

Building a New Model of Major-Country Relationship

— An Interview with Orville Schell



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By ARYA

CHINA expert Orville Schell is the Arthur Ross Director of the Center on U.S.-China Relations at the Asia Society in New York. Schell began learning Chinese when he was 20, and in 1968 obtained his Ph.D. in Chinese History from the University of California, Berkeley. He has since specialized in news reports and books on East Asia, China in particular. When Deng Xiaoping, chief architect of China's reform and opening-up drive, visited the U.S. in 1979, the *New York Times* invited Schell to be the journalist accompanying Deng on his U.S. tour.

There has been a succession recently of sensational events in bilateral economic exchanges, such as the Shanghai Hushi Food scandal, when popular brands such as McDonalds, KFC, and Starbucks were supplied with expired meat, and China ecommerce giant Alibaba's launch on the New York Stock Exchange of its IPO. Un-

der this new situation, how does Schell regard U.S.-China relations?

The reporter's exclusive interview with Orville Schell gives answers to this question.

New Major-country Relationship Still in the Works

Reporter: What's your view on the new model of major-country relationship that China and the U.S. are working to establish between them?

Orville Schell: I think this relationship is still in the process of formation. And recent, growing frictions between the two countries have had an adverse effect on the progress of bilateral ties.

Reporter: Can you give an example?

Orville Schell: American entrepreneurs' mindset about China has changed dramatically. I recently attended a business forum in Washington D.C., where many entrepreneurs, rather than focusing on technical issues, were preoccupied with whether or not they had a future in China. The doubts this discussion raised had been hitherto unheard of.

The initiatives of American entrepreneurs seeking development in China are dwindling. They believe China's government is raising the bar for their market entry through new regulations, in such areas as anti-monopoly and food safety, which constitute more pressure. The number of American entrepreneurs investing in China consequently falls each month.

Reporter: Chinese companies, however, are also complaining about American trade protectionism. What's your view on that?

Orville Schell: The U.S. government would decline investment from Chinese companies solely for one reason — that of national security. Real estate companies generally encounter relatively small barriers to the U.S. market, but those confronting tech firms like Huawei are indeed big.

Many ignorant Republicans in the United States Congress have created trouble for China-U.S. economic exchanges. But they do not actually represent the U.S. government. A number of Chinese people have gained the

impression that the U.S. government bars all Chinese enterprises, but this is not an objective view.

Reporter: When Chinese President Xi Jinping paid state visits to countries in Latin America aimed at deepening economic connections, certain foreign media commented that China was intruding into the U.S.'s backyard and trying to compete with it for the Latin American market. Do you think this is a valid opinion?

Orville Schell: Whether the U.S. Treasury Department or the White House, if they truly have faith in the market economy they will not blatantly oppose China's entry into the Latin American market. In the era of globalization, China and the U.S. are closely economically bonded. The U.S. is not in a position to obstruct China's economic development.

Reporter: In September, China's e-commerce giant Alibaba was formally listed on the New York Stock Exchange, creating a new wealth legend. Do you think this might become the turning point at which entrepreneurs of the two countries draw closer?

Orville Schell: I've known Ma Yun for some time, and Alibaba, the company he founded, is great. There is no way of telling whether Ma Yun or American entrepreneurs like Bill Gates are the most brilliant, because they are remarkable in similar ways.

I think Chinese private entrepreneurs are particularly creative. For Americans, Alibaba's listing provides them with the chance to know more about Chinese Internet firms, and also stimulates their interest in and respect for Chinese entrepreneurs like Ma Yun.

Big Room for Improvement

Reporter: What do ordinary Americans think about China's reform?

Orville Schell: Ordinary Americans actually seem more anxious now than previously, due to China's rise. They know little about China's current reform and opening-up, and have a generally narrow view of the country. As China's economic aggregate swells, the number of believers in the China threat theory among ordinary Americans also grows.

Reporter: How do American politicians view China's new round of reforms?

Orville Schell: As regards the political arena, I think Obama is willing to accept China's economic rise, but



On July 9, 2014, the Sixth Round of U.S.-China Strategic and Economic Dialogue kicked off in Beijing. China's Vice Premier Wang Yang and State Councilor Yang Jiechi attended the strategic dialogue together with U.S. Secretary of State John Kerry and Secretary of the Treasury Jack Lew.

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many voices emanate also from the opposing forces – the Republican Party and the Tea Party. However, they don't represent the Obama administration.

Many Democratic senators are making efforts to establish a new-type partnership with China. But this will not be easy in light of today's relatively cool bilateral diplomatic relations, and the need to improve them.

Reporter: Who do you think should be held accountable for the cooling bilateral relations?

Orville Schell: I think both sides should take blame. Certain Democratic Senators hold that China showed a tepid response to the proposal to "join hands with the U.S.," and that so far not many Chinese firms operate in the U.S. market. As yet no force has arisen either in the U.S. White House or Congress with the intent of gaining deep knowledge of China. Due to different political system and values, misunderstandings and distrust still exist between the two countries.

Two Great Powers Vital for Global Issues

Reporter: You have personally experienced momentous historic events like Deng Xiaoping's visit to the

U.S. and Bill Clinton's visit to China. What has most impressed you?

Orville Schell: What I remember from 1979 as most significant in the history of bilateral exchanges was Deng Xiaoping putting on a cowboy hat while watching a rodeo performance in Texas.

You must know that Texas is eminently anti-communist. But Deng's donning of the ten-gallon hat won him approbation from tens of thousands of Americans. Deng was a wise man. He purposefully sent this strong symbolic signal to the peoples of both countries, so implying that China and the U.S. could indeed establish a friendly relationship.

Reporter: Deng Xiaoping once suggested that the way to deal with the Diaoyu Islands issue was: if we can't solve it now, leave it to succeeding generations. What do you think of his viewpoint?

Orville Schell: I think it's sensible. It's preferable that China and Japan settle the Diaoyu Islands issue through international law rather than war or conflict.

Since the First Opium War (1840-1842), it has taken China over a century to achieve its present development and national strength. It's therefore advisable to cherish stability and make efforts to maintain the situation.

Reporter: How do you see the future of China-U.S. relations?

Orville Schell: China-U.S. relations have reached a new crossroad. Despite accompanying contradictions and problems, the two countries can choose to cooperate and gain more benefits rather than dwell on divergences.

A recommendable way would be to learn from Deng Xiaoping and Jimmy Carter – to make contradictions and divergences give way to mutual development. When Deng met with Carter in Atlanta I could see that, despite the two sides' huge divergences, they formed close relations, because their focus was on bigger mutual interests rather than the two countries' respective interests. Since then, the bilateral relationship has made huge progress.

State leaders of the two countries have played key roles. In addition, former U.S. Treasury Secretary Henry Paulson and then Chinese Vice Premier Wang Qishan also figured prominently in bilateral relations. Besides heads of state, high-ranking officials also need to make frequent exchanges to promote bilateral relations, as otherwise the China-U.S. relationship will never truly flesh out.

Reporter: You have mentioned bigger common interests several times. What does this refer to?

Orville Schell: The most important issue is global climate change. If we can't join hands to solve that, all other issues are pointless. In the globalization era, there are numerous issues that cross boundaries and demand joint efforts worldwide, for example, fighting against the Ebola virus. Personally I think China and the U.S. are the only two great powers capable of solving global problems through working together. ■