



THE U.S.-CHINA POLICY FOUNDATION

REPORT ON THE U.S. CONGRESSIONAL STAFF DELEGATION SEMINARS AND TRIP TO CHINA

May - August 2007



The Policymakers Delegation at the Ministry of Foreign Affairs

Delegation members (L to R): Kelsey Strampe, Eyang Nyambi, Dr. Ernestine Wang, Mr. Cong Peiwu, Veronica Smith, Bradford Swann, Emily Christensen, Jeremy Kadden, Patrick Lyden
Back row: Shaun Garrison, Jaimon Jackson, Craig Ferguson

The US-China Policy Foundation
316 Pennsylvania Avenue SE, Suite 201-202
Washington, DC 20003
uscpc@uscpc.org
<http://www.uscpc.org>

TABLE OF CONTENTS

Executive Summary	4
2007 Participant Biographies	6
Itinerary	11
Map	14
Acknowledgements	15
Seminar Summaries	
China Past and Present <i>Professor William Johnson</i>	16
China's Domestic Political System <i>Dr. Paul Heer</i>	18
China's Security Interests <i>Rear Admiral Eric McVadon</i>	19
Economics and US-China Trade <i>Dr. Pieter Bottelier</i>	20
China's Leadership <i>Dr. David Lampton</i>	22
Meetings and Summaries	
Beijing	
U.S. Embassy <i>By Veronica Smith</i>	23
Ministry of Foreign Affairs <i>By Eyang Nyambi</i>	24
Ministry of Commerce <i>By Jeremy Kadden</i>	26
National People's Congress <i>By Emily Christensen</i>	28

Xian

Xian Children's Welfare Institute 29
By Kelsey Strampe

Provincial People's Congress 30
By Patrick Lyden

Shanghai

Shanghai Institute of International Studies 31
By Kelsey Strampe

Shanghai People's Political Consultative Conference (SPPCC) 32
By Shaun Garrison

Shanghai Stock Exchange 33
By Bradford Swann

Songjiang University City 35
By Kelsey Strampe

City Sightseeing Photographs 36

Appendices

Statements of Interest 39
Letters of Support 45
Grant and Expenses 46
Business cards of persons visited 47

EXECUTIVE SUMMARY

The U.S.-China Policy Foundation has completed another successful year with the Policymakers Program. In early February, the foundation began the recruiting process for qualified candidates. We collected recommendations for new participants from the program's alumni and sent information to the Senate Foreign Relations Committee and House International Relations Committee to recruit staffers. We received many letters of interest and applications from potential participants. By late March, we began the selection process. At that time we extended invitations to several well-known China scholars requesting their participation in the seminar portion of the program.

In May, the foundation selected a bipartisan group of 10 congressional staffers, from both the Senate and the House and from all four corners of the nation, for the program. Following notification of their acceptance, they attended a series of six seminars to learn about Chinese history, economics, politics, security and U.S.-China relations. On August 7, 9 staff members departed for a week-long trip to China to experience much of what they had learned, first-hand.

This year's series of seminars comprised an ensemble of unique expertise from a variety of fields related to China. Presentations were made by: Professor William Johnson, professor emeritus, George Washington University, on China past and present; Dr. Paul Heer, a senior CIA National Intelligence Officer, on China's domestic politics; Admiral Eric McVadon, retired rear admiral and former Naval attache to the U.S. Embassy, on China's security interests; Dr. Pieter Bottelier, adjunct professor at Johns Hopkins University, SAIS and senior advisor at the World Bank, on economics and U.S.-China trade; and Dr. David Lampton, director of Chinese studies, Johns Hopkins University, SAIS on the Chinese leadership. This year, the final lecture of the series was a comprehensive trip briefing conducted by Dr. Ernestine Wang, Director of Program for the U.S.-China Policy Foundation.

In Beijing, Xian, and Shanghai, the delegation met with Chinese officials, business leaders, lawmakers, and scholars. In Beijing, program participants met with the U.S. Ambassador Clark T. Randt, Jr. to China and other representatives from the U.S. Embassy, the Chinese Ministry of Foreign Affairs (MoFA), Ministry of Commerce, National People's Congress and the Chinese People's Institute of Foreign Affairs. While in Xian, the staffers visited the Children's Welfare Institution and met with officials from the Provincial People's Congress. After arriving at their final destination, Shanghai, the group met with professors at the Shanghai Institute for International Studies, representatives of the Shanghai Stock Exchange, and the Shanghai People's Political Consultative Conference.

After 11 years, the program remains unique. It is the only one of its kind that prepares participants for their trip to China with seminars and lectures on a variety of subjects relating to China presented

EXECUTIVE SUMMARY

by top American scholars in the China field. By the time members of the delegation travel to China, they are equipped with a basic understanding of the country. The American embassy in Beijing always has welcomed our group enthusiastically. On many occasions, the U.S. ambassador to China also has participated in the briefing session. This year, the delegation members were fortunate to have the opportunity to meet with the Ambassador personally.

The program's success is well-known on Capitol Hill among those involved in the China field and has been praised by members of congress and their staff. Upon their return to the United States, this year's participants reflected on their time in China, expressing how much they enjoyed the experience. Not only did the delegation members feel more knowledgeable about China, but they also felt better equipped to provide relevant and accurate information to members of congress regarding policies on China.

PARTICIPANT BIOGRAPHIES



Emily Christensen
Sen. Bob Bennett (R-UT)

Emily Christensen is the current press secretary for Senator Bob Bennett, a Republican from Utah. Prior to her current position, she served as the deputy communications director for over 3 years. In both positions she has handled communications responsibilities for a variety of issues, including but not limited to economic, agriculture and banking policies. Given the senator's expertise in economic and trade issues, Ms. Christensen has developed relationships with key reporters who cover these issue areas.

Prior to her work in the Senate, Ms. Christensen was the press secretary for congressional candidate John Swallow, who ran in the second congressional district in Utah in 2002. She was also the public information officer for the speaker and majority of the Utah State House of Representatives.

Ms. Christensen has a master of public administration degree from the George Washington University and a bachelor of art degree in political science from the Brigham Young University. Ms. Christensen is very active in a number of professional organizations. She is the former secretary and treasurer and current board member for the bipartisan Senate Press Secretaries Association. In this capacity, she helped to organize two successful trips to various outlets in New York City. She also sits on the board of the Women's Congressional Golf Association and is a member of Women in Government Relations and the Washington State Society.

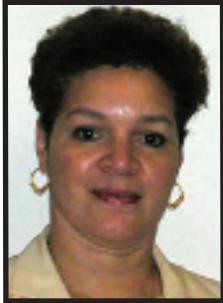
Craig Ferguson
Sen. Mike Crapo (R-ID)



Craig Ferguson serves as a legislative advisor for energy, natural resources and environmental issues for Senator Mike Crapo, where he has worked since 2005.

Prior to that, he worked in a similar capacity under Senator Ben Nighthorse Campbell. Before coming to Capitol Hill in 2001, he worked in entomology at the Smithsonian Institution and has a degree in biology from Creighton University. Craig is the son of two Army officers and grew up across the United States, also spending several years in Korea and Japan.

PARTICIPANT BIOGRAPHIES



Kim Fuller
Rep. Gregory Meeks (D-NY)

Kim Fuller is the Legislative Assistant to Congressman Gregory Meeks. As Legislative Assistant, Ms. Fuller's portfolio includes: Health, Intellectual Property Protection, Labor, Women's Issues, Veterans' Affairs, Medicare, Medicaid, and liaising with the Congressional Black Caucus. Ms. Fuller manages all concerns in these issue areas, advises the member, and develops relevant legislation and activities. Ms. Fuller has been with the office of Representative Meeks since his first term in office in 1998.

Congressman Meeks currently serves on the House Financial Services Committee, its Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises and Subcommittee on Domestic and International Monetary Policy, Trade, and Technology. He also serves on the House Foreign Affairs Committee where he is Vice Chair of the Subcommittee on Asia, and a member of the Subcommittee on Western Hemisphere and the Subcommittee on International Organizations, Human Rights, and Oversight.

With a real interest in the development of Health Innovation and Technology for the betterment of the world's community, particularly the most marginalized in society, Ms. Fuller has worked to craft a health related legislative agenda that strives toward strengthening medical advances both in the United States and abroad.



Shaun Garrison
Rep. Diane Watson (D-CA)

Shaun is a Legislative Assistant in the Office of Congresswoman Diane E. Watson (D-CA-33). In addition to handling her committee work on the Oversight and Government Reform Committee, Shaun handles the Congresswoman's portfolios on Commerce, Energy, Youth Violence, Immigration, Judiciary, Criminal Justice, Labor, and Postal issues. He has been on the Hill and with Ms. Watson for almost five years. Shaun was born and raised in on the south side of Chicago, Illinois and loves swimming, baseball, basketball, football, and ESPN. He also passionately loves the Chicago Cubs. He got his undergraduate degree in Political Science from the University of the District of Columbia and hopes to go back to law school and become a lawyer someday. Shaun believes that a sense of humor is the key to success in anything

PARTICIPANT BIOGRAPHIES



Jaimon Jackson
Rep. Carolyn Cheeks Kilpatrick (D-MI)

Jaimon Jackson is the Legislative Assistant to Congresswoman Carolyn Cheeks Kilpatrick from the 13th district of Michigan. As Legislative Assistant, Mr. Jackson's portfolio includes: Agriculture Appropriations, Energy and Water Appropriations, Interior and Environment Appropriations, and liaising with the Congressional Black Caucus on the 2007 Farm Bill and all Energy based initiatives. Mr. Jackson handles all concerns in these issue areas, write floor statements; prepare hearing briefing materials; draft amendments for subcommittee and committee proceedings, and Drafts legislative language. Mr. Jackson has been with the office of Representative Kilpatrick since 2003.

Congresswoman Kilpatrick currently serves on the House Appropriations Committee, and sits on the Financial Services Subcommittee and also the Homeland Security Subcommittee. She also serves as the Chairwoman of the Congressional Black Caucus (CBC), with this position she has four very specific goals she would like to get accomplished within her tenure; 1) Empower & Mobilize America's Youth 2) Build an International Internet Communications Portal 3) CBC Outreach and 4) Impact the Alternative Energy.



Jeremy Kadden
Rep. Shelley Berkley (D-NV)

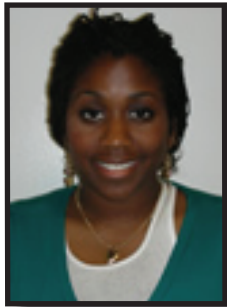
Mr. Kadden currently serve as Legislative Assistant to Congresswoman Shelley Berkley (D-NV) for Foreign Policy, Trade, Defense, Homeland Security and Telecommunications. In particular, he oversees the Congresswoman's activities on the Ways and Means Subcommittee on Trade. Prior to this position, Mr. Kadden worked in the office of Congressman Jim Kolbe (R-AZ), where he covered Immigration, Homeland Security and a variety of domestic issues. Mr. Kadden's off-the-hill work experience includes work at the American Enterprise Institute, where he assisted Ben J. Wattenberg in writing his book "Fewer," which investigated the falling birthrates around the world, with a special emphasis on China and the United States, both of which have unique demographic histories. Mr. Kadden attended Columbia University for his undergraduate studies, where he graduated with an honors degree in American History, following which he attended the University of Cambridge, where he completed a Masters Degree in European Studies, with an International Relations focus. During Mr. Kadden's time in Cambridge, he traveled extensively throughout Europe, meeting several times with political leaders in Northern Ireland. Between graduate studies and his arrival in Washington, Mr. Kadden spent five months in Ghana covering the young parliament there for a Ghanaian English language newspaper, the Statesman.

PARTICIPANT BIOGRAPHIES



Patrick Lyden
House Committee on Oversight and Government Reform

Patrick Lyden is the Parliamentarian and Director of Member Services for the Republican staff of the House Committee on Oversight and Government Reform. Oversight and Government Reform is the main investigative committee of the U.S. House of Representatives with the authority to investigate within the legislative jurisdiction of the committee as well as any matter within the jurisdiction of the other standing House committees. The committee also has a broad range of legislative jurisdiction including information security, the federal civil service, federal paperwork reduction, government management and the District of Columbia. Besides involvement in issues before the committee, Patrick advises the Ranking Member, Congressman Tom Davis (VA-11), on the rules, precedents and procedures of the committee and the U.S. House of Representatives.



Eyang Nyambi
Rep. Gwen Moore (D-WI)

Shortly after graduation Ms. Nyambi gained employment with Congresswoman Diane Watson in her Washington, DC office. Congresswoman Watson represents the 33rd District of California. There she worked as a Legislative Correspondent/Staff Assistant/Intern Coordinator and it was there that she had the opportunity to take the Chinese Embassy wives on a tour of the Capitol Buildings. At the beginning of the 110th Congress, Ms. Nyambi was hired as a Legislative Correspondent for Congresswoman Gwen Moore who represents the 4th District of Wisconsin. Along with writing letters on a wide variety of issues, Ms. Nyambi also handles a few legislative issues for the Congresswoman, including Agriculture, House Administration, and Ethics. She is also Congresswoman Moore's Congressional Black Caucus (CBC) contact. The CBC champions issues concerning not only African Americans but all minorities. Ms. Nyambi handles all legislative issues that are exclusive to the CBC including the Annual Legislative Conference, the upcoming CBC Presidential Debate, and its most recent talks with the Chinese Embassy regarding the genocide in Darfur.

PARTICIPANT BIOGRAPHIES



Veronica Smith
Rep. Darrell Issa (R-CA)

Veronica Smith has held many roles in Congressman Darrell Issa's staff over the past two years. While finishing her graduate studies in Public Administration at the University of Southern California, Veronica interned in the Vista, California District Office. After completing the master's program, Veronica has served Congressman Issa as Staff Assistant, Scheduler, Legislative Correspondent, and Legislative Assistant in the Washington, D.C. office. Currently, she advises Congressman Issa on legislation and policy related to Education K-12, Homeland Security, Campaign Finance, Agriculture, Food Stamps, Legislative Branch, Grants, and Veterans and Military Health.

Prior to serving Congressman Issa, Veronica has worked at state and local levels of government including the City of Los Angeles and the Kentucky State Senate.

Originally from Missouri, Veronica completed her undergraduate studies in Business Administration and Political Science at the University of Kentucky.



Bradford Swann
Sen. Johnny Isakson (R-GA)

Since graduating from the University of Georgia with a B.B.A. in Economics, Bradford Swann has worked in Washington, DC for Senator Johnny Isakson. Bradford has experience both in the House of Representatives and the U.S. Senate, having worked for Mr. Isakson when he served in both Chambers. Bradford now works primarily on tax legislation and related issues under the jurisdiction of the Senate Small Business Committee. He is also currently pursuing an MBA from Georgetown University.

TRIP ITINERARY

Beijing

August 8 Wednesday

- 13:55 Arrive at Beijing international airport via UA897
- 16:30 check into Ritz-Carlton Hotel
- 19:00 Dinner at Hotel

August 9 Thursday

- 07:15 Leave hotel for the U.S. Embassy
- 08:00 Embassy briefing
- 09:30 Depart the U.S. Embassy for the Ministry of Foreign Affairs
- 10:00 Meeting at Ministry of Foreign Affairs with Mr. Cong Peiwu, Councilor of the Department of North America and Oceania
- 11:30 Lunch (Sichuan Restaurant)
- 13:30 Meeting at the Ministry of Commerce with Ms. Wang Hongbo, Deputy Director General of the Department of North America and Oceania
- 14:30 Leave for the Great Hall of the People
- 14:45 Visit the Great Hall of the People
- 15:30 Meeting with the Mr. Ma Wenpu, Vice Chairman of the Foreign Affairs Committee of the Standing Committee of the National People's Congress
- 16:30 Return to hotel
- 17:20 Leave hotel for Chinese People's Institute of Foreign Affairs (CPIFA)
- 18:00 Meeting and dinner hosted by Ambassador Yang Wenchang, President of CPIFA

August 10 Friday

- 8:00 Leave for the Great Wall
- 9:30 Visit the Great Wall
- 11:00 Return to Beijing

TRIP ITINERARY

12:30 Lunch
14:00 Leave for Forbidden City
14:30 Arrive at Forbidden City
16:00 Leave for Hongqiao Market
18:00 Dinner

Xian

August 11 Saturday

8:00 Luggage call and check-out
8:30 Leave hotel for airport
10:30 fly to Xian via flight CA1209
12:05 arrive at Xi'an
14:30 check into Xian Hyatt Hotel
15:00 Visit Xian Children's Welfare Institution

16:30 Visit the South Gate of Xian's Ancient City Wall
18:30 Meeting and dinner hosted by Mr. Bai Jiangong of the Foreign Affairs Office of the People's Government of Shaanxi Province

August 12 Sunday

9:00 Leave hotel for the Terracotta duplication factory and museum
10:30 Visit Terracotta Museum
12:00 Lunch at the Museum
13:00 Leave museum for Zhashui county and rural village visit
17:00 Return to Xian
18:00 Dinner
20:00 Ancient Art Show

TRIP ITINERARY

Shanghai

August 13 Monday

- 7:30 Leave for the airport
- 09:20 fly to Shanghai via flight MU2155
- 11:20 arrive at Shanghai
- 13:00 check into the Portman Ritz-Carlton Hotel
- 13:30 Lunch
- 15:00 Shanghai Institute for International Studies roundtable discussion
- 16:30 Leave for Shanghai Oriental Pearl TV Tower
- 17:00 Visit the TV Tower and Shanghai Urban History and Development Museum
- 18:00 Dinner
- 19:00 Boat tour on the Huangpu River

August 14 Tuesday

- 8:30 Breakfast
- 9:40 Leave hotel for Shanghai People's Political Consultative Conference (SPPCC)
- 10:00 Meeting
- 10:30 Return to hotel
- 11:30 Leave hotel for City Planning Exhibition Center
- 12:45 Lunch
- 13:45 Visit Shanghai Stock Exchange

August 15 Wednesday

- 8:00 Breakfast
- 9:00 Leave hotel for Songjiang University City
- 10:30 Tour of University City
- 11:30 Leave for Shanghai Pudong International Airport
- 12:30 Lunch
- 15:45 Fly to Chicago via flight UA836

MAP



Map showing the trip from the US to Beijing; to Xian in Shaanxi Province; and then to Shanghai, before returning to the US

ACKNOWLEDGEMENTS

The seminar participants and delegation would like to express their deep appreciation to the Freeman Foundation for providing financial support for the seminar series and trip. The delegation would like to thank the U.S.-China Policy Foundation for arranging the six seminar meetings and the trip to China.

The Congressional Staff Delegation would like to thank the Chinese People's Institute of Foreign Affairs (CPIFA) for arranging the meetings and travel in China. In particular the delegation would like to express its sincere gratitude to Mr. Liu Lian (CPIFA) for accompanying us throughout the trip. The meeting arrangements were exceptional, and we thank CPIFA for making the appointments with government officials. We had many lively discussions and shared many views with our Chinese colleagues.

Members of the delegation were asked to write a short summary of the exchange of views at our meetings. These reports are personal and do not necessarily reflect the views of the U.S.-China Policy Foundation, its board members or staffers.

LECTURE SERIES

China Past and Present

William Johnson

May 11, 2007

Dr. Bill Johnson, former Director of the East Asian Studies Program at George Washington University, began the 2007 Policymakers Seminar Series with his presentation on *China Past and Present*. Dr. Johnson argued that China can be best understood as a civilization, currently coping with the legacy of several distinct traditions, including the tensions that exist between and within each such tradition. According to Dr. Johnson, these traditions, and the tensions they create, in combination with the international environment, will shape the future of China. He asserted that China is “a work in progress” and its fate is not predetermined. China’s future is malleable and depends, in part, on the decisions of the U.S. as its relationship with China continues to grow. Dr. Johnson then broke down the legacy of Chinese political and social philosophy into two traditions.

First Tradition

The first tradition, known as the ‘Chinese Tradition,’ which lasted from the 10th century to the turn of the 20th century, refers to the concepts of State Nationalism and Liberal Nationalism. During this first tradition, the political and social institutions were made up Chinese gentry, a certified group of ruling elite who were put in place via an extensive examination system. Consequently, the tradition was not ‘feudal’ and therefore legitimacy was derived from merit rather than from personal connections. While there was considerable social mobility, wealthy families did have the advantage of being able to hire the best Confucianist scholars to prepare their sons for the rigorous examination. This examination system tied the bureaucrats to the state apparatus itself, leading to a lack of autonomy from the emperor. As a result, although China was by nature a bureaucratic meritocracy, the bureaucracy became completely centralized and absolute power ultimately rested with the emperor.

The period from 1830-1949, often referred to as “the century of shame and humiliation”, ushered in a new tradition of nationalism. During this period China was repeatedly defeated by foreign powers and forced to sign a number of damaging “unequal treaties.” Additionally, China was rocked by a series of embarrassing internal conflicts and rebellions against the crumbling imperial government. Modern-day Chinese remember this period well, and have since vowed to prevent any future injury to their nation’s pride. As a result of this historical lesson, China has focused its energy on the pursuit of wealth and power.



The Forbidden City

Second Tradition

Over the last 100 years, there have been three important events, which exemplify the second tradition and highlight the causes and consequences of external pressures. The second tradition, often left out of

contemporary analysis on China, is composed of three elements: Revolutionary nationalism, State-ism, and Democratization.

The first important example is the Republican Revolution of 1911. Taking place from 1895 to 1911, the revolution signaled the transition from the first tradition to the second tradition, as China experienced its first period of sustained democratization. Chinese students who had studied in Japan were returning to China having experienced both popular and individual sovereignty. Though China was on the verge of systemic changes before the revolution, the students never got beyond the rhetoric and by 1914 all provincial assemblies were abolished and the complete disintegration of the state left the country vulnerable to the rise of warlords.

The second example, which showed characteristics of the second tradition, was the May 4 Movement in 1919. This movement, equivalent to our July 4, represents the trend of state nationalism. Students carried out demonstrations in reaction to Japan, demanding an end to Japanese imperialism, and the preservation of the Chinese culture. At the same time, the development of the 'New Culture Movement' led to calls for the destruction of old Confucius values, elements of the 'old culture', in an attempt to produce self-thinking, free-thinking, and critical-thinking individuals.

The third and final example of the second tradition was the Tiananmen tragedy of 1989. While the 1980s saw the disintegration of Marxist/Leninist thought, the justification for the Chinese Communist Party was, instead based on Jiang Zemin's '3 represents': 1) Most advanced economic forces (capitalism) 2) Most advanced cultural forces and 3) Representing the broad masses. The Tiananmen incident, as noted above, should be regarded as a tragedy. There were terrible blunders made by both the party and the students and ultimately set back any possibilities for democracy that had been gained in the 1980s. The two greatest movements towards democracy in China had occurred while there was no centralized government to crush them.

Dr. Johnson concluded with the argument that several key events and traditions converged in the mid- to late-20th century to shape the China we see today. Despite a fledgling democratic movement, democracy has never taken hold in China. Dr. Johnson argues that this is not a result of a communist legacy (for all vestiges of Communist theory had eroded by the 1980s), but rather, the result of the coming together of the first Chinese tradition, a fear of a hostile international system, and a violent revolution. All of these tensions persist but their effect on the shaping of China's future is not yet known.

LECTURE SERIES

China's Domestic Political System

Dr. Paul Heer

May 25, 2007

Dr. Paul Heer, a Senior National Intelligence Officer at the Central Intelligence Agency, discussed China's Domestic Political System with the 2007 Policymakers Seminar participants. Dr. Heer explained that the structure of the leadership consisted of three main institutions: the Chinese Communist Party (CCP), the Government, and the military.

Throughout most of China's communist history, political power and influence have been independent from official titles. In the past, holding an official post was not necessarily representative of political power. Dr. Heer explained that this process is changing, and the wall chart of party and government leaders is increasingly indicative of actual power and position. The current Chinese President Hu Jintao is the head of all three institutions and the Party is at the center of all policy decisions.

The Politburo Standing Committee is composed of nine leaders elected by the Politburo Central Committee and is the most powerful leadership group. On paper, all political power in China stems from the National People's Congress (NPC), though the NPC is largely a rubber-stamp for Party policies. In fact, the Chinese government is still entirely deferential to the CCP. Furthermore, the People's Liberation Army is a party army, not a state army, further reinforcing the CCP's control over the government.

Despite growing institutionalization, Dr. Heer emphasized that China is still a one-party state. Though the Chinese government is pragmatic and no longer Marxist, it does not intend to make substantial democratic political reforms. Instead, the CCP is attempting to revitalize the one-party state.

At the same time, the Chinese are making substantial economic reforms as the CCP understands it depends on economic growth as a means of legitimacy. In order to sustain such growth, China will have to make several difficult economic decisions. Regardless of what decisions are made, the CCP will seek to hold a steady course of growing market capitalism under a one-party, neo-authoritarian government structure.

LECTURE SERIES

China's Security Interests **Rear Admiral Eric McVadon**

June 8, 2007

Eric McVadon, retired Rear Admiral and former Naval Attache to the U.S. Embassy in Beijing, gave the Policymakers group a slightly different slant on U.S.-China security issues than is typically represented in media and other outlets. His insightful presentation focused on the 'bigger picture' of East Asia, the shifting dynamics of power and relationships, and the question of Taiwan.

Mr. McVadon believes that Northeast Asia is moving towards a new security architecture, and the United States government must re-evaluate how they approach this new system. The framework is now made up of China and their relations with Japan and Korea. Though this new security arrangement is increasingly important, the U.S. has not been proactively pursuing their place in the new system.

An admitted optimist on China, McVadon pointed out many positive changes with China's stance on security, especially in regard to North Korea. The six party talks demonstrated both China's willingness to cooperate on international security issues as well as our need to work in conjunction with the Chinese. Though many Americans blame China for the talks not progressing further, McVadon noted that the Chinese feel they have leverage with the North Koreans, but do not want to push too hard in fear of "breaking the lever." Some Chinese also blame American leadership, believing that the U.S. is more interested in seeing regime change in North Korea than progress in negotiations. The Chinese remain concerned, nonetheless, about stability in North Korea, which is necessary for stability in the region.

Mr. McVadon also touched on the issue of Taiwan. He believes that the odds of a conflict across the Taiwan Strait are far less likely than years before. Beijing is now attempting to make China more attractive to Taiwan through economic means rather than intimidating Taiwan through force. While China also recognizes the negative impact a conflict would have on its relations with the U.S., these factors in no way imply that China will not use force to reunite Taiwan if the leadership feels forced into a decision.

While the U.S.-China-Taiwan relationship is also affected by the modernization of the People's Liberation Army (PLA), China's increasingly sophisticated military capabilities include long-term strategic thinking and layering options, China's weaknesses persist in their mediocre training and lack of surveillance skills. An attack on Taiwan would have drastic consequences for regional and internal stability. Conflict with Taiwan could affect China's ability to deal with Korea. It may also have the potential of exacerbating instability on the mainland in regions such as Xinjiang, which continues to face its own separatist movement.

Ending on an optimistic note, McVadon asserted that areas for cooperation continue to grow, including sea-lane security and the protection of ocean commerce. McVadon proposes that the U.S. and China work together to create a Global Maritime Partnership which would benefit both countries in several ways: more expansive maritime activities and opportunities, increase U.S. opportunities to shape Chinese views and policies, and to improve feelings of trust and cooperation.

LECTURE SERIES

Economics and U.S. - China Trade

Pieter Bottelier

June 22, 2007

According to Pieter Bottelier, adjunct Professor at Johns Hopkins University, SAIS and a Senior Advisor at the World Bank, “China’s rise is without precedent or parallel in the developing world.” As the country gains more economic power and trade between our two nations increase, the race to understand the Chinese economy heightens. Bottelier gave the Policymakers insight into the Chinese economy and the status of trade relations between the U.S. and China. He gave a historical overview of the Chinese economy and their growth strategy. Bottelier also commented on the second round of the Strategic Economic Dialogue (SED) between the U.S. and China that took place on May 22 and 23 in Washington.

When Deng Xiaoping decided to change the economic path of China’s development from state-planned to market-based, the Chinese leadership had no successful example to follow. Before reform, the Chinese economy was very backward and marked by distortions and barriers. While many Eastern European countries were struggling to follow the Soviet method of reform, China developed their own “Beijing Consensus.” As opposed to the former Soviet countries whose reforms were statewide and focused on urban areas, China’s reform began gradually on a smaller scale focusing mainly on agricultural areas. If the reforms worked on a small scale they were then expanded and extended to other areas. In addition, when China began its reform period, it did not have a comprehensive plan of where it would take them, rather it was not until the early 1990s that they conceptualized China’s Socialist Market Economy. Privatization and restructuring of the State-Owned Enterprises (SOEs) began in the 1990s leading to heavy inflows of investment from abroad, which in turn promoted productivity, modernization, and a more concise legal code.

While many China observers may believe that exports drive China’s economy, Bottelier believes that domestic demand is the prime force behind China’s unprecedented growth. The domestic rate of savings and investment rates in China are unusually high and has helped to fuel development. Bottelier believes that China has one of the most open economies in the world leading it to become one of the prime beneficiaries of economic globalization.

China faces many growing problems, too. These problems include too much reliance on growth in investment, a tendency to over-invest and create excess capacity, an investment pattern too focused on capital-intensive industries, a weak financial sector, serious environmental degradation, the growing disparity between rich & poor, urban & rural, access to social services and inadequate protection of Intellectual Property Right laws. Finally, Bottelier believes that the “combination of growing domestic economic liberalism and continued political authoritarianism is becoming increasingly incongruent.” China’s economy is currently highly unbalanced with investment exceeding consumption leading to an unsustainable situation.

Trade relations between the U.S. and China are particularly sensitive. One of the most talked about issues is the trade imbalance, which was at the forefront of the recent round of Strategic Economic Dialogue (SED).

The U.S. trade deficit is of high concern to many American politicians, blaming it on China's undervalued currency. Bottelier believes that the U.S. focuses too much on China's undervalued currency, believing that if the Chinese currency were to appreciate faster, it would solve the trade imbalance. However, according to Bottelier, solving the currency imbalance would not solve the trade imbalance.

The undervalued currency is only a small part of the huge success China has had in foreign trade and growth, high investment and increased productivity being the most important factors in that success. That said, the trade imbalance should not only concern Americans but also has serious impacts for China. China relies too heavily on exporting capital and its investment rates are not sustainable. Bottelier advises the Chinese to build a social security net so that they would no longer feel insecure about saving for their retirement and future and feel more comfortable with higher consumption. Increased consumption for China is a good thing because it would increase the standard of living.

If China was to move faster with appreciation, as the U.S. Congress has urged, it would cause a huge shock to low-end manufacturing and many jobs would be lost. Foreign companies would relocate to other South-East Asian countries where labor is also cheap. Agriculture would also be hurt and many small farmers would be put out of business. While Bottelier disagrees with a sizeable appreciation, he does believe that the Chinese have been too slow in appreciating their currency and can afford to move a little faster. Bottelier is supportive of the SED and has high hopes for its future success.

LECTURE SERIES

China's Leadership **David M. Lampton**

July 13, 2007

This year's policymakers trip should be particularly interesting, according to Dr. Mike Lampton, Director of China Studies at the Johns Hopkins School of Advanced International Studies, as China prepares to hold its 17th Party Congress in October of this year. The 17th Party Congress will be especially interesting as it will begin the new process of defining the next generation of Chinese leaders.



Dr. Lampton addresses the delegation

Dr. Lampton began by noting that Americans have largely underestimated the capability of China's leaders, thinking they are weaker than they actually are in reality.

On the contrary, notes Dr. Lampton, as China's leaders are a very capable, focused group with clear strategies. The new Chinese leadership is pursuing a pragmatic and factual approach to both internal and external issues.

The New Leadership is also in many ways different from the previous generations of leaders in that they are college educated. The entire Politburo is now made up of engineers, pragmatists and technocrats who concentrate on 'getting the facts' by using science and technology, a difference which sets them apart from previous eras of leadership. Chinese diplomats are also much more skilled now in their dealings with foreign nations as they seek to appeal not only to foreign presidents, but society and legislators as well.

Other characteristics of the current leadership include its increasingly more comfortable attitude towards globalization, witnessing the effects of trade on China's economy, and a general hope to continue to 'open up.' Additionally, the Chinese leadership continues to want a good relationship with the U.S., and overall seek to avoid major problems over trade.

China's leaders seek to minimize external issues in order to maximize their control over internal issues. There is a rapid growing middle class who will want rights and a say in the government. The government is being pushed by the middle class to open up but are afraid of the billions of poor people who have not received the benefits of China's growth. The Chinese government faces the problem of liberalization without losing control over the population and discovering ways to distribute and equalize China's growth.

Dr. Lampton is positive about China's liberalization but believes it will continue very slowly. In addition, he believes that the United States can, and should, work towards building a better relationship with China.

MEETING REPORTS

Beijing

United States Embassy By Veronica Smith

With Ambassador Clark T. Randt Jr. and key staff experts on Agriculture, Economics, Defense, Public Relations, Politics, and Labor, Ambassador Randt made a brief introduction regarding China's regional and domestic policy issues.

Regional

The Ambassador spoke of the China-Iran issue bubbling up and the possibility of a U.N. Security Council Resolution. Second, he spoke of the China-Sudan relationship that angers the U.S. and other nations wishing to end the ongoing internal genocide. Ambassador Randt mentioned the possibility of tougher U.N. sanctions against countries like China which trade heavily with the nation. Finally, China-Burma relations are contentious. Sanctions against Burma are flawed as long as China is eager to do business.

Domestic

Because China is a so geographically large, population heavy and advancing rapidly in the global market, the number of domestic policy issues troubling the country is extensive.

Economic struggles abound as the nation and the people's wealth grows rapidly. The Ambassador stressed the growing gap between the rich and the poor. Secondly, he pointed to the difficulty in creating 23 million new jobs each year in order to comply with employment demand. Third, he commented on the Chinese purchase of a large percentage of U.S. Treasury Bonds. This adds stability to our country's economic system, but the potential for mass exodus in the T-Bond market, leaves the country susceptible to tremendous influence by other purchases. Finally, the U.S. and China are struggling to find an acceptable currency exchange rate for dollars to yen.

With the 2008 Olympics looming, China is acting to address environmental hazards. Food and lead products are an ongoing concern. Both environmental, food and product safety are a concern for health reasons. Bird flu, possible pandemics, asthma as a product of pollution, and poisoning is of great concern because of the large volume of trading between the U.S. and China.

The Ambassador briefly touched on the high education levels of China students, international property rights and market access, and human rights concerns.

Questions and Conclusion

In response to my question regarding future relations between China and the U.S., the Ambassador was optimistic that relations would continue to build in a positive way as China continues its reforms. He stressed that the relationship between the two countries is interdependent. Both China and the U.S. need each other in order to continue prosperity in a global market.

The Ministry of Foreign Affairs

By Eyang Nyambi

One of the most anticipated meetings of the trip was with government officials at the Ministry of Foreign Affairs. They seemed eager to delve into the problems facing the Chinese and what the future has in store for the Chinese.

Due to China's large population, its problems tend to become more magnified than that of the United States. Currently, China is putting its focus on economic and social development as well as ensuring a peaceful international environment. With a total of 14 countries surrounding its borders, China must maintain a strong relationship with neighboring countries such as North Korea and Taiwan. In order to give the Asian Pacific a better chance at a stable and peaceful union, China has 7,000 peacekeepers around the area to show that it truly cherishes peace. China is continuing to work hard to resolve nuclear related issues with Iran as well as help those who are suffering in the Darfur region of Sudan.

Those at the Ministry of Foreign Affairs feel that the relationship with the U.S. is a good one and it will continue to improve over the years. They explained that since 1972, when former President Nixon visited the country, the U.S. and China have enjoyed a good relationship. They said that China wants to expand on common interests with the U.S. and must approach the relationship from a long term perspective. They then went on to elaborate on specific issues surrounding the U.S. China relationship.

Trade

In 1978, China had a trade volume of \$1 billion and in 2006 China's trade volume had increased to \$262 billion. The U.S. China Business Council reported that in that time period, U.S. exports to China increased by more than 500%. With the Chinese being open to new things, there are more KFC chains and McDonalds all over the country. The officials also pointed out that China has become the biggest supplier of soy beans in the world.

Currently, the U.S. has a substantially large trade deficit with China. Those at the Ministry of Foreign Affairs expressed that the country is taking great measures to import more U.S. goods. The U.S. lacks behind when it comes to exports. They also expressed a great interest in soft wood lumber. The country is also working hard to crack down on those who are involved in piracy especially since intellectual property rights is such a big issue in the U.S.

Trade is an important issue to the U.S. but recently China has come under fire after pet foods, toys, and toothpastes that we manufactured in China, all had to be recalled. One of the questions raised centered on food safety and what China is currently doing to tight food inspection regulation in order to ensure that the U.S. is importing safe goods. We were told that in the past month China has held 3 meetings to discuss food security finding a proper solution to problems that arise. The country has taken measures to crack down the manufacturers who were directly responsible manufacturing the goods that were recalled. Overall they said that the food quality in China is in good shape but since China views some products to be okay while other countries disagree, the Chinese feel that it is important for there to be unified standards in order to minimize recalls.

Nuclear Weapons

China also has good cooperation with North Korea regarding nuclear weapons and initiated the Six Party

Talks which helped to contain the pursuit of nuclear weapons by North Korea who shut down its nuclear reactors soon thereafter. China has also passed three security resolutions in order to make sure that Iran does not pursue nuclear weapons.

Sudan/Darfur

The Ministry of Foreign Affairs voiced great sympathy for the people of Sudan. They are working hard to ease the situation. They have worked with the U.S. as well as other countries to pass a UN resolution that will hopefully lead to an end to the genocide that is occurring in Darfur.

Cultural Education

Due to the good relationship that China has with the U.S., there are more and more people visiting the U.S. each year. There are an increasing number of people who want to learn Chinese in the U.S. and some schools have gone so far as to offer it as a course at the high school level. There are also a growing number of people who want to learn English in China.

Taiwan

One of the most important issues in China is its relationship with Taiwan. Taiwan, for years, has expressed that it wants its independence from mainland China, but China is prepared to defend its sovereignty over Taiwan. The officials expressed that a conflict between China and Taiwan would not be good for the U.S. because it could force the U.S. to act militarily and could lead to the loss of an ally. Some delegates on the trip had concerns about China and expressed the U.S. may be more receptive to a country that has a more open government where officials can be openly criticized. When this issue was raised, the Chinese official expressed a great interest in having an open exchange of views with other countries including Taiwan and the U.S.

Global Warming

The Chinese leadership has come to realize that they must implement a sustained environmental protection policy to ensure a better life for their children and their grand children. They predict that there will be a 20% increase by 2010 in the GDP for environmental protection. The country failed last year to achieve the proper amount of energy consumption due to the fact that the energy supply is quite low. China relies on coal mines which pollute the air but they have a national plan in the works to deal with climate change and creating better air quality.

Conclusion

The future looks bright for the Chinese who see a stronger relationship with the U.S. in the foreseeable future. They see an increase in common interests which could lead to a bond that could last for years and years to come. Although it is evident that there are many differences that need to be worked out between the two countries, there is no doubt that China is making much needed improvements in a variety of sectors and will continue to do so in order to protect the interests of China and the lives of its people.



Policymakers attend a meeting at the Chinese Ministry of Foreign Affairs

Chinese Ministry of Commerce

By Jeremy Kadden

At the Ministry of Commerce, we met with Ms. Wang Hongbo, Commercial Counselor for American and Oceanic Affairs. After brief introductions, she discussed trade patterns between the U.S. and China. Since they joined the World Trade Organization in 2001, China has seen a very rapid increase in trade. In the last 27 years, there has been a 100-fold increase in bilateral U.S.-China trade. The U.S. is China's second largest trade partner (the E.U. is the largest) and bilateral trade is growing by about 16-17 percent annually.

She stressed that Chinese companies are creating jobs in the U.S. and are building local communities in places like Charleston, S.C. It is therefore important that we meet with real people and not just believe what we read in the media. The U.S.-China trade relationship is mutually beneficial and we must continue to cooperate and not antagonize one-another.

Questions and Answers

There were a variety of questions, touching on a variety of issues. Here is a summary of the important parts of the conversation:

In commenting on the idea of a Taiwan-U.S. Free Trade Agreement, which some in Congress are pushing for, she said that the U.S. must continue to honor its "One China Policy," which states that Taiwan is part of China. As such, a Free Trade Agreement with Taiwan should be out of the question because FTAs can only be signed by sovereign states.

On the U.S.-China trade deficit, she explained that our two economies are very different: the U.S. spends more than it saves while China saves more than it spends. So there are bound to be some trade deficits. Also, if you look at the U.S.-Asian trade deficit over the last few years, it's largely stable, but China happens to have most of it right now. If we shift trade to other Asian countries, the U.S. will still be in deficit. She also argued that China is doing more to increase imports. For example, they have changed the name of the Chinese Export Commodities Fair to the China Import-Export Fair, as a sign of their increased focus on imports.



Policymakers attend a meeting at the Chinese Ministry of Commerce

As a woman herself, she proudly pointed to the fact that the Chinese government views women differently now, saying that 35-40 percent of middle management are women, and that a number of laws have been passed to protect women in the workplace.

Perhaps China's biggest challenge, she said, will be to create 23 million jobs per year for all the new entrants to the work force. They will need to introduce policies to create even more economic growth. Education will be the key to economic stability.

When asked what Chinese policymakers are watching in U.S. Congress, she said that they are trying to understand our political and economic structures, because when we understand each other we can act more rationally. She did say that there are some worrying trends in Congress, but she did not specify, only saying that the “rich man has many problems while the poor man has only one problem.” She fears that it would be very easy to harm the U.S.-China relationship. She also stressed again the need to improve US-China trade through cooperation, and the need to avoid a trade war. She argued for keeping political factors out of trade conversations, though she did not elaborate on what political factors she was thinking of.

My thoughts: It was an interesting conversation, but I left there wanting more. She seemed reluctant to be specific, particularly in the realm of U.S. policy towards China. While it is helpful to know that China wants a warm relationship with the U.S., we need to be clear on what China wants and what China’s fears are. If they are unwilling to state their specific concerns – and to defend their positions openly and honestly – it is hard for U.S. policymakers to have a warm, honest relationship with them.

National People's Congress By Emily Christensen

Our introduction to the National People's Congress began in a grand reception room at The Great Hall of the People. Surrounded by traditional Chinese hand embroidered murals of Chairman Mao's home province of Hunan, this room felt more at home to all of us who often frequent the imposing halls of the U.S. Capitol. One striking piece showed Chairman Mao walking with a crowd of people representing all regions of China – a perfect symbol for the Great Hall – and as I viewed it from various positions in the room, the chairman always appeared to be stepping toward me.

We then entered an auditorium that seats 10,000 people, well-equipped to meet the demands of the 3,000 delegates of China National People's Congress (NPC). We later learned in our meeting with Mr. Ma Wenpu that the entire NPC meets there two weeks out of the year, leaving the majority of the work to the 150 members of the Standing Committee, of which the distinguished Mr. Ma is a member. These 150 delegates are primarily from the Chinese Communist Party.

Mr. Ma and three of his staff members met us after our tour of the Great Hall. He presented several brief introductions – one focused on the history and make-up of the NPC and the other on China's role in the global market. He expressed China's interest of creating its own brand, instead of investing labor and materials into a product only to have a foreign label slapped on it in the final step. Clearly a frustration to the vice chairman, he gestured toward his tie and said something to the effect that his tie is a Chinese product, yet it has an American label.

Overall the meeting was informative and reminded us that countries around the world struggle with internal politics and domestic and foreign policies.



Policymakers attend a meeting at the National
People's Congress

MEETING REPORTS

Xian

Xian Children's Welfare Institution

By Kelsey Strampe

Upon our arrival in Xian, the 2007 Policymakers delegation visited the Xian Children's Welfare Institution. Though founded many years prior, the institution has been sponsored by the Government since 1985. Their 160 staff members, mostly from the fields of health and education, currently provide services and care for more than 560 children. More than 90% of the children, who range in age from 1-8 years old, are disabled in some way.

The biggest institution of its kind in Shaanxi province, they receive much of their support from the government and other social organizations. The institution also serves as a window for foreigners to learn about China as people from international organizations based around the world come to volunteer.

The institution has maintained its current location since 1921. At that time it was a center for both the young and the elderly- though in 1985 it became solely a children's institution. While 50-60 new children from Xian and the surrounding areas come under their care each year, another 50-60 are adopted. Children are placed in homes around the world, though the majority of adoptions are from the U.S.

Following our meeting, participants were given a brief tour of the facility where we were able to visit several classrooms.



The delegation enjoys a performance by several of the children at the Institute

The delegation enjoys a performance by several of the children at the Institute

Xian Provincial People's Congress By Patrick Lyden



Dr. Ernestine Wang visits with Bei Jiangong

On the evening of Saturday, August 11, 2007 we met with Bai Jiangong, the Deputy Director of the Protocol Division, Foreign Affairs Office, of the People's Government of Shaanxi Province. The meeting and dinner were held at the Hyatt Hotel in Xi'an.

Upon entering the room we were met by Bai Jiangong and several other officials. Dr. Wang introduced the U.S. - China Policy Foundation and the participants of the trip in Chinese. After the introduction, Bai Jiangong gave a brief presentation which was interpreted by our trip guide, Leon.

Prior to the dinner, we learned that Shaanxi is a province rich in history, culture and resources. The area around Xi'an was one of the first ancient Chinese developments and was once the capitol of China. The province has over 37 million people, many living in rural areas.

Despite having a backwards economy, in the words of Bai Jiangong, the province is in the process of developing its vast natural resources and using these resources to maintain and increase its industrial base. The region has an estimated 200 billion tons in coal reserves as well as large reserves of natural gas and petroleum. They are using these resources to meet current industry needs as well as entice other businesses into the area. At this time they have a good base of industry that includes textile, electricity producers, aerospace and technology manufacturers. Tourism is another important industry in the region with over one million international tourists visiting Xi'an annually.

The area is also developing educational opportunities with over 50 universities and private colleges. The province is also in the process of utilizing technology to increase education at the elementary level in rural areas.

No formal question and answer period followed the presentation but we stood to shake hands with Bai Jiangong, who then presented each of us with a generous gift from Xian. In return I gave him our gift from the group. After the gifts were exchanged we were asked to sit at the banquet table.

All in the group were highly impressed by the table setting which included many different terra cotta warriors lined up on the table (see the picture below). The theme of dinner was "East meets West" with a selection of food that included Chinese traditional dishes complimented by popular American dishes. The contrast of food was much appreciated by our delegation. We were also given a regional liquor named "Phoenix of the West" and we participated in a traditional Chinese toast of Gumbel! (or empty glass). At the end of dinner we once again shook hands with Bai Jiangong and thanked him for his hospitality.



The delegation enjoyed a reception hosted by Mr. Bai Jiangong of the People's Government of Shaanxi Province

MEETING REPORTS

Shanghai

Shanghai Institute for International Studies

By Kelsey Strampe

The delegation met with Professor Yang Jiemian at the Shanghai Institute for International Studies where they discussed several important issues regarding U.S.-China relations. Professor Yang briefly introduced the Institute and highlighted some important characteristics of the U.S.-China relationship before opening up the discussion to questions from the delegation.

Professor Yang noted the U.S. and China have established effective open dialogue on trade, economic, political and other issues; altogether there are over 50 established dialogues. Furthermore, he praised the existence of a good network of communication between the two countries. As the discussion continued, several of the policymakers raised important questions regarding China's role in the global community, domestic development and reactions to the U.S. role in Iraq. The first question asked, "Will China overtake the U.S. as a world superpower?"

Professor Yang asserted that China will not surpass the U.S. in the next 100 years for a number of reasons. First, global dominance requires both hard and soft power. China's GDP continues to lag behind the U.S. The U.S. also continues to have better research capabilities and remains good at developing attractive, contemporary culture, easily spread around the world. China continues to have a shaky foundation for economic and social development and its quality of living will not improve enough over the next 100 years to result in China overtaking the U.S.

How is China addressing rural poverty and economic inequality? Professor Yang referred to China's 'Grand Plan to Develop the West' in their efforts to develop infrastructure and links to the west as people continue to move west to east. The harsh environment and geographical hardships though will inhibit plans to make such advancements.

Are there any incentives to get graduates back to return to their hometowns? The government is attempting to provide incentives such as tuition waivers and living stipends to entice graduates to return to their local villages. However, graduates often agree to come home though leave soon after for better opportunities elsewhere.

Finally, the last question asked about the U.S.' involvement in Iraq and whether or not it was damaging U.S.-China relations. Professor Yang admitted the U.S.' image and prestige was deteriorating because of various factors, including congressional scandals and the U.S.' aggressive and arrogant behavior particularly in Iraq. Professor Yang said if the U.S. continues to make mistakes, makes less of an effort to understand others and is unwilling to compromise, then there might be danger later on, the biggest enemy to the U.S. is the U.S. itself.



Professor Yang addresses the delegation

Shanghai People's Political Consultative Conference By Shaun Garrison

On August 14, 2007, the U.S. Staff delegation to China visited the People's Political Consultative Conference (SPPCC). The delegation asked several questions that yielded some excellent responses from the Conference. Some of those questions included:

1. What will Shanghai look like in 20 years?
 - It is estimated that there will be double digit population growth
 - An increased economic scale
 - Traffic will be more than difficult to cope and there will be a dire need to develop public transportation with over 100 Metro stations under construction
 - There will be a drastic increase in the number of visitors to Shanghai
 - The Conference also pointed out that there are three types of populations in Shanghai:
 - Registered Households- 15 million
 - Non-Registered/Permanent Residents- 4 million
 - Floating population (reside for no more than 6 months)- 5 million
2. How can Shanghai be a model for growth worldwide?
 - Shanghai has an economic plan towards a more viable market economy and the city's geography plays a role in that.
 - Immigration is drastically important with 20% of the city being indigenous
 - Shanghai was the first city in China to have a contract with the Western world.
 - Even with Taiwan's tensions with mainland China, there are over 800,000 Taiwanese in Shanghai
3. What is the SPPCC's relationship with the local government of Shanghai?
 - The SPPCC has three major responsibilities when dealing with the local government.
These duties include:
 - To participate in political deliberation and consultation and act as a decision filter for the local government
 - To conduct democratic oversight where members of the SPPCC can raise or criticize any proposal of the local government at anytime. The SPPCC consists of 10 committees that give opinions on major decisions the city government makes
 - To provide political consultation to government officials when they meet and decide on issues

Overall, the meeting was very open-ended and the responses were precise based on the questions from the delegation. The Conference was eager to point the fact that Shanghai has a new look every three years and the city is currently working on a five year plan for achievement. They felt that Shanghai's growth and development helps other provinces in China develop faster.

With the facts listed and the outlook on growth in Shanghai, this city is a model for growth worldwide. Through continued innovation in handling traffic and public transportation, developing housing, and enhancing employment opportunities, Shanghai will continue to be the "New York" of China.



Policymakers attend a meeting with members of the SPPCC

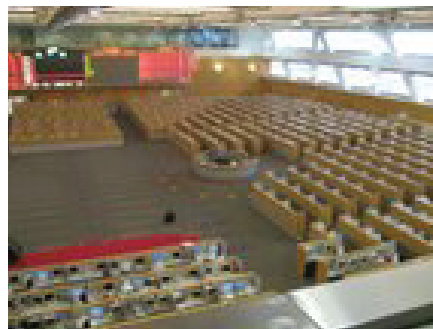
Shanghai Stock Exchange By Bradford Swann



So Quiet You Can Hear a Yuan Drop

With the exception of the five meandering traders on the floor and a group of rambunctious U.S. Congressional Staffers in the VIP gallery, the Shanghai Stock Exchange (SSE) and its 300 plus capacity trading floor is silent and near motionless.

Staring out into this emptiness seven minutes before the close of the exchange, the only signs of life came from four large LCD screens on a far wall displaying Chinese writing and numbers – most of which are in red. “Where is the deal making... Where is the money changing hands?” wonder the guests in the VIP gallery. As confusion and bewilderment stirs amongst them, their guide (one of the exchange directors dressed in a Burberry golf shirt) begins to explain.



Unlike the other Asian Stock Markets (namely the Tokyo Exchange founded in 1878) the Shanghai Stock exchange (founded in 1990) is extremely new. The exchange physically opened later the same year. The SSE opened approximately five years before technology (via electronic trading) would physically change all trading houses. Hence, the SSE's original design and ultimate construction was planned and carried out on the assumption that hundreds of traders would occupy the floor each day. Instead, by the mid 90's many traders and investment firms found it much easier to trade online, without a physical presence on the floor. Yet, with over 1,000 companies listed on the exchange, the SSE is anything but inactive.



In fact, the red numbers and Chinese writing displayed on the four LCD screens reflect the trading activity down to the year, month, day and second. Unlike in the U.S., where the color red indicates a drop in stock price, the color red at the SSE indicates a rise in stock price (this is consistent with Chinese society in which the color red is positive).

Therefore, the SSE is clearly quite different from what any of the foreign guests expected. This newfound knowledge and respect will no doubt help in shaping decision making skills regarding China and other foreign affairs policies abroad.

Songjiang University City By Kelsey Strampe

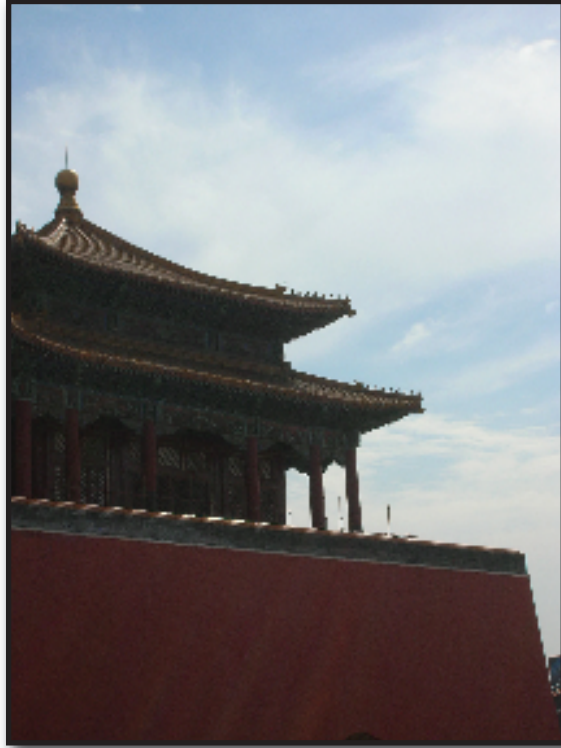


On Wednesday, August 15, just prior to their return to the U.S., the delegation visited Songjiang University City just outside Shanghai. Songjiang University City is comprised of several universities with different specializations including law and International Studies. We took a brief tour around the campuses, observing the different influences in structural architecture of the different classroom buildings.



Sightseeing Photographs

Beijing



The Forbidden City



The Great Wall

Xian



The terracotta warriors near Xian

Shanghai



The view of Shanghai from the Pearl TV Tower

Appendix I– Statements of Interest

Emily Christensen

I am writing to express my interest in the U.S.-China Policy Foundation Policymakers Seminar and Trip Program.

I currently serve as the press secretary for Senator Bob Bennett of Utah. In this capacity I handle all media inquiries and advise the senator on key message points for the top public policy issues of the day. I work very closely with our legislative staff to ensure that the senator has the necessary information to make informed decisions and appropriate public statements.

Sen. Bennett is very involved in economic, trade, and foreign policy issues. In fact, he recently joined six of his Senate colleagues on a trip to China and other Asian countries to discuss trade policy. The senator has a keen interest in how changing global demographics will dramatically impact global economies, and has presented his ideas throughout the world. China's changing demographics are a key discussion point of his presentations.

Press secretaries rarely have an opportunity to participate in staff educational seminars and trips, yet we often serve as top advisors to senators. Given Sen. Bennett's position on the Joint Economic Committee, Senate Banking Committee, and Senate Foreign Operations and Agriculture Appropriations Subcommittees, I cannot think of a better opportunity for someone who deals with economic, trade and foreign policy issues on a daily basis. I have not had the opportunity to visit China before, so this program would provide me with valuable insight into Chinese history, culture, and political and economic sectors.

This program sets itself apart from other foreign travel programs by offering educational seminars in advance of the trip. I believe these seminars will provide a foundation of knowledge and an opportunity to develop relationships with other participants, months before we set foot on Chinese soil.

I understand that in an increasingly global economy, one country's economy can greatly impact another country's economy, and one country's policies can also influence another country's policies. Both China and the United States are important players in the global marketplace, and it is clear that policymakers in both countries should seek a better understanding of the other. Participation in this program will enhance my understanding of China, making me a better policymaker in my current and future careers.

Kim Fuller

I am truly interested in participating in the U.S.-China Policy Foundation's (USCPF) 10th annual Policymakers Lecture Series and China Trip this coming August.

As Legislative Assistant to Congressman Gregory W. Meeks, my portfolio includes Health, Health IT and Intellectual Property, Labor, Veterans, Seniors, and issues as they relate to the Congressional Black Caucus. I have worked for Congressman Meeks for almost ten years.

Congressman Gregory W. Meeks serves on the House Foreign Affairs Committee where he is Vice Chair of the Subcommittee on Asia, and a member of the Subcommittee on Western Hemisphere and the Subcommittee on International Organizations, Human Rights, and Oversight. He also serves on the Financial Services Committee and has a strong focus on international trade.

While in China I would hope to learn more about the country's healthcare policies and healthcare

system. I understand that China leads in the developing world in lifting its people out of poverty, but that there is still much more progress that needs to be done. I know that there are real areas of progress, particularly in relation to economic reform. Congressman Meeks and other like-minded members of Congress are committed to working with the People's Republic of China and its emerging middle class to achieve progress, and in the process foster greater transparency and rule of law, progress for individual human rights and increased cultural connections between the citizens of both countries. I look forward to gaining clarity in the areas where there has reportedly been slow progress, and seeing for myself the wonder of China's culture and rapid economic growth.

Shaun Garrison

As a Congressional Staffer for almost five years, I have come to the reality of knowing that the success or failure of other nations has a drastic effect on the future of the United States. In my current job, I handle a vast amount of issues including; commerce, energy, immigration, judiciary, criminal justice, labor, postal issues, and my boss' Oversight and Government Reform Committee work. Amongst all of those different areas, the one similarity they all have is that they are subjects that have a lasting impact on the world everyday and there is no way to understand those issues unless you know how the other countries in the world handle these pertinent issues.

In the work I have done on Capitol Hill, the one thing I have noticed it that staff members are constantly being urged more and more to find an international link to every issue they deal with. I have to do this on a daily basis. With all of the issues listed above, I realize that China is a nation that requires attention from everyone in the world. China has become a mega power nation and the way the handle issues, particularly dealing with the economy and energy, will constantly be a part of my career.

This trip and the classes will enable me to enhance my knowledge on, not only China, but the overall global economy. I also visited Taiwan during the Christmas recess of 2006 on a staff delegation trip and learned a lot of great information about mainland China that I want to know more of. This opportunity will also allow me to interact with staff and work with them on issues that have a domestic and global outcome. While working on the Hill I have learned one thing, "Interaction with staff and learning new issues is the only way you will be successful." This trip would enhance these portions of my career.

Jaimon Jackson

I am very interested in partaking in the US-China Policy Foundation's (USCPF) 10th annual Policymakers Lecture Series and China Trip in August 2007. I understand and agree to the program requirements and express in this letter my interest and ideas for the program.

As Legislative Assistant to Congresswoman Carolyn Cheeks Kilpatrick, my portfolio includes: Agriculture Appropriations, Energy and Water Appropriations, Interior and Environment Appropriations, and liaising with the Congressional Black Caucus on the 2007 Farm Bill and all Energy based initiatives. I have worked for Congresswoman Kilpatrick for almost 5 years.

Congresswoman Kilpatrick currently serves on the House Appropriations Committee, and sits on the Financial Services Subcommittee and also the Homeland Security Subcommittee. She also serves as the Chairwoman of the Congressional Black Caucus (CBC).

While in China I would hope to learn more about the country's energy policies and agriculture industries. I know that there are real areas of progress, particularly in relation to economic reform. I understand that

China leads in the developing world in lifting its people out of poverty, but that there is still much more progress that needs to be done. Congresswoman Kilpatrick and other CBC Members of Congress are committed to working with the People's Republic of China and its emerging middle class to achieve the highest level progress. I look forward to gaining understanding in the areas where there has been slow progress here in the US and fostering some of China's progressive ideologies.

Jeremy Kadden

While Iran and Iraq grab the headlines in our daily newspapers and blogs, China's importance in global trade and finance cannot be understated. As one of the largest and fastest growing economies in the world, China will undoubtedly play a central role in the global economy and in various diplomatic efforts throughout the 21st Century. American policymakers will therefore need to engage fully with the Chinese and its government in the coming years in order to achieve their common goals of promoting trade, stability and security in the Far East and throughout the world.

As a newly-appointed member of the House Ways and Means Subcommittee on Trade, Congresswoman Shelley Berkley (D-NV) will play an active role in some of the most important China-related legislation and oversight in the 110th Congress. From free trade agreements to currency manipulation, this subcommittee plays a vital role in the future of China-U.S. trade and diplomatic relations. For example, Committee Chairmen Rangel and Levin have already stated their intentions to focus on Chinese currency manipulation, in an effort to protect American businesses from possible unfair Chinese trade practices. However this debate develops, the discussions will require a deep understanding of China as a whole, and specifically of Chinese economic and trade policy.

Throughout her tenure in Congress, Congresswoman Berkley has always played an active role in foreign affairs in her position on the House International Relations Committee. As a new member of the Ways and Means Trade Subcommittee, however, Congresswoman Berkley will need to focus specifically on international trade and financial markets, with an emphasis on China. While she has a strong understanding of the diplomatic side of international relations, Congresswoman Berkley anticipates that her staff will be experts in global trade and finance, so that she can position herself as an active policymaker in trade issues.

The seminar and trip offered by the U.S.-China Policy Foundation would therefore provide an invaluable opportunity to educate me, as Congresswoman Berkley's trade staffer, on trade issues and on U.S.-China relations in general. I would be particularly interested in learning about China's view of the U.S. economy: what are China's concerns in relation to U.S. trading behavior, tariffs and duties? How does U.S. involvement in the Far East and other regions impact Chinese trading patterns? How can we best work together to ease China's currency concerns and bring the Yuan up to international currency standards? These questions and more will play an important role in determining the future of U.S.-China relations, both on trade and more generally. I look forward to the opportunity to enhance my understanding of our relationship with this growing giant, and to share my new-found knowledge with Congresswoman Berkley upon my return.

Beyond my current position, I hope to continue working in the field of trade and foreign policy. I expect to stay on Capitol Hill, working in this capacity, and perhaps to take my work "off the hill" to the State Department or similar work in the international relations realm. This trip will enhance my personal understanding of world affairs and allow me to further my career in this exciting field.

Patrick Lyden

In addition to my personal interest in culture and history of China, I have a growing interest in the relationship between the United States and China economically as well as politically. In the ten years I have been in Washington, I have worked on issues that relate to global competitiveness, the economy, as well as educational and workforce development.

I began my career in Washington DC with the U.S. House of Representatives in 1997 with the Committee on Education and the Workforce. In that capacity I was involved in formulation of education and workplace policies that drive our nation's economy and global competitiveness. In 2002 I left the committee to join the National Federation of Independent Businesses (NFIB), where I worked on behalf of America's small businesses. At NFIB I continued my work on economic and competitiveness issue with a focus on the entrepreneurial nature that you find with small businesses across the country. I also aided the government in curbing excessive regulation of businesses and developing policies that promoted the growth of small businesses.

In May of 2007 I was hired to work for the Republican staff of the Committee on Government Reform (currently named the Committee on Oversight and Government Reform) as the Parliamentarian and Director of Member Services. In this capacity I work on issues related to government contracting, information security and oversight over the entire government including national security, competitiveness, energy and global warming. Also as Parliamentarian I focus on the rules, precedents and procedures that govern how the committee and the House of Representatives operate.

The seminars and trip present many opportunities for me to explore my interests in China's industrialization and the part that China plays in the global economy. With that, I'm interested in learning how China deals with businesses, large and small, and the many challenges they face. I am also interested in the workings of the Chinese government and its structure. As Parliamentarian I am always interested in how other governments work. I am interested in learning first hand about these issues and the other issues as outlined in your application packet. I also am eager to experience the culture and flavor of China in person rather than through the media.

Eyang Nyambi

As a woman born to Nigerian parents, I know that there is nothing more important to me than having the opportunity to see the world. Growing up I was always taught that in order to understand the ways of the world, we must all take time to explore the unknown. When I was a child my parents took the entire family to Nigeria to experience the culture and traditions that our parents had tried so hard to bring into our home here in America. I finally got the chance to experience the fast-paced marketplace, the unforgiving poverty, the vast farm lands, the cultural dances, and the intimidating military. None of the stories that were passed down by my father or the books and magazines that I read had prepared me for the life changing moments that had occurred. It has been 15 years since that trip to Nigeria and since then, I have yet to travel overseas. I first heard about the U.S.-China Policy Foundation's annual trip to China after having the opportunity to take the Chinese Embassy wives on a tour of the Capitol Building. The women sparked my interest when they expressed a great deal of enthusiasm when talking about their native country. I realized that this was my chance to travel to a country that has remained a fixture in my history books. I have no doubt that a trip to China would be another life changing experience.

Currently, I am a Legislative Correspondent for Congresswoman Gwen Moore. So far the things that I have learned in my year on the hill have far surpassed all that I learned in my 5 years in college. The policy areas that I handle for Congresswoman Moore are Agriculture, House Administration, and Ethics

issues. A visit to China would undoubtedly give me a broader picture of where the country stands, in terms of policy, when it comes to these issues. I know that China's integration with the world economy has advanced rapidly, leading to a strong external position including rapid export growth and reserves. The country has essentially privatized farming, liberalized markets for many goods and services and intensified competition in industry while introducing modern macroeconomic management. An opportunity to see the impact that this progression in agriculture has had on China would help me to better understand the kind of legislation that needs to be passed in order to keep the system here in America up to par. I am also the Congresswoman's Congressional Black Caucus contact, which has done a lot of work with both the Chinese government and the Chinese Embassy. A visit to China would mean a deeper understanding of the relationship between China and the United States and the ways in which the two countries can help one another in the future.

This opportunity to visit China could lead to an enhanced understanding of a wide variety of policy issues. As my career progresses, I will undoubtedly have to counsel Congresswoman Moore on issues pertaining to not only China, but other parts of the world. She currently sits on the House Committee on Financial Services which has jurisdiction over international monetary policy, trade, and technology. It is through the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology that I have learned about multilateral development lending institutions such as the World Bank, coins and currency including operations of the Bureau of the Mint and the Bureau of Engraving and Printing, and international trade and finance including all matters pertaining to the International Monetary Fund and the Export-Import Bank. This trip to China would expand my knowledge of Chinese currency and trade policies. I will have a better understanding of how a piece of legislation that goes through the Financial Services Committee, or any other Committee, would affect China and its future. Most importantly I want to gain a better understanding of what major issues are most important to the Chinese and how the United States can play a part in helping the country make further advancements. I look forward to learning more about China's health concerns, military concerns, science advancements, and transportation and infrastructure, and having the opportunity to embrace Chinese culture.

Veronica Smith

Traveling to China has always been my idealized travel dream. As a Naval officer in World War II, my grandfather was stationed in China. Today I retain his travel pictures and remember the intriguing stories from his stay. Although he will never return, I have always longed to see many of the places he visited.

Not only would a trip to China be of personal interest, it would be tremendous asset to my work in the Office of Congressman Darrell Issa and future public policy and administration endeavors.

Having studied for a brief time in Brazil in graduate school, I know the value associated with viewing another country's perspectives on public policy firsthand. The value of traveling in China could be equally as rewarding. Like Brazil, China is a growing power in the world economy. The United States is increasingly relying on both countries for many resources. Through personal observation, my understanding of this growing relationship would be heightened.

China is becoming more important to Southern California, where my office's home district is located. According to Southern California businessmen, business with China is viewed as the next big influx of job creation and business development. In 2006, California exported \$9.9 billion worth of California-sourced goods to China, keeping California the top U.S. exporting state to China.

More specific to my duties as an agriculture advisor to Congressman Issa, California's agricultural export market to China is burgeoning as well. U.S. agriculture exports have tripled since 2001, boosting Southern California's specialty crop economy.

In addition to observing the growing business relationship in agriculture and other arenas, I look to gain a better understanding of the cultural influence on education. Another of my policy issue duties is education, and it is imperative that American children remain competitive with students of other nations. China's emphasis on math and science has given the "Middle Kingdom" a distinct advantage in an increasingly globalized, technology-centric world.

Because of the evolving dynamic between California and China, it is imperative that policy makers and advisors, such as myself, obtain a greater understanding of the government and culture that impacts China's decisions. The Office of Congressman Issa – particularly the constituents we represent – will benefit from this trip.

Bradford Swann

Most of my life has been spent either studying business theory in college and graduate school or reviewing business policy legislation at work. Thus, having spent such time and energy working on business related issues, it seems only natural that I should want to visit and experience firsthand what is quickly becoming the world's largest economy.

Over the past ten years, I have enjoyed watching China's economy rapidly grow and prosper. Through its increasingly market-oriented approach, China has quickly become one of the world's largest economic powerhouses. My home state of Georgia, like much of the United States, has benefited from China's growing economy. In fact, seldom a day goes by when a cargo ship doesn't arrive at one of our two ports (Brunswick and Savannah) bearing goods manufactured in China. This trade has boosted our state's economy as well as our Nation's economy. Furthermore, Georgia is home to many companies – some small and others large – that have and will continue to expand their operations throughout China and the far east, including Coca-Cola, Home Depot, and UPS just to name a few. As our business relations continue to grow between Georgia and China, so will our amicable friendships. In fact, Atlanta, Georgia, is currently competing to acquire the next Chinese consulate located in the United States. This is something that my office and the state of Georgia have been busy pursuing. As you can see, there are many reasons why I would love the opportunity to visit China this summer with the congressional delegations.

Lastly, on a personal note, my wife had the fortunate opportunity last summer to visit China. After hearing her stories and seeing her pictures, I have since dreamed of going. This experience would truly be a wonderful and beneficial adventure. Thus, I hope you seriously consider my application for the 2007 Congressional delegation.