



THE U.S.-CHINA POLICY FOUNDATION

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

May - September, 2008



The 2008 Policymakers Delegation at the Ministry of Foreign Affairs

Delegation members (L to R): Diana White, Tonya Newman, Aaron Dowd, Bethany Eyre, Kim Fuller, Tim Aiken, Dr. Ernestine Wang, Todd Greenwood, Katy Quinn, Rebecca Mark, Rachelle Wood, Chris Kaumo, Kate MacGregor, Stephanie Williamson, Brandi Lowell

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EXECUTIVE SUMMARY

The U.S.-China Policy Foundation (USCPF) has completed another successful year with the 2008 Policymakers Program. In early February, the Foundation began the recruiting process for qualified candidates, collecting recommendations for new participants from the program's alumni and sending information about the program to the Senate Foreign Relations Committee and House International Relations Committee to recruit staffers. After receiving numerous applications and letters of interest, the Foundation began the participant selection process in late April. At that time we extended invitations to several well-known China scholars requesting their participation in the seminar portion of the program. In May, the Foundation selected a bipartisan group of 14 congressional staffers, from both the U.S. Senate and the U.S. House of Representatives, to participate in the program.

Following notification of their acceptance, participants attended a series of six lecture seminars organized on Capitol Hill. Unlike other delegations to China, which often emphasize tourism, our program emphasizes education and understanding about Chinese politics, economics, and history. The program's unique pre-trip seminar series gives participants the rare opportunity to learn directly from the nation's leading China specialists. Seminar lecturers educate participants on China's history, economic and security issues, and the current state of U.S.-China relations.

This year, the USCPF was pleased to have the following distinguished China scholars make presentations: Dr. Edward McCord, associate professor of history and international affairs at George Washington University, gave an overview of Chinese history, pre-1949; Mr. Lonnie Henley, Deputy National Intelligence Officer for East Asia, spoke about China's domestic politics; Admiral Eric McVadon, retired rear admiral and former Naval attache to the U.S. Embassy, spoke about China's security interests; Dr. Pieter Bottelier, adjunct professor at Johns Hopkins University, SAIS, and senior advisor at the World Bank, spoke about China's economy and trade; Dr. David M. Lampton, dean of faculty and director of Chinese studies at Johns Hopkins University, SAIS, spoke about Chinese leadership; and the Honorable J. Stapleton Roy, former U.S. ambassador to China, discussed U.S.-China relations.

After the conclusion of the seminar series, the participants had the opportunity to travel to China for a first-hand experience of what they had learned. On August 31, the participants departed for the week-long trip to China. The congressional staffers traveled to Beijing, Shanghai, and Suzhou, and had the opportunity to meet with numerous Chinese government officials, business leaders, lawmakers, and scholars.

In Beijing, program participants met with representatives from the U.S. Embassy, the Chinese

EXECUTIVE SUMMARY

Ministry of Foreign Affairs, the Ministry of Commerce, and the National People's Congress. While in Shanghai, the group met with professors and students at Fudan University, as well as representatives of both the Shanghai Stock Exchange and the Shanghai Municipal People's Congress. The participants also had the opportunity to tour the Semiconductor Manufacturing International Corporation in Shanghai.

Upon their return to the United States, this year's participants reflected on their time in China, expressing how much they enjoyed the experience. Not only did the delegation members feel more knowledgeable about China, but they also felt better equipped to provide relevant and accurate information to members of congress regarding policies on China.

After over a decade, the USCPF Policymakers program remains unique. It is the only one of its kind that prepares participants for their trip to China by holding seminars presented by top American scholars in the China field on a variety of substantive and relevant subjects; by the time members of the delegation travel to China, they are equipped with a functional understanding of the country. The program's success is well-known on Capitol Hill among those involved in the China field and has been praised by members of congress and their staff.

PARTICIPANT BIOGRAPHIES



Timothy Aiken
Rep. Jim Moran (D-VA)

Born in 1960, I have lived a greater part of my life in Northern Virginia. I attended local schools and completed a Bachelor of Arts at Middlebury College in Vermont with a degree in biology and minors in Italian and history.

Opting to stay in Vermont for the summer of my senior year, I secured an internship with the Town of Middlebury. The resignation of the town manager and most of the senior staff gave me an opportunity to assume a greater level of responsibility and delve into local land use and planning issues. I authored an evaluation of the town's greenspace preservation program that was expiring and subject to public approval for renewal. The preservation program was extended another 10 years.

A series of internships in Washington, D.C. and enrollment of George Mason University's masters program for public administration led to a Governor's Fellowship with the Commonwealth of Virginia. Upon completion of the fellowship, I secured a position in the Governor of Virginia's Washington Liaison Office. The office is responsible for monitoring federal actions and working with the Virginia congressional delegation on the state's legislative priorities. I left the office as Deputy Director, having served 3 separate governors under a period of 5 years.

In 1991, I accepted a position with Rep. Jim Moran, who represents portions of Northern Virginia, where I have worked as a legislative aid, appropriations associate staff and currently as legislative director. From these positions, I have worked to advance the Congressman's legislative agenda including securing authorizations and funding for dozens of transportation, economic development, affordable housing and environmental restoration initiatives and at the national level worked to advance free trade agreements, hospice and palliative care programs, affordable housing reforms and preserving national environmental and conservation programs.

Along the way, I married the lovely girl I shared coffee with most mornings while working in the cafeteria at college, bought a home in Arlington, Virginia and have two daughters who continue to make me proud of their achievements.

PARTICIPANT BIOGRAPHIES



Aaron T. Dowd
U.S. Senator Chuck Hagel (R-NE)

Aaron T. Dowd is Special Assistant to Senator Chuck Hagel of Nebraska, and previously served as Deputy Political Director and as a Deputy Legislative Assistant. A resident of Washington, DC, Aaron earned undergraduate degrees from Marquette University in Political Science and Marketing.



Bethany Eyre
Rep. Dan Burton (R-IN)

I attended Northwest University and received my bachelor's degree in intercultural studies and Biblical Studies. As a part of my degree I was able to travel abroad in Latin America and to study the structure of communist/socialist governments in the Latin context. I had the unique opportunity to visit Cuba with my student group and see the workings of a Communist nation with my own eyes. The experience influenced me to look at issues with a comprehensive and careful perspective.

Upon graduation I relocated to Washington with my husband and began my career working on Capitol Hill for Congressman Dan Burton. I pursued Representative Burton's office because of my love for international relations and his work on the House Foreign Affairs Committee. The longer I work on Capitol Hill, the more I respect those who are able to take in information and come up with a working solution. I have been responsible for issues relating to Asia and the Pacific for the past year and have worked closely with the Indonesia Caucus that Rep. Burton co-chairs.

When I am not at work, I spend my time exploring DC with my husband, who is English, and volunteering at church. I thoroughly enjoy reading memoirs.

PARTICIPANT BIOGRAPHIES



Kim Fuller
Rep. Gregory Meeks (D-NY)

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

Ms. Fuller has been with the office of Representative Meeks since his first term in office in 1998. With a real interest in the development of Health Innovation and Technology for the betterment of the world's community, particularly the most marginalized in society, Ms. Fuller has worked to craft a health related legislative agenda that strives toward strengthening medical advances both in the United States and abroad.



Todd Greenwood
House Committee on Oversight and Government Reform

As a native of Washington, DC and the son of two career DOD employees, one could easily say I was born with an innate interest in government and international affairs. While there were some doubts at first (I attended a science and technology magnet high school), such interests did prevail. While attending Bowdoin College in Brunswick, Maine I majored in government. My specific concentration wound up being comparative politics due to my international inclinations. My more mathematical background expressed itself in the form of an equally intense interest in economics. During my third year I studied international relations and economics in the Law Faculty of the University of Salamanca in Spain.

Upon graduating from Bowdoin College in 2004 I went to work at the House Government Reform Committee, where I had interned for two summers during college. While most of my time was spent on administrative duties, I did manage to incorporate myself into work on many hearings with an international flavor, including one on international respect (or lack thereof) for US intellectual property that focused on China. *(Continued on page 9)*

PARTICIPANT BIOGRAPHIES

(Continued from page 8)

After approximately a year and more irate calls and letters than I could handle for a while, I returned to school at the Johns Hopkins School of Advanced International Studies to get a Masters in International Relations. I spent my first year at SAIS' campus in Bologna, Italy and the second here in DC. I concentrated on public sector economics and international trade. While at SAIS I served as a teaching assistant for the international trade theory course.

When my SAIS education ended in 2007 I took a temporary position as an election observer for the OAS in Guatemala. After the election I returned to what was now the House Oversight Committee since I was offered the opportunity to work on foreign affairs, national security, and homeland security issues as a professional staff member.



Christopher Kaumo
Rep. Raúl M. Grijalva (D-AZ)

Born and raised in Wyoming, I graduated from the University of Wyoming in 1997 with a Bachelor of Science in Electrical Engineering. In 1998, I moved to Phoenix, Arizona, to work for Honeywell Avionics, helping to design flat-panel displays for the Boeing 777. In 1999, I moved to Tucson, Arizona, where I formed my own engineering company. From 1999-2002, I did contract work for companies such as Intel, Bell+Howell, and Software and Systems Engineering.

Although employed in the engineering field, I had always been involved in politics at a local level, working on various campaigns and initiatives through the years. When Mr. Grijalva decided to run for congress in 2002, I was more than happy to dedicate my time fully to his campaign. After winning the 2002 election, I came to DC with the Congressman, where I was first employed as a Legislative Assistant. I have been his Legislative Director since 2005, a position in which I oversee the Congressman's legislative agenda on a day-to-day basis.

PARTICIPANT BIOGRAPHIES



Brandi Lowell
Rep. Lincoln Davis (D-TN)

Born in September of 1978, Brandi Lowell considers Franklin, Tennessee home but also has roots in Indiana, Ohio, California and her current residence in our Nation's Capital, Washington, D.C.

Brandi Lowell pursued a Bachelor of Arts Degree at the University of Tennessee, Knoxville and graduated Magna Cum Laude in May of 2001. Brandi's studies included a major in Political Science with a focus on Latin America, and a minor degree in Spanish. Upon graduation in 2001, Brandi moved to Washington, D.C. to secure an internship with former-Representative Bob Clement (TN-5), taking great interest in his foreign affairs portfolio, having served on the House Committee on International Relations prior to taking a leave of absence to serve as a Ranking Member of another committee. Having never traveled overseas, the quest for knowledge and participation in foreign affairs was a lofty goal but one of determination.

The first opportunity for engagement in foreign policy came only after taking a position with newly inaugurated Representative Lincoln Davis (TN-4) in 2003. Invited by the Taipei Economic and Cultural Representative Office in the United States (TECRO), Brandi made her first voyage overseas to the nearly the furthest region from home- Asia by way of Taiwan. It was this trip that provided the genesis of Brandi's deep interest in U.S. – Sino relations (and the complex issue of Taiwan that often accompanies it).

The initial journey to Taiwan in 2003 spawned a great desire to travel and absorb as much about foreign policy and cultural exchange as possible. Along this road Brandi met her future husband, also deeply interested in foreign affairs. In fact, Brandi's husband has been accepted by the U.S. State Department as a Foreign Service Officer and he will begin training this Fall with a world-wide post to be assigned within six to eighteen months afterwards. With numerous U.S. Embassies, Consulates, and Diplomatic Missions abroad in China, Brandi and her husband hope to have the opportunity to engage directly with the Chinese government and its people.

PARTICIPANT BIOGRAPHIES



Katherine MacGregor
Rep. Thelma Drake (R-VA)

Kate MacGregor is currently serving as U.S. Congresswoman Thelma Drake's (VA-02) Legislative Assistant, and has been with the office since January of 2007. In this capacity, Kate oversees all foreign affairs, trade and commerce, energy, immigration, science, environment, agriculture, labor and workforce, judiciary, and veterans issues for the Congresswoman. Kate also serves as the Congresswoman's staff for the Congressional Human Trafficking Caucus.

Prior to working for Congresswoman Drake, Kate worked as a Legislative Assistant from 2005 to 2007 for Alcalde & Fay, a small government affairs firm located in Arlington, Virginia. Kate provided research and support for clients in the fields of defense, education, and municipalities.

Kate is a graduate of the University of Pennsylvania (2004) with a double-major in Classical Studies and American History. During her study, Kate participated in the study-abroad program at the University of St. Andrews in Scotland, where her coursework included Latin, Ancient History, and Medieval History. At the University of Pennsylvania, she was also named MVP of the Varsity Women's Rowing Team.

Kate has lived in the D.C. area since 2005 and outside of work, continues her interest in rowing and triathlons.



Rebecca Mark
Rep. Gwen Moore (D-WI)

I am currently a Legislative Assistant for Congresswoman Gwen Moore (WI-4), where I handle a host of issues, including Urban Economic Development, the Small Business Committee, Judiciary, Health, Education, and Earmarks.

Prior to coming to Washington in the summer of 2007, I completed a Masters Degree in Urban Planning at the University of Michigan with a concentration in community, housing, and economic development. I also received my Bachelors degree from UM in Political Science and Environmental Studies. *(Continued on page 12)*

PARTICIPANT BIOGRAPHIES

(Continued from page 11)

I gained a deep appreciation for traveling and seeking new cultures from my parents, who both volunteered for the Peace Corps in the early 1970s before they were married (my dad went to Nepal, my mom to Benin). When they settled down in rural Michigan, we hosted multiple year-long exchange students from Japan, as well as several foreign visitors from their time in the Peace Corps. My family is middle class through and through – growing up we loved to travel together but never went abroad, and a vast majority of my time out of Michigan involved loading up the family RV and heading West.

During my college summers I enjoyed hopping into my '89 Cutlass Oldsmobile for new work adventures – I spent one summer as a white water rafting guide in the Mountains of Colorado, and another working at tourist trap in the middle of nowhere in South Dakota. I obviously appreciated my academic coursework; however, it is by working next to people without health insurance, or meeting small time farmers concerned about annual water distributions, which truly shaped my political ideology. I suspect that the same will hold true with a program such as this.

It is also important to note that I am an avid Ultimate Frisbee player, and throughout college organized several cross country trips for the 40+ participants of the University of Michigan's two women's club teams. In short, when traveling with a group I have a deep appreciation for going with the flow and making sure that I'm on time.

In closing, I foresee myself working in for the Federal Government for several years to come. Given China's increasing influence on US policy, I know that this program will provide participants willing to take full advantage of the opportunity with an invaluable knowledge bank for their future policy work.



Tonya Newman
Sen. David Vitter (R-LA)

I serve as the Deputy Chief of Staff to U.S. Senator David Vitter. In this position, I advise the senator on legislation and policy and manage special projects involving the senator's communications and legislative staff to ensure progress toward the senator's legislative and communications goals. I began working on Capitol Hill six years ago as then-Congressman David Vitter's Communications Director and small business and health care Legislative Assistant. During the senator's 2004 campaign for the U.S. Senate, I was promoted to Chief of Staff in his U.S. House of Representatives office. *(Continued on page 12)*

PARTICIPANT BIOGRAPHIES

(Continued from page 12)

During my time as a staffer in the U.S. Senate, I planned and participated in a 2006 Congressional Delegation trip to Iraq and visited Kuwait, Baghdad and Tikrit with the group. In 2005, I planned and participated in multiple Congressional Delegation trips to visit hurricane damaged areas after Hurricanes Katrina and Rita hit Louisiana. I also served as the senator's legislative director for two and a half years.

Prior to working in Washington, D.C., I worked at Harris, DeVille and Associates, a Louisiana-based public relations firm specializing in issues management. There I specialized in strategic communications planning and legislative issues management. I created and implemented public relations strategies for trade associations and corporate and nonprofit clients addressing issues ranging from public policy initiatives to product and industry perceptions.

Prior to joining HDA, I worked as a reporter and editor for newspapers and magazines. I have presented research at the Public Relations Society of America's national conference and had an article published by the International Academy of Business Disciplines. I graduated cum laude from Louisiana State University with a Bachelor of Arts in Journalism, and I hold a Master of Mass Communication in Public Relations.



Katherine Quinn
Rep. Adam Smith (D-WA)

Katherine Quinn is a Legislative Assistant for foreign policy for Congressman Adam Smith, a member of the House Foreign Affairs Committee. She graduated from the University of Puget Sound in Tacoma, WA with a bachelor's degree in International Political Economy and is pursuing her master's degree in International Affairs at the Elliott School of International Affairs at The George Washington University. During college, Katy spent 5 months studying the European Union while based out of Freiburg, Germany. Katy came to Washington, DC as an intern for Congressman Smith in 2005 shortly after graduating from the University of Puget Sound. She spent the prior summer/fall training for a marathon, working for the Bellingham City Council, and interning with the People for Patty Murray campaign. She has worked for Congressman Smith since 2005 but left the office for a short time to work for Congressman Harry Mitchell, a new member from Arizona. Katy has traveled extensively and has a strong interest in development policy and foreign aid.

PARTICIPANT BIOGRAPHIES



Diana White
Rep. Christopher Shays (R-CT)

Diana White is a graduate of Central Michigan University with a B.S. in Psychology. Prior to moving to Washington, she was the partner in a small business in Michigan for 9 years. After moving to Washington, Diana served as a staff assistant in the office of Congressional Liaison, at the U.S. Environmental Protection Agency during the George H.W. Bush Administration.

Currently, she serves as an Administrative Assistant in the office of Rep. Christopher Shays (R-CT-4) and has been in the position for twelve of the past fifteen years. Diane is married to Pat White, Vice President for Federal Relations, Association of American Universities.



Stephanie Williamson
Rep. Howard L. Berman (D-CA)

Stephanie has worked as a legislative assistant for Congressman Howard L. Berman since February 2006. Her current legislative portfolio includes the budget, business and economic policy, education, environment, energy, health, housing, social security, taxes, and veterans. She also handles appropriations requests and serves as a member of the Los Angeles Congressional Delegation's working group.

Before working on Capitol Hill, she served as an intern for Gov. Schwarzenegger's Washington, DC office working on public health policy; she has also worked as the Communications Director for an anti-initiative campaign in CA's 2005 special election. She holds bachelor's degrees in Psychology and Economics from the University of California, Los Angeles; she also spent a year as an exchange student at the University of Sydney in Sydney, Australia. Her particular focus at Sydney Uni. was Southeast Asian development economics; her coursework included in depth analysis of Malaysia, Singapore, Thailand, and Indonesia. She also enjoyed a course in modern Chinese history, which complimented her learning about Southeast Asia. She followed her studies with travel through Singapore and Malaysia; her plans to travel to China were thwarted by the SARS outbreak. *(Continued on page 15)*

PARTICIPANT BIOGRAPHIES

(Continued from page 14)

Off the Hill, Stephanie serves as the treasurer for the DC Bruins (UCLA's local alumni club chapter), plays league bocce and softball, and enjoys jogging and riding her new bicycle along Washington's many trails. She is a member of the Women's Information Network and its book club, a certified SCUBA diver, and an avid traveler and backpacker. She hopes to climb Mt. Kilimanjaro with her father at the end of this year.



Rachelle Wood
Rep. Eliot L. Engel (D-NY)

I was born in 1982 in Willmar, MN, population 18,000, which is considered to be a relatively large town in west-central Minnesota. The first years of my life were spent on a family farm with my parents and older brother, Josh, before my family moved into Willmar and my youngest brother, Alex, joined the family.

I attended public schools and graduated in 2000 from Willmar Senior High School which is a small school that incorporates several of the small farming towns nearby into its student population. I then attended college at the University of Minnesota in Duluth, MN where I majored in political science and made the Dean's list. I then transferred to the University of Maryland in College Park, MD where I continued to study government and politics and graduated in 2005 with a Bachelor of Arts. I put myself through school by working such jobs as hotel customer service representative, waitress, and bartender, all of which enhanced my formal education.

My first job on Capitol Hill was as an intern for Rep. Eliot L. Engel of New York and was soon after hired as the staff assistant for the office. I truly enjoy learning about the constituents of his district and learning how many of their ideas and concerns were similar to those of my friends and family in the Midwest. One year later I have been promoted to be a legislative assistant for Rep. Engel and hope to continue working for Congress in the future. I enjoy many activities outside of work such as playing softball and kickball with friends and also running. I have completed several road races including a half-marathon and a full marathon for which three friends and I raised \$11,000 for the Whitman-Walker Aids Clinic in Washington, D.C.

TRIP ITINERARY

Beijing

September 1 (Monday)

13:55 Arrive at Beijing international airport via UA897
15:50 Check into Diaoyutai Hotel
18:00 Dinner at Hotel
Evening Free time

September 2 (Tuesday)

07:15 Leave hotel for the U.S. Embassy
08:30 Embassy briefing
10:00 Meeting at Ministry of Foreign Affairs with Mr. Deng Hongbo, Deputy Director General of American and Oceanan Department
11:30 Meet with Hon. Ma Wenpu, Vice Chairman of NPC Foreign Affairs Committee
12:00 Luncheon hosted by the Hon. Ma Wenpu
14:30 Meeting at the Ministry of Commerce with Mr. Jin Xu, Deputy Director General of the Commercial Counselor of American and Oceanian Department of the Ministry of Foreign Affairs
15:30 Depart for the Great Hall of the People
16:00 Tour the Great Hall of the People
16:30 Working Session with NPC staff
17:20 Dinner at Quanjude Restaurant hosted by Mr. Peng Fang, Director General of the NPC Foreign Affairs Committee
Evening Visit Qianmen Square (newly renovated)

September 3 (Wednesday)

8:00 Leave for the Great Wall

TRIP ITINERARY

9:20 Visit the Great Wall
10:10 Return to Beijing
11:20 Lunch at the Hotel
13:30 Leave for Forbidden City
14:00 Visit Forbidden City
15:30 Depart for Silk Market
16:00 Shopping
19:00 Dinner at the Hotel

September 4 (Thursday)

7:30 Luggage call and check-out
8:00 Leave hotel for airport
9:30 Fly to Shanghai via flight CA1519
11:40 Arrive in Shanghai
12:10 Check into Regal International East Asia Hotel
12:30 Lunch at Hotel
14:00 Depart for Fudan University
14:45 Meet with students and professors from Fudan University
14:45 Meeting and banquet with Mr. Yao Mingbo, Secretary General of the Standing Committee of Shanghai Municipal People's Congress

September 5 (Friday)

7:30 Breakfast at the Hotel
9:30 Visit Semiconductor Manufacturing International Corporation
11:00 Meeting with People's Congress of Pudong New Area
11:45 Depart for Oriental Pearl TV Tower
12:15 Lunch in the Tower's 267m high revolving restaurant
13:00 Tour Oriental Pearl TV Tower
14:00 Visit Shanghai Stock Exchange

TRIP ITINERARY

15:15 Tour Yuyuan Gardens
16:00 Shopping
19:00 Dinner at Lubolang Restaurant

September 6 (Saturday)

Morning Depart for Suzhou
Noon Meeting and luncheon with Suzhou Municipal People's Congress
Afternoon Visit Suzhou Classical Garden
Evening Return to Shanghai

September 7 (Sunday)

8:00 Breakfast at the Hotel
10:30 Visit Shanghai Urban Planning Exhibition Museum
12:00 Lunch at Hotel
13:30 Depart for Meglev Train Station at Longyang Road
14:20 Ride Meglev Train
15:00 Arrive at Shanghai Pudong International Airport
15:55 Depart for USA via UA836

MAP



Maps showing the trip from the US to Beijing; to Shanghai; to Suzhou in Jiangsu Province; before returning to the USA

ACKNOWLEDGEMENTS

The 2008 Policymakers delegation would like to express their deep appreciation to the Freeman Foundation for providing financial support for the seminar series. The delegation would also like to thank the U.S.-China Policy Foundation for arranging the six seminar meetings and the trip to China.

The delegation would like to thank the National People's Congress (NPC) for arranging the meetings and travel in China. The meetings and appointments with government officials arranged by the NPC resulted in many lively discussions and the opportunity to exchange views with our Chinese colleagues. In particular, the delegation would like to express its sincere gratitude to Second Secretary Bai Dandan of the Embassy of the People's Republic of China for accompanying us throughout the trip.

Upon their return to the United States, the members of the delegation were each asked to compile a short summary of a particular meeting. These reports detail the nature of the meeting and what was discussed, as well the participants' impressions of the exchange of views that occurred. These reports are personal and do not necessarily reflect the views of the U.S.-China Policy Foundation, its board members or staffers.

LECTURE SERIES

An Overview of Chinese History: Pre-1949

Dr. Edward McCord

May 23, 2008

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

•Early Chinese History:

One of the most important concepts influencing China's political structure and relationships with foreign powers is that of the mandate of heaven. The mandate of heaven is a traditional Chinese sovereignty concept of legitimacy used to support the rule of the kings of the Zhou Dynasty and later the Emperors of China. Heaven would bless the authority of a just ruler, but Heaven would be displeased with an unwise ruler and give the Mandate to someone else. The right to rule was determined by virtue; the Chinese people acted as mechanism for changing the mandate through forms of civil disobedience if they deemed that their ruler no longer virtuous.

The second influential concept was that of Confucianism, a political philosophy created during the Warring States period of Chinese history. The goal of Confucianism was to create a system of order through morality; morality in turn was to be achieved through education and learning from the past. This concept is the root of the Chinese emphasis on education that is still very much evident in the current society. Confucian doctrine also established a series of hierarchical relationships to determine how one should behave – ie, what is virtuous, and what is one's duty toward various individuals? This series of unequal relationships fit quite nicely with the concept of the mandate of heaven; the recipient of the mandate, assuming he remained a benevolent ruler, would naturally be at the pinnacle of the hierarchy, with all subjects duty-bound to be obedient.

Dr. McCord also briefly summarized the establishment of Chinese governmental structure. The Qin dynasty was responsible for the elimination of feudalism in favor of a centralized bureaucracy; the Han dynasty adopted Confucianism as the official Chinese philosophy and developed a comprehensive system of civil service exams to determine suitability for service in various levels of the government. The civil service exams further underscored the role that education played in Chinese society, establishing it as the only legitimate means by which official status was obtained.

•Implications of historical tradition for recent/current foreign relations:

The second portion of Dr. McCord's lecture focused on the influence that the aforementioned traditional beliefs hold on the recent and current Chinese foreign policies.

One of the key reflections Dr. McCord emphasized was how Confucian dictates govern the development of relationship between China and other states. Given both that the hierarchical system of relationships decrees that there can be no true equality, – one party is always slightly superior- China has always been unable to accept equality in foreign relations. This idea is reflected in the “tribute system,” where foreign states would send gifts or tributes to the Chinese emperor before being granted an audience. The importance of these tributes is evident by the consistent bilateralism in Chinese relationships with foreign states. Pressure from the West forced China to abandon the long-established tribute system in the nineteenth century, signifying a distinct reversal in international status. Treaties ending the Opium Wars compelled China to become a subordinate of the West. China was no longer able to enforce directives within domestic borders, never mind maintain their standing as an international power. The ensuing humiliation endured by the Chinese people became the basis for modern Chinese nationalism; China is still very sensitive to Western slights and remains distrusting of old enemies. Direct correlations can also be made from the nineteenth century treaties to China’s handling of Hong Kong and Taiwan.

LECTURE SERIES

China's Domestic Political System

Mr. Lonnie Henley

June 13, 2008

Mr. Henley spoke to the Policymakers participants on June 13, 2008. During his seminar, Mr. Henley outlined the current political structure on the Chinese political system and the political history inherited by Chinese present leaders. Mr. Henley began his discussion with an outline of pre-reform Chinese political system.

•1949 -1979, China under Mao:

After the end of the Chinese Civil War in 1949, the Chinese Communist Party (CCP), under the leadership of Mao Zedong, undertook a comprehensive campaign to extend the Party's influence into every aspect of Chinese society and culture. During the first thirty years of the People's Republic of China, the CCP regularly launched mass mobilization campaigns that interfered in the daily lives of every citizen.

Mr. Henley pointed to the infamous Great Leap Forward movement as an example of the party's pervasive influence throughout China. In 1958, Mao launched the Great Leap Forward in an attempt to greatly expedite domestic economic development and to close the gap between China and the more economically and industrially developed countries. Mao's theory was that rapid development of China's agricultural and industrial sectors should take place in parallel by fully utilizing the country's natural and labor resources. Citizens responded to his call by forming "backyard furnaces" into which they threw their pots and pans and all their metal possessions in an effort to produce steel. However, the product was weak and useless. In addition, efforts to increase agriculture production failed as tried and true agricultural methods were abandoned in an effort to increase production. Under pressure to succeed, local officials over-reported grain production. As a result of over-reporting, the CCP extracted increasing amounts of grain from the countryside to sell abroad. The increased grain extraction was compounded by droughts. In the end, the effect was not the hoped for leap in development, but rather starvation which killed as many as 30 million.

Although the efforts of the Great Leap Forward were centralized primarily in the countryside, urban Chinese were also directly affected. The CCP moved to assert its control in the cities by nationalizing all organizations, companies, and service sectors. In the new structure all services (employment, housing, education, medical care, marriage and divorce, the one child policy) were regulated by one's work unit, or danwei. The challenge, therefore, inherited by Deng Xiaoping in 1979 was how to grow out of Maoism and its planned economies without following the pattern of collapse set by the former Soviet states.

•Structure of the Chinese Government:

Mr. Henley then outlined the basic structure and functions of the interlocking bureaucracies that make up the post-reform Chinese political structure, emphasizing the importance of Party membership as a requirement for political advancement.

•Communist Party (CCP): The Chinese Communist Party's 73-million membership makes it the biggest political party in the world. The CCP is an elite group made up largely of government officials, army officers and model workers, although business people are also increasingly being invited to join its ranks.

•Politburo: Every significant decision affecting the Chinese people is first discussed and approved by a small group of individuals. The 24-member Politburo is elected by the party's central committee. Much of the real decision-making power lies with its nine-member standing committee, which functions as a kind of inner cabinet.

•National People's Congress (NPC): China's 1982 constitution states that the most powerful organ of state is the NPC, China's parliament. The congress is comprised of nearly 3,000 delegates elected by China's provinces, autonomous regions, municipalities and the armed forces. Delegates hold office for five years, and the full congress is convened for one session each year. About 70% of current NPC delegates are also party members.

The NPC's main function is to elect a central committee of about 200 full members and 150 lower-ranking or "alternate" members." In turn, the central committee's main job is to elect a new politburo and its smaller standing committee.

After an overview of each entity, Mr. Henley went on to discuss the trend towards modernizing the CCP to embrace current market realities, which was begun under Deng's guidance. Deng encouraged the Chinese to revitalize the Communist Party and to learn from the failed example of the Soviets. Deng's vision, embodied in his familiar statements, to "seek truth from facts," and "to get rich is glorious," has continued to influence the attitudes of modern party leaders as they seek to reconcile the ideological foundations of the party with the practicality of an increasingly laissez faire economy.

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

Finally, Mr. Henley discussed the importance of the next few years as they will affect the transition of leadership. The next leaders of China will be the first chosen without the oversight of a figure such as Deng Xiaoping. The transition of power to the 5th generation of leadership will be a true test of China's system of political succession.

LECTURE SERIES

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

June 20, 2008

In his address to the policymakers on June 20th, Admiral McVadon discussed some of the key issues raised by Chinese defense and military modernization, including the developments in the North Korea nuclear situation and cross-Strait relations. He also suggested that the role the U.S. chooses to play in both the evolution of the security environment and formal security architecture that the Chinese defenses take will have significant implications for future Sino-U.S. relations.

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

•North Korea and Six-Party Talks (6PT):

China's role in the North Korean issue has fostered good bilateral relations, altered the security environment—including rather than excluding China—and enhanced prospects of an inclusive security framework.

Admiral McVadon cautioned that the 6PT remain difficult, with the outcome uncertain. He suggested that this issue is wider than just the nuclear controversy, explaining that even if the 6P talks fail, they have acted as a springboard to new regional security arrangements and has brought about a greatly improved US-China relationship, which could develop into a new paradigm for contending and cooperating. China has acted as both the host and the broker for these discussions, although reluctant to impose sanctions. McVadon explained that their reluctance stemmed from a fear of potential collapse, chaos, and loss of leverage in North Korea if they pressed too hard and “broke the lever.” The US remains the most concerned about proliferation, while China gives priority to stability and economic ties and growth. McVadon observed that some groups within US remain concerned about warming ROK-China ties, especially in light of tensions in US-ROK alliance; he reminded the policymakers that this relationship need not be a zero-sum game and that North Korea had lost importance as an anachronistic “buffer state.”

•Taiwan:

Admiral McVadon outlined the current Sino-Taiwan-U.S. relationship and explained some of the implications that Chinese security developments have on this volatile issue. Currently, McVadon observed that China's military intimidation and political maneuvering has both kept Taiwan from moving

toward independence and exacerbated polarization of Taiwan's people. He believes that Chinese military modernization over the last decade has been designed to defeat Taiwan quickly and thwart timely, effective US intervention. McVadon briefly described the "new PLA," and its astute choice of ballistic and cruise missiles (second artillery)—weapons that are very hard to counter and that minimize direct risk to the PLA ground, naval, and air forces. These new additions include new DF-31A ICBMs to complement older DF-5As; SRBMs & MRBMs, LACMs, submarines with ASCMs (submerged-launch) from Russia and indigenous development and production.

With regard to US arms sales to Taiwan, McVadon maintains that although Beijing makes no secret of their displeasure, Taiwan is buying very little, and what they are purchasing is costly and ineffective. Furthermore, the non-confrontational policy embraced by the new Taiwanese president, Ma Ying-jeou suggests relaxed tensions in the region for the near future.

•Shaping and China:

As China continues to modernize its security forces and increases its presence and influence in the region, McVadon asserts the need for transparency on both sides and for the US to make clear its vastly superior military status. As to the perils of escalation McVadon recommends a policy of "engaging seriously, hedging seriously." He says that shaping is best seen as a reciprocal practice. For example, US being inclusive of a more responsible China with regard to the N. East Asian security concept and China using honey instead of vinegar in its Taiwan policy. He asserts that shaping won't reverse modernization of PLA, and that shaping will not make China a democracy in the American model. Although China and the US will continue to contend on many issues, including military and security, there is the remarkable opportunity to promote new levels of cooperation. McVadon says that it is conceivable that the U.S. and China will become partners on the high seas, in space, in science and technology, and, of course, continue to be partners in culture, trade, and other economic endeavors. What might cooperation of this sort between the world's richest and most powerful nation and the world's most populous nation produce in 10 years, 20 years, 50 years, or a century from now?

LECTURE SERIES

Economics and U.S. - China Trade

Dr. Pieter Bottelier

July 11, 2008

In his lecture, Dr. Bottelier's gave policymakers an overview of the unique economic model used by the Chinese to achieve their unprecedented growth. Dr. Bottelier began by explaining the fundamental principles of the post-Maoist formula that was founded by Deng Xiaoping, illustrating through statistics and examples the various successes of the model. He then went on to speculate the reasons that the economy is so successful, and then finally to discuss the vital interactions that take place between the Chinese political and economic sectors.

•Statistical Analysis

For almost three decades, the People's Republic of China has enjoyed its status as the fastest-growing major nation with an average annual GDP growth rate above 10%. China has the second largest economy in the world after the U.S. with a GDP of over USD \$7 trillion when measured on a purchasing power parity (PPP) basis. China's nominal GDP in 2007 measured USD \$3.42 trillion in exchange-rate terms, which is about 25% of the U.S. economy. (Purchasing power parity (PPP) is a theory which states that exchange rates between currencies are in equilibrium when their purchasing power is the same in each of the two countries. Conversely, nominal GDP is defined as a gross domestic product (GDP) figure that has not been adjusted for inflation. It can be misleading when inflation is not accounted for in the GDP figure because the GDP will appear higher than it actually is.)

China is expected to overtake Germany as the world's largest exporter this year, and is currently the second largest supplier to the U.S. after Canada. These figures and projections indicate that China's weight in the global economy is growing and will continue to grow; a recent study that was released has suggested that China's economy will surpass the United States' by 2035 and will be twice its size by mid-century. China's rapid growth today is driven by domestic demand—not exports. It is the largest recipient of foreign direct investment (FDI) in the world, with investment by the U.S. only accounting for a small percentage (about 8-9%); other Asian countries are the largest investors, followed by Europe.

Although there are still large wealth gaps between China's richest and poorest citizens, it is notable to observe that China has dramatically reduced the percentage of people living below the poverty line. Dr. Bottelier made the observation that although China and India are often grouped together when referring to rapidly developing nations, the comparison does not hold up when poverty statistics are taken into account. (China has about 80 million people who are impoverished, as compared to hundreds of millions in India.) China stands as the largest contributor of the reduction of world poverty. Furthermore, China has a much larger economy, a better infrastructure, and about ten times more trade with the U.S. as compared to India.

•Explaining China's Success

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

In the 1970's and 1980's, Deng's economic strategy was to give people incentives rather than relying on pure nationalism or coercion. Economic modernization began in the countryside with de-collectivization in agriculture. Slowly the modernization balance began to shift towards the urban areas. The privatization of state-owned enterprises (SOE's) was not on the Chinese agenda until much later in the process; the government wanted to maintain state ownership of enterprises as long as possible so as to make sure that the reforms were working. Between various joint ventures, collectives, and private domestic and foreign enterprises, the size of the private economic sector in China now greatly exceeds that of the public economy. Currently, only about 1000 enterprises have been kept under state control, and these operate under strict commercial principles.

Since the mid-1990's, these SOE's have generally been modern, efficient, and profitable; they are overseen by a control agency that evaluates the performance of each manager and grades their efficiency using a system of financial incentives for the managers. Foreigners have even been allowed to run many Chinese SOE's. There is no more “iron rice bowl”; it has become very politically acceptable to lay off workers for the sake of efficiency and profitability. Furthermore, Dr. Bottelier stressed the importance and value of competition within the Chinese economy. He explained that competition is a pervasive quality that is an intrinsic part of the Chinese character; therefore, there is little to no collusion between firms.

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

The 2001-2002 reforms of the financial system opened the Chinese banking system through a series of significant changes. With the exception of the Agricultural Bank of China, all the major banks are now incorporated and publicly listed. They are run with modernized accounting systems and have undergone comprehensive review to ensure personnel efficiency. Although there is still de facto protection of state-owned banks, it is no longer automatic. (A non-performing loan cannot simply be off-loaded on the state.) Additionally, 50% of state bank lending is going to non-state borrowers.

•Political/Economic Interactions

Dr. Bottelier strongly emphasized the role that those individuals in leadership positions have played in

China's economic success. He remarked that the high quality of China's leaders—all of whom are extremely well prepared to execute the roles that they hold—governmental consistency, and general political stability have all been vital ingredients to China's economic success. The government has used the resources available to it very well; the long term-planning and development of a strong infrastructure is allowing the continuation of Chinese growth. To illustrate this point, Dr. Bottelier cited the Chinese port system as an example. Despite being the busiest port system in the world and experiencing a significant increase in annual flow, the Chinese ports still enjoy 20% spare capacity. As a result, the Chinese people have confidence in their government; in the most recent Pugh survey, 82% of Chinese believe that their government is “doing the right thing.” The study indicates that Chinese people are currently the most optimistic in the world.

LECTURE SERIES

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

July 25, 2008

In his lecture to the participants, Dr. Lampton strived to differentiate between the Chinese and western perceptions of their respective leaders. Although leadership figures in the United States and other such multi-party democratic systems are considered to be normal people who have been elected to a position of responsibility, the same is not true within the Chinese system. The traditional influences of Confucian culture and a hierarchical view of society have endowed Chinese leaders with a far greater level of importance and prerogative than their Western counterparts. To illustrate this point, Dr. Lampton gave the situational example of a high ranking Chinese leader participating in a press conference; the leader may be surrounded by many subordinate advisors, but the advisors' role in any discussion is usually similar to that of "potted plants."

There have been exceptions to this practice, notably Zhao Ziyang (Premier of the People's Republic of China 1980-1987, General Secretary of the Communist Party of China 1987-1989) who frequently had younger officials debate an issue before weighing in with his opinion, but these leaders are exceptions who break with the usual pattern. Dr. Lampton further observed that the Chinese political organization is exaggerated both by the country's Leninist tradition of democratic centralism and by the lack of a definitive legal structure. Because there is no mechanism for determining a rule of law in China's government, all policies and courses of action are necessarily a function of what the leader decides.

•Leadership strategy and China's most influential figures

Dr. Lampton spoke briefly about several of the individuals who have been most influential in transforming China into the economic juggernaut that is emerging today. He pointed out the various tactical shifts within leadership strategy and provided a breakdown of what makes a "capable leader" in China.

Although the traditional leadership concept is still very much in evidence, Deng Xiaoping's leadership marked the beginning of a series of fundamental changes in the role played by China's supreme leader. The core of the second generation of Chinese leadership, Deng Xiaoping stood in marked contrast to Mao Zedong by embracing a strategic worldview as a mechanism to help deal with the many social and institutional woes left over from the Cultural Revolution and other mass political movements of the Mao era. Deng changed China from a country obsessed with mass political movements to a country focused on economic construction. He is generally credited with advancing China into becoming one of the fastest growing economies in the world and raising the standard of living for millions of Chinese people.

Deng was able to rise to such an elevated level within the party by being subservient to Mao, a pattern repeated by most aspiring leaders in China. In contrast to Mao, who had never been outside the Communist world, Deng traveled abroad, studying various foreign political and market systems that would later be the basis of his development strategy. Deng's daughter recounted to Dr. Lampton how her father would

observe the increasing wealth of other Chinese-speaking nations and ask “why is it that Chinese people are getting rich everywhere but China?” The emphasis that Deng placed on learning the nature of the world and how to steer China in the right direction created a strong precedent for future leaders. Furthermore, scholars wishing to study China’s leadership must increasingly expand their focus from the traditional “supreme leader” and include other individuals, which increasingly include those in positions of corporate leadership.

Dr. Lampton also warned the policymakers against underestimating the abilities of China’s leaders, drawing parallels between the unimposing backgrounds of such figures as Jiang Zemin (General Secretary of the Communist Party of China 1989-2002, President of the PRC 1993-2003), Zhu Rongji (Premier of the PRC 1998-2003), and Hu Jintao, current president of China. Despite being relatively obscure figures within the party, all were able to quickly consolidate power and far exceed the expectations set for them by the West. Furthermore, Lampton pointed out that roles considered by Westerners as non-traditional paths to power, such as acting as a translator, were held by many of China’s most capable leaders.

•China’s next generation of leaders

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

The son of a very famous Chinese revolutionary, Xi Jinping currently serves as the China’s Vice-President, the top-ranking member of the Secretariat of the Communist Party of China, Principal of the Central Party School, the 6th ranked member of the Politburo Standing Committee, and is in charge of the 2008 Olympics in Beijing. Xi’s political experience consists of positions in China’s wealthy coastal region, including Fujian and Zhejiang provinces, and later as party chief in Shanghai. Xi believes that it is the wealthy people who will be able to drag China’s poor out of poverty and into prosperity in a kind of trickle-down effect.

In contrast, Li Keqiang has spent considerable time in the Chinese countryside and has focused on eliminating poverty through grassroots efforts. Li is credited with leading economic development in the central Chinese province of Henan and transforming the poor inland region into an attractive area for investment. Currently, Li serves as China’s Executive Vice-Premier of China and the 7th ranked member of the powerful Politburo Standing Committee.

•Other issues

Following his formal remarks, Dr. Lampton answered participant questions about a variety of issues, including the balancing act between soft and military power. Lampton discussed the continued necessity for Chinese leaders to reassure the rest of the world that an increasingly powerful China should not be perceived as threat. He cited the “One World One Dream” motto of the 2008 Beijing Olympics as an example of this awareness. Furthermore, he discussed China’s efforts to form positive and productive relationships with the U.S. through investment in local economies. The tangible benefits from Chinese investments, such as increased employment, help to mitigate many of the anxieties evoked by China’s growing domestic influence. Dr. Lampton also compared the leadership tactics taken by former Soviet officials to those used by the Chinese, observing that the Soviets were only considered a superpower because of coercive military

power. This kind of power was undermined both by other fearful countries welding a coalition against the Soviets and because the lack of a broad consumer-based economy had eroded the political leadership domestically. As Deng maintained, economic power is most important.

Dr. Lampton also addressed questions about the increasing role of Hong Kong leaders on the mainland (especially in the financial sector) and the issue of political corruption.

LECTURE SERIES

U.S.-China Relations

The Honorable J. Stapleton Roy

August 8, 2008

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

The first topic Amb. Roy addressed was the struggle of Americans to find the right perspective for looking at China. Is it good? Bad? And how should Americans assign value weights? What is it about the U.S. psyche that makes it so easy to either glamorize or demonize China? Why is there no middle ground? Why can't Americans look at China as an "ordinary country?" Amb. Roy suggests that internal conflict is due in part to an inability for Americans to comprehend the vast differences in the countries' geographic and population sizes.

•Size issues:

For years, the United States has fervently sought to transform China's one-party system into a representative government similar to that used by the USA. Amb. Roy, however, maintains that the United States system of government would be disastrous if this model was applied in the case of the China. China's government operates by means of central control from Beijing- how does this government deal with a country of 1.3 billion people? China's provinces are comprised of many millions of people (three provinces in China can claim a population of more than three times that of CA) and huge areas of land, all of which is controlled by one governor. If China were to adopt the American style of representative government, the first problem they would encounter would be how to size the Congress. If China based district sizes on population as the U.S. does, the resulting Congress would number over 3,000 representatives. On the other hand, if China increased district populations to have the same number of representatives as the U.S. House, those congressional districts would be approximately the size of Singapore!

Until 1978 China's central government maintained control of all money and was able to allocate it as it wished through state-owned enterprises (SOE). As is characteristic of this kind of artificially planned economy, there were supply shortages and excess consumer demand, but the necessity of obtaining rationing coupons based on one's residence constricted population movement and allowed the central government to maintain control of regional behavior. Deng Xiaoping's plan was not to try and raise all areas of China at the same rate, but to first concentrate on developing the easier coastal regions and then use the resulting wealth to invest in the underdeveloped areas.

Now, however, the production generated by the private sector far outweighs that of the SOE's; the market has moved closer to its natural equilibrium as the government continues to lose its influence. The economic reforms have also meant that there is no longer a framework for transferring resources from the rich provinces to the poor ones. This problem is further embedded in the stances taken by China's top leadership. With the notable exceptions of President Hu Jintao and Premier Wen Jiabao, the vast majority

of the members of the Politburo's standing committee are from the wealthier coastal areas.

Amb. Roy did, however, give evidence that fixed asset development in the southern and western areas of China has increased in the last few years. He cited the upgraded rail lines connecting Wuhan to Shanghai, as well as developments in telecommunication, transportation, and other infrastructural improvements. He also mentioned a beneficial seminar given by the U.S. in Chongqing several years ago that was designed to show the Chinese how some of America's landlocked states were able to deal with development challenges. However, Amb. Roy stressed that the U.S. still does not have an understanding of the factors in play within the Chinese situation.

•Representative government: an eventuality or a fantasy?

Regarding the question of whether China will become democratic with time, Amb. Roy contrasted China's current situation and projected developments to the pessimistic views of China expert James Mann, author of "The Reform Fantasy." China currently has the highest levels of optimism in Asia, with 86% of the population thinking that the country is headed in the right direction. The economy is performing well, and although there are still various human rights violations, these have been dramatically reduced in the last few years. From his personal experiences in Asia, Amb. Roy observed that although there is nothing "automatic" about economic development eventually producing liberal democracy, the formula has worked 100% of the time in the past. He gave the examples of S. Korea, Taiwan, Thailand, and Indonesia, saying that the process simply requires time. In each of these cases, the process lasted between 40 and 50 years; time is needed to develop a middle class, for the autocracies to lose legitimacy, and for a demand for democracy to grow. Success of the transformation depends on the achievement of three factors: 1) sustained economic growth, 2) becoming open to external influences (such as foreign education) and 3) becoming embedded in the global economy. Only when all three have been accomplished will democratization be a possibility.

•So where is China in this process.....and will it work?

After all, China is more than five times the size of Indonesia. Amb. Roy says that China simply needs more time for development. Real economic growth, after all, only began in earnest in 1992— not quite 20 years ago! The concern held by those in the U.S. is that as China is becoming much more formidable as it continues its rapid growth. What can U.S. policymakers do to facilitate development of a representative form of governance? Amb. Roy's answer to this question is to basically stop trying to give China advice. The United States doesn't have the ability to influence China in a way that will produce predictable results.

•The new China in an international era

The world really has no modern experience in dealing with a powerful China. China has only had about 50 years with a nation-state system, which until recently had been characterized as weak and backward. Now that China is well on its way to reestablishing itself as the Middle Kingdom, it must choose what kind of model to follow when participating in international affairs. A domineering China would potentially create a coalition of resistance by China's Asian neighbors, as occurred in the case of the Soviet Union. The Chinese have carefully examined history and since China has been extremely careful not to become involved in conflict abroad, it is likely that this kind of China will not materialize. However, as China becomes stronger and its sense of self begins to change, it is probable that policies will also shift.

In determining whether the U.S. and China can maintain a stable relationship during this period of change, dialogue and leadership will be the most important factors. Amb. Roy raised the question of priorities; which is more important, criticizing China about its human rights record or assuring Chinese cooperation in dealing with the N. Korean nuclear issue? Even though China is exponentially larger than it was in 1976, Amb. Roy observed that the Sino-American relationship is ten times better than it used to be. A stable Sino-American relationship will be determined through an open dialogue and by opening our doors to the Chinese. After all, Chinese students and leaders are all increasingly spending some portion of time in the West. They are exposed to religious freedom, an independent judiciary, a free press operating as a check, and return home to apply these concepts. The successful application of these ideals will be determined by the ability to create change while maintaining stability and continuing rapid economic growth. As Amb. Roy pointed out, no Chinese leader wants end up like Soviet leader Mikhail Gorbachev, who started change and ended up losing control. Only time will tell whether China will be added to the list of successful Asian democratic transformations.

MEETING REPORTS

Beijing

United States Embassy By Brandi Lowell; Katy Quinn

On September 2, the delegation participants met with Deputy Chief of Mission (DCM) Dan Piccuta and key staff experts at the U.S. Embassy Beijing. The Deputy Chief of Mission orchestrated a frank and open dialogue between the delegation and our colleagues in the embassy, beginning the meeting with an overview of the embassy's mission and then handing the meeting over to staff experts. Included among the issues discussed was that of defense, trade, public affairs, consular affairs and more.

2008 Beijing Olympics

The embassy confirmed what many staffers already suspected; the 2008 Beijing Olympic Games truly reinvigorated the pride of the Chinese people and their nationalism. Further, the handling of the games by the Chinese people reinvigorated the Olympic Games themselves. This kicked off the discussion of what I like to call the "China is Back!" discussion. Two to three thousand years ago China led the economic and cultural ways of the world. This was so until relatively recently, maybe a few hundred years ago. Well, China is back! Their mastery of the Olympic Games is but one of many concrete examples to be considered, among them their GDP, economic prowess, size of their talented workforce, their growth in defense systems and their military, their large microphone on the world stage, and more.

Environment

We discussed what China calls "Blue Sky Days", which is exactly what it sounds like; days in Beijing that have blue, sunny skies versus their standard hazy gray that comes with smog and pollution. While China reports that they had experienced some 245 such days to date, U.S. officials put that number around 8 or 9. The ozone levels in China's industrial regions are very high due to stagnant air, unregulated paint, glue, plastics factories and the like, the car exhaust of 1.3 billion people, and more.

Prior to the Olympics, the government adjusted traffic patterns and shut down factories. However, without cooperation from the weather these measures likely wouldn't have worked. Stagnant air, winds from the South, and other unregulated factories continued to be a problem. It is reported that China spent \$16 billion on environmental projects as well as \$45 billion on infrastructure improvements in preparation for the Olympic Games. Of the infrastructure dollars, only about 10% was spent on the construction of Olympic venues; the rest was dedicated to improvements on Beijing's subway lines and other initiatives.

Health

Health is a crucial front in China for two overarching reasons, both which concern the U.S. For one, health officials call China “the perfect incubator” for large, infectious diseases. As the world becomes ever more globalized, one nation’s health crisis is no longer that nation’s alone. For this reason the U.S. must pay close attention to the policies and practices in China as related to health. Also with globalization comes increased trade and outsourcing. Specific to this discussion was the issue of U.S. drug makers setting up shop and producing medicines in China. Drug and health safety standards in China are far more lax than in the United States, and it showed during the Heparin crisis of last year, when more than 100 people in the U.S. died due to toxins in their prescription drug, heparin. Until this tragedy no one paid a great deal of attention to this issue. As a result, the Food and Drug Administration (FDA) is reportedly opening up eight new offices in China to work with Chinese officials in inspecting the conditions and quality of such production lines, as well as partner on issues concerning food safety.

Defense

The defense issue is far more complex than a one hour discussion allows, but several valuable points were raised, including:

- There has been a massive increase in the size of the Chinese military, including a 17% increase in their military budget last year alone.
- Both the Chinese military and government are gaining confidence as a result of their massive military budget.
- They are increasing the size of their navy, which complicates our military relationship. The U.S. navy has been in the Pacific for more than 100 years. The U.S. and China have to coexist with one another on this issue and neither exactly likes it. The Chinese want to be the only major power in their waters, while the U.S. fears the strategic consequences should China become the sole power in the Pacific waters.
- The Taiwan issue - China regrets deeply our position on Taiwan and wishes we would either support the status-quo “One China” policy or keep out of their “internal” affair period. Although we did not spend a lot of time on this subject (most participants were keenly aware of the cross-Strait situation and related U.S. policy), it seems that the U.S. – China military relationship is marked by misperception and miscalculation on both sides.

According to embassy staff, many of the tensions in our relations and perception of China as a threat are due to misperception. China, on the other hand, is focused on the issue of sovereign territory, the Taiwan scenario – and our announcement of the Taiwanese Arms sale – and their supply of oil. Additionally, they are particularly sensitive to any perceived disrespect of the country. In some cases such as sovereignty, the country believes foreigners are trying to carve up China. Further, they see our media selectively editing news to only report negatively about China. However staff noted that the relationship is

improving

Financial

The financial portion of our discussion highlighted what many staff members already knew from either personal research or Dr. Bottelier's lecture: China has an impressive score where cash-on-hand reserves and their average savings rate are concerned. China holds more than \$1.8 trillion dollars in foreign currency reserves, much of that in the U.S. Treasury, and has a savings rate of 20 percent among its citizens and 40 percent when you factor in corporations and business. As a credit driven economy, this is both amazing and startling to U.S. observers. Most U.S. citizens recognize the precarious position of our national debt and deficit, but to see competitor nations stacked so well in comparison is alarming to most. Commerce (and its relationship to U.S. visas...)

The embassy officials brought to our attention that by the year 2015, 115 million Chinese will be world tourists. Is the United States prepared to take advantage of this tourism opportunity? Are our individual states ready to capitalize on that? Are we printing brochures in mandarin? Web sites? As the handout from the U.S. – China Business Council suggests, the majority of states already have a trade relationship with China. The discussion highlighted that if they have not done so already, states should begin positioning themselves to take advantage of this huge tourism boon.

Talks of Chinese tourism in the U.S. led to talk of visas, a subject of which members of Congress and the Executive Branch have different views. The Executive Branch would like to see an increase in the number of visas approved, hoping to take advantage of the financial rewards that would come with increased Chinese tourism in the U.S., noting that the average Chinese family spends far more than American families do (this goes back to their savings rate, I suspect). The visa issue extends to education opportunities for Chinese students, business leaders, and government officials as well.

Going beyond just dollars and cents, the State Department argues it is sometimes a matter of diplomacy to issue visas. However, members of Congress are acutely aware of national security and voter's national security concerns when making policy. The difference in views is understandable given each represent different and unique branches of government, answering to two different constituencies. In sum, it was beneficial to open this dialogue and be briefed on the State Department's views from abroad.

Chinese Economic Challenges

Wrapping up, we touched on the challenges that now face the Chinese economy and their leaders:

- Global slowdown of the economy- they have seen a decrease in purchase orders on the whole
- Labor costs have increased (and for the first time ever are ahead of the productivity curve)
- Energy costs have risen sharply, despite heavy subsidization

In closing, I would like to thank the U.S. – China Policymakers Foundation for this extraordinary opportunity. It was a tremendous endeavor that heightened the breadth of both U.S. – China bilateral relations policy know-how and cultural understanding for members of staff in congressional offices. I believe I speak for the delegation when I say that we are grateful for the Foundation's efforts.

Chinese Ministry of Foreign Affairs

By Stephanie Williamson; Chris Kaumo

On the morning of September 2, the delegation met with Mr. Deng Hongbo, Deputy Director General of American and Oceanan Department at the Chinese Ministry of Foreign Affairs. Mr. Deng began the briefing by giving a general overview of the current state of the U.S.-China bilateral relationship, saying that China is pleased to be marking the upcoming 30th anniversary of normalized diplomatic relations with the United States.

The relationship was established by a bipartisan group on the U.S.'s side – Democrats and Republicans worked together, just as the visiting delegation is made up of members of both parties. Mr. Deng remarked that U.S. President Bush's attendance at the Olympics served to endorse China's status as the Games host country, sending a positive message to the Chinese people; this is demonstrative of the good working relationship Bush and Hu have developed. The quality and frequency of high level exchanges between the two nations is one of the key accomplishments in recent years. There have been two major dialogs recently: a continuation of the Strategic Economic Dialog (SED) with U.S. Treasury Secretary Henry Paulson and a strategic senior dialog about American intentions in the region.

Trade

Mr. Deng described the importance of trade to the U.S.-China relationship. The total trade volume between China and the U.S. exceeded \$300 billion last year, which was a record year. The tendency for robust growth continues despite economic obstacles in both countries, a sign of a strong relationship. The steadily increasing investment from the U.S. to China is important for cooperation in trade.

Other Areas of Cooperation

Counterterrorism, environmental protection, climate change, energy, and global security are all areas of cooperation between China and the U.S. The list of subject areas has grown over the last 15 years, especially in areas relating to global well-being. The U.S.-China military to military relationship is currently improving, although any potential arms sale to Taiwan could cause problem in the future.

Regarding military relations, there is a better understanding of the need for cooperation than there has been in the past. For example, in 2007, the two countries opened a "hotline" between their two militaries, a big step forward in Sino-American relations.

Joint actions in humanitarian assistance are also encouraging. More communication is developing on North Korean and Iranian nuclear issues as well as the Darfur issue. Even though the two sides may have different views/perspectives, it's important to continue to build mutual understanding. China shares the U.S.'s ultimate objective of global peace and stability, but holds different ideas of how to achieve these goals.

Mr. Deng said that the U.S. doesn't have a good understanding of how much China has done in Darfur. For example, he said that China was the first non-African country to send peacekeeping troops; China

established a special envoy to participate in dialogue; and China will continue its efforts there.

•North Korea

The process of persuading DPRK not to take further actions toward nuclear development is ongoing, and China will continue its efforts to limit DPRK's initiatives. China shares the U.S.'s interest in peace and stability in Asia. China is an active participant in ASEAN, and will continue to participate and ensure a security mechanism exists.

•Taiwan

Mr. Deng spoke about some of the most sensitive issues that are affecting the US-China relationship. With regard to Taiwan, he said that China has improved relations across the Strait – this is a positive, constructive development for U.S.-China relations. The de jure independence movement in Taiwan still exists, and China must remain vigilant against it. Concerns include: Media reports on weapons sales to Taiwan (over \$10 billion in major arms types). This is not in line with the U.S. commitment in the three official communiqués. China believes that any arms sales break the promise, but especially sales of advanced arms. This action undermines cross-Strait relations and creates more elements of doubt. Mr. Deng stressed that the U.S.'s involvement to date has been harmful for the security of China.

•Tibet

Like Taiwan, Mr. Deng said that U.S. action on this issue infringes on the sovereignty of China. He remarked that the Dalai Lama seeks high authority to distance Tibet – China hopes that the U.S. won't be fooled by human rights and religious freedom rhetoric, because it is a cover up. Despite reports to the contrary, Tibetans have free expression of their religious beliefs. Bush's church attendance in Beijing should help break through the misunderstanding on the issue of religious freedom. It is "nothing [the U.S.] can make efforts to improve." Protections of human rights and religious freedom will be written into the Chinese constitution in accordance with the party vote last year. The Chinese welcome constructive criticism, but they draw the line at efforts to interfere with domestic affairs.

Domestic politics of the U.S.

Regarding U.S. domestic issues, Mr. Deng stressed that China has no intention of participating, but has concerns with both Republicans and Democrats who make unwarranted comments on sensitive issues. He said that the U.S. should not allow these sensitive issues (e.g. Taiwan, Tibet) to be taken advantage of for points on rhetoric in the U.S.'s domestic politics. China does hope that the new American president will continue the forward momentum of bilateral relations.

Olympics

The Olympic Games were a great success, in part due to the support and understanding of the international participants. As the host nation, China was able to spread understanding and friendship amongst the participating nations. The message to take away is that through sports, we can gather people of different races together physically and spiritually. "One world, one dream."

Questions

•Todd Greenwood: What lessons has China learned from the last two U.S. Administration change-overs?

It is important for the U.S. to have a clear, long term vision of bilateral relations. It's wrong to narrow the focus to differences. The 1992 election is an example of how to do it wrong. We need people from all walks of life (not just politicians) to participate in the campaign to strengthen the bilateral relationship.

•Stephanie Williamson: Are energy and the environment areas in which our two nations can cooperate? How?

Mr. Deng replied that these issues have become part of the strategic dialogue; the mechanisms for cooperation exist. If we don't make this issue a priority, we will not have sustainable global development. China needs assistance/expertise on environmental protection and energy efficiency; they have received cooperation from Australia and Europe on technology for clean coal mining, which has been very useful. He said that there is too much emphasis on how the two sides see each other's roles, and it is time to move beyond that phase into a willingness to act.

Participants should push for international climate processes. Mr. Deng said that the U.S. may see China's efforts as a way to spread China's influence, e.g. in Africa, but the U.S. needs to relax. For example, there is a lot of focus from the U.S. on China's contributions to a "certain country's" local development [the Sudan], and not enough understanding that while China does need energy, this is not the exclusive focus of its efforts.

•Kate MacGregor: How will China follow up on the openness of the Olympics? What is China's vision for the future of the human rights issue?

Mr. Deng replied that China feels misunderstood in this issue. In the lead up to the Olympics, the western media made all kinds of accusations that China was not an appropriate selection for host country, but China proved the skeptics wrong and has shown that it wants to be a good member of the international community. Mr. Deng said that people learned through watching that these reports were false in that no terrorist, human rights, etc. incidents occurred during the games.

Chinese Ministry of Commerce

By Rachelle Wood; Tonya Newman

•Introduction

At the Ministry of Commerce we met with Mr. Jin Xu, Deputy Director General of the Commercial Counselor of American and Oceanian Department. He began the meeting by noting that the business relationship between China and the United States goes back 250 years.

He also discussed the growing trade relationship between the two countries noting that 29 years ago the trade value was \$2.3 billion and now it is \$300 billion.

Mr. Jin spoke about China being the third largest export market for American products. He said China is also the largest market for American agricultural products, specifically soybeans, cotton, and cherries. Retail products and electronics are other products with large export numbers.

Mr. Jin said they find the American market very attractive and welcoming to Chinese companies. He cited Georgia, California, North Carolina, New York, and Illinois as places where Chinese companies have located and said that appliances and electronics are among the products produced there. Mr. Jin also mentioned that China has sent five delegations to Kansas to study agricultural corporations.

To develop and promote trade between China and the United States China has five Economic and Commercial Sections of the Chinese Consulate General in the United States, located in Los Angeles, San Francisco, Houston, Chicago, and New York. China plans to open even more in the future.

Mr. Jin said China also welcomes American companies and products to their country. Nearly 55,000 American companies have factories or joint ventures in China, and he said 90 percent of these companies are satisfied with the progress China is making in its economic policies.

•Questions and Answers

Policymakers Participants posed questions on a wide range of topics, including intellectual property rights, product safety of Chinese exports, Chinese seafood safety and seafood duty collection, sustainable economic development, China's investments in hosting the Olympics, advice for small companies in America looking to invest in China, and historic preservation.

On food and product safety Mr. Jin noted that this is a new challenge for China as it wasn't that long ago that food was scarce in China so food safety was not a concern. He said China has an entity equivalent to the Consumer Product Safety Commission in the United States. It is the General Administration of Quality Supervision, Inspection, and Quarantine of the People's Republic of China (AQSIQ). Mr. Jin also talked about the challenges China faces ensuring safety of products they assemble or process when the design and materials come from other countries. On the issue of seafood export safety Mr. Jin noted

an upcoming meeting between China and the state of Alaska to discuss issues like this and talked about China's Chamber of Commerce for food products.

In response to questions about energy consumption and sustainable economic development, Mr. Jin said China is paying more attention to processes with a goal of preserving natural resources and trying to use less. He mentioned that they did not pay as much attention to this in the past, and China is now paying the price for it environmentally, indicating they need to learn from the past. He also mentioned a regulation policy China employed during the Olympics that restricted car usage to improve the environment. For example, cars with license plates ending in odd numbers were only allowed to be on the road on odd numbered days (the 1st, 3rd, etc.), and owners of cars with plates ending in even numbers were only to drive on even numbered days. He said some did complain about the inconvenience, but a recent internet poll found 65 percent of people supported continuing the policy.

In regard to a question about China's decision to invest money in Beijing for infrastructure and other improvements for the Olympics rather than spend that money in other areas that might need assistance, Mr. Jin talked about competition among cities in China for various opportunities and highlighted the fact that Shanghai will host the World Expo in 2010. He also mentioned that the techniques and new technology that were invested in Beijing can be used across the country now.

Mr. Jin also offered advice to a policymaker who asked what message could be carried back to American companies looking to invest in China. He recommended that those companies visit China, attend their business fair, and meet with the U.S-China Business Council. He reiterated that the Chinese want investments in their country and are eager to work with American businesses.

National People's Congress

By Tim Aiken; Aaron Dowd

On Tuesday, September 2, the U.S. congressional staff delegation toured the Great Hall of the National People's Congress and met their Chinese counterparts for an extensive discussion on the work of the National People's Congress (NPC) and the process of developing national policies.

The Great Hall is open to the public when the NPC is not in session. Resembling a massive concert hall with all seats oriented toward a raised wooden stage, the hall can seat more than 10,000 people. Its stark furnishings and few ornaments are a sharp contrast to the Minton tiled floors, Brumidi ceilings and Greek columns found throughout the U.S. Capitol. Approximately 3,000 delegates, elected by the people's congresses at the provincial level and representing all regions of China, assemble for several weeks each year to receive reports from the standing committees and adopt national policies and programs.

Off the main floor of the Great Hall are the meeting rooms, one for each province. Each meeting room or "hall" features artwork unique to that province. The U.S. congressional staff delegation met in the Hunan Hall that contains a portrait of Mao Zedong walking forward across a flat terrain with a pantheon of Chinese citizens of all ethnicities, wearing different costumes walking with him. Mao appears to be approaching the observer even when observed from different locations throughout the room.

Mr. Peng Fang, staff director for the foreign affairs committee, led a delegation of six officials who serve as senior staff on one NPC's established special committees. The special committees are: the Ethnic Affairs Committee; the Law Committee; the Committee for Internal and Judicial Affairs; the Financial and Economic Committee; the Education, Science, Culture and Health Committee; the Foreign Affairs Committee; the Overseas Chinese Affairs Committee; the Environment and Resources Protection Committee; and the Agriculture and Rural Affairs Committee. The nine committees are responsible for developing policies and conducting oversight under the direction of the National People's Congress and its Standing Committee.

Mr. Peng noted that there have been nine inter-parliamentary exchanges between the NPC and the U.S. Congress since an agreement was first reached with then Speaker Dennis Hastert and Senator Ted Stevens. This meeting was one of the first exchanges exclusively between congressional staff and staff from the NPC.

The meeting began with an inquiry by congressional staff on how the NPC develops policies and resolves differences and conflicting objectives. The single party system, the limited duration of plenary sessions and even the design of the Great Hall suggest that the substantive work on policy development and new laws is developed elsewhere and prior to the plenary sessions. The Great Hall, when filled with 3,000 delegates, is too unwieldy an arena to engage in major changes in policy proposals.

The Chinese officials did not dispel this perception, but stressed that there often disagreements and sometimes even heated debates during the development of policy and not all policies are developed from the top on down. The plenary sessions can originate new policies. They also noted that differences during policy development are not necessary ideological but can reflect regional divisions and that consensus and

“democratic methods” are used to reach final agreement. Through further discussion it became clear that the Standing Committee and the special committees assume a greater role in developing new policies and law. All staff is assigned to the committees, delegates to the NPC have no staff.

When a new proposal is favorably considered at a plenary session, it is forwarded to the relevant special committee and the standing committee where it is further refined. It is also considered by the Law Committee. Reports of a bill, including changes, are then subject to at least two reviews by the Standing Committee before they are presented to NPC plenary session for approval.

When asked to explain what type of oversight the NPC exercises, Song Rui, who serves on the Law Committee, explained that the Law Committee looks internally to ensure that the new laws are in conformity with existing laws and the constitution and externally to monitor its implementation. He noted that state councils often modify laws through regulations to conform the law to unique local or regional circumstances. The Law Committee routinely selects five to six laws that it examines on an annual basis to monitor compliance and determine if additional changes are merited.

Health care was raised as a specific policy to discuss. Zhuo Hung explained, in brief, China’s current health care policies and challenges. China abandoned universal government sponsored health care in the early 1990s. Since then, Chinese citizens have paid for their own health care giving rise to problems with disparities in the availability of services and affordability. Primary health care across China has dropped precipitously and in impoverished rural areas health indices have declined significantly. The Chinese government has begun a study, with public input, to make the public healthier and make health care more affordable.

When asked about China’s environmental challenges, Zhai Yang discussed an aggressive new five-year plan to reduce harmful emissions through a program to promote greater energy efficiency and use of renewable sources of energy and through changes in tax law to make it more expensive to pollute. He also commented on the absence of a U.S. policy to address global warming.

Mr. Peng concluded the discussion with a critique of U.S. policies toward China relating to Tibet and Taiwan. He noted that China adheres to a consistent policy of non interference in the domestic affairs of another country. And he raised concerns that the sale of offensive U.S. weapons to Taiwan will weaken the otherwise positive relationship between the U.S. and China.

The Chinese officials were both professional and competent. They also had great familiarity with U.S. policies and demonstrated surprising candor when discussing China’s short comings and challenges. While they were well informed of inconsistencies in U.S. policies, they absolved their government of a similar level of accountability by maintaining their country’s “unique” or “different national circumstances.” Mr. Peng made use of this term on two separate occasions at the meeting and again during the informal dinner that followed.

Despite the emergence of a free market economy, the policy development remains centralized and under party control. Maintaining economic prosperity and extending it to undeveloped rural areas appear to be their overriding concern.

A willingness by the central government to solicit public comment on health care reform, however, may be an indication of a potential future trend to encourage greater public participation in the development of new policies.

MEETING REPORTS

Shanghai

Shanghai Stock Exchange

By Kim Fuller

The first thing you notice about the floor of the Shanghai Stock Exchange (SSE) is the quiet. Unlike the frenetic pace of our New York Stock Exchange (NYSE) floor, the huge SSE floor almost seems to be abandoned. Upon closer examination, you notice five or six busy operators at computer stations overseeing what the SSE's Director explains as "real time" paperless transactions.

The Shanghai Stock Exchange (SSE) has been in operation since Dec.19th, 1990. It is a non-profit-making institution directly governed by the China Securities Regulatory Commission (CSRC). Last year, it had a market capitalization of nearly US\$3.02 trillion making it the largest in mainland China and fifth largest in the world.

A modern trading system supports SSE's paperless trading at a highest speed of more than 8000 transactions per second. The orders are matched automatically by computer system according to the principle of "price and time priority".

The securities listed at the SSE include the three main categories of stocks, bonds, and funds. Bonds traded on SSE include treasury bonds (T-bond), corporate bonds, and convertible corporate bonds. SSE T-bond market is the most active of its kind in China. There are two types of stocks being issued in the Shanghai Stock Exchange: A shares and B shares. A shares are priced in the local currency, while B shares are quoted in U.S. dollars. Initially, trading in A shares are restricted to domestic investors only while B shares are available to both domestic (since 2001) and foreign investors. However, after reforms were implemented in December 2002, foreign investors are now allowed (with limitations) to trade in A shares under the Qualified Foreign Institutional Investor (QFII) system. There is a plan to eventually merge the two types of shares.

The SSE is open for trading every Monday to Friday. The morning session begins with centralized competitive pricing from 09:15 to 09:25, and continues with consecutive bidding from 09:30 to 11:30. This is followed by the afternoon consecutive bidding session, which starts from 13:00 to 15:00. The market is closed on Saturday and Sunday and other holidays announced by the SSE.

Municipal People's Congress of Municipal Government

By Todd Greenwood; Rebecca Mark

The delegation participated in two meetings with the municipal government in Shanghai and the Pudong New Area. The meetings covered a wide array of topics, from the role of municipal governments in the central party system, comparisons between Chinese municipal governments and our local and state authorities, and recent economic development initiatives in the provinces. Topics discussed included recent migratory patterns, education and healthcare issues.

After brief introductory remarks by the chairman of the Pudong New Area People's Congress, a video on the Pudong New Area was shown to the delegation. The video was a concise background of Pudong's recent history, and an eventful recent history it is. In April 1990 the decision was made by the Chinese central government to develop the area, which until that point was solely farmland adjacent to Shanghai. In the eighteen years since that momentous decision, Pudong has transformed itself into a six-zoned urban metropolis in its own right, boasting some of the tallest buildings in the world in addition to thriving financial, trade and manufacturing sectors. The video called Pudong a "showcase of China's reform and opening" policy and a paradigm "for the scientific outlook on development." Since 2005 Pudong has explored reforms to streamline governance. These reforms began shifting control of certain policies away from the government and eliminating many fees. Pudong is clearly a pioneer for reform in the new, open, and very urban China.

Once the video concluded, the host proceeded to provide more details about Pudong. He informed the delegation Pudong has a population of 3.5 million (Shanghai, including Pudong, has a total population of 13-18 million). Economically, Pudong's GDP is 275 billion RMB (roughly \$40 billion) and is growing at an astounding rate of 18% annually (the chairman did not say whether this was a real or nominal rate). Growth is concentrated in four designated special zones, each of which is geared to attract and facilitate different activities like finance. In 2007, 129,000 jobs were created. However there were still over 100,000 unemployed in the area. In these facts, Pudong clearly represents China's policy of allowing uneven growth, both inter and intra regionally. The delegation was told this reflects a belief on the part of the leadership that a rising tide will lift all boats. Still, the government claims to be instituting policies to make sure no one is too disadvantaged. Much cheap housing is being constructed and education costs are means tested, with school being free to those not sharing in the new prosperity. The host also mentioned efforts are being made to address social security and medical care for all, but no details were provided. Later in questioning was it revealed that social security was funded by a payroll tax.

The host closed his formal remarks by saying that Pudong has benefited much from state opening policies of the past 18 years, but challenges remained. He listed more social investment, better educational facilities, and improved healthcare as such challenges, because in the end the purpose of all development is to improve people's lives. In questioning he also acknowledged the environment was also a concern, and needed to be monitored as Pudong continues to grow. Although he did note green space per capita is much higher than in the recent past. Finally, he recognized that the enforcement of the rule of law was lagging behind.

Fudan University

By Bethany Eyre; Diana White

The session opened with a brief description of the Fudan University program and its mission to provide an objective and balanced research American studies curriculum. The program, considered the best American studies program in China, trains students with an objective of developing skilled policy advisors for contemporary Chinese government. Georgetown and Yale offer exchange programs, and the University of California system has sent hundreds of students to study at Fudan. When the University was founded, it was supported by USAID funding and is looking forward to celebrating the 30th anniversary of US China relations next year (2009).

We were only able to ask the students one question, as curiosity about the upcoming elections seemed to dominate the conversation. We asked the students and professors to explain the education system and the disparity of education between those in the countryside and those in the cities. Specifically, we asked, “Are there equal opportunities for all?” and, “How is school paid for?”

The students responded that everything is performance-based through the completion of examinations. Anyone can get to university and get aid for education if they do well in their exams. Many of the professors illustrated this point stating that they were born in rural parts of China but now serve as professors of this prestigious university. In response to the question regarding cost of education, we learned that the first nine years of education are free for every Chinese. High school and college do cost the student’s family.

Students asked a variety of questions of our group. They were interested in the upcoming election and how the outcome of the Presidential race as well as potential changes to the makeup of the House and Senate would create a change in U.S. policy. As could be expected, the primary concern was U.S. policy toward Asia in general and China specifically. One of the students felt that U.S. focus on the Middle East had drawn attention away from Asia, and that as China continues its pattern of growth, will be competing with other developed and developing countries for resources. In addressing the issue of the environment, the students believe that China should use technology to solve its pollution problems, and the U.S. should adopt a less consumptive lifestyle. Energy independence will continue to be a leading issue and international cooperation will become critically important to avoid a resource crisis.

Nuclear non-proliferation was a concern of several students, given the proximity of North Korea and ongoing US-North Korea discussion and agreements regarding North Korea’s nuclear capabilities. The students hoped for a broader outreach to China for responsible use of nuclear technology. They also believe the U.S. should rely more on diplomacy, particularly with Iran.

The students also raised questions about U.S. policy toward Taiwan and how to improve relations related to Taiwan. They were also very interested in the recent Russian invasion of several Georgian provinces and wondered if we are at the beginning of a new Cold War.

In addition to policy questions, the students have a perception that most members of Congress have a primary focus on domestic issues in their districts and have not traveled much. They were curious about how members of Congress learn about international issues once they're elected. They also asked about the structure of the U.S. Congress and how power is disbursed.

All in all, it was a very informative and open dialogue. Students from many countries were represented in the session and had well-informed opinions about the U.S. political system and U.S. policy.

Delegation Photographs

Beijing



The Forbidden City



The Great Wall



Tiananmen Gate

Beijing



Shanghai



The Yu Gardens



Shanghai at night

Suzhou



Appendix I– Statements of Interest

Tim Aiken

With the world's largest population, the second largest country as measured in land mass, and an unparalleled growth rate that has been sustained for almost 30 years, China generates surprisingly little U.S. media attention or policy discussions relative to its size and importance in world affairs. Many of the discussions that do occur appear warped in time to an earlier era when the central communist government controlled most aspects of everyday life. Yet, on almost any important U.S. or international issue from climate change, energy, nuclear proliferation, sovereign wealth funds, currency exchanges, food or mineral supply, to U.S. government debt, China's actions have far reaching global implications.

I had the good fortune of traveling to China with the U.S. Asia Institute in December 2005. The trip to Beijing, Shanghai, Guilin, Guangzhou, and Hong Kong was truly an eye opening experience. It was fascinating to see the impact of unrestrained growth, thriving private enterprises and the assertion of greater local autonomy to address pressing infrastructure needs challenging the status quo and further eroding central government control.

While a return trip to China currently has little bearing on most issues before Congress, China's presence looms inescapably large on the horizon. A better understanding and appreciation of its interests and impact are essential to crafting appropriate and responsible policies where U.S. and China interests overlap and conflict.

On a secondary level, since reading Pearl Buck's *The Good Earth* in 6th grade I have been fascinated with China's adherence to culture and traditions that date back millennia. While China has fought for centuries to limit western influence, the Cultural Revolution's eradication of many vestiges of its past and today's pent up demand to modernize make its future course less predictable. Will private enterprise and property rights establish the foundation for greater individual freedoms? Has a void in national identity been created by too rapid an abandonment of its past? It would be personally rewarding to gain further insight into these and other questions.

Aaron Dowd

China is an emerging world power and its rise to political, commercial, and cultural prominence has been felt throughout the world. China's successful entry onto the global stage has increasingly placed the topic of U.S.-Sino relations in the limelight. America's strategic relationship with China could not be more important. The rapid growth of China will likely be one of the most significant developments of the 21st century.

As a former Chairman of the Congressional Executive Commission on China and as a senior member of the Foreign Relations Committee, Senator Hagel often speaks of the necessity of a new 21st century frame of reference in our global community. He speaks of the world having today a greater diffusion of economic power and global access to information – meaning new found global economic power – than ever before. The challenge of widening the reach of economic prosperity will be one of the great tasks of the 21st Century and it is in America's interest countries, such as China, grow and prosper. Fostering a cooperative and robust relationship between China and the United States is critical.

I would like to participate in this trip as I believe it would enhance my understanding of the current state of U.S.-China affairs and provide me with an understanding about Chinese history, politics, and economics. I believe this trip will provide me the opportunity to learn and become educated on the complexities in our

relationship with China, as well as an opportunity to start to build knowledge with the next generation of Americans that will be working to maintain that relationship.

Bethany Joy Eyre

My own interest in China began in college while I was pursuing my undergraduate degree in intercultural studies. Though the concentration of my program was in Latin America, I was fascinated by the way I saw that China was engaging South American States in commerce and trade. It is clear that the Chinese are motivated to engage and compete in today's world on their terms. I am personally fascinated with China because of its political makeup, unique economic system and the incredible way in which it is able to assert power on the international stage.

Between China's preparations for the Olympic Games, the ongoing Tibet issue and rising concerns about the safety of Chinese exports, Americans have grown accustomed to seeing China in their weekly news cycle. However, much information about the reality of the nation's inhabitants remains a mystery. Few Americans understand much about the rising influence of a rapidly developing nation that provides a majority of the products we use every day. We are undeniably dependent on China in an economic sense, a fact which leaves us with little leverage at any sort of potential crisis-induced negotiating table. As China's economy continues to grow and trade continues to provide China with greater influence, I feel it is imperative for policy makers to be prepared to address China issues.

I currently serve as a legislative staffer to Congressman Dan Burton and provide assistance to him in his role in the House Subcommittee on Asia, the Pacific and the Global Environment. There is nothing more valuable than travel when it comes to comprehending international issues. I feel that this series and the related trip would be tremendously helpful in my understanding of Chinese history and current affairs, especially as it relates the role of the United States in the world.

I recently read Jung Chang's *Wild Swans* in an effort to grasp some of the last hundred years of Chinese history and experience. The cultural implications of the major policy decisions made by the Chinese Communist party are astounding to me. Though I have never been able to set aside focused, concentrated time to study the nation, I have a strong desire to learn as much as I can. An experience like this that provides an in-depth study of Chinese issues would enable me to better brief my boss for subcommittee work. In addition, it would also help me to engage in more thoughtful discussions with the many groups that pursue us to affect policy related to China.

The influence of China is sure to grow as we get further into the 21st century. As I continue to pursue a career working in foreign affairs, I believe that a better understanding of China will be essential no matter what area of the world I may be dealing with.

Kim Fuller

I am truly interested in participating in the U.S.-China Policy Foundation's (USCPF) 2008 Policymakers Lecture Series and China Trip this coming August. I understand and agree to the program requirements and express in this letter my interest and ideas for the program.

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

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

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

Todd Greenwood

To be completely honest, for the first two decades of my life the extent of my interest in China consisted of trivia and an affinity for their cuisine. Given that situation, I have no idea why I enrolled in a course on Chinese foreign policy in college, but I did and it was fascinating. China was not the communist monolith I previously perceived it to be.

Beyond that initial interest in Chinese foreign policy, I have since found that issues involving China permeate many others. In graduate school I studied (and taught) international trade extensively. With such a rapidly growing economy and having joined the World Trade Organization in 2001, no discussion of international trade can be complete without incorporating China. And this statement is equally true for practically any international economic issue today.

In my professional capacity I am a foreign affairs, national security and homeland security generalist, working primarily with the House Oversight National Security and Foreign Affairs Subcommittee. While few of our hearings and ongoing issues directly address China, a better understanding of China will improve my work on many of them. Currently, the Subcommittee is in the midst of a series of oversight hearings on ballistic missile defense. China is one of the few countries with an existing ICBM program, so a better understanding of their leadership's motivations, opinions, and redlines would better illuminate issues related to missile defense like the threat and potential for proliferation. Chinese relations are also pivotal to North Korea, one of the primary threats the current missile defense system is based on. Understanding Sino-Korean relations better would add depth to my understanding of the extremely opaque North Korean regime. Another ongoing topic of the Subcommittee is the formation of a grand strategy for US national security in the future. While terrorism takes up much of the oxygen in this debate, China is also a significant factor. China is the main reason some have predicted the 21st century will be the Pacific century where as the 20th was the American century. For many hawks China is the next near-peer competitor, especially since China is increasing military spending by upwards of 20% a year. A better understanding of the reasons for this buildup and general outlook of the Chinese military regarding its place in the world now and in the future is crucial to avoid a potentially dangerously skewed grand strategy for the US.

China is also significant to issues in my portfolio besides national security. In homeland security, DHS is expressing increased concern about cyber-security and hacking. Many past attacks on information networks have been traced to hackers within China. The opportunity to interact with Chinese officials would hopefully facilitate greater cooperation in combating this problem. Regarding foreign affairs,

China's growing presence is increasingly critical to a multitude of global issues (Sudan, intellectual property, etc.). My committee is interested in climate change in particular, and all signs point to a major push on the issue in the 111th Congress. Now that China has recently surpassed the US as the world's largest polluter, a better appreciation of the issue from the Chinese point of view is important to make sure China is incorporated into what need to be global solutions, so that climate change is addressed effectively, not just politically.

Overall, I would be very excited to participate in this opportunity. Given China's dramatically increasing significance in international affairs from defense to economics, all of which fall within the oversight jurisdiction of the committee I work on (and are the issues in my portfolio), I believe this program would enrich all aspects of my work.

Christopher Kaumo

I have always been fascinated by the rich cultural and political history of China, but I realize that I actually know little about either. I feel that in order to gain insight into U.S.-China relations, I need to experience it first-hand and learn from the experts.

As Legislative Director for Congressman Raúl Grijalva, I am tasked with overseeing the Congressman's legislative agenda. This includes, but is not limited to, the areas of foreign policy, trade, environmental impacts, transportation, and business relations. These are giant issues in the relationship between the U.S. and China, and I am eager to learn their government's unique perspectives on them. Of particular interest is the rise of China in the global economy and what that entails for their country. I am also very interested to hear China's visions for the future, both in its relations with the United States and its role as a world superpower.

In order to truly understand a country, you must experience its culture. I am so happy to see that your program would also include visits to many cultural and historic sites. This is a great way to put in perspective the historical aspects of the policies of the nation.

It is essential that decision-makers have the knowledge and the tools to make the correct recommendations on policy. A trip such as the one you offer is the perfect opportunity to better my understanding of the issues, and guide me in future recommendations and policy positions.

Margaret Lemmerman

I am writing in regards to my strong interest in participating in the 2008 U.S.-China Policy Foundation's 11th Annual Policymakers Seminar and Trip to China. Currently I handle all foreign affairs policy for Congressman John Boozman (AR-03), who sits on the House Foreign Affairs Committee, specifically on the Subcommittee on Africa and Global Health and the Subcommittee on Terrorism, Nonproliferation and Trade. The opportunity to engage in discussions on U.S.-China relations and to have a first hand view of the political, economic and social situation in China will no doubt shape my ability to advise Congressman Boozman in his role on the Foreign Affairs Committee. Furthermore, I am very much interested in having a more complex understanding of the issues in China, as the country undoubtedly is emerging as a major factor in shaping U.S. foreign policy, from the upcoming Olympics, to our relations with Taiwan to the ongoing situation in Tibet.

I was first intrigued by China several years ago when I read the books *China Wakes*, by Nicholas Kristof and Sheryl WuDunn and *Son of the Revolution* by Liang Heng. While these books have provided me with some foundation for understanding China's complex social, political and economic concerns, I am eager to gain a better understanding of China's current role on the world stage. On a personal note, I have fostered

an interest in international issues since high school, having traveled to South Korea, Russia and much of Western Europe, including living abroad in London for 6 months.

Brandi Lowell

I have long been fascinated and humbled by U.S. relations with the People's Republic of China. Fascinated because China boasts one of the world's largest populations with 1.3 billion people, and yet most Americans know nothing about the Chinese people or their country. Equally fascinating is the rapid pace in which China's economy is growing – up 10.6 percent for the first quarter in 2008 versus the 0.6 percent experienced by the United States economy. When you combine the size and sheer power and potential of China that has huge implications not only for the global world we live in, but also for the United States' stature as the lone superpower.

I am also humbled by the U.S. relations with China. To realize how vast and complex a foreign policy our State Department officials and leaders must abide by is truly daunting by any measure, but certainly to a foreign policy novice like me. While China is notable to most in America for its Communist party leadership, it should also be recognized for its incredible role in history as one of the world's oldest civilizations. The fundamental values, beliefs and cultural traditions of the Chinese people are not just a way of life, but deeply ingrained principles over the course of thousands of years. As I understand it, tradition is honored and deeply respected and the United States has to adopt its approach to accommodate this, both in an official capacity and in the globalized private market.

I have read that there are two main schools of thought regarding U.S. policy implications towards China. One belief maintains that China's rise to prominence is not inevitable, and the United States should use all of its resources and political will to develop and strengthen its presence in the region and, essentially, keep China in its place and seek to lessen its influence. The other school of thought maintains that the "rise" is inevitable, and the United States should use, for example, China's emerging middle-class and its newfound economic promise to promote democracy and increased human rights. To date, my views identify more with the later view. It is my hope that the instruction and increased awareness that comes from the seminar will broaden my base of understanding in these complex concepts.

I have also followed the Taiwan issue, having traveled to Taiwan on two occasions, including a Congressional Staff Delegation and once as part of a Members Congressional Delegation. Having just elected a new president widely thought to be more China-friendly, I would take great interest in learning the latest developments and opportunities for both China and Taiwan in this regard.

Finally, I believe that the past calendar year has put extraordinary focus on Beijing and China by way of the 2008 Olympics Games. For better or worse, China is in an unprecedented international spotlight. The Olympic Games, an international medium which has provided a podium to supporters and the opposition alike, comes on the heels of the Tibetan crisis, toy and drug safety recall issues, currency valuation, environmental issues, and more.

As a Legislative Director to a Member of the United States Congress, these are issues the Congress is expected to address, either by way of official votes representing the will of the American people, or less stringently by way of committee hearings and investigations. It is possible that my Representative will seek a seat on the House Foreign Affairs Committee, and there is almost no greater single issue facing American foreign policy than the U.S.-China relationship and its many tentacles.

I would like to use this seminar series as a means to fully engage in all of these issues and better understand

their implications for U.S.-China relations.

Katherine Sinclair MacGregor

I would like to thank the U.S.-China Policy Foundation (USCPF) for offering this opportunity to participate in their annual trip to the People's Republic of China (PRC), including a seminar program. I find it is rare to come upon such a unique educational opportunity which would fundamentally enhance my knowledge of the PRC's government, infrastructure, culture, and rich history.

In my capacity as a Legislative Assistant to Congresswoman Thelma Drake, I serve to provide a firm understanding of issues related to international affairs, energy, immigration, trade, resources, and commerce. Virginia's Second District is a vast coastal area which encompasses the International Terminals of the Port of Virginia, the largest naval base in the world – Oceana Naval Air Station, the largest city in the Commonwealth of Virginia – Virginia Beach, as well as agricultural and wildlife conservation interests on our Eastern Shore. As our 2nd largest trading partner, our largest source of imports, our 3rd largest export market, and the world's second largest consumer of oil behind the U.S., China plays a vastly significant role in Virginia's Second District and our nation.

Along with China's growing economic power comes equally growing influence in international issues. The Congresswoman and myself face questions from constituents and interest groups on a daily basis, all wielding questions on China's influence in developing countries such as Sudan, China's growing energy needs and how they may intersect with our own, our nation's current trade relationship, the safe importation of goods to our shores, human rights issues ahead of the 2008 Summer Olympics, and finally the military prowess of this growing power and how that will impact existing relations with Taiwan.

There is no doubt that, as policymakers, Members of Congress and staff have immediate access to some of the best information available to help guide informed decision-making. Yet, participation in the USCPF seminar and trip to the PRC will offer an unmatched understanding of many of these issues – to a depth that I feel I am unable to achieve given my daily schedule. Additionally, this trip will help me to center my focus of interest for a future Master's degree in the field of foreign policy and a career which relies on such a focus.

I believe it is important that through policy, we must ensure that our two nations foster a beneficial trade relationship. China has a rich cultural past and is proving that it will have a vastly influential future. Participating in this trip will provide further insight in China's emerging needs, and how those needs will direct both the U.S. and China's future policy and influence.

Rebecca Mark

“Let China sleep, for when she awakes, let the nations tremble.” Though Napoleon's quote is obviously too aggressive, there is no doubt that citizens in the US are nervous about sharing our economic powerhouse status with another country. I grew up in Michigan, where my neighbors are quick to blame cheaper consumer goods from Mexico and China for the closed Ford plant down the street and our state's failing economy. The conversations that I have with residents of my hometown mirror those taking place across the heartland, and it is frightening to realize that if our economy continues to falter, politicians, policymakers, and citizens will heighten their search for a scapegoat and protectionist policies.

Exchange programs, and the open and honest conversations that they elicit, are among the greatest tools to halt this fear, which is why I am interested in participating in the USCPF program. I know that China has an incredible history and culture, a dynamic political structure, burgeoning economic opportunities, and

highly developed urban and city planning mechanisms – yet everything that I see from mainstream media outlets relates to faulty products, protests surrounding the Olympics, and concerns regarding human rights violations. It is easy to sit in an office in Washington and make choices based on our constituent's alarm – it is another thing entirely to make sound policy decisions complete with substantive input from all players. China's influence on US foreign and domestic policy will only grow in the coming years - as I move through the Hill I hope to fall into the latter group. I know that firsthand experience meeting the people and government officials of China, in China will serve as an invaluable experience for participating staff members.

From a personal and academic standpoint, I would also like to be included in the program in order to see firsthand the urban planning policies that guide China's cities, particularly given the economic development occurring due to the 2008 Olympics. In my Masters' program we often looked to China as a country doing innovative city design in order to accommodate a large population, and I am interested to see the places that I have read about. Finally, I would be remiss if I did not mention my intense love of traveling, seeing new things, and meeting new people. I do not foresee an opportunity to travel to China on my own in the near future; nor would I know how to set up the incredible opportunities available to participants of the USCPF program.

I would like to close by saying thank you for providing hill staff with this incredible opportunity.

Tonya Newman

As one of the largest countries in both population and economic production, China's activities and policies have a global impact. I am interested in participating in the U.S.-China Policy Foundation's 11th Annual Policymakers Seminar and Trip to China to learn more about the cultural and political history of China and how that history has shaped the relationship between the United States and China.

A deeper understanding of this relationship will greatly improve the advice and counsel I provide to my boss, U.S. Senator David Vitter, as his Deputy Chief of Staff and will benefit his work as a member of the U.S. Senate Foreign Relations Committee and ranking member of the Subcommittee on International Operations and Organizations, Democracy and Human Rights. The senator is focused on exploring our military relationship with China and its relationship with neighboring Asian countries through his membership on the Senate Foreign Relations Committee. He is also interested in learning more about China's work to improve human rights in its country.

In addition to his work on this subcommittee, Senator Vitter is very active on a number of economic issues directly impacted by the relationship between China and the United States. He is particularly focused on trade between the two countries, with an emphasis on seafood trade. And the currency valuation of the dollar versus the yuan and the outsourcing of jobs are issues that business leaders in our home state of Louisiana have great interest in as well. The economic well-being of our home state of Louisiana is directly impacted by a number of these activities.

Participating in this lecture series, visiting China, and meeting firsthand with leaders on the China-U.S. relationship will provide me with unique insight into these issues and help me make better informed policy recommendations to my boss as he pursues his work in these areas.

Personally, as a former journalist I would also be very interested in learning more about China's efforts to accommodate the press – both Chinese media and foreign journalists. With China hosting the XXIX Olympiad this summer, there will be unprecedented media attention focused on the country giving it a rare

chance to showcase its progress in this and many other arenas.

American views of China are generally shaped through an outdated, Euro-centric prism. I would truly treasure the opportunity to gain a firsthand perspective of China and see past these generalities to the real heart of Chinese resilience and traditionalism that has sustained the world's oldest civilization and helped make the country an influential world power.

Katherine Quinn

I am to express my strong interest in joining the U.S.-China Policy Foundation trip to China to gain a better perspective of the political, economic, and cultural underpinnings of current and past U.S.-China relations and the issues that will shape both nations' futures.

As Congressman Adam Smith's Legislative Assistant for foreign affairs, I regularly confront issues directly related to U.S.-China relations. The pre-trip seminars and well-rounded agenda offered by USCPF, will significantly contribute to my deeper understanding of U.S.-China relations, which is critical for my role in Congressman Smith's office.

Following this trip, I will be better equipped to approach China-related policy issues. I hope that my greater breadth of understanding will allow me to aid the Congressman in making better-informed policy decisions

Working for a member from the Pacific Northwest, I am well aware of the important dynamic of Asian Pacific relations. The Congressman is a member of the House Foreign Affairs Committee and the U.S.-China Working Group and, as such, I am required to brief him on U.S.-China policy. Having encountered several China-related policy issues in the 110th Congress and with the knowledge that I will likely encounter many more during my tenure on Capitol Hill, I am eager to participate in this trip to understand the broader context of such issues.

The seminars, led by China experts, will provide an essential introduction for a contextual understanding of U.S.-China relations. The trip agenda will further allow participants to engage with high-level officials on policy issues and provide the opportunity to meet with business leaders and local civil society participants.

As the House Foreign Affairs Committee delves into human rights in China, companies doing business with China, and many other relevant topics, the seminars on Chinese history and contemporary U.S.-China relations, as well as the direct exposure provided by the trip, will be particularly enlightening for someone like me who possesses a strong foundation in foreign relations issues but has not had significant direct exposure to the cultural and economic underpinnings that will drive future U.S.-China relations.

The range of experiences available through participation on the USCPF trip will be invaluable in helping me to understand the interplay of politics, economics, and cultural issues in China's rapidly changing society and will benefit me both in my current job and future work in the foreign policy field.

Diane Douglas White

China will continue to expand economically and become a leader in the 21st century universe of nations and the importance of a strong U.S.-Sino diplomatic and economic relations will continue to grow. I believe

one of the best ways to foster the relationship for two countries with such disparate political and cultural beliefs is for individuals particularly in government, to engage in political and cultural exchange visits and see first hand the culture, geography, and political climate. The change to participate in an organized trip can make the experience much more meaningful and valuable, and I would be most grateful for the opportunity to be included.

I have been a senior member of Rep. Shays' staff for 12 of the past 15 years. Most of my responsibilities have fallen into the administrative, domestic policy and political areas. The opportunity to gain a bit of international perspective will be beneficial to both my personal career development, as well as enhancing my ability to advise Rep. Shays

Stephanie Williamson

As a legislative assistant to Congressman Howard L. Berman, Chairman of the House Foreign Affairs Committee, I have an active interest in China's continually evolving role as a world leader. My legislative portfolio includes several issues in which China plays a prominent role, including business and the economy, the American competitiveness agenda and Science-Technology-Engineering-Mathematics (STEM) education, and energy and the environment. As Congress has taken an active interest in each of these areas this year, and will continue to advance these priorities over the next several years, my ability to understand how legislation affects these policies domestically and internationally is a critical part of doing my job.

As globalization ties America's and China's economies more closely together, China's role in America's businesses and economy will continue to be the subject of Congressional scrutiny. This involves both collaboration – opportunities for investment and partnerships – and competition – training scientists who will drive innovation, for example. Hearing about how business regulations affect collaboration and competition with overseas businesses would enable me to better evaluate legislation targeting the business sector and gain a better understanding of the effects of various policies. I work on health and consumer protection issues as well, and would be interested in learning more about what measures China is taking to increase the safety of the products it manufactures.

China's role in global energy markets has received a lot of attention in the media both because of its potential impact on athletic performance at the Summer Olympics and because of its effect on U.S. gas prices. China's growing attention to its environmental policy and its ability to quickly implement dramatic changes through top-down government regulation stand in sharp contrast to the U.S.'s much slower progress on this issue, and I would like to learn more about which policies have been most (and least) effective and what we might expect to see in the future. I would also like to learn about what China hopes to see from the U.S. and how our decisions might impact theirs (and vice-versa). China's growing demand for oil and the impact on the global oil market and domestic price of gasoline add an additional relevant aspect for me.

In addition to my professional interest in China, I have additional personal interest in traveling there. Having previously traveled with a staff delegation to Taiwan, I have learned a lot about China-Taiwan relations and how this relationship affects each country's relationship with the U.S. This issue is of great interest to Congressman Berman, and even though I don't work do Foreign Affairs work for him, I enjoy following the issue. I also recently went on official travel to Cuba – my first time visiting a Communist country – and I'm curious to compare Cuba's use of Communism to shape society and implement policy with China's. I was fortunate to speak both with American diplomats and American students living in Cuba and would benefit from similar insights on China.

Rachelle Wood

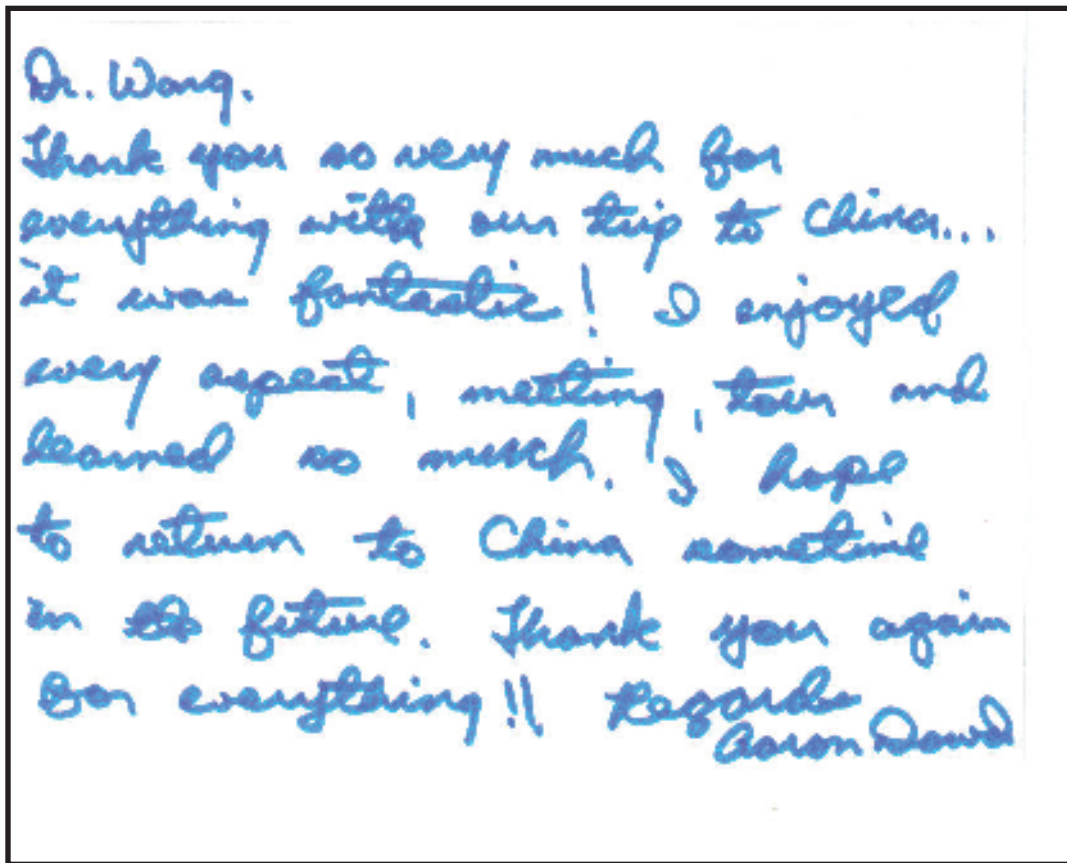
The U.S.-China Policy Foundation is one of the only foundations to organize a seminar series for Congressional staff before leading a trip to China and because of the seminars and the outstanding reputation of the US-China Policy Foundation, I am very interested in the Policymakers Seminar Series and Trip Program to China in order to develop a greater understanding of US-Chinese relations. With China's growing economic and political role in global affairs I feel that it is more important than ever to learn about the government, the economy, and the social conventions of the nation and the seminars will be very useful in gaining knowledge prior to a trip. Perhaps if I were a Congressional staffer 20 years ago, the role of China would not have had much of an impact on my day-to-day work, but in today's globalized world, it is essential for someone like me to learn more about China.

The experience of visiting China would contribute to my professional development as a legislative assistant for Congressman Eliot L. Engel, a senior member of the House Foreign Affairs Committee and the Chairman of the Subcommittee on the Western Hemisphere. Along with labor, tax, and education issues, I handle commerce, trade, and consumer protections issues for Congressman Engel, particularly as they relate to his work on the House Energy and Commerce Committee. Over the past year, the issue of consumer protection and product safety has grown in significance for the House Energy and Commerce Committee because of the multiple recalls of toys and food due to unsafe levels of lead, faulty designs, and other concerns. This has included many products made in China. I believe the experience of visiting China would increase my understanding of how closely our two economies are intertwined and how our governments can work together to better ensure the safety of exports and imports.

August 2008 is an especially exciting time to travel to China, as the country is hosting the summer Olympics and it would be beneficial to see the enhancements the country has made to its infrastructure, air quality, and other reforms. I look forward to visiting the sites of Chinese culture, civilization, and history while also gaining a greater understanding of China's government and economy. I hope this educational experience will provide an opportunity to allow me to make better-informed decisions on issues relating to China during the course of my career here in Congress.

I would be honored to have the opportunity to participate in the U.S.-China Policy Foundation's Policymakers Seminar Series and Trip Program.

APPENDIX II: LETTERS OF SUPPORT



Dr. Wang,
Thank you so very much for
everything with our trip to China...
it was fantastic! I enjoyed
every aspect, meeting, tour and
learned so much. I hope
to return to China sometime
in the future. Thank you again
for everything!! Regards
Aaron Dowd

September 8, 2008

Dear Dr. Wang,

I missed you before boarding my plane in Chicago, and wanted to make sure you know how thankful I am for your work this past week. The forums and meetings were incredible, and the overall experience was absolutely amazing. Thank you again for making it possible!

Rebecca Mark