

The United States and China: Building a Cooperative and Comprehensive Relationship

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Thirty years ago, the United States made its first, tentative move toward reestablishing official relations with China. It can be easy to forget just how far we have come since then. When President Nixon visited China in February 1972, Beijing was still a city of twisting alleys, 'Flying Pigeon' bicycles and Mao suits. Three decades later, it is a city transformed; capital of the world's most populous nation, the world's second largest economy and nerve center of an emerging global powerhouse.

China's growth is an obvious and well-deserved point of pride here. Walk a mile in any direction from our Embassy and you will see scores of towering office buildings, not one over ten years old. In the past 30 years, China's GDP increased 82-fold, lifting tens of millions out of poverty. But this growth has come at a tremendous cost, and presents the nation's leaders with huge challenges, among them rising income inequality, an aging population, environmental degradation, and an ever-growing need for resources to fuel its future development. China has a deep reservoir of energy and talent to address these and other challenges, but doing so will require Beijing to address some tough questions and make some hard choices in the coming years.

The first question is what China's role will be on the global stage and how it will work with the United States. An emerging China increasingly perceives its interests as global; it must also shoulder the mantle of leadership. Both the United States and China acknowledge that, in this context, broad and sustained bilateral engagement is the only way forward. Precisely because we share many common challenges, we must work together to develop real shared solutions. This doesn't mean we will always agree, but it should mean that we will seek common ground where possible, and carefully manage those issues on which we do not see eye to eye.

In Africa and Latin America, for example, we see China raising its profile. China is already taking on greater responsibility in providing assistance to some of the world's poorest and most volatile countries there, a move the United States encourages. We welcome Chinese investment in and assistance to these countries, and we urge China to use these economic tools in ways that are consistent with international norms. Assisting developing countries in overcoming economic marginalization, improving governance, and strengthening the rule of law will not only serve the interests of these countries but those of China as well. Conversely, we must all work hard to avoid fomenting domestic unrest and inequality, developments that can only weaken global prosperity and security.

The second question is how China will balance its economy. China may have a per capita GDP that ranks only 99th in the world, but it is also Rolls Royce's biggest market.

When I travel from Beijing to Tianjin, I take a multi-billion dollar high-speed rail that is one of the fastest and most technically sophisticated trains in the world. But when I look out the window I still see thousands of workers farming by hand. Of course, China's coastal boomtown cities, like Shanghai and Tianjin, are doing well. It is the places in between that will require sustained policy attention.

China's economic growth model, which has relied heavily on exports and investment, has been very successful in developing China's urban centers and manufacturing corridors. But look beyond the obvious success stories and it is clear that China is beginning to realize the limits and risks of that model, especially the uneven development and massive external macroeconomic imbalances that it has created. A balanced economy and consistent growth are clearly the leadership's goals, and they have recognized the need to move beyond their dependence on exports and rely more on domestic consumption to drive growth. How they get there, and when, remain to be seen.

The third question is how China will sustain its growth in a world of increasingly finite resources. China is widely recognized as the world's largest steel producer and the largest consumer of iron, copper and aluminum. It is equally clear that China's growing energy use has undeniable environmental consequences. A recent World Health Organization (WHO) study showed that indoor and outdoor air pollution kill 656,000 Chinese citizens every year, with another 95,600 deaths caused by polluted drinking water.

China is certainly not alone in its thirst for natural resources or need to conserve them. The United States and China, together, are the world's largest consumers of energy and largest producers of carbon emissions. In this we share a common interest—already being translated into joint action—in ensuring stable energy supplies and prices and in developing and deploying clean energy technologies.

President Obama has clearly identified clean energy and climate change as priority areas in the relationship, and he and President Hu are promoting bilateral initiatives. Both recognize the need for US and Chinese scientists to work together to study climate variability and share essential data for monitoring the effect of climate change, and we are already taking action.

Under the US-China Shale Gas Initiative, our two countries are utilizing US experience to help China develop its unconventional gas resources. We are working together under the US-China Energy Efficiency Action Plan and the US-China Renewable Energy Partnership. Initiatives like the Clean Energy Research Center that Secretary Chu and his Chinese counterparts announced in July 2009 also show great promise in assisting both countries to meet enormous future energy needs in a cleaner fashion, specifically targeting cleaner coal, greener buildings, and cleaner transportation.

As the two largest energy producers and users it is important that we continue to support one another's efforts to advance the deployment of clean energy. When you consider that China puts an average of one million new cars on the road every month—picture a

single line of cars from New York all the way to Los Angeles—you get some sense of how crucial to global emissions our cooperation will be.

A final question is one President Nixon could hardly have forecast back in 1972; how will China come to terms with the information technology revolution? The Internet has proven to be a powerful force of change throughout the world, and China is no exception. China has more Internet users than any country in the world, and these netizens are increasingly vocal and sophisticated. Freedom of choice may be debated in China's official circles, but it is alive and well in the virtual reality of China's online world. The results are hard to deny and almost impossible to reverse. In 2009, China announced a new policy to pre-install so-called 'Green Dam' censorship software on every computer sold in China. Overnight, hundreds of thousands of Chinese netizens led a global chorus of condemnation and resistance. The Chinese government, at least for now, has given in to public pressure and reversed course, dropping the unpopular software proposal. Unfortunately, it appears this does not signal a larger change in policy, and the Chinese government continues to restrict the free flow of information and to censor Internet content as best it can.

We will continue to engage the Chinese people directly on this issue because we believe, as President Obama said at his November 2009 town hall meeting in Shanghai, that “unrestricted Internet access is a source of strength.” In recent years, China's central government and some of its provinces have begun using the Internet to solicit input from the public (Chinese and foreigners alike) on new drafts of certain laws and regulations. Chinese citizens are weighing in, and we welcome these efforts to promote greater openness, transparency and the free flow of information.

No one knows how China will ultimately answer these challenges or what role the United States will play. But if the last 30 years is any indication, the next 30 years of bilateral relations will be full of challenges and potential on both sides. If we work together I believe we can make real progress on the most pressing issues of the day, whether it's the global economy recovery, regional security or climate change and cleaner energy. Together we can build the kind of positive, cooperative and comprehensive relationship that can effect meaningful change in our time. The world will be watching with increasingly high expectations.