

# **U.S.-China Relations: Policy Issues**

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# Summary

The U.S.-China bilateral relationship is one of the world's most important, touching on a wide range of issues, including economics, global security threats, the environment, energy, human rights, and many others. U.S. interests regarding its relationship with the People's Republic of China (PRC) include promoting U.S. trade and investment, protecting national security interests, addressing global environmental and climate change issues, promoting economic liberalization and human rights in China, and maintaining peace and stability in the Taiwan Strait and the Asia-Pacific region.

The emergence of China as a global economic power has added considerably to the complexity of U.S. policy toward China. The United States and the PRC are becoming increasingly interdependent, which means that the two countries must cooperate in many areas even when they disagree in others. The Obama Administration has sought cooperation with the PRC on several important international issues, including the global financial crisis, multilateral efforts to block the nuclear ambitions of Iran and North Korea, and climate change. The Strategic and Economic Dialogue (S&ED), established in 2009, is a flexible diplomatic mechanism that brings together senior officials from the United States and China on an annual basis to maintain dialogue and build trust on an array of issues.

Despite growing areas of cooperation and dialogue, deep mutual suspicions persist based upon ideological differences and uncertainty over each other's intentions, particularly in the security realm. Some U.S. policy makers have questioned China's long term military goals, given its rising military budget and expanding capabilities. Furthermore, China's increasingly active diplomacy, growing economic assistance and investment in developing regions, and political and economic ties to "rogue states" make it a potential competitor for global influence and natural resources.

Other U.S. concerns include the bilateral trade deficit with China and allegations of PRC unfair trade practices, PRC holdings of U.S. Treasuries, military confrontations in the South China Sea, disagreements on global climate change policies, PRC human rights violations, and cyber attacks on U.S. companies that appear to have originated in China. An ongoing policy debate includes the following questions: whether a decades-long U.S. policy of engagement with China has helped to promote U.S. economic, national security, and other interests, or strengthened the PRC at the expense of U.S. interests and the promotion of democratic values; whether China's global outreach is defensive in nature and focused on domestic concerns such as economic growth and social stability, or part of an effort to undermine U.S. influence; and does China have the will or capacity to become a "responsible stakeholder" in the broader global system, or will ideological differences and Beijing's preoccupation with domestic economic and political pressures hinder cooperation between China and other world powers.

This report, updated as warranted, provides an overview of selected, major issues in the U.S.-China relationship as they pertain to the 111<sup>th</sup> Congress. It provides a list of related CRS reports, as well as related legislation (see **Appendix**). Some portions of this report are based upon CRS Report R40457, *China-U.S. Relations: Current Issues and Implications for U.S. Policy*, by Kerry Dumbaugh.

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# **Recent Developments**

- February 18, 2010. President Obama met with the Dalai Lama at the White House.
- January 21, 2010. Secretary of State Hillary Clinton, in a policy speech on Internet freedom, in which she called upon China to conduct a thorough investigation of the December 2009 cyber attacks upon U.S. companies, allegedly by hackers from China.
- January 2010. The Obama administration notified Congress of arms sales to Taiwan.
- November 15-18, 2009. President Obama made his first official visit to China.

# **Overview**<sup>1</sup>

The U.S.-China bilateral relationship is one of the world's most important, touching upon a wide range of issues. U.S. interests regarding its relationship with the PRC include promoting U.S. trade and investment, protecting national security interests, addressing global environmental and climate change issues, promoting economic liberalization and human rights in China, and maintaining peace and stability in the Taiwan Strait and the broader Asia-Pacific region. The emergence of the People's Republic of China (PRC) as a global economic power has added to the complexity of U.S. policy options toward China. The United States and the PRC are becoming increasingly interdependent, which means that the two countries must cooperate in many areas even when they disagree in others. Increasingly, Washington has sought cooperation with the PRC, a veto-wielding permanent member of the U.N. Security Council and a member of the Group of 20 (G-20) nations, on international issues such as the global financial crisis, multilateral efforts to block the nuclear ambitions of Iran and North Korea, and climate change. The Strategic and Economic Dialogue (S&ED), established in 2009, is a flexible diplomatic mechanism that brings together senior officials from the United States and China on an annual basis to maintain dialogue and build trust on an array of issues.

Unlike Bill Clinton and George W. Bush, Barack Obama did not come into office pledging to take a tougher stance on China or placing conditions on the relationship such as improvements in the trade balance or human rights. This relatively accommodating attitude reflected several trends, some of which began under the Bush Administration, such as seeking China's cooperation on fighting global terrorism and thwarting North Korea's nuclear ambitions. Other trends include the increasingly multi-faceted and interdependent nature of the bilateral relationship; expanding areas of cooperation and dialogue; more sophisticated PRC diplomacy, backed by China's growing economic influence; and a U.S. policy agenda that increasingly requires China's cooperation.

The Obama Administration's policy toward the PRC has been marked by trust-building efforts, particularly during the first several months of 2009. The Administration aimed to further develop bilateral cooperation in areas that were keystones of its domestic and foreign policy agendas,

<sup>&</sup>lt;sup>1</sup> Some portions of this report are based upon CRS Report R40457, *China-U.S. Relations: Current Issues and Implications for U.S. Policy*, by Kerry Dumbaugh.

including global economic rebalancing, international weapons proliferation, climate change, and energy security. Some foreign policy observers asserted that the first casualty of this emphasis on cooperation was human rights. In February 2009, on her first visit to China as Secretary of State, Hillary Clinton stated that disputes with Beijing on Taiwan, Tibet, and human rights would not "interfere" with cooperation on global economic, climate change, and security crises.<sup>2</sup> In September 2009, the Obama Administration postponed a meeting with the Dalai Lama (until February 18, 2010), to occur after the President's first visit to China (November 15-18, 2009). The first round of the U.S.-China S&ED, held in July 2009, resulted in a joint press release emphasizing the importance of bilateral cooperation on the international financial crisis, North Korea, Iran, Sudan, and other global issues, and a memorandum of understanding on addressing climate change. Following the Summit, the two sides issued a Joint Statement which, some analysts argued, appeared to assuage PRC concerns regarding Tibet and to acknowledge China's rising global power.<sup>3</sup> For its part, the PRC seemed to accept the U.S. economic and security roles in Asia.<sup>4</sup>

Although the bilateral relationship may be better able to weather conflicts, given the greater number of foundations upon which it rests and incentives for cooperation, there remain areas of deep mistrust, based in large part on ideological differences and uncertainty over each other's intentions, particularly in the security realm. These suspicions amplify not only other bilateral conflicts but also debates within the U.S. policy community. Mutual suspicions are exacerbated by China's growing competition for political and economic influence, particularly in developing regions of the world. Major U.S. concerns include the ongoing bilateral trade and currency imbalances; the PRC's inability or unwillingness to crack down on intellectual property theft; China's growing military budget and modernization; Beijing's relations with states that engage in serious human rights abuses or pose regional security threats; PRC policies that threaten or undermine Taiwan and Tibet autonomy; and China's human rights conditions. PRC concerns include perceptions of rising protectionism in U.S. trade policy, U.S. containment policies toward China, support for Taiwan and Tibet; and human rights efforts.

Some critics argue that the Obama Administration's low-key approach has led to little substantive progress on issues of import to the United States. Despite a promising start, some policy specialists have questioned whether a new era of cooperation has actually begun, while others argue that Beijing has displayed less willingness to compromise than before. Furthermore, a number of sharp bilateral disagreements arose following the summit. In December 2009, China led some other developing countries in opposing U.S.-backed goals related to cutting carbon emissions at the Copenhagen international conference on climate change. In January 2010, U.S. Internet company Google threatened to pull out of China or to stop censoring its Chinese-language search engine in compliance with PRC policies, as part of a protest against cyber attacks allegedly by PRC hackers on its corporate infrastructure, Gmail accounts, and the computer

<sup>&</sup>lt;sup>2</sup> In December 2009, Clinton described the Administration's human rights policy toward China as one informed by "principled pragmatism." Glenn Kessler, "In China, Clinton Says Human Rights 'Can't Interfere' with Talks," *Washington Post*, February 20, 2009; Elise Labott, "Clinton Defends Stance on Human Rights," *CNN*.com, March 11, 2009; Charley Keyes, "U.S. is 'Pragmatic' with China, Russia," *CNN.com*, December 15, 2009.

<sup>&</sup>lt;sup>3</sup> The United States reiterated the "fundamental principle of respect for each other's sovereignty and territorial integrity" and welcomed a "strong, prosperous and successful China that plays a greater role in world affairs." The White House, Office of the Press Secretary, *U.S.-China Joint Statement*, November 17, 2009, http://www.whitehouse.gov/the-press-office/us-china-joint-statement.

<sup>&</sup>lt;sup>4</sup> "China welcomes the United States as an Asia-Pacific nation that contributes to peace, stability and prosperity in the region." Ibid.

systems of many other U.S. corporations. Hillary Clinton, in a policy speech on Internet freedom, urged U.S. Internet companies to oppose censorship in their overseas operations and called upon the PRC government to conduct an investigation of the cyber attacks. <sup>5</sup> Beijing has expressed anger at U.S. arms sales to Taiwan in January 2010, the meeting between President Obama and the Dalai Lama in February 2010, and U.S. trade actions against PRC goods and pressures to revalue China's currency, the *renminbi* (RMB). These disputes could adversely affect PRC cooperation in such areas as U.N. sanctions against Iran, military exchanges, and economic interests.

## **Policy Debate**

Many U.S. policy observers have become increasingly concerned about China's growing economic and political reach in the world, often referred to as "China's rise," and what it means for U.S. global interests. Some believe that the best response to China's growing power and influence is to manage or guide it; others believe that it constitutes a threat that needs to be thwarted. This policy debate is animated by continuing uncertainty over how China ultimately may choose to wield its rising capabilities.<sup>6</sup>

According to one school of thought, which has strongly influenced U.S. policy toward China for nearly two decades, China's economic and political rise in the world is inevitable and can be channeled in ways that help serve U.S. interests. Moreover, China's foreign policy is motivated by a desire to maintain a stable global environment in which to promote economic growth, rather than by a goal to undermine U.S. strategic influence. These premises support the U.S. policies of economic engagement and encouraging China's participation in the international system. Robert Zoellick, Assistant Secretary of State under the Bush Administration, articulated a "responsible stakeholder" model, which some argue would both accommodate a greater international role for the PRC and help change China's foreign and domestic behaviors in the direction of greater convergence with those of the West.<sup>7</sup> Proponents of this approach believe that integrating China into the global order raises incentives for PRC leaders to support multilateral institutions and avoid conflict with the United States and its allies, and helps nurture a prosperous and outwardlooking PRC citizenry that adopts universal values and seeks greater political pluralism. China's participation in the G-20 talks on the global economy and fledgling civil society are reflections of these trends. Many subscribers to this view add that adopting a policy of containing China, by contrast, may embolden hardliners in the PRC government, arouse nationalistic fervor, and promote anti-American and anti-liberal sentiments.<sup>8</sup> Furthermore, Washington increasingly needs China's cooperation on global issues, including the international financial crisis, North Korea, and climate change.

<sup>&</sup>lt;sup>5</sup> "Clinton Urges Global Internet Freedom," VOA News.com, January 21, 2010.

<sup>&</sup>lt;sup>6</sup> For an example of this debate, see Zbigniew Brzezinski, "Make Money, Not War" and John J. Mearsheimer, "Better to Be Godzilla than Bambi," in Carnegie Endowment for International Peace, *Foreign Policy Special Report: China Rising*, January/February 2005.

<sup>&</sup>lt;sup>7</sup> Robert Zoellick, "Whither China: From Membership to Responsibility," Remarks to the National Committee on U.S.-China Relations, September 21, 2005.

<sup>&</sup>lt;sup>8</sup> For discussions on U.S. foreign policy and Chinese nationalism, see Harry Kreisler, Institute of International Studies, U.C. Berkeley, "China and the United States – Conversation with Susan Shirk," November 8, 2001, and Harry Kreisler, Institute of International Studies, U.C. Berkeley, "Domestic Politics and International Behavior: The Case of China and the U.S. – Conversation with Susan Shirk," June 28, 2007.

Other foreign policy analysts contend that there are few signs that the worldview of China's leadership is converging with that of the United States. They argue that the PRC government remains mercantilist and stubbornly undemocratic. Beijing's preoccupation with economic growth as a basis for domestic stability and global power informs its foreign policy, one that is often at odds with U.S. foreign policy objectives. These broad U.S. goals include promoting shared responsibility among world powers in addressing global problems, upholding open markets, applying multilateral sanctions upon states that threaten regional security, such as Iran, enforcing global carbon reduction targets, and censuring nations that violate international human rights standards. Furthermore, some suggest, China may be biding its time, paying lip service to international norms and gradually becoming more assertive in world affairs, while aggressively and opportunistically pursuing its own economic interests and modernizing its military.<sup>9</sup> In tandem with its economic growth, China has gained political influence, particularly among developing nations, through its offers of economic assistance, trade, and investment, often in exchange for access to energy supplies. In the long run, they argue, the PRC seeks to regain its former dominance in Asia and beyond. According to this view, the United States should be much more forceful in demanding that China abide by international trade regulations; bolster its alliances, security partnerships, and trade ties, particularly in Asia; and seek a more fundamental transformation of the PRC political system.<sup>10</sup>

# **Selected Events and Issues**

### President Obama's State Visit to China, 2009

President Barack Obama made his first official state visit to China on November 15-18, 2009. The main themes of the visit, as reflected in the U.S.-China Joint Statement,<sup>11</sup> included both sides reiterating their strategic good intentions toward each other<sup>12</sup> and pledging to cooperate on global challenges such as balanced economic growth, security issues (nuclear proliferation, Iran's nuclear program, and the Six-Party Talks on North Korean disarmament), climate change, and energy. The Joint Statement expressed commitment toward the U.S.-China Strategic and Economic Dialogue as well as discussion, cooperation, and exchanges in many areas, including military, counterterrorism, civil aviation, rule of law, science, education, and culture. While the statement recognized that the two countries "have differences on the issue of human rights," it announced that another round of the U.S.-China human rights dialogue would be held in February 2010.<sup>13</sup>

<sup>&</sup>lt;sup>9</sup> Robert Samuelson, "China's 'Me First' Doctrine," Washington Post, February 15, 2010.

<sup>&</sup>lt;sup>10</sup> Robert Kagan and Dan Blumenthal, "'Strategic Reassurance' That Isn't," *Washington Post*, November 10, 2009; Willy Lam, "Reassurance of Appeasement," *Far Eastern Economic Review*, November 2009.

<sup>&</sup>lt;sup>11</sup> See U.S.-China Joint Statement, op. cit.

<sup>&</sup>lt;sup>12</sup> The United States "welcomes a "strong, prosperous and successful China that plays a greater role in world affairs;" "China welcomes the United States as an Asia-Pacific nation that contributes to peace, stability and prosperity in the region" and "resolutely follows the path of peaceful development." Ibid.

<sup>&</sup>lt;sup>13</sup> Bilateral human rights talks are likely to take place in March 2010. Aaron Back, "U.S. Official's Visit Signals Thaw in China Ties," *Wall Street Journal*, March 2, 2010.

#### Selected CRS Reports

#### Economic Issues

CRS Report RL33536, China-U.S. Trade Issues, by Wayne M. Morrison.

CRS Report RS21625, China's Currency: A Summary of the Economic Issues, by Wayne M. Morrison and Marc Labonte.

CRS Report RL34314, China's Holdings of U.S. Securities: Implications for the U.S. Economy, by Wayne M. Morrison and Marc Labonte.

CRS Report RS22984, China and the Global Financial Crisis: Implications for the United States, by Wayne M. Morrison.

CRS Report RS22713, Health and Safety Concerns Over U.S. Imports of Chinese Products: An Overview, by Wayne M. Morrison.

#### Military and Security Issues

CRS Report RL32496, U.S.-China Military Contacts: Issues for Congress, by Shirley A. Kan.

CRS Report RL31555, China and Proliferation of Weapons of Mass Destruction and Missiles: Policy Issues, by Shirley A. Kan.

CRS Report RL33153, China Naval Modernization: Implications for U.S. Navy Capabilities—Background and Issues for Congress, by Ronald O'Rourke.

CRS Report RL33001, U.S.-China Counterterrorism Cooperation: Issues for U.S. Policy, by Shirley A. Kan.

CRS Report RS22652, China's Anti-Satellite Weapon Test, by Shirley A. Kan.

#### Taiwan

CRS Report R40493, Taiwan-U.S. Relations: Developments and Policy Implications, by Kerry Dumbaugh.

CRS Report RL30957, Taiwan: Major U.S. Arms Sales Since 1990, by Shirley A. Kan.

CRS Report RL30341, China/Taiwan: Evolution of the "One China" Policy—Key Statements from Washington, Beijing, and Taipei, by Shirley A. Kan.

CRS Report RL34441, Security Implications of Taiwan's Presidential Election of March 2008, by Shirley A. Kan.

#### **Global Environment and Energy**

CRS Report RL32466, Rising Energy Competition and Energy Security in Northeast Asia: Issues for U.S. Policy, by Emma Chanlett-Avery.

CRS Report RL34659, China's Greenhouse Gas Emissions and Mitigation Policies, by Jane A. Leggett, Jeffrey Logan, and Anna Mackey.

#### China's Political System and Human Rights

CRS Report R41007, Understanding China's Political System, by Kerry Dumbaugh and Michael F. Martin.

CRS Report RL34729, Human Rights in China: Trends and Policy Implications, by Thomas Lum and Hannah Fischer.

CRS Report RL34445, Tibet: Problems, Prospects, and U.S. Policy, by Kerry Dumbaugh.

CRS Report R40453, The Tibetan Policy Act of 2002: Background and Implementation, by Kerry Dumbaugh.

CRS Report RS22663, U.S.-Funded Assistance Programs in China, by Thomas Lum.

#### **Foreign Policy**

CRS Report RL34588, China's Foreign Policy: What Does It Mean for U.S. Global Interests?, by Kerry Dumbaugh.

CRS Report RL34620, Comparing Global Influence: China's and U.S. Diplomacy, Foreign Aid, Trade, and Investment in the Developing World, coordinated by Thomas Lum.

CRS Report R40940, China's Assistance and Government-Sponsored Investment Activities in Africa, Latin America, and Southeast Asia, by Thomas Lum.

Some observers criticized President Obama's visit for not producing immediate concessions from Beijing on issues related to trade, Iran, North Korea, the environment, and human rights, and for not pressing harder for open or wider official news coverage of the visit, including Obama's meeting with students in Shanghai.<sup>14</sup> Some human rights activists and Chinese dissidents expressed disappointment that the visit did not appear to include an attempt to impose human rights conditions upon further bilateral cooperation, and that the U.S. President did not publicly comment upon the roughly 30 rights activists that were detained or placed under house arrest before and during his trip. Others argued that the summit laid the groundwork for the building of mutual trust and future cooperation.

#### Americans Detained in China

Two Chinese-born Americans, Xue Feng, a geologist, and Hu Zhicheng, an automotive engineer, remain under detention in China while facing criminal charges. Xue, held since November 2007, is accused of providing state secrets to foreigners, while Hu, arrested in November 2008, is accused of mishandling trade secrets. According to family members and some analysts, the accusations are tied to commercial disputes with local PRC companies or business partners, and both men are innocent of charges. Although U.S. consular officials have met with the two Americans regularly, PRC officials reportedly have violated U.S.-PRC agreements on such meetings. In addition, Xue reportedly has been mistreated in prison while Hu has not been allowed to receive letters from his wife. U.S. Ambassador to China Jon Huntsman and President Barack Obama (during his visit to China in November 2009) have raised the issue of Xue Feng to China's leaders.<sup>15</sup>

## **U.S.-PRC** Dialogues

#### The Strategic and Economic Dialogue (S&ED)

On April 1, 2009, on the sidelines of the G-20 Financial Summit in London, U.S. President Barack Obama and PRC President Hu Jintao announced the inauguration of a new annual highlevel dialogue, to be called the U.S.-China Strategic and Economic Dialogue (S&ED), designed to focus on economic, security, and other issues. The S&ED is a uniquely broad diplomatic mechanism that brings together senior officials from the United States and the PRC on an annual basis to discuss a range of issues including bilateral economic and trade relations, security, climate change, energy, public health, development assistance, and others. It has two diplomatic "tracks" – a "Strategic Track" co-chaired by Secretary of State Hillary Clinton and PRC State Councilor Dai Bingguo, and an "Economic Track" co-chaired by Treasury Secretary Timothy Geithner and PRC Vice Premier Wang Qishan. The first round of the new S&ED was held in Washington, DC, on July 27-28, 2009.

The S&ED emerged from two high-level U.S.-China dialogues formed during the George W. Bush Administration: the U.S.-China Senior Dialogue (SD) under the auspices of the State Department; and the U.S.-China Strategic Economic Dialogue (SED) under the Treasury Department. According to officials associated with the process, the Departments of State and Treasury are attempting to act jointly on matters involving the S&ED, including the provision of both internal and cross-departmental procedures of inquiry on S&ED matters. There appears to be

<sup>&</sup>lt;sup>14</sup> Charles Hutzler and Jennifer Loven, "Obama's Visit to China Yields Few Concessions," *Associated Press*, November 18, 2009.

<sup>&</sup>lt;sup>15</sup> Charles Hutzler, "China Holds, Mistreats U.S. Geologist," *Associated Press*, November 20, 2009; David Barboza, "American Engineer Detained for Year in China," *New York Times*, December 18, 2009; Ariana Eunjung Cha, "Trial of

American Puts Spotlight on the Business of 'State Secrets' in China," *Washington Post*, March 4, 2010.

less "jointness" on the PRC side, where government bureaucracies traditionally have been "stovepiped" with little inter-departmental interaction or coordination. U.S. officials associated with the SED, the predecessor to the S&ED, have stated that the SED process was one of the few venues in which PRC ministers interacted with each other across departmental jurisdictions. U.S. policymakers appear to consider this one of the incidental benefits of the SED/S&ED process.

The S&ED joins dozens of other official U.S.-China dialogues, some of which have endured through multiple U.S. administrations. The Obama Administration reportedly has begun to consider ways in which to coordinate these exchanges with an eye toward producing more concrete results or "deliverables."<sup>16</sup> These dialogues, generally held on an annual or biennial basis, include the following:

- The Joint Commission on Commerce and Trade (JCCT), initiated in 1983 and elevated in 2003 to a senior level. Participating agencies are the U.S. Department of Commerce, the U.S. Trade Representative, and the PRC Vice Premier responsible for trade. The 20<sup>th</sup> JCCT met in Hangzhou, China, in October 2009.
- The U.S.-China Joint Economic Committee (JEC), initiated in 1979. Participating agencies are the U.S. Department of the Treasury and the PRC Ministry of Finance.
- The U.S.-China Economic Development and Reform Dialogue (State-NDRC Dialogue), established in 2003 to address PRC economic reforms. Participating agencies are the U.S. Department of State and the PRC National Development and Reform Commission.
- **Consumer Product Safety Summit** (CPSS), established in 2004 to cooperate on improving consumer product safety related to a range of PRC products. The U.S. Consumer Product Safety Commission (CPSC) and PRC General Administration of Quality Supervision, Inspection, and Quarantine (AQSIQ) held their first biennial meeting in 2005. The third biennial meeting took place in October 2009. In November 2008, the U.S. Department of Health and Human Services opened its first Food and Drug Administration (FDA) offices in China, in Beijing, Guangzhou, and Shanghai.
- U.S.-China Defense Consultative Talks between the officials of the U.S. Department of Defense and the PRC Ministry of National Defense were first held in 1997. In June 2009, Under Secretary of Defense for Policy Michele Flournoy visited Beijing and carried out discussions with Chinese military officials.
- U.S.-China Human Rights Dialogue, established in 1990. The talks resumed in 2008 after a four-year hiatus. Thirteen rounds of the dialogue have been held.
- The U.S.-China Energy Policy Dialogue (EPD), established in 2004. Participating agencies are the U.S. Department of Energy and China's National Development and Reform Commission. The fourth EPD was held in September 2009 in Qingdao, PRC. Other clean energy cooperation announced at the U.S.-China Summit in November 2009 include the U.S.-China Clean Energy Research

<sup>&</sup>lt;sup>16</sup> "White House Works To Coordinate China Dialogues after Unproductive First Year," *Inside US-China Trade*, March 10, 2010.

Center; the U.S.-China Energy Efficiency Action Plan; and the U.S.-China Energy Cooperation Program.

- The U.S.-China Joint Commission on Science and Technology (JCM), initiated in 1979. Participating agencies are the Office of Science and Technology Policy (White House), the State Department's Office of Science and Technology Cooperation, and the PRC Ministry of Science and Technology. The 13<sup>th</sup> JCM was held in the United States in October 2009.
- **Space Science Cooperation**. The U.S.-China Joint Statement (November 17, 2009) called for expanding discussions on space science cooperation and "starting a dialogue on human space flight and space exploration."
- The Global Issues Forum (GIF), initiated in 2005. Participating agencies include the U.S. Department of State's Bureau for Global Affairs and the PRC Ministry of Foreign Affairs.
- **The U.S.-China Healthcare Forum** (HCF), established in 2005. Participating agencies are the U.S. Department of Commerce and the Department of Health and Human Services and the PRC Ministry of Health and Ministry of Commerce.

## **Economic Issues**

Economic ties bind the two countries, but there are numerous related disputes that strain the relationship. China is the second-largest U.S. trading partner, after Canada, with total bilateral trade valued at \$366 billion in 2009 (down from \$407 billion in 2008). The PRC is the largest source of U.S. imports and the third largest export market for U.S. goods. The U.S. trade deficit with China, valued at \$227 billion in 2009 (down from \$268 billion in 2008), is significantly bigger than those with any other trading partner.<sup>17</sup> Many analysts argue that the U.S. trade deficit is caused by China's unfair trade practices and undervalued currency, while other experts contend that the trade imbalance stems from the outsourcing or relocation of manufacturing from many countries to China and from the high savings rate among Chinese and low savings rate among Americans. The PRC also is the largest holder of U.S. Treasury bonds and a significant destination for U.S. investment.<sup>18</sup> In 2009, for example, General Motors and its joint ventures in China sold over 1.8 million cars and trucks in the PRC compared to roughly 2 million vehicles in the United States. Ongoing U.S. economic concerns include the following:

Currency Valuation. Although the PRC government allowed the RMB to appreciate by 22% in relation to the dollar between 2005 and 2008, some policy-makers argue that the Chinese currency is still undervalued by 20%-40% against world currencies.<sup>19</sup> The Obama Administration has not determined China to be a "currency manipulator;" however, in February 2010, the President announced a tougher line on trade and currency issues.<sup>20</sup> China has responded that the RMB

<sup>&</sup>lt;sup>17</sup> Global Trade Atlas.

<sup>&</sup>lt;sup>18</sup> China is the 17<sup>th</sup> largest destination for U.S. foreign direct investment. See CRS Report RL33536, *China-U.S. Trade Issues*, by Wayne M. Morrison.

<sup>&</sup>lt;sup>19</sup> On July 1, 2005, the PRC changed its currency valuation method, allowing the RMB to float within a specified range against a basket of currencies. Many policy-makers argue that the PRC government should allow the RMB to float freely.

<sup>&</sup>lt;sup>20</sup> "China Refuses To Bow To Obama's Threat To Get Tough On Currency, Trade," *Moneynews.com*, February 4, (continued...)

exchange rate is not principally responsible for global trade imbalances and that a stable RMB and gradual appreciation is good for the world economy.<sup>21</sup>

- Unfair Trade Practices. U.S. officials and industry groups have charged China with many cases of unfair competition. The PRC allegedly has provided export subsidies to domestic companies and engaged in the dumping of Chinese products abroad. In January 2010, a group of U.S. business leaders in China sent a letter to Secretary of State Clinton, Commerce Secretary Locke, and U.S. Trade Representative Kirk, urging them to address "indigenous innovation" programs in PRC government procurement, arguing that they discriminated against foreign companies.
- Intellectual Property Rights (IPR). Although China's piracy rate in software has fallen somewhat, from 90% in 2004 to 80% in 2008,<sup>22</sup> IPR violations overall remain rampant. In April 2009, the U.S. Trade Representative issued its annual Special 301 report, which stated that overall piracy and counterfeiting levels in China remained unacceptably high and that many counterfeit products from China posed a health and safety threat to U.S. and global consumers. Piracy in mass media and software products reportedly cost U.S. companies more than \$3.7 billion annually, according to an industry group.
- **Product Safety.** Since early 2007, PRC manufacturers have been plagued with reports of tainted and unsafe food and consumer products. Complaints emerged in March 2009 about PRC-made drywall which is suspected to be emitting corrosive gases.<sup>23</sup> In January 2010, Chinese-made costume jewelry containing cadmium, which can cause cancer or impede brain development, was found in U.S. stores, while melamine was found in milk products in Guangdong province.<sup>24</sup> The recent milk scare, the second major incident involving milk products tainted with melamine since 2008, once again called into question the effectiveness of PRC product safety controls.

The Obama Administration has regarded China as a key partner in addressing the global financial crisis and related problems. China's economy grew by 8.7% in 2009 and is projected to grow by over 9.6% in 2010, compared to 1.9% for Organization for Economic Cooperation and Development (OECD) countries overall,<sup>25</sup> thus helping to lead the world out of the recession but possibly creating further pressures on the global trade imbalances. China's economic growth in 2009 was fueled by a government stimulus package, focused heavily on infrastructure and industrial development, worth \$586 billion. The PRC is playing a more important role in global economic policy-making, and in some instances has sought to reduce the dominance of the United States in the international system. PRC President Hu Jintao participated in a G20 summit meeting in Washington, DC, on November 15, 2008, and the G20 meeting in London on April 2,

<sup>(...</sup>continued)

<sup>2010.</sup> 

<sup>&</sup>lt;sup>21</sup> Geoff Dyer, "What's Behind U.S. Pressure on Renminbi Exchange Rate?" *China Daily*, February 20, 2010; "Wen Dismisses Currency Pressure," *FT.com (Financial Times)*, December 27, 2009.

<sup>&</sup>lt;sup>22</sup> United States Trade Representative, "2009 Special 301 Report," April 30, 2009; "World Software Piracy Grows: Study," *Reuters*, May 12, 2009; "U.S. Claims Victory in WTO Complaint on China Piracy," Reuters, January 26, 2009.

<sup>&</sup>lt;sup>23</sup> Hanna, Jason, "Chinese-Made Drywall Ruining Homes, Owners Say," CNN.com, March 18, 2009.

<sup>&</sup>lt;sup>24</sup> "More Melamine-Tainted Milk Found In China," Associated Press, January 25, 2010.

<sup>&</sup>lt;sup>25</sup> Economist Intelligence Unit, *Country Report: China*, February 2010.

2009. In March 2009, Zhou Xiaochuan, the head of China's central bank, reportedly proposed a new international currency to eventually replace the dollar as the world's standard.<sup>26</sup> However, some analysts suggest that China's global economic outlook remains oriented towards domestic issues.<sup>27</sup>

China has amassed a huge reserve of foreign exchange, totaling \$2.4 trillion as of December 2009,<sup>28</sup> while the PRC government has become an ever more important purchaser of U.S. debt. China, the largest holder of U.S. securities, held \$895 billion in official holdings of U.S. Treasuries at the end of 2009. Some analysts argue that China's purchases help to keep the value of its currency artificially low, thereby making the country's exports to the United States more attractive. In addition, say some observers, China's holdings may give Beijing undue leverage in its dealings with the United States on various issues. However, other experts argue that U.S. securities are still a safe and solid place for China to invest its foreign exchange reserves, and that Beijing is unlikely to attempt to make any sudden moves, such as a sell-off, that would adversely affect bond prices and their own assets. Furthermore, some note, Chinese official holdings constitute less than 7% of U.S. government debt.<sup>29</sup>

## **Security Issues**

U.S. security concerns include the ultimate focus of China's military build-up; evidence of improving PRC military and technological prowess; lack of PRC military transparency; PRC provocations to U.S. military aircraft and vessels in the South China Sea; recurring instances of PRC attempts to gain U.S. military secrets, including cyber attacks; and PRC military and technological assistance to "rogue states." China's defense budget reportedly has grown by 10% per year for a decade, although that expansion is to slow to 7.5% in 2010.<sup>30</sup> Increasingly, Washington has sought cooperation with the PRC, a veto-wielding member of the U.N. Security Council, on global and regional security issues, such as multilateral efforts to block the nuclear ambitions of Iran and North Korea.

Although the United States and PRC maintain some degree of high-level dialogue on military matters, this aspect of the relationship is marked by inadequate communication and mistrust of each others' motives. The PRC suspended some military exchanges in October 2008 to protest the Bush Administration's approval of \$6.5 billion in arms sales to Taiwan. In February 2009, Obama Administration and PRC officials resumed bilateral consultations.<sup>31</sup> In June 2009, U.S. Undersecretary of Defense for Policy Michele Flournoy, PLA Deputy Chief of Staff, and other officials met in Beijing and discussed ways to avoid military confrontations in the South China Sea, and other issues. As PRC naval activity has expanded, incidents in which PRC vessels have

<sup>&</sup>lt;sup>26</sup> Andrew Batson, "China Takes Aim at Dollar," Wall Street Journal, March 24, 2009.

<sup>&</sup>lt;sup>27</sup> "Robert J. Samuelson, "China's \$2.4 Trillion Slush Fund," Washington Post, January 25, 2010.

<sup>&</sup>lt;sup>28</sup> Liu Shengjun, "How to Better Use Forex Reserves," China Daily, January 13, 2010.

<sup>&</sup>lt;sup>29</sup> Paul R. La Monica, "China Still Likes Us…For Now," *CNNMoney.com*, September 16, 2009; Derek Scissors, "10 China Myths for the New Decade," *Backgrounder No.* 2366, Heritage Foundation, January 28, 2010.

<sup>&</sup>lt;sup>30</sup> China's defense expenditures in 2010 are to total \$78 billion compared to U.S. defense spending of \$636 billion and India's military budget of \$32 billion. See "China Plans to Slow Expansion of Defense Spending," *Washington Post*, March 5, 2010.

<sup>&</sup>lt;sup>31</sup> Maureen Fan, "U.S., China End Talks with Plans for More," Washington Post, March 1, 2009.

harassed U.S. surveillance craft have increased.<sup>32</sup> However, Beijing once again suspended some exchanges after the Obama Administration announced arms sales to Taiwan in January 2010.

In its annual, congressionally mandated report on China's Military Power (most recently released on March 25, 2009), the Pentagon concluded that the pace and scope of China's military modernization has increased in recent years, including the "acquisition of advanced foreign weapons, continued high rates of investment in its domestic defense and science and technology industries, and far-reaching organizational and doctrinal reforms...."<sup>33</sup> The report also highlights U.S. concerns about how little is known of the real motivations, decision-making processes, or capabilities of China's military.

Some U.S. military planners and other specialists maintain that PRC military improvements appear largely focused on a Taiwan contingency and on strategies to "deny access" to the military forces of a third party—most probably the United States—in the event of a conflict over the island. The Pentagon report contended that this build-up poses a long-term threat to Taiwan and ultimately to the U.S. military presence in Asia. Although Beijing asserts the right to use force against Taiwan if necessary, it also claims to pursue a national defense policy that is "purely defensive in nature."<sup>34</sup>

Admiral Robert F. Willard, head of the U.S. Pacific Command, stated in January 2010 that China's announced interest in supporting a peaceful and stable political environment to support Beijing's overall development "is difficult to reconcile with new military capabilities that appear designed to challenge U.S. freedom of action in the region and, if necessary, enforce China's influence over its neighbors—including our regional allies and partners." He added: "While PRC leaders have consistently characterized such developments as defensive in nature, the scope of modernization, the extensive commitment to advanced training, the development of robust power projection capabilities, and, most importantly, Beijing's lack of transparency call such assertions into question."<sup>35</sup>

## Taiwan

The island democracy of Taiwan remains one of the most sensitive and complex issues that U.S. policymakers face in bilateral Sino-U.S. relations. It is the issue that many observers most fear could lead to potential U.S.-China conflict. Beijing continues to lay sovereign claim to Taiwan and vows that one day Taiwan, which has had de facto independence since 1949, will be unified with China either peacefully or by force. Beijing has long maintained that it has the option to use force should Taiwan declare independence from China. Chinese leaders support these long-standing claims with a continuing build-up of over one thousand missiles deployed opposite

<sup>&</sup>lt;sup>32</sup> Beijing claims that U.S. surveillance activities conducted within China's Exclusive Economic Zone (200 nautical miles from territorial waters) violates the U.N. Convention on the Law of the Sea, while the United States argues that the vast majority of countries recognize the rights of states to undertake military activities within this zone. See Peter Dutton, U.S. Naval War College, Statement before the United States-China Economic and Security Review Commission, June 11, 2009.

<sup>&</sup>lt;sup>33</sup> See http://www.defenselink.mil/pubs/pdfs/China\_Military\_Power\_Report\_2009.pdf.

<sup>&</sup>lt;sup>34</sup> PRC State Council, White Paper: *China's National Defense in 2008.* See full text at http://www.gov.cn/english/ official/2009-01/20/content\_1210227.htm

<sup>&</sup>lt;sup>35</sup> Bill Gertz, "China's 'Aggressive' Buildup Called Worry; Admiral Doubts it's Defensive," *Washington Times*, January 14, 2010.

Taiwan's coast and with a program of military modernization and training that defense specialists believe is based on a "Taiwan scenario."

Until May 2008, China watchers had been especially concerned with potential cross-strait conflict because of Taiwan's unpredictable political environment, where the balance of political power had teetered precipitously between two contending political party coalitions of nearly equal strength. One of these, the "Pan-Green" coalition led by the Democratic Progressive Party (DPP), controlled the presidency for eight years and is closely associated with advocates of Taiwan independence. Fears of cross-strait contention were eased on March 22, 2008, when, in a large turnout, voters in Taiwan comfortably elected Ma Ying-jeou of the Kuomintang (KMT) Party as president. Coming on the heels of the KMT's sweeping victory in January's legislative elections, the presidential election result appeared to be a further repudiation of former President Chen Shui-bian's eight-year record of governance.

President Ma moved quickly to implement improvements in cross-strait relations, expanding on foundations laid by the previous Chen administration. Taipei accepted a PRC invitation to resume official talks in Beijing for the first time since October 1998.<sup>36</sup> The chairman of the KMT, Wu Poh-hsiung, met with PRC President Hu Jintao on May 28, 2008, the highest-level encounter between the two sides since 1949. Official talks reconvened in June 2008 in Beijing, resulting in groundbreaking agreements on direct charter flights, the opening of permanent offices in each other's territories, and PRC tourist travel to Taiwan, among others. Other rounds produced accords related to postal links, food safety, PRC investment in Taiwan, and an Economic Cooperation Framework Agreement (ECFA) or free trade arrangement. Chinese Communist Party General Secretary Hu Jintao, in a speech on December 31, 2008, suggested a further avenue for improvements in cross-strait ties, offering six proposals. Among these was a new proposal to establish military contacts and a "mechanism of mutual military and security trust" within the context of the formal ending of hostilities between the two sides.<sup>37</sup>

In April 2009, in an indication of greater flexibility on both sides, the World Health Organization (WHO) invited Taiwan to attend the 2009 World Health Assembly (WHA) as an observer. <sup>38</sup> The invitation marked the first time that Taiwan has been permitted to participate in an activity of U.N. specialized agency since it lost its U.N. seat to the PRC in 1971. The WHO also included Taiwan in the International Health Regulations (IHR), a set of legally binding rules governing international commitment to disease surveillance, alert, and response.

China and Taiwan are becoming economically integrated, which has concerned some people in Taiwan but also has raised the potential economic and human costs of cross-strait conflict for both sides. Taiwan is China's third largest source of foreign direct investment (not including Hong Kong and the British Virgin Islands) and China is Taiwan's largest trading partner.<sup>39</sup>

<sup>&</sup>lt;sup>36</sup> The Taiwan and PRC governments conduct cross-strait talks through quasi-official organizations. In Taiwan, crossstrait talks are handled by the Straits Exchange Foundation (SEF), a private organization authorized by the government to handle these exchanges. The corresponding body in the PRC is the Association for Relations Across the Taiwan Strait (ARATS).

<sup>&</sup>lt;sup>37</sup> "President Hu Jintao offered new proposals on further promoting cross-Straits peaceful development," Consulate-General of the PRC in Houston, January 15, 2009.

<sup>&</sup>lt;sup>38</sup> Low, Y.F., "CNA: World Health Assembly's Invitation Raises Taiwan's International Profile," *Taipei Central News Agency*, April 29, 2009.

<sup>&</sup>lt;sup>39</sup> See CRS Report RL33534, China's Economic Conditions, by Wayne M. Morrison.

Roughly 1 million Taiwanese business persons and their families, or 5% of the island's population, reportedly live in China.<sup>40</sup>

U.S. arms sales to Taiwan continue to pose a major obstacle to better U.S.-China relations. The three joint communiqués (1972, 1979, and 1982) and the Taiwan Relations Act (TRA) of 1979 guide U.S.-China relations and U.S. policy toward Taiwan. While the third communiqué provides that the United States "intends to reduce gradually its sales of arms to Taiwan," the TRA, which the PRC does not recognize, commits the United States to supplying weapons to Taiwan "in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability." On October 3, 2008, the George W. Bush Administration notified Congress of its intent to sell defense articles and services to Taiwan. In January 2010, President Obama notified Congress of further arms sales. On January 30, Vice-Foreign Minister He Yafei announced that China would postpone some military exchanges, suspend meetings on international security, and punish U.S. companies involved in the arms sales.

## **Environmental Issues**

China's rapid economic development has affected the world's environment and energy supplies. The PRC surpassed Japan as the world's second-largest oil consumer and importer after the United States in the mid-2000s. In 2007, along with its growing energy use, China became the world's largest producer of carbon dioxide emissions, largely from coal-fired plants, overtaking the United States.<sup>41</sup> On a per capita basis, however, China's carbon emissions remain about one-quarter that of the United States. In other environmental areas, the PRC's demand for timber has driven up rates of deforestation in some countries in Southeast Asia, Africa, and South America,<sup>42</sup> while the proliferation of hydropower projects in China has damaged or threatened environmental conditions and ecological systems not only within China but also in the lower Mekong River countries in Southeast Asia.

PRC leaders have recognized that this trend is not sustainable and have undertaken efforts to address environmental quality and sustainable energy use. In 2009, the government pledged to reduce carbon intensity (the amount of carbon dioxide emitted as a percentage of GDP) by 40%-45% from the 2005 level and reiterated the goals of increasing the use of renewable fuels and nuclear energy and expanding forest volume.<sup>43</sup> However, as China's economy continues to grow, reducing carbon intensity will not result in lower emissions in absolute terms. Furthermore, enforcement is likely to be limited, given the country's problems with corruption and lack of control over local governments.

In 2009, at the S&ED, the United States and China signed a memorandum of understanding to elevate the issue of climate change in the bilateral relationship, enhance cooperation, and commit the two countries to reach an international agreement on addressing climate change. However, the

<sup>&</sup>lt;sup>40</sup> "Strait Dealing; Closer Ties with China Are Likely to Benefit Taiwan," *Financial Times*, February 23, 2009.

<sup>&</sup>lt;sup>41</sup> John Vidal and David Adam, "China Overtakes U.S. As World's Biggest CO2 Emitter," Guardian.co.uk, June 19, 2007. See also CRS Report RL32721, *Greenhouse Gas Emissions: Perspectives on the Top 20 Emitters and Developed Versus Developing Nations*, by Larry Parker and John Blodgett.

<sup>&</sup>lt;sup>42</sup> "Chinese Demand Drives Global Deforestation," *Reuters*, June 10, 2007.

<sup>&</sup>lt;sup>43</sup> Michael A. Levi, "Assessing China's Carbon-Cutting Proposal," Council on Foreign Relations *Expert Brief*, November 30, 2009.

two countries have disagreed on the different targets to impose on developed and developing countries for cutting emissions, and on the issues of transparency and verification. These differences arose at the Copenhagen international conference on climate change, held in December 2009, which produced a non-binding accord that disappointed many U.S. and western policy makers and environmentalists. Some analysts viewed China's refusal to support an enforceable international treaty to be a rebuke of one of the Obama Administration's foreign policy cornerstones and a sign of growing but uncertain assertiveness in China's diplomacy.<sup>44</sup>

## **Human Rights Issues**

Human rights has been a principal area of U.S. concern in its relations with China, particularly since the violent government crackdown on the Tiananmen democracy movement in 1989. Some policy observers and human rights activists have accused the Obama Administration of deemphasizing human rights. In February 2009, just prior to her first visit to China as Secretary of State, Hillary Clinton asserted that U.S. efforts on Taiwan, Tibet, and human rights in China "can't interfere" with bilateral efforts to address global economic, environmental, and security crises.<sup>45</sup> In December 2009, Clinton described the Administration's human rights policy toward China as one informed by "principled pragmatism." This policy is based upon the premise that tough but quiet diplomacy is both less disruptive to the overall relationship and more effective in producing change than public censure.<sup>46</sup>

Nonetheless, the Obama Administration has continued to press China on human rights issues, both privately and openly,<sup>47</sup> and to support the development of the rule of law and civil society in the PRC. In November 2009, during President Obama's state visit to China, the two sides agreed to hold the fourteenth round of the bilateral human rights dialogue in February 2010 in Washington, DC.<sup>48</sup> The U.S. State Department criticized the trial of dissident Liu Xiaobo in December 2009.<sup>49</sup> In January 2010, Secretary Clinton condemned political restrictions on the Internet and called upon China to thoroughly investigate the recent alleged cyber attacks on U.S. corporations (see below). Members of the 111<sup>th</sup> Congress have called upon the PRC leadership to release political prisoners, cease persecution of Falun Gong and "house churches," and respect the rights of ethnic minorities; introduced various resolutions supporting human rights in China; and passed legislation upholding Tibetan rights, commemorating the 1989 democracy movement, and supporting human rights activists. Some analysts contend that the U.S. policy of engagement with China has failed to produce meaningful political reform, and that without fundamental progress in this area, the bilateral relationship will remain unstable.<sup>50</sup> Others argue that U.S.

<sup>&</sup>lt;sup>44</sup> Kenneth Lieberthal, "Climate Change and China's Global Responsibilities," *Brookings Institution Up Front Blog*, December 23, 2009.

<sup>&</sup>lt;sup>45</sup> "Clinton: Chinese Human Rights Can't Interfere with Other Crises," CNN.com, February 22, 2009.

<sup>&</sup>lt;sup>46</sup> Elise Labott, "Clinton Defends Stance on Human Rights," *CNN*.com, March 11, 2009; Charley Keyes, "U.S. is 'Pragmatic' with China, Russia," *CNN.com*, December 15, 2009.

<sup>&</sup>lt;sup>47</sup> Both the Obama Administration and Members of Congress have conveyed their concern about prominent political prisoners directly to the PRC leadership.

<sup>&</sup>lt;sup>48</sup> Bilateral human rights talks are likely to take place in March 2010.

<sup>&</sup>lt;sup>49</sup> Stephen Kaufman, "United States Criticizes Trial of Chinese Dissident Liu Xiaobo," *America.gov*, December 23, 2009.

<sup>&</sup>lt;sup>50</sup> See Dan Blumenthal, "China in Obama's World," Far Eastern Economic Review, December 2009.

engagement has helped to accelerate economic and social change and build social and legal foundations for democracy and human rights in the PRC.<sup>51</sup>

In the past decade, many PRC citizens have experienced marginal improvements in human rights protections while human rights activities have increased. These changes have come about through both government policies and social activism. In April 2009, the PRC State Council released a two-year "action plan" that pledged an increased commitment to human rights, including farmers' rights over land use, freedom from torture, due process, and expanded citizen participation and consultation. Many observers, while welcoming the government's acknowledgement of the need for improvement, remained skeptical about the plan's potential impact.<sup>52</sup> Others argued that reformers in the government may use the plan as a platform for promoting democratic change.<sup>53</sup>

#### **Prominent Political Prisoners<sup>54</sup>**

Zheng Enchong, a lawyer and housing rights activist, has faced harassment from local security personnel since his release from prison in 2006, particularly after he gave an interview for Voice of America in April 2009 discussing Shanghai housing policies.

Gao Zhisheng, a rights lawyer who defended Falun Gong practitioners and others,<sup>55</sup> was detained and allegedly tortured for a period in 2007. PRC authorities apprehended Gao in February 2009. His whereabouts remain unknown.

Huang Qi, a human rights advocate, was sentenced to three years in prison in November 2009. A PRC court convicted Huang for "possessing state secrets" after posting appeals and complaints online of families whose children had been killed in school buildings during the Sichuan earthquake of May 2008.

Hu Jia, who advocated on behalf of HIV/AIDS patients, other human rights activists, and environmental causes, was sentenced to three years, six months in prison in 2008 for "inciting subversion of state power."

Liu Xiaobo, a critic of the PRC government who was active in the 1989 democracy movement, helped to draft Charter '08, a document calling for democracy and disseminated online in December 2008. In December 2009, a Beijing court sentenced Liu to 11 years in prison for "inciting subversion of state power."

However, the PRC leadership has instituted few real checks on its power, and remains extremely sensitive to autonomous political activity and potential challenges to its authority. In the past year, the government has placed greater restrictions upon human rights lawyers, social organizations, and Internet use. Major, ongoing problems include excessive use of violence by security forces or their proxies, unlawful detention, torture, arbitrary use of state security laws against political dissidents, coercive family planning policies, state control of information, and harassment and persecution of religious activities that are not sanctioned by the government, such as those of unregistered "house churches" and Catholic congregations. Many Tibetans, ethnic Uighur (Uygur) Muslims, and Falun Gong adherents have been singled out for especially harsh

<sup>&</sup>lt;sup>51</sup> Elements of this debate can be found in the following: David M. Lampton, "*The China Fantasy*,' Fantasy," *The China Quarterly*, No. 191 (September 2007); James Mann, "Rejoinder to David M. Lampton," *The China Quarterly*, No. 191 (September 2007).

<sup>&</sup>lt;sup>52</sup> "China's 'Human Rights Action Plan': Long Awaited, Short in Substance," Chinese Human Rights Defenders, April 20, 2009, http://crd-et.org/Article/Class9/Class15/200904/20090421033141\_15049.html.

<sup>&</sup>lt;sup>53</sup> "China Releases First Human Rights Action Plan," Associated Press, April 13, 2009.

<sup>&</sup>lt;sup>54</sup> For a fuller list, see CRS Report RL34729, *Human Rights in China: Trends and Policy Implications, Appendix, Table 1-A.* Both lists are not exhaustive and provide only a sampling of prominent prisoners of conscience in China.

<sup>&</sup>lt;sup>55</sup> Gao Zhisheng, A China More Just, San Diego, Broad Press, 2007.

treatment. The Congressional-Executive Commission on China has reported 1,266 cases of political and religious prisoners known or believed to be under detention.<sup>56</sup>

#### Tibet

Tibet remains an issue of concern for Congress and a sensitive issue in U.S.-China relations. Controversy continues over Tibet's current political status as part of China, the role of the Dalai Lama and his Tibetan government-in-exile, and the impact of Chinese control on Tibetan culture and religious traditions. The U.S. government recognizes the Tibet Autonomous Region (TAR) as part of China and has always done so, although some dispute the historical consistency of this U.S. position.<sup>57</sup> But the Dalai Lama, Tibet's exiled spiritual leader, has long had strong supporters in the U.S. Congress who have continued to pressure the White House to protect Tibetan culture and give Tibet greater status in U.S. law. It was largely because of this congressional pressure that in 1997, U.S. officials created the position of Special Coordinator for Tibetan issues. In October 2009, Secretary of State Hillary Clinton appointed Under Secretary of State for Democracy and Global Affairs Maria Otero as Special Coordinator for Tibetan Issues. President Obama conducted a positive but "low key" meeting with the Dalai Lama at the White House on February 18, 2010, despite very strong objections from the Chinese government.<sup>58</sup> The Obama Administration had postponed a meeting with the Dalai Lama in September 2009, which many analysts viewed as a conciliatory move leading up to the U.S. President's first state visit to China.

On March 11, 2008, the 49<sup>th</sup> anniversary of the Tibetan uprising against Chinese rule, 300 Buddhist monks demonstrated peacefully to demand the release of Tibetan prisoners of conscience. These demonstrations sparked others by monks and ordinary Tibetans demanding independence from China or greater autonomy, one of the most sensitive political issues for Beijing. On March 15, demonstrations in Lhasa turned violent as Tibetan protesters confronted PRC police and burned shops and property owned by Han Chinese. From exile in India, the Dalai Lama denied involvement and appealed to both the Chinese government and his followers to refrain from violence. Beijing blamed the Dalai Lama for instigating the riots and labeled his followers "separatists." The PRC government imposed tightened security measures that remained in place in 2009, the 50<sup>th</sup> anniversary of the Tibetan Uprising against PRC rule.

In January 2010, the PRC government convened a Tibet Work Symposium, reportedly the first such meeting since 2003 and the sixth since 1949. According to some analysts, the meeting appeared to acknowledge that government policies had failed to prevent social unrest. One of its outcomes was a revised economic development plan for the region aimed at reducing economic grievances among Tibetans and pressures for greater autonomy. However, the PRC leadership did

<sup>&</sup>lt;sup>56</sup> Congressional-Executive Commission on China, Annual Report 2009 (October 10, 2009).

<sup>&</sup>lt;sup>57</sup> Some assert that past U.S. actions which treated Tibet as if it were an independent state in effect signaled U.S. recognition. Michael C. van Walt van Praag, for instance, in *The Status of Tibet: History, Rights, and Prospects in International Law* (Westview Press, Boulder Colorado, 1987), states that "Washington supported Tibet and treated it as an independent State, even recognizing its *de facto* (italics included) independence...." p. 139. In the daily press briefing of October 8, 1987, responding to a question concerning what year the United States formally recognized Tibet as a part of China, the State Department's Public Affairs office issued the following statement: "We have never recognized Tibet as a sovereign state independent of China. We first made the statement that we considered Tibet to be a part of China in 1978; however, our earlier formulations were not inconsistent with the statement, and we have never challenged China's claim. No third country recognizes Tibet as a state independent of China."

<sup>&</sup>lt;sup>58</sup> "Beijing Demands U-Turn on Obama's Dalai Lama Meet," Agence France Presse, February 12, 2010.

not appear to address issues related to autonomy, religious freedom, or ethnic identity.<sup>59</sup> The PRC government also engaged in talks with envoys of the Dalai Lama in January 2010. The discussions, the ninth round of dialogue since 2002, failed to bring about any fundamental progress on the issue of greater autonomy for the region. Communist Party officials continued to characterize the Dalai Lama as a "separatist" who had incited the 2008 unrest for his own political gain. The Dalai Lama's negotiators, Kelsang Gyaltsen and Lodi Gyari, refuted the charge and continued to press for greater self-governance.<sup>60</sup>

#### Xinjiang

Xinjiang, also known as the Xinjiang Uighur Autonomous Region or XUAR, is home to 8.5 million Uighur Muslims, a Turkic ethnic group.<sup>61</sup> Once the predominant group in Xinjiang, they now constitute about 45% of the region's population as many Han (Chinese), the majority ethnic group in the PRC, have migrated there, particularly to the capital, Urumqi. The PRC government fears not only Uighur demands for greater religious and cultural freedom but also their links to Central Asian countries and foreign Islamic organizations. The East Turkestan Islamic Movement, a Uighur organization that advocates the creation of an independent Uighur Islamic state and that Beijing alleges to have ties to Al Qaeda, is on the United States' and United Nations' lists of terrorist organizations.<sup>62</sup> Due to perceived national security-related concerns, the PRC government has imposed stern ethnic and religious policies on Uighurs in Xinjiang, more than on China's Muslim population in general.

On July 5, 2009, according to various reports, several hundred to a few thousand Uighur demonstrators gathered peacefully in Urumqi, the capital of Xinjiang, to demand that PRC authorities prosecute those responsible for the deaths of at least two Uighur men involved in a brawl between Han and Uighur factory workers in Guangdong province. Paramilitary police reportedly attacked the demonstrators after they refused to disperse, which eventually provoked a Uighur riot and acts of violence against government property, Han residents, and shops. In response, bands of Han sought retribution against Uighurs. The PRC government blamed Uighur "separatists" and exile groups for planning the riots, particularly the World Uygur Congress led by exiled Uighur leader and former political prisoner Rebiya Kadeer.<sup>63</sup> The XUAR government reported nearly 200 deaths, about two-thirds of them Han, and 1,600 people injured. Roughly 400 people, predominantly Uighur, have been arrested in connection with the unrest, including 17 who have been sentenced to death, while many reportedly remain missing.<sup>64</sup>

<sup>&</sup>lt;sup>59</sup> Kristine Kwok, "Beijing to Resume Talks on Tibet," *South China Morning Post*, January 26, 2010; John Pomfret, "As China Watches, Dalai Lama, Obama Will Meet in West Wing," *Washington Post*, February 17, 2010.

<sup>&</sup>lt;sup>60</sup> "Dalai Lama Not A 'Separatist', Envoys Tell China," Agence France Presse, February 2, 2010.

<sup>&</sup>lt;sup>61</sup> Estimates of China's Muslim population range from 20 million to 30 million people.

<sup>&</sup>lt;sup>62</sup> See CRS Report RL33001, U.S.-China Counterterrorism Cooperation: Issues for U.S. Policy, by Shirley A. Kan.

<sup>&</sup>lt;sup>63</sup> Two of Kadeer's sons, Alim Abdireyim and Ablikim Abdireyim, are serving jail sentences for tax evasion and "engaging in secessionist activities."

<sup>&</sup>lt;sup>64</sup> "China Says 237 'Formally Arrested' for Xinjiang Ritos," *Kyodo News*, September 11, 2009; "China Says It Detains 94 Who Fled After Ethnic Rioting In Far West," The Canadian Press, December 9, 2009; Michael Wines, "Group Says Many Detainees Have Disappeared in China," *New York Times*, October 22, 2009.

## **Cyber Attacks**

The discovery, in December 2009, of a massive cyber attack on U.S. companies in China raised issues of mutual suspicion, U.S. national security vulnerabilities, free trade, U.S. intellectual property, and human rights. In January 2010, U.S. Internet giant Google threatened to pull out of China or to stop censoring its Chinese-language search engine in compliance with PRC policies, as part of a protest against the cyber attack on its corporate infrastructure, Gmail accounts, and other U.S. corporations.<sup>65</sup> Hackers believed to have originated in China targeted the Gmail accounts of Chinese human rights activists; the intellectual property, including "source codes" or programming languages, of Google and other U.S. companies; and information on U.S. weapons systems.<sup>66</sup> One investigation traced the intrusions to an elite university and a vocational school. Many analysts have speculated that PRC government involvement is likely, but that evidence remains inconclusive.<sup>67</sup>

Chinese discussion boards and micro blog postings indicated that a small majority of China's online population—and perhaps a large majority of the most active Internet users—wanted Google to stay in China, with some supporting Google's challenge to the PRC government. A significant minority reportedly adopted pro-government stance or interpreted Google's move as profit-oriented.<sup>68</sup> According to some analysts, although China has huge potential, the company currently earns an estimated \$300 million to \$400 million from its China operations, a "tiny fraction" of its \$22 billion in sales worldwide.<sup>69</sup>

While visiting Shanghai during his state visit to China in November 2009, President Barack Obama expressed support of unrestricted Internet access and disapproval of censorship. On January 21, 2010, in a policy speech on Internet freedom, Secretary of State Hillary Clinton urged U.S. Internet companies to oppose censorship in their overseas operations and announced that the Global Internet Freedom Taskforce (GIFT) would be reinvigorated. She also called upon the PRC government to conduct a thorough investigation of the December 2009 cyberattacks upon U.S. companies in China and to make its results transparent. Beijing denied involvement in the attacks and defended its Internet policies. The Foreign Ministry stated that foreign companies, including Google, "should respect the laws and regulations, respect the public interest of Chinese people and China's culture and customs and shoulder due social responsibilities."<sup>70</sup> In February 2010, the PRC government closed a "hacker training" website and arrested people alleged to have distributed malware online.<sup>71</sup>

<sup>&</sup>lt;sup>65</sup> Estimates of the number of U.S. information technology, finance, defense, and other companies targeted in this attack ranged from 20 to 34.

<sup>&</sup>lt;sup>66</sup> Google representatives stated that two Gmail accounts appeared to have been accessed but that the content of e-mail communications of these accounts had not been breached. "Statement from Google: A New Approach to China," *Washington Post*, January 12, 2010.

<sup>&</sup>lt;sup>67</sup> John Markoff and David Barboza, "Two Chinese Schools Said to be Tied to Online Attacks," *New York Times*, February 19, 2010.

<sup>&</sup>lt;sup>68</sup> Rebecca MacKinnon, "Google Puts Its Foot Down," *RConversation*, http://rconversation.blogs.com/rconversation/ china/index.html, January 13, 2010.

<sup>&</sup>lt;sup>69</sup> Miguel Helft, "For Google, A Threat to China with Little Revenue at Stake," *New York Times*, January 15, 2010.

<sup>&</sup>lt;sup>70</sup> Secretary of State Hillary Rodham Clinton, "Remarks on Internet Freedom," January 21, 2010, http://www.state.gov/ secretary/rm/2010/01/135519.htm; Gillian Wong, "China Denies Involvement in Google Hackings," *Washington Post*, January 25, 2010; "China Says Google 'No Exception to Law," Embassy of the People's Republic of China in the United States, January 19, 2010.

<sup>&</sup>lt;sup>71</sup> Owen Fletcher, "China Closes Hacker Training Site, Arrests Three Members," *PCWorld*, February 7, 2010.

The Internet has provided Chinese citizens with unprecedented amounts of information and opportunities to express opinions publicly. Due to heavy government censorship and other policies and to the non-political nature of most Web activity in China, the Internet has proven to be less of a political factor than many observers had expected or hoped. Nonetheless, the Internet has made it impossible for the government to restrict information as fully as before. In many cases, news disseminated independently online has helped to hold government officials more accountable than in the past.

# China's Growing Global Influence

In the past two decades, China has developed its foreign policy along several themes, principles, and strategies. One, Beijing has attempted to work within the broad international system. According to many analysts, the PRC leadership views this pursuit as the most effective means to help maintain a stable international environment within which to pursue China's own economic and political interests and to seek "big power status." Two, Beijing has attempted to shape the international system through strengthening ties with major powers, becoming more involved in multilateral efforts, and promoting a multi-polar distribution of global power. China has become increasingly active in international organizations, fora, and negotiations such as the United Nations, the World Bank, International Monetary Fund, the Shanghai Cooperation Organization,<sup>72</sup> the G-20 Summits, and the Six-Party Talks on North Korea's nuclear program. Three, China has cultivated relationships in the developing world through "win-win" diplomacy and offers of economic assistance in exchange for access to energy and other natural resources as well as political support. Four, the PRC has attempted to further isolate Taiwan through a combination of diplomacy in the developing world and military modernization.

The PRC leadership has relied upon economic development as a means of maintaining domestic stability, asserting global influence, promoting itself as a "model" for developing nations, and financing military modernization, while attempting to assuage international fears of a rising China through pronouncements of "peaceful, cooperative, and harmonious" intentions.<sup>73</sup> Beijing has sought to negotiate and lower tensions stemming from border disputes and other geopolitical conflicts with Russia, India, and Southeast Asian countries. According to many analysts, China's diplomatic push coincided with a unilateral U.S. foreign policy and diplomatic void left by the U.S. focus on global terrorism, Iraq, and human rights under the Bush Administration.<sup>74</sup>

## China's "Soft Power" in the Developing World

As part of a drive to gain political and cultural influence and to secure energy supplies and markets, also known as "soft power,"<sup>75</sup> China has reached out to the developing world through

<sup>&</sup>lt;sup>72</sup> The Shanghai Cooperation Organization, founded in 2001 by China and Russia, includes all the Central Asian states except Turkmenistan and was formed to focus on regional security issues, particularly separatism, extremism, and terrorism. However, the organization reportedly has facilitated little actual security cooperation, and Central Asian states also have hosted U.S. and NATO military personnel and have received substantial U.S. foreign assistance.

<sup>&</sup>lt;sup>73</sup> "Hu: China Pursues Peaceful, Harmonious Development," Xinhua, February 7, 2007.

<sup>&</sup>lt;sup>74</sup> Jane's Sentinel Security Assessment – China and Northeast Asia, March 2009; Yong Deng, *China's Struggle for Status*, New York, Cambridge University Press, 2008.

<sup>&</sup>lt;sup>75</sup> "Soft power" is broadly referred to as global influence attained through diplomatic, economic, cultural, and other non-coercive means.

high level official visits and exchanges; economic assistance, loans, and investment; participation in regional organizations; and Chinese language programs. Competition with Taiwan for diplomatic recognition also has spurred PRC engagement in Latin America, Africa, and the Southwest Pacific. According to some analysts, China has filled a diplomatic void left by the United States as Washington has been preoccupied with global terrorism, and many developing countries have perceived the U.S. government as having placed unreasonable conditions upon political support and economic assistance, especially under the Bush Administration.<sup>76</sup>

Beijing has employed "win-win" diplomacy – focusing on short-term, mutually beneficial economic activities rather than political differences – and provided substantial assistance, generally without conditions such as political and economic reforms, to many developing countries. Organizations that seek to promote political, economic, and cultural relations between China and other regions include the Forum on China-Africa Cooperation, formed in 2000, and the China-Arab Cooperation Forum, established in 2004. In 2004, China was accepted as a formal permanent observer in the Organization of American States (OAS).

Security and strategic concerns and goals also have played prominent roles in China's outreach in Central Asia and Southeast Asia. For the medium term, however, Chinese leaders appear to have accepted the dominant strategic roles played by Russia and the United States in these two regions. They also have recognized the longer-term U.S. sphere of influence in Latin America.

In Southeast Asia, China has sought to defuse security tensions in the South China Sea, promote economic integration, support infrastructure and energy development, and cultivate diplomatic influence.<sup>77</sup> In 2002, China and the Association of Southeast Asian Nations (ASEAN) signed a framework agreement on economic cooperation that aims to create a free trade area by 2012. According to some studies, China has become one of the largest providers of economic assistance to the least developed countries in the region – Burma, Cambodia, and Laos. China's economic relations with Burma have frustrated Western attempts to influence the behavior of the ruling military junta through sanctions. China reportedly has supplied the country with billions of dollars in loans, weaponry, investment in energy production, and other forms of economic assistance.<sup>78</sup>

China has been an increasingly active player in Asia-Pacific and Southeast Asian multilateral organizations. Principal regional groupings include APEC, in which the United States plays a leading role, ASEAN, the ASEAN Regional Forum (ARF), ASEAN Plus Three – ASEAN, China, Japan, and South Korea – and the East Asia Summit (EAS), which includes China, Japan, South Korea, India, Australia, and New Zealand, as well as the ASEAN states. Some analysts argue the lack of U.S. membership in the latter two groupings may help enhance China's regional influence. Others emphasize the diverse interests and lack of unity within the EAS, efforts by some members to counterbalance China's influence, and China's lack of leadership in the grouping.

<sup>&</sup>lt;sup>76</sup> See CRS Report RL34620, *Comparing Global Influence: China's and U.S. Diplomacy, Foreign Aid, Trade, and Investment in the Developing World*, coordinated by Thomas Lum.

<sup>&</sup>lt;sup>77</sup> See CRS Report R40933, *United States Relations with the Association of Southeast Asian Nations (ASEAN)*, coordinated by Thomas Lum.

<sup>&</sup>lt;sup>78</sup> Benedict Rogers, "Keeping Burma's Junta Afloat," Far Eastern Economic Review, May 2008.

Some experts argue that China's power projection in the region amounts to a coordinated attempt to dominate Southeast Asia economically and ultimately militarily. Others contend that although China's influence is growing, in part due to perceptions of declining American engagement during the Bush Administration, Beijing has neither the will nor the capacity to aggressively pursue such a strategy and is content with the U.S. security partnerships and alliances in the region, at least in the medium term. Moreover, many Southeast Asian countries remain wary of China's power and intentions and may seek ways to engage China while hedging against its rise.<sup>79</sup>

## China and "Rogue States"

PRC relations with some countries considered to flout international norms and standards, defy international criticism, sanctions, and laws, or threaten regional and global stability have complicated U.S. policy towards China. China has cultivated relations with resource-rich African nations such as Sudan and Angola, for instance, despite very serious human rights violations in these countries. PRC ties to Iran, a major source of oil to China and recipient of PRC investment, have been a source of frustration to U.S. and European efforts to impose U.N. Security Council sanctions against Iran for its suspected nuclear weapons program. China has allowed for limited U.N. sanctions on Iran since 2006, and in 2009 backed an International Atomic Energy Agency (IAEA) resolution calling upon Iran to suspend construction of a nuclear facility and adhere to international regulations. However, Beijing has consistently opposed stronger measures and opposed recent U.S. attempts to apply stiffer penalties, preferring instead a "diplomatic solution."<sup>80</sup>

Although since 2006 China has supported U.N. resolutions condemning North Korea and imposing limited sanctions for conducting nuclear tests, and was instrumental in bringing Pyongyang to the Six Party Talks, it has been reluctant to exert greater pressure. Beijing's caution stems from the historic friendship between the two communist countries and the fear of destabilizing the regime in Pyongyang. If the communist government were to fall, China not only could face an influx of refugees, but also lose a strategic buffer against South Korea, a U.S. ally. According to many U.S. policy makers, China has not wielded as much influence on North Korea as it could, while others argue that its ability to affect Pyongyang's behavior is limited. The United States also has criticized China's repatriation of North Korean refugees.<sup>81</sup>

<sup>&</sup>lt;sup>79</sup> For divergent views on China's potential impact on the region, see Dan Blumenthal, Testimony before the Senate Foreign Relations Committee, Subcommittee on East Asian and Pacific Affairs, Hearing on Maritime Territorial Disputes and Sovereignty Issues in East Asia, July 15, 2009; Robert G. Sutter, Testimony before the U.S.-China Economic and Security Review Commission, "China's Role in the World: Is China a Responsible Stakeholder?" August 3, 2006; and Joshua Kurlantzick, Charm Offensive (New Haven: Yale University Press, 2007).

<sup>&</sup>lt;sup>80</sup> Glenn Kessler, "China Throws Kink into U.S.-led Push for Sanctions on Iran," *Washington Post*, February 5, 2010; See also CRS Report RL31555, *China and Proliferation of Weapons of Mass Destruction and Missiles: Policy Issues*, by Shirley A. Kan.

<sup>&</sup>lt;sup>81</sup> Jayshree Bajoria, "The China-North Korea Relationship," Council on Foreign Relations Backgrounder, July 21, 2009; see also CRS Report RS22973, *Congress and U.S. Policy on North Korean Human Rights and Refugees: Recent Legislation and Implementation*, by Emma Chanlett-Avery, and CRS Report RL34189, *North Korean Refugees in China and Human Rights Issues: International Response and U.S. Policy Options*, coordinated by Rhoda Margesson.

# Appendix. Selected China-Related Legislation in the 111<sup>th</sup> Congress

Bill Number	Legislative Sponsor	Date Introduced (Intr.) or Passed	Title/Description
H.Res. 44	Poe	Intr. January 9, 2009	Condemning the PRC for unacceptable business practices, including manufacturing unsafe products, disregard for environmental concerns, and exploitative employment practices.
H.R. 471	Altmire	Intr. January 13, 2009	The Supporting America's Manufacturers Act. Limits the President's discretion to deny relief under the special China safeguard provision of the Trade Act of 1974.
H.R. 496	Rangel	Intr. January 14, 2009	Trade Enforcement Act of 2009.
H.R. 499	Davis	Intr. January 14, 2009	Nonmarket Economy Trade Remedy Act of 2009. Amends the Tariff Act of 1930 to apply countervailing duties to nonmarket economies.
H.R. 2310/S. 1616	Larsen/Cantwell	Intr. May 7, 2009/May 8, 2009	United States-China Market Engagement and Export Promotion Act. Directs the Secretary of Commerce to provide grants to states to establish offices in China to promote U.S. exports and to create China market advocate positions in United States Export Assistance Centers. The act amends the Small Business Act to require the Office of International Trade of the Small Business Administration (SBA) to provide guidance to U.S. small businesses with respect to the export of U.S. goods and services to the PRC and directs the Administrator of SBA to make grants to institutions of higher education to establish and operate Chinese business education programs.
S.Res. 739/H.R. 1977ª	Nelson/Wexler	Intr. March 30, 2009/April 2, 2009	Drywall Safety Act of 2009. Requires the Consumer Product Safety Commission (CPSC) to (1) study drywall that was imported from China from 2004 through 2007 and used in U.S. residences; and (2) initiate a proceeding on whether a consumer product safety standard regulating drywall materials is necessary.
S.Res. 217	Kerry	Intr. July 20, 2009	A resolution commending Captain Wei Jiafu and the China Ocean Shipping Company for increasing business relations between the United States and China.

Table A-I.	Economic	Legislation

**Source:** Legislative Information System.

a. Other drywall legislation: H.R. 1728; H.R. 3743; H.R. 3854; H.R. 4094; S.Res. 91; S. 2731; S. 2850.

Bill Number	Legislative Sponsor	Date Introduced (Intr.) or Passed	Title/Description
H.Con.Res. 72	Forbes	Intr. March 12, 2009	Condemning any action of the PRC that unnecessarily escalates bilateral tensions, including the incidents in the South China Sea against the USNS Impeccable in March 2009.
H.Res. 604	Ros-Lehtinen	Intr. June 26, 2009	Recognizes the vital role of the Proliferation Security Initiative (PSI), and urges non-participating countries, specifically including China, to cooperate with U.N. Security Council Resolutions 1718 and 1874 to prevent dangerous exports from North Korea to countries posing a threat to the United States.
H.R. 2647	Skelton	Passed October 28, 2009 (P.L. 111-84 )	National Defense Authorization Act for FY2010. Includes amendments to Section 1246, Annual Report on Military and Security Developments Involving the People's Republic of China.

#### Table A-2. Security Legislation

**Source:** Legislative Information System.

Bill Number	Legislative Sponsor	Date Introduced (Intr.) or Passed	Title/Description
H.R. 2312	Israel	Intr. May 7, 2009	United States-China Energy Cooperation Act. Authorizes the Secretary of Energy to make grants encouraging cooperation between the United States and China on joint research, development, or commercialization of carbon capture and sequestration technology, improve energy efficiency, or renewable energy sources.
H.R. 2454	Waxman	<i>Passed</i> in the House, June 26, 2009	American Clean Energy and Security Act of 2009. Section 3 requires an annual report to Congress on whether China and India have adopted greenhouse gas emissions standards at least as stringent as those in the act.
S.Res. 76	Cantwell	Intr. March 18, 2009	A resolution expressing the sense of the Senate that the United States and the People's Republic of China should work together to reduce or eliminate tariff and nontariff barriers to trade in clean energy and environmental goods and services.
S.Res. 77	Cantwell	Intr. March 18, 2009	A resolution expressing the sense of the Senate that the United States and the People's Republic of China should negotiate a bilateral agreement on clean energy cooperation.
S. 1191	Bayh	Intr. June 4, 2009	Roadmap for Addressing Climate Change in China and India Act of 2009.

#### Table A-3. Environment/Energy Legislation

**Source:** Legislative Information System.

		Table A-7.1	iuman Rights Legislation
Bill Number	Legislative Sponsor	Date Introduced (Intr.) or Passed	Title/Description
H.Con.Res. 151	Minnick	Intr. June 12, 2009	Expressing the sense of Congress that China release democratic activist Liu Xiaobo from imprisonment.
H.Res. 156	McCotter	Intr. February 11, 2009	Supporting Charter 08 and the ideals of the Charter 08 movement.
H.Res. 226	Holt	Passed March 11, 2009	A resolution recognizing the plight of the Tibetan people and calling for a sustained multilateral effort to bring about a durable and peaceful solution to the Tibet issue.
H.Res. 489	Levin	Passed June 2, 2009	Recognizing the twentieth anniversary of the suppression of protesters and citizens in and around Tiananmen Square in Beijing, People's Republic of China, on June 3 and 4, 1989, and expressing sympathy to the families of those killed, tortured, and imprisoned in connection with the democracy protests in Tiananmen Square and other parts of China on June 3 and 4, 1989 and thereafter.
H.Res. 590	Wu	Intr. June 26, 2009	Expressing grave concerns about the sweeping censorship, privacy, and cyber-security implications of China's Green Dam filtering software, urging U.S. high-tech companies to promote the Internet as a tool for transparency and freedom of expression.
H.Res. 624	Delahunt	Intr. July 10, 2009	Condemning all violent repression by the Government of the People's Republic of China of peaceful Uighur protests.
H.Res. 605	Ros-Lehtinen	Intr. June 26, 2009	Recognizing the continued persecution of Falun Gong practitioners in China on the 10 <sup>th</sup> anniversary of the Chinese Communist Party campaign to suppress the Falun Gong spiritual movement and calling for an immediate end to the campaign to persecute, intimidate, imprison, and torture Falun Gong practitioners.
H.Res. 877	Wu	Passed November 7, 2009	Expressing support for Chinese human rights activists Huang Qi and Tan Zuoren for engaging in peaceful expression as they seek answers and justice for the parents whose children were killed in the Sichuan earthquake of May 12, 2008.
H.Res. 953	McGovern	Intr. December 8, 2009	Expressing the sense of the House of Representatives that the Government of the People's Republic of China has violated internationally recognized human rights and legal due process standards by carrying out executions after trials marred by procedural abuses and by carrying out arbitrary detentions targeting Uyghurs and other individuals in Xinjiang in the aftermath of a suppressed demonstration and ensuing mob violence on July 5 to 7, 2009.

#### Table A-4. Human Rights Legislation

Bill Number	Legislative Sponsor	Date Introduced (Intr.) or Passed	Title/Description
H.R. 2271	Smith	Intr. May 6, 2009	Global Online Freedom Act. Establishes an Office of Global Internet Freedom in the Department of State. The act would prohibit U.S. companies that provide Internet services in countries that restrict the free flow of information from providing personal user information to the governments of such countries and assisting such governments in the censorship of information.
S.Res. 24	Casey	Intr. January 28, 2009	A resolution commending China's Charter 08 movement and related efforts for upholding the universality of human rights and advancing democratic reforms in China.
S.Res. 155	Brown	Intr. May 21, 2009	A resolution expressing the sense of the Senate that the Government of the People's Republic of China should immediately cease engaging in acts of cultural, linguistic, and religious suppression directed against the Uyghur people.
S.Res. 171	Inhofe	Passed June 8, 2009	A resolution commending the people who have sacrificed their personal freedoms to bring about democratic change in the People's Republic of China and expressing sympathy for the families of the people who were killed, wounded, or imprisoned on the occasion of the 20 <sup>th</sup> anniversary of the Tiananmen Square Massacre in Beijing, China from June 3 through 4, 1989.
S.Res. 280	Specter	Intr. September 22, 2009	A resolution celebrating the 10 <sup>th</sup> anniversary of the rule of law program of Temple University Beasley School of Law, which has educated a total of 903 legal professionals in the rule of law program in China.
S.Res. 405	Kaufman	Passed February 2, 2010	A resolution reaffirming the centrality of freedom of expression and press freedom as cornerstones of United States foreign policy and United States efforts to promote individual rights, and for other purposes.

Source: Legislative Information System.

Bill Number	Legislative Sponsor	Date Introduced (Intr.) or Passed	Title/Description
H.Res. 509	Hastings	Intr. June 4, 2009	Encouraging the United States to fully participate in the Shanghai Expo in 2010.
H.Res. 784	Green	Passed October 28, 2009	Honoring the 2560 <sup>th</sup> anniversary of the birth of Confucius and recognizing his invaluable contributions to philosophy and social and political thought.
H.R. 2311	Kirk	Intr. May 7, 2009	United States-China Diplomatic Expansion Act of 2009. Authorizes FY2010 appropriations for public diplomacy programming, construction of one additional U.S. consulate in the PRC, 10 additional U.S. diplomatic posts in the PRC, rule of law initiatives in China, and Chinese language exchanges.
H.R. 2313	Davis	Intr. May 7, 2009	U.SChina Language Engagement Act. Directs the Secretary of Education to award competitive three-year grants to local educational agencies model programs establishing, improving, or expanding Chinese language and cultural studies instruction for their elementary school and secondary school students.

#### Table A-5. Other Legislation

**Source:** Legislative Information System.

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