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

May - August 2005

The Policymakers Delegation at the Ministry of Foreign Affairs

From left to right: Eli Hopson, Tim Petty, Amanda Farris, Dr. Ernestine Wang, Jonathan Pearl, Molly Boyl, Ashley Holbrook, Charlotte Ivancic, Jim Clarke. (Not shown: Mark de la Iglesia)
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The U.S.-China Policy Foundation has completed another successful year with the Policymakers Program. In early February, the Foundation began an intensive search 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 to select participants and to invite China scholars for the seminar portion of the program.

In May, the Foundation selected a bipartisan group of 16 Congressional staffers for the program. They then attended seminars to learn about the major historic, economic, political and social features of the People’s Republic of China. On August 6, nine staffers began a week-long trip to China to experience much of what they learned first-hand.

This year’s program of seminars brought together 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 History; Dr. David Finkelstein, senior associate, Center for Strategic and International Studies, on Security; Dr. Paul Heer, a senior CIA political analyst on China’s Domestic Politics; Mr. John Frisbee, president of the US-China Business Council Economics and Trade; Dr. David Lampton, director of Chinese studies, Johns Hopkins University, SAIS, on the Chinese Leadership; and Ambassador J. Stapleton Roy, former U.S. ambassador to China on Sino-US Relations.

In Beijing, Xian, and Shanghai, the delegation met with Chinese officials, business leaders, lawmakers, and scholars. In Beijing, meetings were held with representatives of the United States Embassy, the Chinese Ministry of Foreign Affairs (MOFA), Ministry of Commerce, the Chinese People’s Institute of Foreign Affairs, and the National People’s Congress. In Xian, the staffers visited an orphanage and a village that had held successful local elections. In Shanghai, the group met with representatives of the Shanghai Municipal Foreign Affairs Office, WTO Affairs Consultation Center, and the Shanghai Stock Exchange.

At the trip’s conclusion, the staffers unanimously concurred that the seminars and trip were an important, worthwhile experience. In fact, three of the delegation members enjoyed the experience
so much that they paid to have their tickets changed in order to stay in China an extra week!

After eight years, the program remains unique because it is the only one of its kind that prepares participants for their trip to China with seminars and lectures given by top American China scholars on a variety of subjects, including history and foreign policy. By the time staffers are ready to visit China, they are equipped with a basic understanding of the country. In most cases, the American Embassy in Beijing has been very happy to welcome our group. On many occasions, the U.S. ambassador to China also has participated in the briefing session. 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 staffs. After going through the program, participants are better prepared to provide relevant and important information to members of Congress regarding policy decisions on China.
PARTICIPANT BIOGRAPHIES

Sharon Molly Boyl
Darrel Issa (D-CA)

Molly is a Legislative Assistant to Congressman Darrel Issa of California’s 49th Congressional District.

She handles health care, education, housing and labor issues, and also House Government Reform Committee work. Molly is a 2003 graduate of the University of California, Berkeley. She began working for Congressman Issa in the fall of 2003.

Jim Clarke
Diane Watson (D-CA)

Jim serves as Chief of Staff to Congresswoman Diane E. Watson, who serves on the House International Relations Committee and the subcommittee on Asia and the Far East. Jim has been on Capitol Hill since January 2004.

Previously, he was a Field Representative in Congresswoman Watson’s district office. Prior positions include Executive Director, California Clean Money Campaign; Executive Director, So. California Americans for Democratic Action and more than fourteen years as an executive recruiter, most notably with the firm of Korn/Ferry International.

He has been active in Democratic Party politics having served as Chair, Los Angeles County Democratic Party; Secretary, California Democratic Party; and President, California Democratic Council.

Jim holds a Bachelor of Science degree from the U.S. Coast Guard Academy and retired as a Commander in the U.S. Coast Guard Reserve. He also holds a Master of Public Administration from California State University Long Beach and is a graduate of the CORO Foundation Public Affairs Fellowship. Jim is the godfather to 12-year old Nora Groves, who was adopted from China in 1994. Jim traveled with USCPF to Taiwan in March 2004 as an observer of the presidential elections.
Mark de la Iglesia  
Adam Smith (D-WA)

Mark is a Legislative Assistant for Congressman Adam Smith (D-WA), a member of both the House Armed Services and House International Relations Committees. Mark handles a range of policy issues for Congressman Smith, including foreign affairs, trade, defense/military, and veterans’ issues.

A native of Tacoma, Washington State, Mark graduated cum laude from Northwestern University in 2002 with a B.A. in Political Science.

Before beginning work on the Hill in 2003, Mark completed internships at the Washington State Legislature and at the Center for Strategic and International Studies in Washington, D.C. Mark’s personal interests include international travel, music, and volunteer work.

Amanda Farris  
Education and Workforce Committee

Amanda is a Professional Staff Member for the Majority staff on the U.S. House of Representatives’ Education and the Workforce Committee. Her primary legislative focus is on elementary and secondary education reform, implementation of the No Child Left Behind Act, and teacher quality.

Prior to joining the Education and the Workforce Committee in 2003, Ms. Farris served as a Professional Staff Member on the Senate Health, Education, Labor and Pensions Committee. During this time she staffed Senator Mike Enzi (R-WY) during Committee, floor and conference consideration of the No Child Left Behind Act and the authorization of the Institute of Education Sciences.

Ms. Farris received her Bachelor of Arts in Political Science from Western Carolina University.
PARTICIPANT BIOGRAPHIES

Charlotte Ivancic
Senator Jim DeMint (R-SC)

Charlotte is a Legislative Counsel for Senator Jim DeMint (R-SC). Charlotte is primarily responsible for health care policy and judiciary issues.

Prior to joining DeMint’s office in January, she was a health care attorney at the law firm of Reed Smith LLP where she handled Medicare/Medicaid reimbursement, fraud and abuse, and FDA regulatory issues.

Before entering law school, Charlotte worked at Children’s Hospital/Harvard Medical School as the Administrator for the Lab for Tissue Engineering and Cellular Therapeutics. This position spurred an interest in health care leading her to a health law concentration at Boston University where she received her J.D. in May 2003. She has a bachelor’s degree from Wheaton College in Norton, MA and is a member of Phi Beta Kappa and the District of Columbia Bar. She resides in Washington, D.C. with her husband of one year, Nick.

Ashley Holbrook
Senator DeMint (R-SC)

Ashley joined the office of Senator DeMint (R-SC) in March of 2005. As the assistant to the Chief of Staff and Policy Director, she has been working on education and transportation issues.

Prior to that, she worked in the White House Office of Legislative Affairs for three and a half years, focusing on non-Judicial executive nominations. She is a graduate of the University of Georgia in Athens, GA.

Elisha Hopson
House Science Committee

Eli has worked on energy efficiency and renewable energy for the House Science Committee since September 1, 2002, as a Professional Staff Member for the Subcommittee on Energy. Hopson came to the Subcommittee from the Department of Energy’s (DOE’s) Energy Efficiency and Renewable Energy Office, where he rotated between the Wind Energy, Analysis, Budget, and Technology Development offices. Hopson was a Presidential Management Intern (PMI) at DOE.

Prior to becoming a PMI Mr. Hopson received a MEng in Environmental Engineering in 2001 from MIT. In 2000, he received his BS in Environmental Engineering with a minor in music, also from MIT.
Jonathan Pearl  
Senator Christopher Dodd (D-CT)

Since December 2004, Jonathan has served as the foreign affairs, trade, and immigration Legislative Assistant to Senator Christopher J. Dodd (D-CT). From August 2002 to December 2004, he served as the foreign affairs and defense Legislative Correspondent to Senator Dodd.

Prior to that position, he worked in the office of Senator Jean Carnahan (D-MO).

He holds a Bachelor of Arts from Florida Atlantic University.

Tim Petty  
Rick Santorum (R-PA)

Tim currently serves as Director of Information Technology and Communications for Chairman Senator Rick Santorum (R-PA) where he Oversees an ambitious objective to design and implement a complete digital communication strategy in the United States Senate.

Prior to this position, as Communication Technology Manager, he Designed and developed the first-ever U.S. Senate Republican digital communication structure for providing critical data, security and architecture to Senators and Senate staff. (Chairman Connie Mack R-FL)

Before working on the hill, Tim served at the United States Department of Energy as a Senior Analyst. He also spent time with the Department of Education in Moscow, Russia as International Director of the Education Project. Tim holds a Master of Arts in Executive International Business Management from the University of Maryland University College and Bachelor of Science in Geosciences from Purdue University.
TRIP ITINERARY

Beijing

August 7 (Sunday)
14:30 Arrive at Beijing Airport via UA851
16:00 Arrive at hotel and check in
18:00 Dinner (in the hotel)

August 8 (Monday)
07:00 Breakfast
07:40 Depart hotel for US Embassy
08:00 US Embassy briefing
09:00 Depart the US Embassy
09:30 Depart for the Ministry of Foreign Affairs
10:00 Meet with relevant Ministry officials
12:00 Lunch hosted by Amb. Wang Yunxiang, Senior Vice President of CPIFA
13:30 Back to hotel
14:30 Depart hotel for the Forbidden City
16:00 Depart for Hongqiao Market
19:00 Dinner (Beijing Noodle King Restaurant)

August 9 (Tuesday)
07:30 Breakfast
08:30 Depart for the Great Wall
09:30 Tour the Great Wall
10:30 Depart the Great Wall and back to Beijing
12:00 Lunch (Cui Hua Lou Restaurant)
13:30 Depart for the Ministry of Commerce
14:00 Meet Mr. Jin Xu, Deputy Director-General; Dept. of N. American and Oceanic Affairs
15:20 Back to hotel
15:40 Depart for Silk Street
18:00 Dinner at Jiu Huashan Peking Roast Duck Restaurant

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TRIP ITINERARY

Xian

August 10 (Wednesday)
05:30 Luggage call, check out
06:00 Depart hotel for Beijing Airport
08:20 Fly to Xi’an via MU2106
10:00 Arrive in Xi’an
11:00 Arrive at Tianyu Gloria Plaza Hotel 12:00 Lunch (Western Buffet in the hotel)
15:00 Depart for the orphanage
17:00 Back to hotel
18:30 Dinner hosted by Shangxi Provincial Foreign Affairs Office
19:30 Depart for Tang Palace
20:00 Watch dance
21:40 Depart for hotel

August 11 (Thursday)
09:00 Breakfast
09:30 Depart for old city gate
10:00 Tour the gate
10:30 Depart for Terracotta Warriors Replica Factory
11:00 Visit the factory
11:50 Depart for Emperor Qing Shihuang Terracotta Warriors Museum
12:20 Lunch( Inside the museum)
14:00 Visit the museum
15:50 Visit a village nearby
16:30 Depart for the hotel
17:30 Back to the hotel
18:30 Dinner(Western buffet in the hotel)
TRIP ITINERARY

Shanghai

August 12 (Friday)
05:30 Luggage call, check out
07:10 Arrive at the airport
08:00 Fly to Shanghai via MU 291
09:50 Arrive in Shanghai
11:00 Visit Shanghai Stock Exchange
11:30 Check into Jinjiang Hotel
13:30 Meet with Shanghai Foreign Affairs Office
14:00 Visit WTO Affairs Consultation Center
15:15 Visit Zhong Xing Communications Co.
18:00 Dinner

August 13 (Saturday)
08:00 Breakfast
09:30 Depart for Oriental Pearl TV Tower
10:50 Depart for Yu Park
11:20 Tour Yu Park
12:00 Lunch
13:00 Depart for the City Planning Exhibition Center
14:25 Visit Shanghai Museum
15:40 Arrive at hotel
18:00 Dinner

August 14 (Sunday)
08:00 Breakfast
10:00 Visit Song Jiang Area
14:30 Arrive at hotel
15:00 Luggage call, check out
15:30 Depart for Pu Dong Airport
18:00 Depart Shanghai for US via UA836

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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 deep appreciation to the Freeman Foundation for their financial support for the seminars and trip. The delegation would like to thank the U.S.-China Policy Foundation for arranging the six seminar meetings and for sending Dr. Ernestine Wang to accompany team members.

The Congressional Staff Delegation would like to thank the Chinese People’s Institute of Foreign Affairs (CPIFA). The hotels and travel arrangements were excellent. In particular the delegation would like to express its sincere gratitude to Mr. Wang Jian (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.
Dr. Johnson, former Director of the East Asian Studies Program at George Washington University, presented the thesis that China can be best understood as a civilization, currently coping with the legacy of several distinct traditions, and with the tensions between and within each of these traditions. He argued that these traditions and tensions will interact with the international environment to shape the future of China. Dr. Johnson asserted that China is “a work in process” and its fate is not fixed. China’s future is malleable and depends in part on what the decisions the US makes in its increasing interaction with China. Dr. Johnson broke the legacy of Chinese political and social philosophy into two traditions:

Tradition 1 Often characterized as ‘the Chinese tradition’, this lasted from the 10th century to the turn of the 20th century. However, Dr. Johnson warned that ignoring the second, equally influential tradition, will lead to distorted analysis and overly simplistic conclusions.

Tradition 2 The tradition includes the dominant element of revolutionary nationalism as well as elements of statism and even democratization. It emerged following the first Sino-Japanese War of the mid-1890s and continues to this day.

The political and social institutions during tradition 1 were made up of the Chinese gentry. These were a certified group of ruling elite who were put in place via an extensive examination system. Consequently, the tradition was not ‘feudal’ and legitimacy was derived from merit rather than from personal connections. While there was considerable social mobility, wealthy families had the advantage of the option to hire the best Confucist scholars to prepare their sons for the rigorous examination. This examination system tied the bureaucrats directly to both a dominant philosophical legacy and to the state apparatus itself, and this led to a lack of autonomy from the emperor and a strict moral tradition. As a result, although China was by nature a bureaucratic meritocracy, the bureaucracy was completely centralized and absolute power rested with the emperor.
The strict bureaucracy of first tradition China was based on the Confucian principle of “filial piety.” This was an essential system of bureaucracy for organizing day to day life, the central tenet of which was the absolute obedience of the son to the father. This principle of absolute obedience of the “son” (the gentry) to the “father” (the emperor) led to a complete and absolute opposition to dissent. There was an extraordinarily strong alignment between the intelligentsia and the state. Dynasties were overthrown only with the participation of the gentry who then rebuilt a new dynasty using the traditional model. It was not until 1911 that a rebellion was able to break from this mold.

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.

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 (which began in the early 20th century by a group of young Chinese scholars who had studied the French and American Revolutions while abroad at Japanese Universities), 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 there effect on the shaping of China’s future is not yet known.
Dr. Finklestein discussed the People’s Liberation Army’s (PLA) modernization efforts since the late 1980s and early 1990s. He argued that despite recent reports cataloguing the expansion and improvement of the PLA’s arsenal, U.S. policy-makers must remember that war with China is not inevitable and that its military buildup is just part of a more complex picture of the PLA and its role in the PRC.

Today’s China is geographically unified (with the exception of Taiwan), relatively stable, and integrated into the global economy, but such peaceful times have not always existed. Beginning with the onslaught of colonialism during the Qing Dynasty and lasting until the beginning of the Reform Era in the late 1970s, China’s past century and a half has been anything but peaceful, but this instability have been largely reversed in the past 25-30 years. Today, China no longer fears invasion, but enjoys economic growth a prominent role in the world economy, and a cooperative relationship with other regional and world powers.

China’s remarkable transformation is not yet complete. No one can predict what type of China will ultimately emerge, nor can any external power hope to shape its emergence. The U.S. must focus its attention on the political forces operating on the Mainland. Coastal cities such as Beijing, Shanghai, Shenzhen, and Guangzhou have boomed; yet, with economic growth comes increased potential for social unrest. The emergence of China is likely as unnerving for the Communist Party (CCP) leadership as for U.S. policy-makers. The PLA may be the last institution over which the CCP maintains universally effective control.
The Gulf War of 1990 had a galvanizing effect on the PLA’s approach to reform. The goal of the PLA’s modernization became preparation for “local wars under modern technological conditions.” According to Dr. Finklestein, the two goals of the PLA modernization are to develop a military that first, is capable of defeating regional enemies and second, a credible threat able to deter international actors from attacking or interfering. In 1995, then-head of the Central Military Commission, Jiang Zemin, articulated the Two Transformations. According to this policy, the PLA must first, transform its war planning from preparation for total war to preparation for limited high-tech war and second, transform itself from a military emphasizing the quantity of its staff to one emphasizing the quality of its soldiers.

According to Dr. Finklestein, there are three pillars of modernization for PLA’s most recent reforms:

1. Hardware/weapons:
This includes the PLA’s arsenal--its weapons systems, technologies and capabilities. This pillar generally receives the most attention in Congress and in the media, whereas it is the easiest to assess. In recent years, the Chinese have been purchasing a large number of high-quality weapons from the Russians. This means (1) the Chinese are not yet capable of developing their own advanced weapons systems and (2) the US knows a lot about the capabilities of the weapons they are acquiring (given the legacy of American intelligence on Russian weapons dating back to the Cold War).

2. Operational Doctrine:
The PLA’s new doctrine is still in its incipient stages but it is the focal point of all plans for the future of the military and informs all decisions regarding training, recruitment, weapons acquisitions, organization and strategy. The PLA’s doctrine emphasizes joint operations utilizing high-tech equipment. One must remember that the US spent twenty years developing the joint operations and weapons systems displayed during the first Gulf War. At this point, the PLA’s doctrine remains in the beginning stages, but Dr. Finklestein argued that the PLA leaders are on the way to developing a very capable military.

3. Institutional and Systemic Reforms:
This third pillar is necessary to support the first two. In order to prepare for “local wars under modern technological conditions,” the PLA must recruit better educated soldiers and officers, offer better pay, and provide better training. There are a number of factors working against these reforms. First, the economic development of the East provides China’s best and brightest with more lucrative career options. Also, their parents pay the government to prevent their children from being drafted. Second, even those who are conscripted are only required to serve two years in the military. Consequently, the turnover rate is enormous, and a great deal of resources must be devoted to training new conscripts every year. Third, the PLA cannot cut its quantity to improve its quality easily without risking social unrest.
Dr. Paul Heer, Senior China Analyst at the Central Intelligence Agency, spoke to the 2005 Policymakers Seminar participants about recent trends in Chinese domestic politics. He began his lecture by passing out wall charts of the Chinese leadership. He explained that in the past holding an official post did not necessarily mean holding much political power. Throughout most of China’s communist history, political power and influence have been independent from official titles. For example, Deng Xiaoping only held relatively lowly titles, but was supreme leader of China. 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.

Despite growing institutionalization, Dr. Heer emphasized that China is still a one-party state, and 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.

Dr. Heer began an overview of the Chinese government structure by explaining the Chinese government as a function of three overlapping institutions: Party, state and military. 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), but the NPC is largely a rubber-stamp for Party policies. In fact, the Chinese government is still entirely deferential to the Chinese Communist Party (CCP). The People’s Liberation Army is a party army, not a state army, further reinforcing the CCP’s control over the government.

Nonetheless, the Chinese are making substantial economic reforms. Dr. Heer explained that the CCP is dependent on economic growth for legitimacy and that China will have to make several difficult economic changes in order to sustain its growth. Can China contain the social upheaval created by economic change? Can they sustain the “Third Way?” Dr. Heer did not guess at the long-term outcome but assured our participants that the CCP will try to hold a steady course of growing market capitalism under a one party neo-authoritarian government structure.
John Frisbie is President of the US-China Business Council. He has more than twenty years of experience in China, first working for the US-China Business Council, and then for General Electric as a negotiator, before returning to the US-China Business Council to serve as its President. The Council is a non-partisan, non-profit organization that represents the interests of more than 250 US businesses in China.

Mr. Frisbie began his discussion by clearly stating that “the US has received a square trade deal with China.” He declared that he was not a “Sinophile” or a “panda hugger” but one who has lived “in the belly of the beast.” He explained that during his tenure as a negotiator for GE, he experienced numerous obstacles that have largely disappeared today thanks to bilateral efforts on the World Trade Organization agreement as well as some of China’s own deregulation. The great “someday,” about which foreign businesses used to dream, is no longer a futuristic term but a reality. Today, it is possible for foreign businesses to make a profit in China.

He gave the following arguments as to why devaluing the Yuan will not solve the US’s trade problems or benefit its trade status with China:

1. China has continually increased its imports of US goods relative to other nations. In fact, over the past five year, imports have increased by roughly 114%, such that total Chinese trade is just behind Canada, Mexico, and then Japan, with analysts expecting Chinese trade to surpass Japanese trade by the end of the year.

2. The greatest increases in the US trade deficit did not come from the Asian region, but from

Asia’s Investment in China is Reflected in The Shift in Share Of The US Trade Deficit: The Growth in Our Trade Deficit With China is Matched By That With All Our Trade Partners
Canada/Mexico at 100 billion and the European Union at 90 billion. This is an indication that the US trade deficit is not a China specific problem but a more systemic problem.

3. The Chinese budget surplus lies at around 3%. Thus, while the nation may have a large trade surplus with the US, it has deficits with most of its neighbors. A slight budget surplus does not indicate that the nation’s currency is wildly over or under appreciated, as current advocates of a revaluation attest.

4. Reevaluation would not have a major affect on US jobs. The manufacturing industry has been in decline for the past three decades, before China even arrived on the world’s manufacturing scene. In addition, the US manufacturing sectors is not benefiting from recent tariffs on Chinese textile imports, but instead other developing nations such as Mexico and Bangladesh are stabilizing their industries.

5. US government pressure increases speculation on the yuan, such that in the event of a appreciation, subsequent capital flight could lead to a rapid depreciation of the currency, destabilizing trade, and hiking inflation rates in both the US and China.

6. A national currency is a sovereign issue for China. Even if the nation is run as an autocracy, the leaders still have to maintain general support among their citizenry. Bowing to foreign pressure to appreciate the Yuan would run counter to Chinese nationalism.

7. The Chinese economy, particularly the banking system, is still in a pre-modern stage. The banking system still has to sort through its non-performing loan crisis. Only after it has stabilized could it begin to handle the modern practices associated with a floating currency.

Mr. Frisbie also outlined the primary obstacles to US-China trade, those being Intellectual Property Rights and Market Access issues. Intellectual property right issues remain a major thorn in trade, but new progress and new setbacks have occurred. Most importantly, the Chinese economy has advanced to the point that China is realizing the need for intellectual property rights to protect its own industries. Problematically, however, by this point, the nation’s counterfeit goods have spread beyond Chinese borders to other nations. China is the number one source for all counterfeit goods which are captured when being shipped into the US. Market access issues include snags with China’s meeting its own WTO obligations, product standards, custom classifications, and distribution rights. Mr. Frisbie was careful to not however that in this area there has been major success over the past half decade.

***For additional graphs from Mr. Frisbie’s presentation, please see the appendix.
Professor Lampton is head of the graduate-level China Studies Center at the School of Advanced International Studies at John Hopkins University.

Dr. Lampton focused his talk on the change in current PRC leadership through their recent decades of reform and he hoped to surprise some of the U.S.’s perceptions of Chinese leadership with some interesting facts.

First, he explained that the quality of leadership has changed since President Deng Xiaoping first initiated reform after the leadership of Mao Zedong. He explained that new leaders are “too busy being capitalistic to fight capitalism,” and are becoming increasingly comfortable and eager for globalization. He made special note of the differences in the leadership shift between former President Jiang Zemin and current President Hu Jintao. Noting that, despite their different styles a trend in the increasing openness of the Chinese government can be seen.

He also noted that the transition between leaders was also particularly smooth, and that has meant that the Chinese government and Communist Party did not experience any halting political snafus and perhaps that has contributed to recent growth.

Next, he hypothesized that the new leadership in China, that is the transition from Jiang to Hu, was able to gain such a sizeable amount of legitimacy early on because of their approach to pressing issues that the people of China faced at the time of the transition. More specifically they: exercised swift action and handling the SARS crisis, began to rely on using a populist approach for appeal, were lucky to enter power at a time of economic growth and success.

Dr. Lampton noted that the Chinese leadership is also becoming increasingly educated. For example, in 1978 only twenty three percent of the Politburo had a college education, currently ninety two percent have. Furthermore, in 1982 only four percent of the military had had a college education, by 1992 seventy eight percent had. He noted that the shift should not be completely shocking
because China has always put a high value on education, as its culture is rooted in Confucianism, but that it was stifled during the Cultural Revolution and under Mao. The educated leadership is contributing to a better understanding of international politics and foreign relations.

He concluded his talk with the thought that the new government leadership is focused in a pragmatic and factual approach to both internal and external issues and that he thinks that the new China is one in which the United States can and should have successful relations with. The leadership is increasingly educated, interested and eager for the path for China ahead.

Upon opening the talk up for discussion and questions, Dr. Lampton was asked how China views its role in the world. Dr. Lampton explained by citing a book he had read, that China, up until 150 years ago, had consistently controlled 30% of the world GDP (since the birth of Christ) and that China had always been a hugely powerful country. Now, he explained, the Chinese feel that they are slowly returning to their “normal” place in the world, and ending what is referred to as the “50 years of humiliation.”

Next, Dr. Lampton was asked to further his comments by answering what he thought China’s place in the world was. He answered that the Chinese have an intrinsic confidence and sense of nationality and that they are extremely focused and determined to “regain” world respect through diligent and strategic domestic and international affairs. He also noted that the Chinese were in the habit of making no enemies abroad, adding that the Chinese government’s mentality is they have no room for mistakes or hostilities.

The final question was in regards to if the increase in the number of educated Chinese officials was also being seen among the populous. Dr. Lampton explained that there has been a dramatic increase since Mao and that one of the first reforms that Deng Xiaoping made was to send Chinese students abroad to the U.S. to quickly catch up with the rest of the world in terms of education. Dr. Lampton only sees the number of educated Chinese increasing in the future.
Ambassador J. Stapleton Roy was a three-time ambassador, serving as the top U.S. envoy in Singapore (1984-86), China (1991-95), and Indonesia (1996-99). In 1996, he was promoted to the rank of Career Ambassador, the highest rank in the Foreign Service. In January 2001, Ambassador Roy joined Kissinger Associates, Inc., a strategic consulting firm, as Managing Director.

Ambassador Roy identified the major trends that have affected China over the past twenty-five years. First, China has experienced unprecedented economic growth, with a simultaneous opening up. Second, this opening up has also occurred alongside political reform. This political reform has not occurred in a Gorbachev-like fashion, but has deliberately been begun by the government which has changed how it interacts with the people. A new technocratic regime focused on economic development has replaced the totalitarian regime of the Maoist years.

The ambassador believed that in the future China will certainly see the reform of the Communist Party, but he also argued that the end product may not be what the West expects. He argued that first and foremost China must have a middle class and that economic growth is a necessary precondition for a middle class to develop.

On ideology, Ambassador Roy explained that China is no longer a Marxist-Leninist state. He said that under modern Chinese theory, developed by the former Chinese leader, Deng Xiaoping, China has reversed the Soviet concept of leapfrogging capitalism by arguing that China converted to communism too fast. Thus, a century or two of capitalism is necessary to properly prepare China for its communist future. Because of this change in ideology, today China has a level of government ownership similar to France.

He pointed out that there are obvious possibilities for internal disagreement within the party. For example, while both President Hu Jintao and Premier Wen Jiabao represent interior provinces, the rest of the standing committee represents the major commercial areas of China, including Shanghai, Beijing, and Guangzhou. In determining how funds for economic
development should be spent, there is an obvious divide among those who wish to represent their urban constituencies and those who wish to represent the neglected west of China.

Roy attested that China has emerged into a new phase of development. She is no longer a child, but an adult—who is just beginning to flex her muscles. As a result, China faces new challenges, from nationalism to trade disputes to determining its place within the international pecking order.

Roy further explained that in five years, China will find itself in an even less sure situation. The US will have a new president, as will Japan. China, however, will have a leadership with thirty years of experience. Elections involving China in the US seem to follow the regular pattern of fervent China-bashing followed by collaboration post-election. Roy attributed the relatively smoother transition of Bush, Jr.’s foreign policy to the legacy handed down to him by his father. Roy argued that we may not be so fortunate in the future to have such easy transitions.

Ambassador Roy then began a discussion of military factors surrounding the recently released Pentagon report. He said first, we must put China’s situation into a historical context. In its recent history, it has had conflicts with India, Vietnam, and the US. Second, China also considers external factors such as the overall development of weapons high technology around the world, especially the US’s showing of its military prowess in Iraq. Furthermore, the US has talked of extending missile defense to China following the remarks made by General Zheng that he would “nuke the west coast” if the US came to the aid of Taiwan. Third, China’s military budget should be taken into consideration, compared to Europe’s and Japan’s, it is not particularly astounding.

Ambassador Roy finished his remarks with a call for rational thinking on China’s rise, and said that, yes, the US should and must be able to handle China’s growth.

China’s growth in contrast: a shanty town looms in the shadow of the Shanghai Oriental Pearl Tower
Trip Introduction
and Brief Remarks on Visit to the US Embassy
Jim B. Clarke

A Jade stone is useless before it is processed; a man is good-for-nothing until he is educated.
– Chinese proverb

The purpose of the staff delegation visit to China by the U.S.-China Policy Foundation (USCPF) in August 2005 was for education. However, our education began long before our trip commenced. USCPF sponsored a series of seminars and briefings on past and current China issues so we would be better informed of the history and culture of the world’s largest country which has only recently opened to the Western world. We had an opportunity to meet with former U.S. ambassadors to China; Foreign Service officers; intelligence officers; Americans doing business and promoting business in China and representatives of the Chinese government. I wish to especially commend USCPF for the time and effort to make these resources and their expertise available to us. It was time well spent and I would encourage USCPF to make it an ongoing part of all of its sponsored trips. Many thanks also to our hosts, the Chinese People’s Institute of Foreign Affairs and our in-country escorts, especially those un-named individuals who were willing to sing karaoke with us in Xi’an.

This was my second trip to mainland China in less than a year. I also had the good fortune to travel with USCPF in March of 2004 to observe the presidential elections in Taiwan. As such, I was not a neophyte about China and U.S.-China issues but felt this second trip would help me to confirm or re-evaluate my earlier observations and make some new ones based on the new locations I would be visiting. In fact, this is what I wish to focus on in this report – the old and the new.

Beijing was our first stop as it had been in my previous trip last December. As a learned scholar once said, “It’s déjà vu all over again.” We stayed

Chinese school children line up in their colorful uniforms outside of the Forbidden City
in the same hotel (though the surprising and ostentatious display of Christmas decorations was not present); ate at the same restaurants; shopped at the same stores (though I did miss the way the merchants grabbed you at the old Silk Alley) and visited the same Forbidden City (the Starbucks is still there), the same Tiananmen Square (though no Falun Gong protestors were observed) and the same Great Wall (though at a different and less crowded location). I also repeated visits to the Chinese Ministry of Foreign Affairs and had the opportunity to re-connect and exchange gifts with one of my previous escorts and repeated a visit to the U.S. Embassy, where surprisingly most of the personnel I had met with nine months earlier had been rotated out. I have great empathy for both the U.S. Embassy and the Ministry of Foreign Affairs. Because of the popularity and frequency of delegations to China, especially during the August recess, they appear to be giving non-stop briefings. (There were at least two other delegations in Beijing at the same time as us and one group joined us for our meetings with the U.S. Embassy and the Ministry of Foreign Affairs.

So all of this was very familiar and mostly reconfirmed my earlier assessments:

* China has a long and historic past which helps to shape the way it approaches current issues. Unifying the country and preventing foreign invasions.

* China has fully embraced capitalism in its economy which is on steroids in the urban Eastern cities. Over 200 million Chinese have entered the middle class though the prosperity is not evenly distributed.

* China is devouring energy at a tremendous rate which is having worldwide consequences and is impacting its foreign relations. Automobiles and air conditioners are omnipresent. Chinese officials are forming alliances with oil-rich countries in Africa and South America.

* Today’s Chinese communism is a far cry from the Marxist-Leninism model of Mao yet it still struggles to be proactive rather than reactive. One-party governance works best to deal with China’s immense problems but it still does not know how to react to rising nationalism or the Internet for example.

* The Taiwan-Chinese situation continues to dominate the US-China relationship but is just one of many complex issues such as intellectual property rights protections and enforcement, currency exchange, WTO commitments, market
access, human and religious rights and energy consumption.

Our visit to Xi’an provided an opportunity to explore the history and culture of China. While the emphasis was on the famous terracotta warriors and the Tang Dynasty pageantry, I was most impressed and depressed by the modern-day Xi’an. I had an opportunity to jog around the Old City wall and was impressed by the early morning activities taking place in the various pocket parks alongside the wall. Each section had its own distinct activity – tai chi, sword dancing, yoga, aerobics, badminton, etc. – all being undertaken by mostly senior citizens. How I wished our country had such a vital and active citizenry. Maybe our health care costs would not be so high.

Part of our visit was to a local orphanage. I was particularly interested in this as my 12-year old god-daughter was adopted from a Chinese orphanage. This one, however, did not do adoptions and as a result had not benefited from the financial largess of American families. The staff was very attentive and loving to the children but sorely lacking in resources. The orphanage was located adjacent to an open air market which reeked on the stench from rotting fruit and vegetables the residue of which had polluted the lake in a once beautiful park. It was quite sad to see the squalor knowing of the opulence in the coastal cities.

But what impressed me the most was our visit to Shanghai. While Shanghai has always had a long history of involvement with the West and Western culture, it is the poster child for the modern China. Tall skyscrapers in every direction, mag-lev trains to the airport, and a football field size model of the City showing future development plans. Our group went out to the New Market area of Shanghai one night and I felt as if we were at the Third Street Promenade in Santa Monica. There were young Chinese men and women enjoying a night on the town and all that Western culture had to offer.

In the past Shanghai was a separate city surrounded by ten rural counties. One of those was Pudong which has become a part of urban Shanghai. Another is Song Jiang or The Hope-Arising Place as described in the brochure. While a city has existed in Song Jiang (Dr. Wang lived and attended school in the Song Jiang as a child), the plans include constructing a 60 square kilometer city supporting a population of 500,000. The old city would preserve the history and culture of the area while the new city will be of European style.

Transportation access is an essential part of the future plans. The new city is adjacent
to a major highway and is linked to Shanghai by railway and light rail transit.

The plan for the district has been laid out sections. There was an industrial zone, the first of its kind at a municipal level, which has attracted 400 foreign enterprises with a total investment of 5 billion USD. Within the industrial zone is an export processing zone which ranks first in China among 38 similar export processing zones. One local computer company exported 880 million USD in equipment in one year.

Another zone is an agricultural zone which runs a pollution-free farm produce demonstration project. Another zone is the science and technology zone which has become a high-tech incubator as well as the manufacturing site for the world’s largest computer chip maker.

Most impressive, however, was the University City section. Currently there are six major universities located on site, each specializing in a particular field of study, and serving a student population of 100,000. One focuses on international studies, one on foreign trade, one on accounting, one on languages, one on engineering and science, one on politics and law, etc. The cost of tuition is subsidized by the government so that students pay about 300 USD a year to attend. Students are able to attend classes at any of the universities and can construct a personalized curriculum. How I wished we could get our act together in the U.S. and place an emphasis on education like the Chinese are doing. They really know how to make “No Child Left Behind” a reality.

We had a chance to tour a model home in the European Thames Village. It was a two-story Tudor style home with three-bedrooms, two baths, a modern kitchen and a two-car garage. Selling price was 500,000 USD. We were told it had increased in value three-fold in the last five years. My only regret was not visiting here five years ago.

So in conclusion, I was further impressed with the history and culture of China and came away with a greater appreciation of the country and its accomplishments, it was the future of China that left me in awe. The Chinese have a clear sense of where they are headed and what they need to do to get there that is lacking in the United States. Their emphasis on educational achievement is indicative of the seriousness of their efforts to make the 21st Century the Chinese Century.

I look forward to watching their progress with keen interest, admiration, caution and concern.

Morning traffic sweeps along The Bund--Shanghai’s famous stretch of Imperial era buildings along the bay
The Ministry of Foreign Affairs  
Jonathan Pearl

The US-China Policy Foundation delegation met with Mr. Xie Feng of the Ministry of Foreign Affairs of the People’s Republic of China. The following issues were discussed at that meeting: economic growth, US-China diplomatic relations, energy security, North Korea, the Chinese banking system, nuclear weapons, intellectual property rights, Taiwan, and domestic political reforms in China. The format of the meeting was that of a discussion, with opening comments by both sides, followed by a series of questions posed to the Ministry official who in turn answered these questions.

Following is a brief summary of Mr. Xie Feng’s comments on behalf of the Government of China.

• Economic growth: China’s future stability depends on its ability to maintain its current rate of domestic economic growth. From the Chinese point of view, several factors are necessary components for this continued economic success, two of the most important factors being a stable and a peaceful international environment. China believes, however, that even if current growth rates continue its GDP will not equal that of the United States for at least another 70 years; and that 100 years are needed for there to be per capita GDP parity between the countries.

• North Korea: The Chinese government supports complete denuclearization of the Korean peninsula. It is encouraged that the United States and North Korea are again engaging directly (under the framework of the six-party talks), and believes that consensus on the final goal of the six-party talks is at an all-time high.

• US-China diplomatic relations: China wants to deepen and expand its relationship with the United States, which is believes is mutually beneficial. Harmony and cooperation are China’s goals with respect to US-China relations and its relations with the international community. In particular, China believes that energy and economic concerns should be a major component of bilateral relations. China denies that it is now, or will in the near future be, a major military power. It also denies that it has any expansionist goals (defending its pursuit of Taiwan as an issue of national sovereignty).

• Nuclear weapons: China maintains a no-first-strike nuclear policy, which was promulgated in 1964. That nation’s nuclear weapons (according to the Chinese government) are strictly for purposes of deterrence.

• Intellectual Property Rights: The Chinese government opposes piracy of intellectual property
because it is harmful for the United States and detrimental to economic growth in China. China recently passed a series of laws in an attempt to improve domestic protection of IPR, however much room remains for improvement of these efforts. In particular, the idea of IPR is new to Chinese culture, and it will take some time before the concept of IPR takes hold in Chinese society.

• Taiwan: The issue of Taiwan remains a big obstacle to US-China relations, however there is some common ground; particularly that the United States supports the “One China” policy. That Taiwan should eventually be returned to China was recognized at the end of World War II, and reaffirmed with the Potsdam Declaration. China’s goal is a peaceful reunification with Taiwan, and it is willing to wait to ensure that a peaceful resolution to this situation ensues.

• China’s banking system: China’s domestic banking industry has much room for development. While much progress has been made in this area, the current state of its banking system is representative of the fact that China is still a developing country and not a developed economic power. However, progress is occurring rapidly and China hopes to correct many of the problems currently confronting its banking industry.

• Domestic political reforms: China’s goal is to foment harmony domestically, and it believes that the way to achieve this goal is by pursuing sustainable and balanced development among all Chinese regions and socioeconomic groups. China maintains that a further step towards promoting stability at home was the passage, one and a half years ago, of an amendment to the Chinese constitution, which it says constitutionally protects the human rights of Chinese citizens. To that end, China argues that its people today enjoy fuller freedom and rights than at any other time in its history.
On August 9th, 2005, the USCPF Congressional staff delegation met with Mr. Jin Xu, the Deputy Director-General of the Department of North American and Oceanic Affairs at China’s Ministry of Commerce. Mr. Jin’s emphasized: 1) the strength of U.S.-Sino relations (the U.S. is China’s second largest source of imports); 2) urged the U.S. to reduce or eliminate “trade restrictions” on China; and 3) with respect to intellectual property rights (IPR) concerns, stated that China had made a great deal of progress and urged the U.S. to “give China more time” to strengthen its IPR enforcement regime.

I asked Mr. Hu to elaborate on what China is doing to improve IPR enforcement, in light of the recent meeting of the U.S.-China Joint Commission on Commerce and Trade (JCCT), in which China agreed to specific actions on IPR. On this question, Mr. Hu deferred to an assistant who specialized in IPR issues, who proceeded to list a number of actions the Chinese government either planned on taking or were already implementing.

These included:

- increasing penalties for IPR violations, including subjecting a greater range of IPR violations to criminal investigation and criminal penalties;
- cracking down more aggressively on investigating IPR violators and prioritizing major, large scale cases and violators;
- ensuring that all levels of government are fully compliant with IPR laws; and
- launching a national public education campaign on IPR.

Another staff delegation member asked a question about whether or not China’s extensive government subsidization of industry is in compliance with China’s WTO commitments. A negotiator at the Commerce Ministry responded that this is a moot issue, because the U.S. and many other governments provide subsidies to industry as well, citing the example of U.S. government subsidies to the oil and energy industries. He concluded by saying that any concern about China’s subsidies is welcome to be brought before the WTO, but that it is not productive to make vague claims about the fact that China subsidizes industry, if there is no specific case to be made that a specific subsidy is WTO-violative.

The meeting concluded with warm comments from both delegations.
Local Village Elections
Amanda Farris

Since 1987, the Organic Law on Villager Committees in the People’s Republic of China has mandated that local village elections are held to select a committee (usually three to seven people) who will administer collective property in local villages, support economic development projects, raise funds for roads, schools, and other community projects, as well as help mediate disputes and organize social services at the local level.

Today, village elections in China occur every three years in approximately 700,000 villages, reaching 75 percent of the nation’s 1.3 billion people. These elections represent the basic elements of democratic elections such as a secret ballot, freedom of choice, a public ballot count, majority rule, and regularly scheduled elections. In fact, the Ministry of Civil Affairs has undertaken an effort to train election workers with an emphasis on assuring secret ballots.

While in China, I was selected to lead a meeting with the locally elected leader in the village outside of Xi’an to learn more about this local election process. During our visit, it was clear that the village leader and his staff took great pride in serving as an ambassador to the many Americans that have visited the village. It was not as clear, however, that the elections that have been taking place in his village since the late 1980s have had much of an impact on the daily lives of the citizens who reside there.

It was impressive to hear about the high voter participation in China (especially when compared to the relatively low turnout in elections in the United States) but it was not clear that voters had the ability to influence anything but the most low-level decision making of their government.

For understandable reasons, this meeting also gave very little insight into the role of the Chinese Communist Party (CCP) in local elections. This was disappointing in light of alleged that the CCP exerts its influence in elections by using the popular vote as a way to identify and recruit new Party members. There was also no mention that in a number of villages the office of chair and the office of local CCP secretary are filled by the same person.

While there is little doubt that many of the procedures that are considered essential to democratic elections in Western nations are often followed in local elections in China, it was not as certain what immediate impact is being felt by the citizens who are participating in these elections. Hopefully in years to come local electoral policies will assist China in making political reforms that keep pace with the economic reform that have already been so successful.
Xian Orphanage
Charlotte Ivancic

On Wednesday, August 11, we visited a “Children’s Village.” After meeting the director of the Village near the road, she walked us down a long path to the Village, a place where children of all different ages live together.

Unlike the other meetings with Chinese officials, the director of the Village only spoke Chinese, so our Chinese guide was there to interpret for us. We sat in one of the classrooms for a brief introduction to the Village. The director explained how the children come to end up at the Village and what their futures might be like upon leaving the orphanage. She explained that they are funded with private dollars only, mostly gifts from corporations and a few private individuals. Because it is not government-run, the director believes the facility is likely to be much better than government-run children’s orphanages.

I was initially confused about the distinction of “Children’s Village” vs. “Children’s Orphanage.” As it turns out, this community is more of a place for children to live than a place where children are adopted out. People can come and visit a child, or send money to “sponsor” a child, but there is no formal adoption process. As the director explained “if you like one of them, you can take him or her,” but there is no formal adoption process because the government does not have anything set up for children that aren’t “registered.” When children are born in China, they must be “registered” to receive any sort of government provided benefits or to use the legal system, which would be necessary for adoption. As a result, most of the children who live in the Children’s Village end up living there until they reach an age where they can live on their own (around seventeen or eighteen). The Village preps them to enter the workforce or to move onto higher education.

Overall, I think we all learned a great deal at the Children’s Village. Importantly, I think we all felt how lucky and fortunate we are in our own country to have certain standards that orphanages and facilities must meet. It was clear that the director and those who work with her are doing the very best they can with what they have, and I think we all felt that warmth from them. But it was a sad reality that they do not really have the resources that would be available here for the same sort of community.
MEETING REPORTS

Shanghai

Shanghai Municipal People’s Government
Molly Boyl

On Friday, August 2, 2005 our group met with Mr. Fu Jihong in Shanghai. Mr. Fu Jihong is the Deputy Director-General of the Foreign Affairs Office of the Shanghai Municipal Government. He briefed us on the huge amounts of economic development and expansion in Shanghai, and gave us an overview of the relationship between the government in Shanghai and U.S. companies doing business there.

The main points Mr. Fu touched on were related to the expansion of the city to accommodate its increased economic stature. As with any city in the midst of an economic boom, Shanghai is facing challenges with infrastructure, construction, and transportation to have the capacity for the increase in population.

Mr. Fu also discussed challenges that U.S. companies that are doing business in Shanghai face. He said the quality of healthcare and education were the chief concerns of the American families living and doing business in Shanghai. Mr. Fu did not indicate that any trade issues, specifically intellectual property rights, had been brought up concerning American or other international companies with operations in Shanghai.

Downtown Shanghai at night
Shanghai Stock Exchange Meeting
Tim Petty

Unfortunately, due to travel delays, our group did not meet with the officials. We did have a nice tour of the facilities. The following points outline the areas of questions to be discussed at the meeting with the Stock Exchange Facilities.

1) Currency and Renminbi (RMB) valuation? (Focus of Report Below)

2) Electronic Exchange strategy that Shanghai is planning for future trading

3) Import and Export trading from the past, present and future?

4) Exchange Gross Domestic Product forecast?

5) Financial Industry of Shanghai vs. Hong Kong?

6) Production in Urban Development and Urban Development Impact Report on Exchange?

7) Shanghai Exchange and Foreign Economic Relationships?

In the past, China was accused of destroying U.S. manufacturing jobs by suppressing the value of its currency, the Renminbi (RMB). Many members of Congress, disturbed by China's fast-growing trade surplus, were urging President Bush to pressure Beijing to let currency markets set the value of the RMB, also called the Yuan. U.S., European and South Asian industry leaders, government officials and bankers made similar accusations. The cheap RMB forced U.S. producers to shift production to China and buy parts there or risk being priced out of the market. The issue cuts both ways, though. Cheap Chinese goods have been a boon to American consumers. And by buying dollars and Treasury bonds, China has helped keep U.S. interest rates near historic lows. Beijing faces tough choices. A dramatic revaluation could stall its economy and stir unrest among workers who depend on low-wage factory jobs. Chinese leaders are eager to avoid rewarding companies and speculators that have bet on a revaluation by illegally bringing billions of dollars into China and converting the money to Renminbi. Therefore, President Bush failed in summer 2003, to persuade either China or Japan to quickly allow the value of their currencies to rise against the dollar, which would give U.S. manufacturers a boost as they try to sell their goods into Asian markets.

On the other side, the coercion over the RMB’s revaluation came from inside China too; under the de facto pegged exchange rate, the huge foreign currency reserves increase the base money supply, and therefore may create an inflationary tendency in the long run, and overheated bank lending in the short run. As a result, in some degree, now the Chinese government has to stand up to the macroeconomic distortion caused in large part by the excessive money and bank loan growth. China insists that its trade surplus is not the main cause of its dramatic foreign currency
reserve, and makes efforts to keep its trade surplus shrinking or at a balanced level. So it looks likely that there is no excuse of trade surplus to appreciate the RMB. But some Western opinions think otherwise. That is the tit-for-tat controversy between China and some Western countries on whether RMB revaluation could be helpful to relax the trade strains between each other. But what is the equilibrium value of the RMB exchange rate? Most scholars in the Western countries and even China itself had a tacit consensus that it is undervalued, although to varying degrees. That is why the Chinese government makes a commitment publicly that the decision mechanism of RMB exchange rate is on the track of reform.

As a matter of fact, China ended the currency’s direct peg to the U.S. dollar sooner than expected; In a historic move, Beijing announced on last July 21 it will no longer peg the RMB to the U.S. dollar, an arrangement that had been in place since 1994. China will tie the RMB to a basket of currencies instead. The move impacts bonds, regional currencies, and oil prices; the size of the move is pretty much in line with what many observers were anticipating though the timing certainly caught markets off guard. The impact of the announcement is now rippling through world financial markets. The Japanese yen and other floating currencies have jumped higher, while government bond yields have risen around the world. The U.S. dollar was hit by selling in a knee-jerk response to the decision, though it soon erased most of its losses. Meanwhile, other countries that peg their currency to the greenback appear ready to respond in kind. Malaysia has already said it is changing the peg of its currency, the ringgit, to a “managed float.” Singapore, which already uses a managed float vs. a basket of currencies, will automatically appreciate against the U.S. dollar in sympathy with the yuan and the yen. Another effect of the revaluation might be seen in the energy markets. Sources contacted by Action Economics indicate the removal of the yuan-dollar peg could lift crude oil prices significantly, as it will give China an instant discount on dollar-denominated oil imports.

The US Business Scholars welcomed the Chinese decision and suggested that the US treasury monitor China’s managed float as their exchange rate moves to alignment with underlying market conditions. But China’s decision is unlikely to satisfy calls for currency adjustment from the U.S. Congress. Indeed, the 2.1% appreciation vs. the dollar by itself will hardly make a dent in the U.S. current account deficit. It’s a good bet that calls for additional moves by Beijing will likely intensify with the approach of the September visit to Washington by China’s President Hu Jintao.
Mr. Wang Xinkui, the President of the Consulatation center, presided over the meeting.

Mr. Wang began with a brief introduction to the center and its involvement with China’s World Trade Organization (WTO) policy. He categorized China’s decision to enter the WTO as an important step to promote further opening and marketization, but one that required major restructuring. The center was established by the government of Shanghai with the realization that the government would be incapable of adapting on its own, since the major challenge would be decentralizing control of the market. The center was the first such organization in China, funded by the government but with experts from research institutions.

According to Mr. Wang, the role of the center has changed over time, but generally fits into five areas:

1. Offer independent advice on prospective laws and amendments, particularly on whether they are in line with WTO commitments. It is common practice for the center to advise on all trade related issues. Just before the meeting he was reviewing a report on government aid to businesses.

2. Report on foreign investments. The center provides an evaluation of reduction of tariffs, particularly on textile products, and follows safeguards and security measures.

3. Act as an early warning system. Experts at the center monitor export statistics to avoid trade disputes, and provides the information to the Trade Ministry

4. Provide advice on regional trade agreements

5. Maintain links to agencies, institutes and other organizations from other countries.

In response to a question about China’s progress in meeting the WTO commitments, Mr. Wang responded that the commitments are in a legal sense, completed. The laws and regulations are largely in place, but enforcement is a key challenge that remains. Part of this is due to the shift in enforcement required from central to local government in order for enforcement to be effective. Additionally, progress has to move from the developed eastern regions to the west, and from cities to rural areas. China would like to accelerate this process, but that may not be realistic. The pressure from trading partners is the driving issue, but if the shift is made too quickly there are stability concerns, and the “train falls off the track.” Timing and speed of changes are key issues. The fundamental principle of the center is to ensure that the new laws are drafted to required the WTO commitments are met, and the enforcement will follow at the appropriate time.
In response to a question about intellectual property (IP) issues, Mr. Wang gave an answer that he said he had given many times. His first point was that China had not previously had any intellectual property protection, and that China has made significant strides considering it just started twenty years ago. Because there are so many unwitting, and unknowing violators, it would be impossible to punish them all. Secondly, he felt that western companies were taking advantage of the situation, and their actions showed that they weren’t really concerned about privacy. According to Mr. Wang, western companies go through three distinct stages relating to the state of their I.P.:

1. No complaint
2. Encouraging pirating, since it aids against rivals
3. Talk to the court, but only to seek profit-sharing, not to punish or to hinder sales.

Mr. Wang then pointed out that Chinese law has been amended so that IP violations are now a 7 year penalty. He also discussed the efforts of the government to improve IP protection. The first was to strengthen enforcement. The second is to show that it is in the public’s interest, and educate the public accordingly. As one part of this, Shanghai was to begin a campaign to encourage university students to protect IP.

The session wrapped up with a few anecdotes.

He commended the U.S. antitrust case against Microsoft, and complained that his laptop is getting slower every year, because of the new software.

He reported that in the 1990’s a new CD cost a university professor one month’s salary. Now that incomes have increased, a CD is only 1/200th the average income, and only three times the cost of a pirated CD. He was also happy to point out that an American was convicted of selling 1,000’s of CDs and DVDs, and had been selling them via FedEx and UPS.

Overall, the discussion was enlightening, but limited by time, especially because of necessity of an interpreter. This is one meeting that I felt could have benefited from an extra hour.
The ZTE Corporation
Ashley Holbrook

While in Shanghai, the participants of our trip were able to visit with a representative from the ZTE Corporation. We were introduced to the company by Mr. Jacob Zha. He explained that ZTE Corporation, which trades publicly on the Hong Kong Stock Exchange and Shenzhen Stock Exchange, is China's largest telecommunications manufacturer and exporter of telecommunications equipment. ZTE has a strong worldwide presence, as exports are sent to such countries as Australia, Portugal, Romania, Pakistan, Chile and several countries in Africa. The company has three offices in the United States, with a headquarters in Dallas, Texas. Our visit to ZTE Corporation served as an excellent case study for the delegation to examine the rapid advancements China has made in the high tech industry.

Throughout our trip, much of the focus regarding trade centered on intellectual property rights. ZTE employs roughly 2,000 people and of those, nearly 70% are university educated. This is clearly a company that requires highly skilled and trained workers. While at ZTE, a company that is reliant on intellectual creativity, we were exposed to an organization in China that would benefit from strict enforcement of IPR to the same degree as many American or European companies.

In touring Shanghai, we were able to see that the people of Shanghai and its outskirts are dedicating more and more resources to the education of their citizens. ZTE Corporation, with its highly trained workforce, seemed an obvious beneficiary of this focus. One of the accomplishments our ZTE representative seemed most enthusiastic about was the strong presence ZTE will have in the 2008 Olympic Games in Beijing. There can be no doubt that a highly educated citizenry from which to choose employees will help ZTE Corporation make a lasting imprint on China and the many countries with which it does business.
Sightseeing Photographs

Beijing

In the gardens of the Forbidden City Museum, a dancer in classical dress dances with her fan.

The Delegation marches up the Great Wall outside of Beijing.

The Monument to the People’s Heroes in Tiananmen Square.
Xian

One of the excavation sites of the terracotta warriors outside of Xian

Tang Dynasty Performance in Xian
Shanghai

View of the Shanghai Pearl TV Tower

Classical and ancient examples of Chinese ceramic art in the Shanghai Museum
September 20, 2005

Dr. Ernestine Wang  
U.S.-China Policy Foundation  
316 Pennsylvania Avenue SE, Suite 201-202  
Washington, D.C. 20003  

Dear Dr. Wang,

I am writing to commend the U.S.-China Policy Foundation (USCPF) for leading an illuminating and productive Congressional staff trip to China during August 7-14, 2005. I gained from the trip a deeper understanding of the political, economic, and cultural underpinnings of the current dilemmas confronting U.S.-China relations.

As Congressman Adam Smith’s Legislative Assistant for trade, foreign affairs, and military issues, I deal with issues related to U.S.-China relations on a daily basis. Having already encountered a number of China-related policy dilemmas in the 109th Congress alone, I was eager to participate in this trip in order to understand the broader context of such dilemmas.

To that end, both the trip and the seminar series that preceded it were successes. The six 90-minute seminars, led by experienced academics, diplomats, and policy experts, provided an essential introduction for a contextual understanding of U.S.-China relations. I attended nearly every session, and in particular found the first and last seminars, on Chinese history and on contemporary U.S.-China relations, respectively, to be very helpful.

The trip itself was also worthwhile. The well-balanced agenda allowed us to engage in sufficient depth with high-level officials on policy issues, while also providing the opportunity to meet with business leaders and local civil society participants. We had the opportunity in Beijing, for example, to probe a top Commerce Ministry official about China’s intellectual property rights regime and, just two days later, outside Xi’an in inland China, to discuss China’s new local election system with the chief of a small village. This range of experiences was invaluable in helping me to understand the interplay of politics, economics, and cultural issues in China’s rapidly changing society.

Once again, I’d like to commend the USCPF on a successful educational seminar series and trip to China for Congressional staff this past August. I will certainly approach future policy issues relating to China with a greater depth of understanding. It is my hope that that enhanced understanding will, in turn, allow me to help Congressman Smith make better-informed policy decisions.

Thank you again for the opportunity, and please know that I will pass along a strong recommendation for your program to future prospective participants.

Sincerely,

Mark de la Iglesia  
Legislative Assistant  
Congressman Adam Smith (WA-09)
Dr. Ernestine Wang  
The U.S.-China Policy Foundation  
316 Pennsylvania Avenue, SE  
Suite 202  
Washington, DC 20003  

September 22, 2005  

Dear Dr. Wang,  

Thank you for the privilege of participating in the U.S.-China Policy Foundation Congressional Staff Delegation August 7 – 14, 2005. The entire experience was informational and very helpful in my position as the Director of Information Technology in the Senate Republican Conference. All aspects of the trip, from the pre-trip briefings to the travel plans and meetings with Chinese officials were done with excellence and achieved the stated objectives for the delegation. Overall receiving the highest marks.  

My personal goals were also met as a result of your thoughtful planning: i.e., a desire to increase my understanding of the Chinese government structure and policies, to develop a better understanding of China as a player in the world economy, and to learn more about Chinese government policy, communications, and technology development, but time was short.  

Before departing to China, the briefing provided a very good foundation in basic understanding of various areas of economic, military, commerce, government structure and history. The book lists for reading and review that were given to all the congressional staff was also very helpful and insightful. During our visits to the cities of Beijing, Xi’an and Shanghai, the discussions with Chinese officials were thoughtful, friendly, and insightful. I wish we could have met longer, but I fully understand that we had a schedule to keep for each city. Each interaction allowed me to observe the impressive process of China central planning, highlighting the dominant role of the central government and the minimal role of the local community. The visit to the Shanghai stock exchange and several businesses in the private sector enabled us to observe some of the multiple international companies that are actively establishing a presence, particularly in Shanghai. The afternoon meeting with a local private orphanage in Xi’an created a good understanding of how people in China want to help others and that local communities can be a part of cultural support.
I found the information and my observations in technology and communication to be particularly useful as this is my area of expertise. The perception of China as a country that incorporates and remakes technology that has already been built is true. But they also showed evidence of new product development. Our short visit at the telecom company in Shanghai developed vision and the need and importance regarding intellectual property rights for the future. I would have enjoyed a tour of their complex rather than an overview at the central exhibit of the HQ office.

My overall impression of China as a result of this delegation is that China is a fast growing nation, which is becoming an increasing economic and political force in the global arena. It is vital that Americans involved in the political, technological, economic and educational areas establish meaningful dialogs and understand this country that will continue to have an influential presence on the world stage. The crucial role that the United States – China Policy Foundation plays in bring the two nation leaders together is of highest priority. The ability to hold meetings with the different Chinese Government official clearly showed the valuable expertise that this organization (US-China Policy Foundation) brings to the table.

Thank you again for an excellent education experience that allows me to better serves my Senator who intern services the constituents of the United States.

Sincerely,

Tim Petty
Director of Information Resources and Technology
Senate Republican Conference
Chairman Senator Rick Santorum (R-PA)
405 Hart Senate Office Bldg
Washington DC 20510
September 26, 2005

Amanda L. Farris
3392 Martha Custis Drive
Alexandria, Virginia 22302

To Whom It May Concern:

I am writing to express my strong support for the U.S. China Policy Foundation’s annual Congressional staff trip to the People’s Republic of China. During the educational seminars and the trip in the summer of 2005, I learned an immense amount about the politics and culture of China that will benefit me both in my professional and personal life.

I encourage you to continue funding this worthwhile program in order to allow more Congressional staff to have access to the extraordinary resources of the U.S. China Policy Foundation.

Best regards,

Amanda L. Farris
A healthy citizenry and an effective education system are two very important parts helping to make up a productive society. All nations have the responsibility of ensuring both the health of their citizens, and the ability for those citizens to receive a comprehensive educational experience, thus paving the way for a thriving economy. Creating a healthy and well-educated population is not an easy undertaking as education and healthcare costs are significant. Most nations see healthcare and education as top priorities, however I am not very familiar with China’s policies concerning these issues.

As Congressman Issa’s Legislative Assistant who handles both education and healthcare issues, I am very interested in learning about China’s education system and its impact on the country’s economy and culture. Specifically, I have questions regarding the funding of educational institutions, the structure of the school systems and the makeup of the student population. Is China facing some of the same hurdles as the United States?

I would also like to learn more about the healthcare available to Chinese citizens, and how the government is dealing with growing costs in this area. In an age of globalization, it seems the numbers of diseases are growing, but so are the amounts of groundbreaking and effective treatments. Are pharmaceutical advances and medical findings being shared internationally?

As China continues to emerge as a global power, it may face challenges in the education and healthcare arenas that are similar to those faced by the United States. I would like to learn more about how China is addressing these problems, and to gain insight into what the country’s health and educational priorities are.

I think that firsthand knowledge of China’s health and education systems will lead to good insights into how the United States and China might be able to assist each other in facing common challenges and meeting common goals.

China presents many significant questions to the United States as to how to proceed in a number of areas. While national security is probably the most obvious, the sheer size of China makes any decision or direction taken important to the U.S., and the world. In the area where I work, energy, China’s sheer size, as a market, producer, and polluter, make China central to any discussion of future energy policy.

As an example, China’s rapid growth and large coal resources make it a major problem for any CO2 reduction scheme. Additionally, China’s growing production and use of automobiles have made it an increasing competitor for oil supplies. While the Chinese government has announced interest in renewables and efficiency standards for automobiles and buildings, the depth of the commitment is difficult to judge.

Understanding more about how the Chinese government and economy function will help me better analyze the actions and likely impact of Chinese energy policy, and ultimately to make better informed recommendations about the proper direction of Federal energy policy in the US.
Jim Clarke

This letter is to express my great interest in participating in the Policymakers Seminar & Trip to the People’s Republic of China.

I was most fortunate to be able to travel with Dr. Ernestine Wang of USCPF in March of 2004 to the Republic of Taiwan during the presidential elections. While Dr. Wang had planned a most informative series of interviews with high-ranking Taiwanese and U.S. government officials we could not have anticipated what transpired during our visit. Our delegation became immersed in the world of events with the attempted assignation of the president and vice president; an election with a 30,000 vote difference out of 13 million cast with more than 300,000 spoiled ballots; and mass demonstrations by the opposition party protesting the election outcome. These events highlighted the fragile political environment that exists in Taiwan and the impact Taiwanese politics has on cross-strait relationships with the mainland and with the United States. Throughout our experience, Dr. Wang helped us understand and assess the situation.

While I do not expect (or hope for) this fall’s trip to China to be as eventful as my trip to Taiwan, I am interested in viewing the Taiwanese situation from the perspective of the People’s Republic of China, especially in light of recent parliamentary elections in Taiwan and the PRC’s anti-secession vote. In addition, I would be most interested in visiting Shanghai to observe the explosive growth and development, both positive and negative, of a Western-style market economy. China presents both opportunities of emerging markets for U.S. products and the challenge of being a growing consumer of the world’s energy resources. Their public transportation systems seem far superior to those in the U.S., but they are also registering 5,000 new cars a day adding to an already polluted environment. And while they seem to be willing to embrace a U.S. economic model does that necessarily mean there has to be a McDonalds or KFC on every street corner? China also faces significant problems in extending the economic boom of the major cities to the rural areas. Some of this discontent has led to a decentralization of governmental planning and decision-making and the occurrence of local elections. I would be most interested in seeing these issues from a first-hand perspective.

My Member of Congress, Diane Watson, serves on the International Relations Committee and the Asia and the Far East subcommittee. As such, she becomes directly involved in issues pertaining to China and has involved me as well. I have had the opportunity to meet with the previous and current PRC ambassadors to the U.S. and the counsel-general in Los Angeles and I have attended events at the PRC Embassy. I have also met with the TECRO representatives both in Washington, DC and Los Angeles and have attended events at Twin Oaks.

From a personal perspective, I am the god-father to Nora Groves, a 12-year old girl who was adopted from China, and I participate in activities of the Families with Children from China, including a recent dinner in Los Angeles where I met the counsel-general’s wife. Fortunately, for my god-daughter and the other girls present, the counsel-general’s 12 year old son did not attend, although schedules to do so. We are looking forward to a “play date” in the near future. My god-daughter’s mother, Martha Groves, is a reporter for the Los Angeles Times and has reported on her adoption of Nora and return trip to China last July.

In enjoyed my experience with Dr. Wang and the U.S.-China Policy Foundation and appreciate the opportunity to join with you again in broadening my knowledge and appreciation of China.
Mark de la Iglesia

As Congressman Adam Smith’s Legislative Assistant for foreign relations, defense, and trade, I thank you for the invitation to participate in the Foundation’s “Policymakers Seminar and Trip Program”. John Mulligan, the Congressman’s Chief of Staff and a graduate of the program, nominated me for this unique opportunity. I believe my responsibilities for the Congressman, as well as the vital importance of U.S.-China relations to Washington State, make me well-positioned to benefit from the USCPF program.

An understanding of U.S.-China relations is an imperative for someone in my position. My boss serves on the House Armed Services and House International Relations Committees, two bodies that consistently forge legislation relating to China. On the International Relations Committee, Rep. Smith serves on the Subcommittee on Asia and the Pacific, which allows him to participate even more directly in shaping Sino-U.S. relations. Furthermore, my boss is a recognized Congressional leader on trade policy—an area that has greatly strengthened the relationship between the U.S. and China in recent years. For Washington State, in particular—the most trade-dependent state in the U.S.—the economic partnership with China is critical. Thus, whether the issue at hand is the security of the Korean Peninsula, America’s ballooning trade deficit, or the political status of Taiwan, I am in a unique position to help an influential Member of Congress shape U.S. policy toward China.

Moreover, as a legislative assistant who only recently added foreign relations and defense policy to my portfolio, this opportunity comes at a particularly opportune time for me. I am currently facing a steep learning curve on a number of new policy issues—from military acquisition regulations to foreign assistance policy. It is my hope that the USCPF’s China program will provide me with useful tools to help me climb that learning curve with respect to U.S.-China relations. I think I will benefit, in particular, from enhancing my understanding of the history behind, and the linkages between, the myriad policy issues in U.S.-China relations that are too often viewed in isolation.

Finally, as a young adult pursuing a career in international affairs and public policy, I am eager for the opportunity to broaden my understanding of such an important part of the world. Without question, this program will make me a better-informed professional, both in my current position and in my future career aspirations.

Again, I greatly appreciate the invitation to participate in this unique program. If accepted, I will commit to participating actively in each of the seminars as well as the week-long trip to China. Please know that I would be happy to provide you with any further information, such as a resume or list of references, that you may need to make your decision.
Amanda Farris

I currently serve as a professional staff member on the House Education and the Workforce Committee. My primary legislative focus is on elementary and secondary education reform, educational assessments, implementation of the No Child Left Behind Act, and teacher quality. Prior to joining the Education and the Workforce Committee in 2003, I served as a professional staff member on the Senate Health, Education, Labor and Pensions Committee. During that time, I staffed Senator Mike Enzi (R-WY) during Committee, floor and conference consideration of the No Child Left Behind Act and the authorization of the Institute of Education Sciences. I also worked in Senator Enzi’s personal office.

At the request of the State Department and World Learning I met with an educator from China earlier this year. This meeting was very interesting and enlightening. It is my understanding that China’s educational system is entering a period of reform similar to what has been occurring in the United States over the past few decades. I would be very interested in learning more about China’s educational system and how it compares to the United States’. I am also interested in learning more about China’s history, political structure and culture.

This trip would provide me with a wonderful opportunity to compare and contrast the educational systems in two vastly different nations. This comparison would be useful as the Committee on Education and the Workforce continues to examine the issues surrounding educational reform.

Ashley Holbrook

As a new Hill staffer, I am finding that immersion is the best way to learn. For this reason, I would very much like to participate in a seminar series that concludes with a trip to China. I have been with Senator DeMint just one short month, and in that month have found that a broad knowledge of other nations and cultures is a tool that offers perspective when dealing with both foreign and domestic issues back in Washington.

Prior to joining Senator DeMint’s office, I spent a little over three years at the White House Office of Legislative Affairs. I now assist a policy director who focuses largely on international trade issues. A firm grasp on US-China relations would certainly allow me to be more of an asset to him. I would look forward to learning about China’s economic system and seeing first hand how that system has affected its neighbors and the world at large. I am also assisting with education and adoption issues, both of which are major policy issues in China, as well as in the United States.

The Chinese culture is of great interest to me, as well. The way the people of one nation view those of another will greatly influence both countries’ policy decisions. Speaking with the Chinese people and their leaders will provide great insight into their view of the United States.

The combination of lectures and seminars with the chance to witness those lessons first hand would be invaluable. I would very much appreciate the opportunity to learn from this organization, because I feel it will benefit my office in the short term, as well as my future career on the Hill.
Charlotte Ivancic

I am very interested in the seminar series and subsequent trip to China because I am new to the Hill and to China policy issues. I began my career as Senator DeMint’s Legislative Counsel at the end of January 2005. Prior to coming to the Hill, I was a healthcare attorney for a Washington D.C. law firm. In only a few short months in the Senate, I have learned that a strong understanding of US-China relations would be extremely beneficial to me professionally. I work primarily on health care issues and am especially interested in learning about China’s approach to entitlements. I also handle education and adoption issues for the Senator and would like to learn more about how China handles both of these issues.

Gaining a better understanding of U.S. relations with China will help me make better-informed foreign policy decisions during the course of my career. I would greatly appreciate the opportunity to meet Chinese government officials and to be able to discuss a variety of issues with them — including entitlements, adoption, and China’s view of the United States. I would also be very interested in learning about China’s history and culture. In addition, I think I would benefit professionally from learning more about China’s economy — its strength and weaknesses — and China’s new leadership and domestic political system. I would also be interested in learning more about imports, as it seems to be an issue of increasing importance.

I believe the seminar series combined with the trip to China provides the perfect mix of education and experience. While I know that I would benefit from just the seminar series, I believe being able to travel to China and actually see so much of what I have learned would be an amazing experience and one that I would treasure for a lifetime.
Jonathan Pearl

I write to apply for the U.S.-China Policy Foundation’s 7th Annual Policymakers Seminar and Trip to China, which I believe presents an exciting educational opportunity for professionals like myself involved in issues affecting Sino-U.S. Relations. If I am selected, my participation would broaden, as well as deepen, my understanding of China’s government, economy and geopolitical aspirations. This experience, through which I would be able to meet with a diverse spectrum of representatives from China’s public and private sector, would also complement my personal interest in that country, and enhance my insight into domestic Chinese concerns and China’s role in the international arena.

The Policymakers Seminar and Trip would be an invaluable professional asset for me. In my role as Legislative Assistant to Senator Christopher Dodd, I am responsible for foreign policy, trade and immigration. I am regularly tasked with preparing briefing materials and crafting legislation about these topics for the Senator, who serves as a senior member on the Senate Foreign Relations Committee. The experiences that I hope to gain from the Policymakers program will enhance significantly my capacity to address issues pertaining to bilateral Sino-U.S. relations, as well as our shared multilateral interests. Most importantly, Senator Dodd’s longstanding involvement with issues pertaining to the Western Hemisphere, coupled with China’s intention to invest heavily in the region, make a greater understanding of Sino-U.S. issues highly relevant to my daily work.

The benefits of participation in this program are not limited to my personal fulfillment or merely attaining a greater understanding of Sino-U.S. relations. Economically, China is experiencing rapid development and modernization – both supplementing and competing with the United States economy. The manufacturing sector in Connecticut, which plays an important role in our state’s economic well-being, is among those affected by this situation. In addition, China’s holding of large amounts of U.S. reserves increases greatly the impact of China’s actions on U.S. economic stability. Developing an understanding of the Sino-U.S relationship is critically important if policymakers are to make wise decisions with respect to how to protect this stability.

From a strategic perspective as well, common threats such as terrorism, North Korean nuclear ambitions, and the potential for a nuclear arms race in the Pacific, increasingly place China at the nexus of today’s most urgent international policy debates. Therefore, given China’s growing prominence and the focus of my work in the Senate, I believe that the knowledge I would gain through this experience would also contribute to my ability to craft broader policy proposals about a diverse array of topics.

The Policymakers Seminar and Trip offers professionals like me the chance to gain intimate knowledge about important issues affecting the United States, China, and the global community. I look forward to the prospect of joining this program so that I can become better prepared to address these issues in my work in the Senate.
Thank you for inviting me to participate in this year’s US-China Policy Foundation Seminar and Trip. I look forward to the seminar series to increase my understanding of China’s government structure and policies as they engage in the 21st century. I am particularly interested in developing a better understanding of China and the Far East as players in the world economic and political arenas.

My experience in international relations started in the 1980’s as I traveled in Europe and participated in athletic competitions. This interest continued as I lived in Moscow, Russia for three years during the 1990’s, directing an office for an educational project. These experiences gave me the opportunity to enjoy learning various cultures and building lasting relationships with professional and government officials across the Euro-Asia continent. For the past six years I have been tasked by the US Senate Republican Leadership to develop a communication system that utilizes the latest technology. My goal has been to develop a strategic infrastructure that builds on the latest digital communication technology. Consequently, my Senate duties require me to stay current on broadcast communication technology, broadband policy, telecommunication policy and the latest hardware and software technologies from around the world.

My participation in this program will enable me to have a better understanding as China and the United States continue to build ongoing relationships. Specifically, I hope to learn more about China’s policy on telecommunication. My interest in digital technology and communication would also be a high priority.

Once again, thank you for allowing me to participate. I look forward to our time together over the next 6 months.
APPENDIX III: LIST OF CONTACTS

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