



U.S.-China Relations:

## Olympics Boost Chinese Pride and U.S.-China Relations

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The Beijing Olympic Games were conducted without a hitch to the great relief of the Chinese leadership and the 1.3 billion Chinese people who had long anticipated the momentous event. Abroad, the reviews were mixed. Most agreed that the opening ceremony was spectacular and that China had successfully ensured the safety of the athletic competitions, but many argued that these goals had been achieved at a significant cost that highlighted the undemocratic nature of China's regime. President Bush's attendance further consolidated an already close and cooperative U.S.-Chinese relationship, even though Bush seized on several opportunities to criticize China's human rights practices. The U.S.-China Joint Commission on Commerce and Trade (JCCT) marked its 25<sup>th</sup> anniversary with agreements on food security, loans for medical equipment purchase, promotion of digital TV, and cooperation in agriculture and on trade statistics. The U.S. presidential campaign heated up, but China received little attention.

### **The Olympics: success at a cost**

The 29<sup>th</sup> Olympic Games – the anticipation, final preparation, and execution – dominated the third quarter of 2008. Beijing had spent 7 years and \$44 billion since being awarded the Summer Games in 2001, transforming the capital and preparing its citizens for its moment in the sun. Taxi drivers were given uniforms and taught a few English phrases. Local residents were urged to not wear clothes with more than three contrasting colors or pajamas outdoors. The Olympic motto “One world, one dream” was ubiquitous along with the Olympic mascots, whose names when put together – Bei Jing Huan Ying Ni – mean “Welcome to Beijing.”

Other steps that were taken to prepare for the Olympics were less savory. Stringent security measures were implemented to prevent anything from marring China's most important ever photo op. Thousands of people, including petitioners from the rural areas who had gone to Beijing to present their grievances against the government, were swept off the streets so they could not stir up trouble. Human rights activists, dissident writers, and housing rights advocates were detained. Homes and landed property of citizens were taken over, buildings razed by bulldozers, and giant skyscrapers constructed. Chinese officials insisted that the drastic measures were necessary to beautify the city and ensure security for the Olympics.

Finally, at 8:00 PM on Aug. 8, the opening ceremony commenced and 2,008 drummers performing in unison and performances highlighting China's inventions of paper, fireworks, movable type, and the compass awed the world. Fifty-six children, each donning an ethnic

costume, paraded representing the 56 ethnic groups of modern China. Other segments demonstrated the prowess of 2,008 Chinese Tai Chi masters and celebrated the achievements by China in space exploration. Following the parade of nations and various speeches, the ceremony culminated in the lighting of the Olympic flame.

Seventeen days later, the Games closed and by many measures they were a great success. Despite fears of unbreathable polluted air, Beijing's skies were mostly blue. There was an unfortunate random murder of a U.S. citizen, but no terrorist incidents. The athletic competitions were the primary focus of attention while the Games were underway. China trailed the U.S. in the total medal count 100 to 110, but won 51 gold medals compared to 36 for the United States. Beijing put a gargantuan effort into the task of conducting a spectacular and safe Olympics and succeeded in achieving that goal.

No sooner had the flame been extinguished, people inside and outside of China began to debate the legacies of the Beijing Olympics. An editorial in *People's Daily* declared that, "Being Green Olympic Games, Science and Technology Olympic Games and Humanities Olympic Games, the Beijing Olympic Games will definitely produce a far-reaching impact on the modernization of China." Chinese officials pumped American experts with questions about the long-term impact of the Olympics: Would China be transformed by the experience and, if so, in what ways? Would foreign countries have greater understanding about China? Opinions varied widely. On one point, however, there was agreement: China will be more confident in the post-Olympics era. Yet it remains to be seen whether this confidence will lead to greater tolerance at home, increased generosity to China's brethren on Taiwan, and a willingness to undertake greater responsibility in the international arena.

### **Human rights comes to the fore**

As the quarter opened and the Olympic Games drew near, pressure mounted on President Bush and his administration from human rights groups who criticized the president's decision to attend the Games and for refusing to publicly condemn Beijing for its crackdown on dissent in the run-up to the Olympics. Amnesty International accused China of breaking its promise to allow new freedoms in exchange for being granted the privilege of hosting the 2008 Games. The House of Representatives passed a resolution 419-to-1 on July 30 that called on China to "end abuses of human rights of its citizens" in order to ensure that the Olympic games take place "in an atmosphere that honors the Olympic traditions of freedom and openness."

Human rights advocates derided Bush's repeated statements that he planned to go to the Olympics to cheer on U.S. athletes and show his respect for the Chinese people. For example, the *New York Times* quoted a member of the New York-based Human Rights Watch as saying that it is "absurd to try to sustain the claim that America's policies are principled while then effectively standing back and saying 'We will watch from the sidelines while the Chinese do what they do.'"

To burnish his credentials as a supporter of protecting human rights in China, a series of steps were taken both before President Bush arrived in China and during his visit. The week prior to his departure, the president met with five Chinese dissidents—Harry Wu, Wei Jinsheng, Rebiya

Kadeer, Sasha Gong, and Bob Fu – in the White House residence. Bush’s press secretary said that the president “assured them that he will carry the message of freedom as he travels to Beijing.” Then, a large portion of a policy speech on Asia, which Bush delivered in Bangkok on his way to Beijing, focused on the lack of basic freedoms for the Chinese people. “We speak out for a free press, freedom of assembly, and labor rights not to antagonize China’s leaders, but because trusting its people with greater freedom is the only way for China to develop its full potential,” Bush said. “We press for openness and justice, not to impose our beliefs but to allow the Chinese people to express theirs ... The United States believes the people of China deserve the fundamental liberty that is the natural right of all human beings.” China’s foreign ministry issued a moderate rebuke, noting that the U.S. and China have a divergence of views on human rights and religion, but discuss their differences on the basis of mutual respect and equality, with the aim of enlarging mutual consensus.

After arriving in Beijing, President Bush called on Chinese leaders to reduce repression and “let people say what they think” at the official opening of the \$434 million U.S. Embassy. “We strongly believe societies which allow the free expression of ideas tend to be the most prosperous and the most peaceful,” the president maintained. He balanced his remarks with praise for the efforts by China’s leadership to build respect and trust in the Sino-U.S. relationship, which he said has a “solid foundation” that would be strengthened in the years to come.

In his Aug. 9 radio address, broadcast in the United States, not China, Bush told the U.S. people that he was “expressing America’s deep concerns about freedom and human rights in China” and noted that his trip had reaffirmed his belief “that men and women who aspire to speak their conscience and worship their God are no threat to the future of China,” but instead are “the people who will make China a great nation in the 21<sup>st</sup> century.” Bush reiterated a message that he stated often during the course of his presidency: “... trusting their people with greater freedom is necessary for China to reach its full potential.”

On Sunday, after worshipping at a state-approved church in Beijing, President Bush told reporters that no country should fear the influence of freedom of worship. Later in the day, in remarks to the press alongside Hu Jintao, Bush stated that he had “a very uplifting experience by going to a church and thanked Hu for arranging the visit. “I feel very strongly about religion, and I am so appreciative of the chance to go to church here in your society.”

In his private talks, Bush also raised human rights and religious freedom. According to National Security Council Senior Director for East Asian Affairs Dennis Wilder, who gave a briefing on the president’s visit, Bush told Hu that the Chinese can expect that any future U.S. president will make these topics an important component of the U.S.-China dialogue. Bush also raised the Six-Party Talks process and underscored the need for North Korea to live up to its commitments by agreeing to a robust verification protocol. Taking advantage of Treasury Secretary Paulson’s presence, the two leaders also addressed the bilateral economic and trade relationship and the next round of the strategic economic dialogue, which will take place in December. Iran and the Russia-Georgia conflict were also on the agenda. President Hu raised Taiwan and, according to Wilder, both presidents agreed that relations across the Strait are “in a much more positive place” than they were a few years ago.

The final official U.S. statement on the Beijing Olympics was delivered after President Bush's return and also focused on disappointment in China's failure to use the occasion to showcase greater tolerance. "It was maybe an opportunity missed for the Chinese to demonstrate their willingness to be more open and to allow more freedom of speech, freedom of religion, while the world was watching," said the White House spokesman after the closing ceremonies. These remarks came on the heels of Beijing's decision to deport eight U.S. supporters of Tibet for protesting against the Chinese governments policies.

The Chinese would undoubtedly have preferred if President Bush had placed less emphasis on human rights before and during his visit. But they were willing to overlook this transgression. Bush's consistent commitment to not politicize the Olympic Games and to attend the opening ceremonies was a huge boon to Beijing. His unwavering stance that a decision to not go would have offended the Chinese people likely contributed to the decisions of more than 80 heads of state, government and royalty to also attend the opening ceremony in the Bird's Nest. Hosting the Olympics was China's decades-long dream and President George W. Bush had helped to make it a great success. Beijing was grateful.

The Beijing-owned Hong Kong newspaper *Wen Wei Po* asserted that "The U.S. President's first appearance at a foreign country's Olympic opening ceremony not only suggests that they are strategically each other's stakeholders, but also indicates that they help each other in time of need ... the Olympics is a lubricant for improving China-U.S. relations and boosting the level and content of China-U.S. relations." The article maintained that in the post-Olympic era, China's soft and hard power would be ascendant, while the U.S. would continue to face serious economic crisis and would need China's help on a wide range of international issues. Cooperation would serve both countries' interests, the article asserted, predicting that "China-U.S. relations after Bush's era will only be better."

### **The JCCT celebrates 25 years**

At a September meeting of the U.S.-China Joint Commission on Commerce and Trade (JCCT) the two countries marked the 25<sup>th</sup> anniversary of the JCCT process for resolving trade issues and developing bilateral trade opportunities. Achievements of the one-day meeting at the Richard Nixon Presidential Library near Los Angeles included deals on food security, loans for medical equipment purchase, promotion of digital TV, cooperation in agriculture and on trade statistics. In addition, the two sides set a target of the end of this year for signing two memoranda of understand to combat piracy of intellectual property and the sale counterfeit goods in China. The JCCT was co-chaired by Vice-Premier Wang Qishan on the Chinese side, and U.S. Secretary of Commerce Carlos Gutierrez and U.S. Trade Representative Susan Schwab on the U.S. side.

The Chinese announced that Beijing would lift its bird flu-related ban on poultry products from six U.S. states – New York, Pennsylvania, Connecticut, West Virginia, Rhode Island and Nebraska – but kept restrictions in place on imports from Arkansas and Virginia. China has barred poultry imports from some of those states for years, claiming that a "low-pathogenic" strain of avian influenza, or bird flu, was detected. U.S. officials maintain that such bird flu strains pose no threat to public health because they cannot be transmitted to humans and argue that imposing restrictions on them runs contrary to the standards of world agricultural authorities.

No progress was made toward lifting the ban on Chinese imports of U.S. beef, which was imposed after the first case of mad cow disease was found in the U.S. in December 2003. The two sides reached a face-saving agreement to convene technical talks to resolve the impasse. China also agreed to adhere to a more streamlined process by which U.S. makers of medical devices obtain approval for imports of their products to China and to strengthen efforts to prevent contamination of Chinese pharmaceutical exports. The U.S. denounced trade protectionism and promised to push for the lifting of trade barriers against some Chinese products such as seafood, fruit, and wood products.

### **WTO rules against China**

In mid-July, China lost its first case since joining the World Trade Organization seven years ago. A WTO dispute panel confirmed an interim judgment made in February, which upheld complaints by the U.S., European Union, and Canada that China violated fair trade rules by discriminating against imported car parts. The WTO's three-member panel found that Chinese measures "accord imported auto parts less favorable treatment than like domestic auto parts" or "subject imported auto parts to an internal charge in excess of that applied to like domestic auto parts." The panel called for China to bring its tariffs into compliance with international trade rules that require cars made in China to contain at least 40 percent Chinese-made parts or be taxed at the rate of imported finished cars.

Beijing disagreed with the verdict, claiming that the tariffs are necessary to stop cars from being imported in large pieces and assembled locally, enabling companies to avoid paying the high tariff rates for finished cars. In mid-September China appealed the case. If it loses the appeal, China will be given a "reasonable period of time" to make legislative changes. A separate panel would then have to determine whether Beijing had come into compliance or was still breaking the rules. Failure to comply could result in trade sanctions.

Three other WTO cases involving the U.S. and China are still outstanding. The U.S. has challenged China's enforcement of intellectual property rules and alleged discrimination against U.S. films, music, and books. A third case includes Canada and the EU in a complaint over Chinese restrictions on foreign financial news agencies. Last year Beijing filed a complaint against U.S. duties on treated paper and in mid-September called for consultations with the U.S. under the WTO dispute settlement mechanism over U.S. anti-dumping and countervailing measures imposed on Chinese-made steel pipes, tires, and laminated woven sacks.

### **The financial crisis**

What began as a subprime mortgage crisis escalated into the worst financial catastrophe since the Great Depression as the U.S. scrambled to deal with the ramifications of contracted liquidity in the global credit markets and the banking system. On Sept. 22, President Bush phoned Hu Jintao and discussed the economic and financial situation, among other issues. According to *Xinhua*, Bush told Hu that the U.S. government is aware of the seriousness of the problem and has already taken, and will continue to take, measures to stabilize the U.S. and international financial markets. During Premier Wen Jiabao's visit to New York to attend a meeting on the Millennium Development Goals and the 63<sup>rd</sup> UN General Assembly, he told *Newsweek* that the U.S. and

China “should join hands and meet the crisis together. If the financial and economic system[s] in the United States go wrong, then the impact will be felt not only in this country, but also in China, in Asia, and the world at large,” Wen added. The premier expressed concern about the security of Chinese capital, but underscored that China is lending “a helping hand” to the United States that would help stabilize the entire global economy.

A signed article in the Party newspaper *People’s Daily* observed that “many people hold the view that this financial storm of the subprime crisis will be beneficial for changing the existing unipolar system of excessive dependence on the United States.” The article added that changes in the prevailing system would be determined “not by how much those countries damaged by the U.S. subprime crisis complain, but by whether or not they have sufficient capability and desire to take on responsibilities that the United States is unwilling or unable to take on, and proceed to build a new system that is more diverse and stable, and that can provide more development opportunities.”

### **The U.S. presidential campaign and China**

The U.S. presidential campaign attracted intense interest in China this quarter. For the first time, Beijing dispatched a team of officials from the Chinese Communist Party Central Committee’s International Department, which is responsible for cultivating ties with political parties around the world, to observe the Democratic and Republican conventions. Thankfully, from Beijing’s perspective, China received little attention. In his speech to the convention, Democratic presidential candidate Barak Obama raised the issue of American job losses to China as he shared an anecdote about a man in Indiana who “has to pack up the equipment he has worked on for 20 years and watch it be shipped off to China.” Republican presidential candidate John McCain did not make reference to China in his speech. During the convention, however, McCain’s deputy foreign policy advisor Kori Schake told reporters that U.S.-China trade has created export opportunities for U.S. farmers and workers and said McCain favors continuing U.S.-China conversations on trade, currency, product safety, and other areas of mutual concern.

The two parties’ platform language on China overlapped in their calls for China to accord greater respect to human rights, including freedom of speech, press, religion, and specifically the rights of Tibetans. The Republican platform stressed the need to ensure that China fulfills its WTO obligations, especially those related to protecting intellectual property rights, elimination of subsidies, and repeal of important restrictions. In addition, it called for China to adopt a flexible monetary exchange rate and to allow free movement of capital. The Democrats’ platform encouraged China “to play a responsible role as a growing power – to help lead in addressing the common problems of the twenty-first century.”

The Democratic Party platform did not mention Taiwan explicitly, noting only the commitment to a one China policy and to supporting a peaceful resolution of cross-Strait issues. The Republican Party platform termed Taiwan a “sound democracy and economic model for mainland China” and maintained that policy toward Taiwan would continue to be based on the provisions of the Taiwan Relations Act (TRA). Reiterating a position adopted under the Bush administration, it opposed any unilateral steps by either side to alter the status quo in the Taiwan Strait, and insisted that all issues regarding Taiwan’s future “be resolved peacefully, through

dialogue, and be agreeable to the people of Taiwan.” Should China violate these principles, the platform maintained, the U.S., in accordance with the TRA, would help Taiwan defend itself. In addition, the Republicans endorsed the timely sale of defensive arms to Taiwan and full participation for the island in the World Health Organization and other multilateral institutions.

The most detailed positions on China policy in the campaign so far were presented in articles penned by the candidates and published in mid-September by the American Chamber of Commerce in the PRC in its *China Brief* magazine. Senator Obama’s article emphasized that changes in both U.S. and Chinese policies are needed to cope with new challenges. On the economic front, he called for China to develop practices that are more environmentally sustainable and less energy intensive, that boost domestic consumption as an engine of growth, that enhance the social safety net, and that encourage indigenous technology innovation. At the same time, he prescribed that the U.S. end its fiscal irresponsibility, invest in infrastructure, education, health care, science and technology, renewable technologies, and energy efficiency.

Obama acknowledged the benefits that can accrue to the U.S. and other countries from trade with China, but only if China agrees to “play by the rules and act as a positive force for balanced world growth.” He pledged that as president he would press vigorously for China to alter its currency practices, and would take measures to combat intellectual property piracy and address regulations that discriminate against foreign investment in major sectors – all efforts that have been undertaken by the Bush administration, but with only limited achievement. Obama also called for greater Sino-U.S. cooperation on global issues such as climate change and non-traditional security threats. And he urged China to make more progress in protecting the human rights of its people and moving toward democracy and rule of law so it could reach its full potential as a nation.

In his article, McCain stressed the importance of Asia’s resurgence to the U.S., advocated greater attention, investment, and cooperation in the region, and warned against protectionism and isolationism. A central challenge, McCain wrote, will be “getting America’s relationship with China right.” He advocated building on areas of overlapping interest to forge a more durable U.S.-China relationship. McCain cited climate change, trade, and proliferation as areas of common U.S.-Chinese interest while criticizing China’s rapid military modernization, lack of political freedom, close ties with pariah states such as Sudan and Burma, and some of China’s economic practices as undermining the international system.

Like Obama, McCain called for steps to be taken by both the U.S. and China to ensure a mutually beneficial economic relationship. The “to do” list for Beijing included enforcement of international trade rules, protecting intellectual property, lowering manufacturing tariffs, and fulfilling its commitment to move to a market-determined currency. The U.S., for its part, should “continually expand opportunities as China develops, moving into retail ventures, environmental protection, health, education, financial, and other services.” Similarly, while calling on China to behave as a responsible stakeholder in global politics and in its domestic policies, McCain noted that the U.S. must also take seriously its responsibilities as a stakeholder in the international system.

The two presidential candidates faced off in a debate on Sept. 26 that focused primarily on foreign policy. Although there were no questions posed directly on China, Obama and McCain referred to China several times. Describing the Bush administration as overly focused on Iraq, Obama accused the U.S. of squandering resources on the war while borrowing billions from China. In response to a question on Iran, Obama said that it would be difficult to impose harsher UN sanctions against Tehran without the cooperation of Russia and China, which he said “are not democracies” and have broad commercial contacts with Iran. Implying that the U.S. and China are competitors, Obama noted that China held a space launch and a space walk and emphasized the need to ensure that American children keep pace in math and in science. He also referred to China being active in Latin America, Asia, and Africa, regions where he claimed U.S. attention has faded. McCain called for greater control over spending and stated that the United States owes China \$500 billion.

### **Looking ahead**

Next quarter George W. Bush will meet Hu Jintao for the last time as sitting U.S. president. The two men will meet in Lima, Peru on November 22-23 on the margins of the 16<sup>th</sup> APEC Economic Leaders’ gathering. Also in November, Central Military Commission Vice Chairman Xu Caihou is scheduled to visit the United States. The U.S. presidential election on Nov. 4 will begin a process of transition in the U.S. that the Chinese will pay close attention to. Regardless of who is elected, both countries view their interests as served by a stable and cooperative bilateral relationship at a time when both face major domestic challenges and an increasingly complex international security environment.

## **Chronology of U.S.-China Relations July-September 2008\***

**July 1, 2008:** U.S. Representatives Chris Smith and Frank Wolf allege that the Chinese government prevented lawyers and human rights activists from meeting with them in China. Foreign Ministry spokesman Liu Jianchao replies that intervention in China’s internal affairs undermines bilateral relations.

**July 2, 2008:** China’s Ministry of Commerce expresses dissatisfaction with U.S. Department of Commerce’s ruling that production of laminated woven sacks received significant government subsidies.

**July 2, 2008:** Premier Wen Jiabao meets USAID Administrator and Director of U.S. Foreign Assistance Henrietta Fore and Johnson & Johnson CEO William Weldon in Beijing.

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\* Chronology by CSIS interns Tiffany Ma and See-won Byun

**July 9, 2008:** President Hu Jintao meets with President George W. Bush in Japan and discusses bilateral ties, the Six-Party Talks, and Taiwan.

**July 9, 2008:** The U.S. International Trade Commission unanimously votes in favor of antidumping duties on more than \$450 million of steel nail imports from China.

**July 10, 2008:** The State Department announces that Secretary of State Condoleezza Rice will be attending the closing ceremonies of the Beijing Olympics.

**July 11, 2008:** the U.S. Customs and Border Protection Agency charges more than 1,000 cargo containers of clothing made in China that were illegally exported under the names of other countries (valued over \$80 million) to Chinese import quotas.

**July 11, 2008:** Speaking at a luncheon hosted by American Chamber of Commerce and the Hong Kong General Chamber of Commerce, U.S. Consul General in Hong Kong and Macao James Cunningham says, “Hong Kong today is not only thriving but full of promise.”

**July 11, 2008:** A Virginia court sentences a former Pentagon analyst to almost five years in prison for passing U.S. military information to a Chinese spy.

**July 15, 2008:** Air China announces that it will purchase 45 Boeing aircraft for \$6.3 billion.

**July 15, 2008:** U.S. Pacific Command Commander Adm. Timothy Keating hosts Lt. Gen. Zhang Qinsheng, commander of China’s Guangzhou Military Region, at PACOM headquarters where Zhang observes the initial staging of the 9-nation biennial *RIMPAC* military exercises. They agree to conduct two bilateral humanitarian assistance and disaster response exercises.

**July 17, 2008:** U.S. Trade Representative Susan Schwab calls on China to “step up and play a leadership role” in the upcoming Doha Round of the World Trade Organization Talks.

**July 18, 2008:** The U.S. accuses China of dumping laminated woven sacks on the U.S. and places countervailing duty and antidumping duty orders on imports of the product from China.

**July 18, 2008:** A joint Chinese and U.S. investigation does not find the substance in a Chinese-produced blood thinner that was tied to several deaths in the U.S.

**July 18, 2008:** A WTO dispute panel confirms the judgment that China has violated fair trade rules by discriminating against imported auto parts, ruling in favor of the U.S. EU, and Canada.

**July 28, 2008:** The Chinese Ambassador to the WTO in Geneva Sun Zhenyu urges the U.S. to demonstrate flexibility to avoid failure of the Doha Round of talks.

**July 28, 2008:** Foreign Minister Yang Jiechi meets Secretary Rice in Washington DC.

**July 29, 2008:** Foreign Minister Yang meets President Bush at the White House and presides at the opening of the new Chinese Embassy in Washington DC.

**July 30, 2008:** The U.S. House of Representatives overwhelmingly passes a resolution calling on China to stop its human rights violations immediately and to fulfill its promise to grant media freedom during the Olympic Games.

**Aug. 1, 2008:** President Hu Jintao writes a letter to U.S. high schools thanking them for their support in the aftermath of the May earthquake in Sichuan.

**Aug. 4, 2008:** State Department spokesperson Gonzales Gallegos condemns attacks in China's Xinjiang region that killed 16 policemen.

**Aug. 5, 2008:** The U.S. Federal Reserve allows the Industrial and Commercial Bank of China to open its first U.S. branch in New York.

**Aug. 7, 2008:** President Bush delivers a speech on U.S. Asia policy at the Queen Sirikit National Convention Center in Bangkok.

**Aug. 8, 2008:** President and Laura Bush attend the opening ceremony of the Beijing Olympics.

**Aug. 8, 2008:** President George W. Bush and former President George H.W. Bush open the new U.S. Embassy in Beijing.

**Aug. 8, 2008:** A U.S. District court sentences a Taiwan-born U.S. national to 15 years in prison for passing U.S. military secrets to China through an unnamed Chinese agent.

**Aug. 8, 2008:** The U.S. National Counterintelligence Executive warns travelers to the Beijing Olympics and elsewhere to expect cyberspying and other breaches of cyber security.

**Aug. 9, 2008:** A U.S. tourist is stabbed to death in Beijing. Chinese Vice Foreign Minister He Yafei visits the victim's wife, who was injured, in the hospital.

**Aug. 10, 2008:** President Bush meets with President Hu Jintao and Vice President Xi Jinping and attends a church service in Beijing.

**Aug. 11, 2008:** Bill Gates meets with Chinese State Councilor Liu Yandong in Beijing and agrees to stronger cooperation between Microsoft and China's science and education sectors.

**Aug. 13, 2008:** Katharine Fredriksen, the acting assistant secretary for the Office of Policy and International Affairs at the Department of Energy, testifies before a Congressional hearing that energy cooperation with China will bolster bilateral relations.

**Aug. 15, 2008:** New U.S. Consul General in Hong Kong and Macao Joseph R. Donovan Jr. assumes his post.

**Aug. 18, 2008:** Chinese authorities in Kunming detain four members of a U.S. Christian group who were carrying 300 bibles.

**Aug. 19, 2008:** Treasury Secretary Henry Paulson says that he welcomes Chinese efforts at currency appreciation and calls for greater Chinese investment in the U.S.

**Aug. 19, 2008:** The White House says that Secretary Rice will not attend the closing ceremonies at the Beijing Olympics because of the Russia-Georgia conflict.

**Aug. 20, 2008:** A U.S. firm pleads guilty in Washington to transferring information on unmanned aerial weapons system to a Chinese national.

**Aug. 23, 2008:** Secretary of Labor Elaine Chao leads the U.S. delegation to the closing ceremony of the Olympic Games. She also meets Premier Wen Jiabao and delivers a speech at Jiaotong University in Shanghai.

**Aug. 24, 2008:** Following calls by U.S. Ambassador to China Clark Randt for their release, eight U.S. citizens who were sentenced to 10 days of administrative detention for their involvement in pro-Tibet protests, are deported.

**Aug. 25, 2008:** White House spokesman Tony Fratto expresses disappointment that China “did not take the full opportunity that was offered to them while the world was watching during the Olympics” to be more open and allow more freedom of speech and religion.

**Aug. 29, 2008:** For the first time the CCP Central Committee sends two observers to attend the U.S. Democratic Party Convention.

**Sept. 3, 2008:** A retired professor of electrical engineering at the University of Tennessee is convicted of violating U.S. arms export controls and passing sensitive data to a Chinese national.

**Sept. 3, 2008:** President Hu Jintao sends a message of sympathy to President Bush over losses caused by Hurricane Gustav.

**Sept. 3, 2008:** On a trade mission to China, Assistant Commerce Secretary David Bohigian says that China’s environmental protection and renewable energy markets offers major opportunities for U.S. businesses.

**Sept. 4, 2008:** Chinese regulators begin the first high-profile test of Beijing’s anti-monopoly law in Coca Cola’s \$2.4 billion takeover bid of China’s Huiyuan Juice Group, the largest foreign takeover of a Chinese company, if approved.

**Sept. 5, 2008:** Beijing announces that it will offer cash assistance totalling \$500,000 to the U.S., Cuba, and Jamaica for Hurricane Gustav relief efforts. The Red Cross Society of China also announces cash aid to the three affected countries.

**Sept. 8, 2008:** Vice President Xi Jinping meets the U.S. presidential delegation to the Beijing Paralympics led by Secretary of Veterans Affairs James Peake.

**Sept. 15, 2008:** The U.S.-China Joint Commission on Commerce and Trade (JCCT) convenes at the Richard Nixon presidential library in California.

**Sept. 15, 2008:** China files an appeal at the World Trade Organization, challenging the ruling in favor of the U.S., European Union and Canada in a dispute over car parts.

**Sept. 15, 2008:** Presidential candidates John McCain and Barack Obama in a publication of the American Chamber of Commerce in China call for closer U.S.-China cooperation on trade, the environment, and nuclear proliferation.

**Sept. 16, 2008:** The U.S. Food and Drug Administration issues a public warning on tainted baby formula from China after a nationwide scandal in China.

**Sept. 19, 2008:** Beijing files complaints under the WTO dispute settlement mechanism over U.S. anti-dumping and countervailing measures imposed on Chinese-made steel pipes, tires, and laminated woven sacks.

**Sept. 19, 2008:** The State Department releases the International Religious Freedom Report 2008, which charges that China's repression of religious freedom has intensified over the past year.

**Sept. 19, 2008:** The weeklong EU-U.S.-China Initiative on Consumer Product Safety Compliance begins in Beijing.

**Sept. 20, 2008:** The Department of Homeland Security releases a report indicating that there are 290,000 unauthorized Chinese immigrants residing in the U.S. as of January 2007, an estimated 49 percent increase since 2000.

**Sept. 20-22, 2008:** Chen Zhili, vice-chairwoman of the Standing Committee of China's National People's Congress, has meetings with Sen. Daniel Inouye and Rep. Joseph Crowley in Washington and attends the White House Conference on Global Literacy in New York.

**Sept. 21, 2008:** President Hu and President Bush discuss bilateral relations, North Korea, and the financial crisis in the U.S. by phone.

**Sept. 22, 2008:** Foreign Minister Yang and Secretary Rice meet on the sidelines of the 63<sup>rd</sup> session of the UN General Assembly.

**Sept. 22-24, 2008:** Premier Wen Jiabao delivers a speech at the National Committee for U.S.-China Relations and attends a UN meeting on the Millennium Development Goals and the 63<sup>rd</sup> UN General Assembly.

**Sept. 23, 2008:** Foreign Ministry spokesperson Jiang Yu rejects U.S. claims on China's religious policy by the State Department's International Religious Freedom Report 2008, saying it "meddled in China's internal affairs."

**Sept. 24, 2008:** Richard Raymond, head of the Department of Agriculture's Food Safety and Inspection Services, says that China's widening contaminated milk scandal may delay the approval of Chinese meat exports to the U.S.

**Sept. 25, 2008:** Foreign Ministry spokesman Liu Jianchao urges the U.S. "not to support Tibet independence and stop interfering in China's internal affairs" after U.S. leaders talk with the Dalai Lama and meet his representative in the U.S.

**Sept. 26, 2008:** The U.S. Food and Drug Administration announces that some instant coffee and tea drinks containing China-made nondairy creamer have been recalled for fear of contamination, the first U.S. recall in response to the poisoned milk scandal.

**Sept. 28, 2008:** Premier Wen Jiabao tells *CNN* that "if anything goes wrong in the U.S. financial sector, we are anxious about the safety and security of Chinese capital," adding that world leaders "should join hands and meet the crisis together."

**Sept. 28, 2008:** At the World Economic Forum in Tianjin, China Banking Regulatory Commission Chairman Liu Mingkang calls U.S. lending standards before the credit crisis "ridiculous" and says that the world can learn from China's more cautious system.