USCPF HONORS WEN JIABAO DURING U.S. VISIT

Chinese Premier Wen Jiabao delivers remarks during the September luncheon at the Waldorf Astoria Hotel in New York. (Left) Premier Wen greets USCPF president Dr. Chi Wang. (Right) Photos courtesy of Michael Seto.

USCPF CO-SPONSORS NEW YORK EVENT FOR CHINESE PREMIER

On September 23rd, the United States-China Policy Foundation (USCPF), in cooperation with 10 other organizations, jointly hosted a luncheon in honor of Premier Wen Jiabao and his delegation during their visit to New York for the opening of the United Nations General Assembly. The event was held at the Waldorf Astoria Hotel in Manhattan, with approximately 500 distinguished guests and members of the press in attendance. Guests were drawn from the organizations’ membership and corporate sponsors, as well as from the Chinese embassy, New York consulate general and U.N. mission, current and former senior federal, state, and city government officials, and other luminaries in the China field.

The premier spoke about the tremendous importance of the Sino-American relationship for both China and the United States and outlined his goals for its continued development. Wen remarked on the significant progress in the U.S.-China relationship since his first official visit to the United States in 2003. He highlighted the increase in communication between the nations, saying: “There are now over 60 dialogues and consultative mechanisms between our two countries. The Strategic Economic Dialogue and the Strategic Dialogue have in particular played an important part in increasing strategic mutual trust between the two sides.”

Wen emphasized for China to achieve modernization and to build a strong, prosperous and democratic country, its leaders must continue to embrace policies of reform and openness. He also sought to assuage any concerns about China’s growth as a threat to the international community, saying: “China’s development will not harm anyone, nor will it be a threat to anyone. China has taken an active part in the building of the international system and will not do anything to undermine it.”

With regard to the effects of the upcoming U.S. presidential election on the U.S.-China relationship, Wen said China hopes to maintain and develop constructive relations. Continued on page 4

2008 POLICYMAKERS SEMINAR SERIES AND TRIP TO CHINA

Between May and September, the USCPF held the annual Policymakers Seminar Series and Trip to China. The program educates congressional staffers about a variety of issues, including Chinese history, economics, politics and international relations. The USCPF began recruiting congressional staffers to participate in the 2008 Policymakers program in April and in May launched the six-part seminar series by leading China scholars. Continued on page 5


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A Message from the President

As another year draws to a close for the United States-China Policy Foundation (USCPF), I would like to share a few thoughts with you.

First, I wish to express my deepest gratitude to our donors who have continued to support the Foundation this year, especially in this time of economic uncertainty and instability, including the C.V. Starr Foundation, the Freeman Foundation, Amgen, Bank of China, New York Branch, the Boeing Company, China Telecom Americas, the Coca-Cola Company, FedEx, the Hershey Company, Hong Kong Economic and Trade Office, Perot Systems, PetroChina International (America) Inc., United Airlines, and Wanxiang America Corporation. It is through the support of these organizations that the Foundation is able to maintain and expand its programs dedicated to promoting Sino-American cooperation and mutual understanding.

The current economic crisis has served as a stark reminder of the degree to which the international community has become intertwined. The tremors from Wall Street’s collapse have threatened the stability of institutions and corporations across the globe, affecting everyone from the hedge fund manager in New York to the factory worker in Guangdong. The degree of economic power controlled by the United States and China gives their actions an especially significant impact on the global economic climate. As world leaders now attempt to mitigate the effects of the crisis, it is more important now than ever to work to promote strong ties between United States and China.

As we prepare to celebrate the 30th anniversary of the normalization of diplomatic relations between the U.S. and China this December, the USCPF is especially honored to announce that Dr. Henry A. Kissinger has agreed to serve as an honorary advisor to the Foundation. Dr. Kissinger, who served as secretary of state and as assistant to the president for national security affairs, was the main architect of the historic opening of China – one of the most important achievements in Sino-American relations. With the advice and guidance of Dr. Kissinger, the Foundation will continue to expand our efforts to promote a better understanding between the countries.

The USCPF successfully conducted its annual Policymakers Seminar Series and Trip to China through the continued support of the Freeman Foundation. The program provides a small group of congressional staff the opportunity to enhance their understanding of China and bilateral relations through a series of lectures given by internationally respected China experts and a one-week educational trip to China. Upon completion of the program, participants apply their newly acquired knowledge and experiences as they make policy recommendations to our nation’s legislators. It is my belief that the Foundation’s commitment to the education of our newest generation of leaders will greatly contribute to the development of mutually beneficial and lasting ties between the United States and China. We look forward to continuing this program in the coming year.

Through our 2008 programs, the Foundation has made tangible contributions to improving American and Chinese understanding of U.S.-China relations. I hope that through the continued generosity of individual, foundation and corporate donors the USCPF can strengthen and enhance our programs.

In recent months, discussion regarding the development of the U.S.-China relationship has been overshadowed by a laundry list of issues demanding immediate action, such as the state of the economy, health care, and America’s wars in the Middle East; the urgency surrounding these matters is unquestionable and will likely dictate the short-term direction of the incoming Obama administration. Although we cannot predict the future course of Sino-American relations, what is certain is that China’s economic and diplomatic rise will continue to render the nation an important figure on the world stage. It will therefore be crucial for the next administration to recognize the importance of this vital bilateral relationship, and to continue to work with Chinese leaders to strengthen ties between the countries.

The USCPF looks forward to working with the incoming administration to improve Sino-American understanding.

Chi Wang, Ph.D.
President and Co-Chair

Dr. Chi Wang, USCPF President and Co-chair. Photo by Kaveh Sardari.
The USCPF held its 2008 Annual Gala Dinner on November 6th at the Willard Intercontinental Hotel in downtown Washington, D.C. The 2008 dinner was of particular significance as the Foundation celebrated the 30th anniversary of one of the most significant events in the history of Sino-American relations: the normalization of diplomatic relations between the United States and China.

His Excellency Zhou Wenzhong, ambassador of the People’s Republic of China, presided over the evening’s events and delivered the dinner address. Amb. Zhou began his remarks by sharing a letter from Chinese President Hu Jintao to U.S. President-elect Barack Obama. The Chinese president conveyed his congratulations to the newly elected president and expressed his hope the United States and China will continue to work together to develop strong ties, allowing the nations to more effectively address the array of problems confronting the international community.

The Honorable James Sasser, former ambassador to China and USCPF board member, and Dr. Chi Wang, president and co-chair of the USCPF, also welcomed the guests and recognized the Foundation’s sponsor corporations. Sponsors in 2008 included Amgen, Bank of China’s New York Branch, the Boeing Company, China Telecom Americas, the Coca-Cola Company, FedEx, the Hershey Company, Hong Kong Economic and Trade Office, Perot Systems, PetroChina International (America) Inc., United Airlines, and Wanxiang American Corporation. The generous contributions of these organizations allow the USCPF to continue established programs and develop new ones to promote Sino-American understanding.


Guests at the head table enjoy dinner. Photo by Kaveh Sardari.

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The U.S.-China Policy Foundation is pleased and honored to announce Dr. Henry A. Kissinger has agreed to serve as an honorary advisor to the Foundation.

As the main architect of the historic opening of China, Dr. Kissinger’s efforts have been instrumental in shaping the current U.S.-China relationship. By advocating a policy of constructive engagement toward China and seeking to integrate Beijing into the international system, Dr. Kissinger’s efforts were instrumental in creating an economic, diplomatic, and political environment in which China’s economic transformation could take place.

Dr. Kissinger’s long and distinguished governmental career includes serving as the 56th Secretary of State from 1973 to 1977; Assistant to the President for National Security Affairs from 1969 to 1975; Chairman of the National Bipartisan Commission on Central America from 1983 to 1985; a member of the President’s Foreign Intelligence Advisory Board from 1984 to 1990; and a member of the Commission on Integrated Long-Term Strategy of the National Security Council and Defense Department from 1986 to 1988.

At present, Dr. Kissinger is Chairman of Kissinger Associates, Inc., an international consulting firm. In addition, Dr. Kissinger is a member of the Defense Policy Board and serves as advisor to a number of major corporations.

Among the awards Dr. Kissinger has received are the Nobel Peace Prize in 1973; the Presidential Medal of Freedom (the nation’s highest civilian award) in 1977; and the Medal of Liberty (given one time to 10 foreign-born American leaders) in 1986.

Dr. Kissinger has published numerous books and articles on United States foreign policy, international affairs and diplomatic history. His column, syndicated by Tribune Media Services International, appears in leading U.S. newspapers and in more than 40 foreign countries.

With the advice and guidance of Dr. Kissinger, the Foundation will continue to expand our efforts to promote a better understanding between the United States and China.
Luncheon for Chinese Premier

Continued from page 1

tive and cooperative relations with the United States whoever becomes the next president.

Following his prepared remarks there was a brief question and answer period, during which the Premier addressed some of the recent concerns surrounding the safety of Chinese consumer products.

Ambassador Carla Hills, U.S. Secretary of Labor Elaine Chao, Former Secretary of State Henry Kissinger, and Mr. Gregory Brown, President and CEO of Motorola Co., also delivered brief remarks during the luncheon.

The event was organized by the National Committee on U.S.-China Relations and The U.S.-China Business Council in association with the following organizations: America-China Forum, Asia Society, Business Roundtable, China General Chamber of Commerce-USA, China Institute, Committee of 100, Council on Foreign Relations, U.S. Chamber of Commerce, and the U.S.-China Policy Foundation.

U.S.-China-Taiwan Relations: Post-Taiwan Election Roundtable

On March 25, 2008, USCPF hosted a roundtable discussion and luncheon at the National Press Club in Washington, D.C., to discuss Taiwan’s March 22, 2008, presidential elections and referenda. In Taiwan’s fourth direct presidential election, Kuomintang (KMT) candidate Ma Ying-jeou defeated Frank Hsieh of the Democratic Progressive Party (DPP), ending eight years of DPP rule.

The event began with a panel discussion moderated by the Hon. Chas W. Freeman Jr., USCPF co-chair and a former U.S. ambassador. The panelists included China experts Dr. Richard C. Bush, III, director of the Center for Northeast Asian Policy Studies at the Brookings Institution; Ms. Bonnie Glaser, senior associate with the International Security Program at the Center for Strategic and International Studies; Dr. Douglas G. Spelman, director of the Office of Taiwan Coordination, U.S. Department of State; and Dr. Robert G. Sutter, visiting professor of Asian Studies at the School of Foreign Service, Georgetown University.

Dr. Bush, whose research include China-Taiwan and U.S.-China relations, began the panel with remarks about the election and the opportunities created by Ma’s victory for improved cross-Taiwan Strait relations. Bush argued if obstacles – namely the issues raised by the question of Taiwanese sovereignty – are overcome, then the mainland and Taiwan could move forward on substantive issues.

Following Dr. Bush, Ms. Glaser focused on the probable developments in cross-Strait relations. Ms. Glaser, who has written extensively on Sino-American relations, U.S.-China military ties and cross-Strait relations, contributed her expertise to the discussion. She also noted a pre-inaugural trip to the United States by Ma could establish a precedent for future Taiwanese presidents-elect.

Dr. Spelman provided his thoughts on the U.S. perspective of the elections and its impact on future U.S. policy. He expressed pleasure with the “free and fair elections” in Taiwan and the continued desire by the United States for a peaceful cross-Strait dialogue. During his remarks, he outlined five major goals for the coming months: 1.) The United States seeks to improve its relations with Taiwan; 2.) The United States and Taiwanese military relations should become firmer and less complex; 3.) The People’s Republic of China will hopefully reduce its military posture across the Taiwan Strait; 4.) The United States seeks to continue to support

Continued on page 5
Taiwan’s participation in international organizations that do not require statehood; and 5.) The PRC and Taiwan will hopefully find ways to conduct a fruitful dialogue and achieve progress.

Lastly, Dr. Sutter addressed the regional and international position of Taiwan. He pointed to the effects, both positive and negative, China’s rise will have on Taiwan. He outlined the ‘hedging’ or contingency planning being undertaken by the United States and the global community in response to China’s rise and suggested “this hedge, if used adroitly by Taiwan, provides security for Taiwan and the opportunity to expand important international connections.”

The panelists’ remarks were followed by a lively question and answer segment. The event concluded with a luncheon at which Amb. Freeman gave a brief assessment of the current global environment and the role of Taiwan and cross-Strait relations in international affairs.

2008 PolicyMakers

Continued from page 1

An Overview of Chinese History Pre-1949
Dr. Edward McCord
Associate Professor of History and International Affairs at The George Washington University

During the first seminar of the 2008 Policymakers lecture series, Dr. McCord gave the participants a tightly compressed overview of the history of China. In order to accomplish this in such a brief time, he focused on specific events and trends throughout Chinese history to explain more current developments and the motivations behind them.

To explain much of China’s early history, Dr. McCord provided the participants with a detailed explanation of two overarching concepts providing a framework for China’s political structure and relationships with foreign powers. The first of these ideals is that of the Mandate of Heaven. The Mandate of Heaven is a traditional Chinese concept concerning the legitimacy of rulers. Introduced in the Zhou Dynasty (1122 BC - 256BC) and used by later emperors, the Mandate of Heaven was based on the idea that heaven would bless the authority of a just ruler, but heaven would be displeased with an unwise ruler and give the Mandate to someone else. This meant the right to rule was determined by virtue, and gave the Chinese people the justification to act as a mechanism for change through forms of civil disobedience or rebellion if they deemed their ruler no longer virtuous.

The second influential concept was Confucianism, a political philosophy created during the Warring States period. Confucianism sought to create a system of order through morality, which was to be achieved through education. This concept is the root of the Chinese emphasis on education that is still very much evident in current society. In addition, Confucianism defined a series of unequal relationships upon which social interaction was based. This series of relationships complemented the concept of the Mandate of Heaven by justifying the position of the ruler at the top of the social pyramid assuming he was moral and just.

China’s Domestic Political System
Mr. Lonnie Henley
Deputy National Intelligence Officer for East Asia

Mr. Henley outlined the current political structure and the political history inherited by current Chinese leadership during his June 13 seminar. Mr. Henley began his discussion by outlining the Chinese political structure under Mao Zedong and then introduced the current situation as it has evolved since 1978.

Mr. Henley then outlined the basic structure and functions of the interlocking bureaucracies that make up the post-reform Chinese political structure, emphasizing the importance of Party membership as a requirement for political advancement. Mr. Henley went on to discuss the trend toward modernization and embracing current market realities begun under Deng Xiaoping.

Deng encouraged the Chinese to revitalize the Communist Party and to learn from the failed example of the Soviets. Deng’s vision, embodied in his familiar statements to “seek truth from facts” and “to get rich is glorious,” has continued to influence the attitudes of modern party leaders as they seek to reconcile the ideological foundations of the party with the practicalities of an increasingly laissez faire economy.

Mr. Henley also suggested the increasing importance of Chinese economic success may have future implications for the legitimacy of the Party; if the economy fails and public support disappears, the regime will not be able to survive. Although the Chinese government has not raised this situation as a possibility, the CCP has taken steps in recent years to bolster nationalism and to build public support. Examples have included a crackdown on corruption and an increase in laws protecting private property. He also suggested the problems raised by state-controlled legal and media outlets are issues that will have to be addressed as China continues to develop.

Finally, Mr. Henley discussed the importance of the next few years, as they will affect the transition of leadership. The next leaders of China will be the first chosen without the oversight of a figure such as Deng Xiaoping. The transition of power to the fifth generation of leadership will be a true test of China’s system of political succession.

China’s Security Interests
Adm. Eric McVadon
Retired Rear Admiral and former Naval attaché to the U.S. Embassy in Beijing

During his June 20 seminar, Admiral McVadon discussed some of the key issues raised by Chinese defense and military modernization, including developments in the North Korea nuclear situation and cross-Strait relations.

Regarding the North Korea issue, Adm. McVadon suggested China’s role has fostered good bilateral relations, altered the security environment – including rather than excluding China – and enhanced prospects of an inclusive security framework. Adm. McVadon cautioned
the Six Party Talks remain difficult, with the outcome uncertain. He suggested this issue is wider than just the nuclear controversy, explaining even if the Six Party Talks fail, they have acted as a springboard to new regional security arrangements and have brought about a greatly improved US-China relationship that could develop into a new paradigm for cooperating.

In addressing developments in the Taiwan issue, Adm. McVadon outlined the current Sino-Taiwan-U.S. relationship and explained some of the implications Chinese security developments have on this volatile issue. Currently, McVadon observed China’s military intimidation and political maneuvering have kept Taiwan from moving toward independence and exacerbated polarization of Taiwan’s people. He believes Chinese military modernization over the last decade has been designed to defeat Taiwan quickly and thwart timely, effective U.S. intervention. McVadon briefly described the “new PLA” and its astute choice of ballistic and cruise missiles (second artillery) – weapons that are very hard to counter and that minimize direct risk to the PLA ground, naval, and air forces.

Admiral McVadon outlined the relationships and connections currently in place between China and the United States; these include various alliances, communiqués, and statements, both clear and ambiguous. The degree of communication suggests the United States and China have moved from previously provocative, almost adversarial relations to what is arguably a budding strategic partnership. Examples of these steps toward partnership include a cession of using inflammatory labels to refer to the other; a new military hot line; good personal relations between the presidents, foreign minister and secretary of state; exchange of visits by senior officials and military officers; and the effort to resolve the North Korean nuclear issue.

Looking to the future of U.S.-China relations, Adm. McVadon recommended a policy of “engaging seriously, hedging seriously.” He also suggested the role the United States chooses to play in the evolution of the security environment and the formal security architecture the Chinese defenses take will have significant implications for Sino-U.S. relations.

**China’s Economy & Trade**

**Dr. Pieter Bottelier**

Senior Adjunct Professor at Johns Hopkins University, School of Advanced International Studies (SAIS)

The seminar series continued on July 11 with a discussion of the Chinese economy and China’s trade relations led by Dr. Pieter Bottelier. Dr. Bottelier gave program participants an overview of the unique economic model used by the Chinese leadership to achieve unprecedented growth.

For almost three decades, the People’s Republic of China has enjoyed its status as the fastest-growing major nation with an average annual GDP growth rate above 10 percent. China has the second largest economy in the world after the United States with a GDP of over USD $7 trillion when measured on a purchasing power parity basis. China is expected to overtake Germany as the world’s largest exporter this year and is currently the second largest supplier to the United States after Canada. These figures and projections indicate China’s weight in the global economy is growing and will continue to expand; a recently released study suggests China’s economy will surpass the United States by 2035 and will be twice its size by mid-century. China’s rapid growth today is driven by domestic demand, not exports.

After presenting the policymakers with a general statistical profile of China’s economy, Dr. Bottelier outlined some of the reasons the marketization and reform process was so successful in China, as opposed to the Soviet attempt. Although there is no convenient textbook explanation for the road the Chinese took – in fact, they often made moves that were contrary to western conventional economic wisdom – the most vital instrument to the reform was the role played by the CCP in guiding development. Dr. Bottelier remarked the CCP was both motor and guide to the market reform transformation, and that the party under Deng had “become a completely different animal” from the Maoist structure.

Dr. Bottelier stressed the importance and value of competition within the Chinese economy. He explained competition is a pervasive quality that is an intrinsic part of the Chinese character; therefore, there is little to no collusion between firms, despite perceptions the Chinese corporate landscape is comprised of state-owned enterprises.

With regard to the Chinese financial system, Dr. Bottelier explained that although China receives a substantial amount of FDI, the bulk of the investment resources have been provided domestically. China has an incredibly high savings rate (about 50 percent) as compared to other large economies. Not only does China have enough capital saved to invest domestically, there is also enough to export to other areas of the world.

Dr. Bottelier concluded by discussing the vital interactions that take place between the Chinese political and economic sectors. He strongly emphasized the role those individuals in leadership positions have played in China’s economic success. He remarked that the high quality of China’s leaders – all of whom are extremely well prepared to execute the roles that they hold – governmental consistency and general political stability have all been vital ingredients to China’s economic success.

The government has used its resources well, and the long-term planning and development of a strong infrastructure are allowing the continuation of Chinese growth. To illustrate this point, Dr. Bottelier cited the Chinese port system as an example. Despite being the busiest port system in the world and experiencing a significant increase in annual flow, the Chinese ports still enjoy 20 percent spare capacity.

**Continued on page 7**
As a result of China’s economic growth and expansion, the Chinese people have confidence in their government. In the most recent Pugh survey, 82 percent of Chinese believe their government is “doing the right thing,” revealing the Chinese people to be the most optimistic in the world.

**China’s Leadership**

**Dr. David M. Lampton**

Dean of Faculty, Director of the China Studies Program and the George and Sadie Hyman Professor of China Studies at Johns Hopkins University, SAIS

In his lecture, Dr. Lampton strived to differentiate between the Chinese and western perceptions of their respective leaders. Although leadership figures in the United States and other such multi-party democratic systems are considered to be regular people elected to a position of responsibility, the same is not true within the Chinese system. The influence of Confucianism’s hierarchical view of society has endowed Chinese leaders with a far greater level of importance and prerogative than their western counterparts.

To illustrate this point, Dr. Lampton gave the situational example of a high ranking Chinese leader participating in a press conference: the leader may be surrounded by many subordinate advisors, but the advisors’ role in any discussion is usually similar to that of “potted plants.”

Dr. Lampton further observed the Chinese political organization is exaggerated both by the country’s Leninist tradition of democratic centralism and by the lack of a definitive legal structure. Because there is no mechanism for determining a rule of law in China’s government, all policies and courses of action are necessarily a function of what the leader decides.

Dr. Lampton spoke briefly about several individuals who have been the most influential in transforming China into the economic juggernaut emerging today. He pointed out the various tactical shifts within leadership strategy and provided a breakdown of what makes a “capable leader” in China. Although the traditional leadership concept is still very much in evidence, Deng Xiaoping’s leadership marked the beginning of a series of fundamental changes in China’s supreme leader. The core of the second generation of Chinese leadership, Deng Xiaoping stood in marked contrast to Mao Zedong by embracing a strategic worldview as a mechanism to help deal with the many social and institutional woes left over from the Mao era. Deng changed China from a country obsessed with mass political movements to a country focused on economic construction. He is generally credited with advancing China into becoming one of the fastest growing economies in the world and raising the standard of living for millions of Chinese people.

Finally, Dr. Lampton gave the participants a short profile of China’s two leaders-in-waiting, Xi Jinping and Li Keqiang, contrasting their likely approaches to ensure China’s continued growth by evaluating their respective backgrounds.

**U.S.-China Relations**

**Ambassador J. Stapleton Roy**

Former U.S. Ambassador to China

Amb. Roy presided over the final seminar in the 2008 Policymakers series on August 8, sharing his insight on various aspects of the Sino-American relationship. Born on the mainland and rising to become America’s top envoy to China, Amb. Roy was able to provide a unique perspective to the vital and complex relationship that has grown between the two nations.

Amb. Roy began his seminar by addressing possible reasons Americans struggle to find the right perspective for viewing China, suggesting conflict arises from to an inability for Americans to comprehend the vast differences in the countries’ geographic and demographics.

For years, the United States has fervently sought to transform China’s one-party system into a representative government similar to that of America. Amb. Roy, however, maintains the American system of government would be disastrous if applied to China.

If China were to adopt the American style of representative government, the first problem they would encounter would be how to size the congress. If China based district sizes on population as the United States does, the resulting congress would number over 3,000 representatives. On the other hand, if China increased district populations to have the same number of representatives as the U.S. House of Representatives, those congressional districts would be approximately the population of Singapore.

Regarding the question of whether China will become democratic, Amb. Roy contrasted China’s current situation and projected developments to the pessimistic views of China expert James Mann, author of “The Reform Fantasy.” China currently has the highest levels of optimism in Asia, with 82 percent of the population thinking the country is headed in the right direction. The economy is performing well, and although there are still various human rights violations, these have been dramatically reduced in the last few years.

From his personal experiences in Asia, Roy observed although there is nothing “automatic” about economic development eventually producing liberal democracy, the formula has worked 100 percent of the time in the past. He gave the examples of South Korea, Taiwan, Thailand, and Indonesia, saying the process simply requires time.

Amb. Roy continued by speaking about the effect of China’s emergence on international relations. He pointed out the world really has no modern experience in dealing with a powerful China. China has had about 50 years with a nation-state system, which until recently had been characterized as weak and backward. Now that China is well on its way to reestablishing itself as the Middle Kingdom, it must choose what kind of model to follow when participating in international affairs.

A domineering China could create a coalition of resistance by China’s Asian neighbors, as occurred in the case of the Soviet Union. The Chinese have carefully examined history, and because China has been extremely careful not to become involved in conflict abroad, it is likely this kind of China will not materialize. However, as China becomes stronger and its sense of self begins to change, it is probable policies also will shift.

In determining whether the United States and China can maintain a stable relationship during
this period of change, dialogue and leadership will be the most important factors. Amb. Roy raised the question of priorities; which is more important, criticizing China about its human rights record or assuring Chinese cooperation in dealing with the North Korean nuclear issue? Even though China is exponentially larger than it was in 1976, Amb. Roy observed the Sino-American relationship is 10 times better than it used to be. A stable Sino-American relationship will be achieved through an open dialogue and by welcoming Chinese to the United States. After all, Chinese students and leaders are all increasingly spending some portion of time in the west. They are exposed to religious freedom, an independent judiciary, and a free press operating as a check and return home to apply these concepts.

The successful application of these ideals will be determined by the ability to create change while maintaining stability and continuing rapid economic growth. As Amb. Roy pointed out, no Chinese leader wants end up like Soviet leader Mikhail Gorbachev, who started change and ended up losing control. However, only time will tell whether China will be added to the list of successful Asian democratic transformations.

The USCPF Hosts Capitol Hill Roundtable For NPC Delegation

On October 31, 2008, the USCPF was proud to host a roundtable discussion for members of a senior staff delegation from China’s National People’s Congress (NPC) and U.S. congressional staff members. The roundtable discussion provided an opportunity for U.S. policymakers to engage in conversation with senior staff of the NPC with the goal of increasing understanding between the United States and China.

Dr. Chi Wang, president and co-chair of the USCPF, and Mr. Peng Fang, director general of the NPC Foreign Affairs Committee, delivered brief remarks before opening the floor for discussion. Conversation focused on the current state of U.S.-China relations and how to improve them by creating more contact with China; U.S. congressional outlook toward China; examining the current economic crisis and ways in which the United States and China can work together to manage its aftermath; as well as a number of other topics.

Policymakers Trip to China

(August 31 - September 7, 2008)

In August, the USCPF took a group of 14 congressional staff members on a weeklong trip to Beijing, Shanghai, and Suzhou, where they met with Chinese officials, business leaders, lawmakers and scholars. In Beijing, program participants met with representatives from the U.S. Embassy, the Chinese Ministry of Foreign Affairs, Ministry of Commerce, and the National People’s Congress. While in Shanghai, the group met with professors and students at Fudan University, representatives of the Shanghai Stock Exchange and the Shanghai Municipal People’s Congress. The participants also had the opportunity to tour the Semiconductor Manufacturing International Corporation while in Shanghai.

After more than a decade, the USCPF Policymakers program remains unique. It is the only one of its kind that prepares participants for their trip to China by holding seminars presented by top American scholars in the China field on a variety of substantive and relevant subjects; by the time members of the delegation travel to China, they are equipped with a functional understanding of the country.

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.

(Compiled by Meghan Crossin)
U.S.-CHINA RELATIONS IN AN OBAMA ADMINISTRATION

By: Meghan A. Crossin

The emergence of China on the world stage in the last decade has presented U.S. policymakers with the daunting task of re-defining policies designed to deal with a nation once considered closed, mysterious, and even backward. China’s unprecedented growth and increasing influence on issues both domestic and foreign have complicated efforts by recent U.S. presidential administrations to develop a concrete set of policy rules when dealing with China. As the United States prepares for the inauguration of its 44th commander-in-chief, analysts in both nations have begun to speculate what shape Sino-American relations will take under an Obama administration.

Although the U.S.-China relationship was not among the issues dominating discussion on the campaign trail, President-elect Obama did give Americans a broad framework around which he will base his China policy. Obama has said he sees both opportunities and challenges for the United States and its allies in the emergence of China and has called for the United States “to take a more active role [in China] – to build on our strong bilateral relations and informal arrangements like the Six Party talks.” As president, Obama has vowed to heighten military-to-military dialogue and work to boost cooperation on shared security, energy, and environmental objectives.

President-elect Obama’s statements during the campaign indicate he probably will take a hard line with the Chinese on issues pertaining to trade and the economy. In an article for the American Chamber of Commerce in China, Obama wrote he knows “America and the world can benefit from trade with China, but only if China agrees to play by the rules and act as a positive force for balanced world growth… To increase internal demand Beijing will have to improve substantially its social safety net and upgrade its financial services sector to bring its consumption in line with international norms.”

Obama also expressed his intention to use all diplomatic avenues available to seek a change in China’s currency practices.

In response to the recent problems caused by contaminated or substandard Chinese products, Obama has pledged to collaborate with Chinese leaders to “establish a better system for both countries to monitor products produced for export and act when dangerous products are identified.”

Obama also indicates although he will not demonize China, his administration will press China to live up to international human rights standards and stop its support for repressive regimes in Iran, Myanmar, Sudan, and Zimbabwe. His message to Chinese leaders, that “China cannot stand indefinitely apart from the global trend toward democratic government, rule of law and full exercise of human rights,” suggests human rights could become a more prominent issue than in previous administrations.

With regard to the most sensitive issue facing future Sino-American relations, Obama has said he recognizes the One China Policy, but that U.S. policy is also based on Taiwan Relations Act. The Taiwan Relations Act requires the United States to help the island defend itself in the event that China moves to alter the status quo or violates the principle that all issues regarding the island’s future must be resolved peacefully, through dialogue, and be agreeable to the people of Taiwan. Obama said he would “support steps to build trust across the Taiwan Strait and improvements in relations between Beijing and Taipei.”

The importance and delicate nature of the Taiwan issue was made immediately apparent to the president-elect through a message of congratulations from Chinese President Hu Jintao. Regarding America’s military support for Taiwan, President Hu wrote “in the new historic era, I look forward to working with you to continuously strengthen dialogue and exchanges between our two countries and enhance mutual trust and cooperation on the basis of the three Sino-US Joint Communiqués, with a view to taking our relationship to a new high and bringing greater benefits to people of our two countries and the rest of the world.”

In addition to the aforementioned issues characterizing framework for Sino-American bilateral relations, the next administration will be confronted with many new challenges. Dr. Kenneth Lieberthal, senior China adviser to President Bill Clinton and a USCPF board member, said recently China was also aware the relationship would now have issues to address it had never encountered before – the financial crisis and the necessity of collaboration over global warming and clean energy issues. “The U.S.-China relationship is going to be shaped in part in the next few years by two issues that have not conditioned the relationship in the past,” he said. “Together, they are likely to significantly affect each leadership’s evaluation of the other in the coming few years.”

U.S. President-elect Barack Obama has pledged to continue to strengthen U.S.-China relations. Photo courtesy of Xinhua/Reuters.
**George W. Bush & China: Policies, Problems and Partnerships**

The U.S.-China Policy Foundation is pleased to announce the publication of George W. Bush and China: Policies, Problems and Partnership, written by USCPF President and Co-Chair Chi Wang, Ph.D. George W. Bush and China will be available in November 2008, to the public from Lexington Books, a division of Rowman & Littlefield Publishers, Inc.

The book addresses U.S. policies toward China under President George W. Bush. Dr. Wang examines the relationship between the United States and China from its tense origins to its current stability and demonstrates U.S. China policy is ultimately based on pragmatic national interests that eventually overcome short-term ideological difficulties or mistakes by inexperienced American administrations.

Briefly summarizing the China-policy legacy of Presidents George H.W. Bush and Bill Clinton, Dr. Wang then provides a review of significant developments in U.S.-China policy during President George W. Bush’s first term in office. By following with an analysis of the varied agendas of Bush’s foreign policy advisors during his second term, Dr. Wang allows his readers to trace the influence of advisors on the president’s China policy. Additionally, Dr. Wang chronicles the reordering of U.S. security priorities after September 11, showing how new challenges prompted Washington to embrace China in a measured partnership and has resulted in the short-term stabilization of U.S.-China relations.

The book will be available for purchase at retail locations and can also be ordered online at www.rowmanlittlefield.com.

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**China Forum**

Sundays, 11:30AM EST
MHz-WNVC Channel 56

In 2008, the USCPF’s weekly educational television program, China Forum, resumed production. The program broadcasts every Sunday morning at 11:30am WNVC Channel 56 throughout the Washington, D.C., metropolitan area and is devoted exclusively to discussion of topics relating to China.

Featured programs on China Forum included an in-depth discussion with the Hon. Chas W. Freeman, Jr., on the Taiwanese presidential election results, the politicization of the Beijing Olympic Games, the results of the Strategic Economic Dialogues, and recommendations for the next U.S. presidential administration’s China policy; also featured was an analysis of the U.S.-China economic and financial relationship by Congressional Research Service experts Kerry Dumbaugh, Wayne Morrison, and Michael Martin. The USCPF recorded a special episode devoted to the 2008 Olympics in Beijing.

Guests appearing on the program have included such experts as Chris Nelson, senior vice president of Samuels International, and editor of The Nelson Report; Charles Freeman III, Freeman Chair in China Studies at Center for Strategic International Studies; and Dr. Pieter Bottelier, adjunct professor at Johns Hopkins University, SAIS and senior advisor at the World Bank.

Upcoming episodes will feature discussion on the potential for the Chinese economy as a result of the global financial crisis as well as an analysis of how the results of the 2008 U.S. presidential election could affect future U.S.-China relations.

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**USCPF, CASS to Celebrate the 30th Anniversary of the Normalization of U.S.-China Diplomatic Relations**

On December 16, 1978, the Chinese and American governments simultaneously published the Joint Communiqué of the People’s Republic of China and the United States Concerning the Establishment of Their Diplomatic Relations. The establishment of the diplomatic relations marked a historic turning point in the bilateral relations of the People’s Republic of China and the United States.

To commemorate this milestone, the USCPF will co-sponsor a two-day event with the Chinese Academy of Social Sciences (CASS), which will take place in Beijing on December 15 – 16, 2008. A delegation of senior U.S. officials, scholars, and businessmen, as well as senior level Chinese ministers and government officials, will participate in the conference, which will be an essential part of Chinese official activities for the anniversary. Included among the distinguished experts planning to participate are Dr. David M. Lampton, dean of faculty and director of the China studies program at Johns Hopkins University, SAIS; Dr. Kenneth Lieberthal, China director at the Davidson Institute of the University of Michigan and visiting fellow at the Brookings Institution; Dr. Joseph Nye, Sultan of Oman Professor of International Relations, John F. Kennedy School of Government, Harvard University; the Honorable James Sasser, former U.S. ambassador to China; the Honorable J. Stapleton Roy, former U.S. ambassador to China; the Honorable Chas W. Freeman, Jr., former U.S. ambassador to Saudi Arabia; and Dr. Chi Wang, president and co-chair of the USCPF.

The conference, entitled “The 30th Anniversary of the Establishment of PRC-US Diplomatic Relations: Past, Present and Future,” will focus on U.S.-China relations in a historical progression. Projected discussion sessions will include the following subject areas: an overview of Sino-American relations since 1978; Sino-American relations under a strategic context (1980s); Sino-American Cooperation and Disputes (1990s); Sino-American Relations in 2000s: From Strategic Competitor to Stakeholder; key issues and elements in Sino-American relations and lessons learned; and the future of Sino-American relations.

CASS is the leading academic research institution in social sciences and humanities, as well as the top think tank for international studies in China. The USCPF is proud and honored to be cooperating with it as we work to improve understanding between the United States and China.
Though U.S.-China relations are currently stable, there still remains a need to foster better understanding between the two countries as debates on China continue. Support from friends, individuals and corporations interested in building relations is welcome no matter the amount. The U.S.-China Policy Foundation depends on such support to carry out its activities throughout the year!

If you wish to give a donation, please fill out the form and mail it back to us at the address below:

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If you have any questions, please call us at 202-547-8615 or email uscpf@uscpf.org.
The Washington Journal of Modern China

The Washington Journal of Modern China has resumed publication after a two-year pause with a new look and revised format and content. The emphasis is contemporary Chinese affairs, including politics, economics, military, environment, but also features less formal material such as the contents of talks presented, travel observations, new perspectives, and as before, book reviews. Manuscripts are welcomed by email at uscpf@uscpf.org.

Published twice a year, subscriptions for individuals, $24.00; institutions, $30.00. Sample issues, $12.00. Subscriptions can be made online at www.uscpf.org or sent to US-China Policy Foundation, 316 Pennsylvania Ave., SE, Suites 201-202, Washington, DC 20003.

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