrust
 - Unrealized potential for US-China cooperation



Our Global Cooperation Scorecard So Far

- We share many common interests and have made progress on some issues...
 - US Navy-PLA joint anti-piracy exercises
 - 2014 climate change agreement
- But we need to be more ambitious, expanding the scope and depth of our cooperation



Your Input

- Which areas are primed today for the US and China to better realize their potential for cooperation?
- What are the greatest challenges to realizing enhanced cooperation?
- What strategies toward enhancing cooperation have shown the greatest success?



How do we move forward?

- U.S-China catch-22: Different ways of approaching progress
- Chinese approach: President Xi Jinping has proposed the building of a new strategic framework for the US and China, a “new type of major country relationship”
 - Aims to avoid the “Thucydides Trap,” historical tendency that unhealthy competition between a rising and a status quo power will produce war



New Type of Major Country Relations

Why the US is reluctant to embrace the new type of major country relations proposal?

- Issue of China's core interests: nebulous, longstanding issues
- Unsure of contents of proposal
- Americans look for cooperation in new areas, especially on global issues of common concern, and assume the status will follow
- Is there opportunity for a framework in both of our interests?



Politics in Enhancing Cooperation

- Need top leaders to continue blue-sky, open-ended dialogues
- U.S. side should do a better job listening and drawing out Chinese ideas for cooperation
- Chinese side should put forward concrete ideas and proposals
- Neither side should expect the other to change its principles overnight
- Find areas of cooperation and ways to reduce tension through cooperative, public projects-- headline initiatives



Headline initiatives

- Our countries should identify several high profile cooperative projects that:
 - Benefit both nations
 - Will be noticed by the publics in both countries.
- Show the value of U.S.-China cooperation to both peoples.
 - Environmental—a joint project to improve air quality in a U.S. & Chinese city
 - Public health/medical—a joint initiative to eradicate a major childhood disease, obesity, anti-smoking campaign
 - Space – like a joint mission to Mars
 - Int’l development – improving infrastructure or connectivity in Africa
- Can you think of any ideas?



Forging Meaningful Global Cooperation

- Our strategic interests are becoming more global in nature
- China plays an increasingly important role on issues affecting the entire world
- Need to find common global issues to enhance bilat cooperation
 - Nonproliferation on the Korean peninsula, Iran
 - Cyber-security
 - Counterterrorism
 - Climate change and environmental challenges
 - Stability and growth to the international economic system
 - Ensuring adequate and secure supplies of energy
 - Transnational crime



Specific Issues of Common Interest

North Korean Denuclearization

- Active debate in China regarding the future of China-North Korean relations
- Recent North Korean diplomatic outreach, shifts in regional geopolitics reflect changing environment
- Important moment to reevaluate our approaches and opportunities for closer cooperation
- Issue of mistrust over suspicious of regime change motivations
- Both leaders need to engage in candid, direct dialogue to move past mistrust



Specific Issues of Common Interest

Combating Terrorism

- Change in threat perception in China?
- Opportunities for China-US cooperation
- Who should engage China in its role in the Middle East?



Conclusion

Welcome any further thoughts on building meaningful US-China cooperation.

