

# Comparative Connections

A Quarterly E-Journal on East Asian Bilateral Relations



U.S.-China Relations:

## Chock-full of Dialogue: SED, Human Rights, and Security

Bonnie Glaser  
CSIS/Pacific Forum CSIS

Major developments in Sino-U.S. relations took place on the economic, military, and political fronts this quarter. The fourth U.S.-China Strategic Economic Dialogue was held in Annapolis, Maryland, June 17-18, yielding a 10-year energy and environment cooperation framework. A telephone link was installed between the U.S. Department of Defense and China's Ministry of Defense and talks were launched on nuclear policy and strategy. The U.S. and China held a round of their bilateral dialogue on human rights after a hiatus of six years and vice-foreign minister level talks on security issues were held for the first time in four years. The U.S. provided assistance to China to ensure the security of the 2008 Olympic Games in Beijing. A massive 7.9 magnitude earthquake rocked China's southwestern Sichuan Province and the U.S., along with the rest of the international community, provided aid. Secretary of State Rice visited the quake-hit area and held talks in Beijing focused on North Korea.

### The fourth U.S.-China Strategic Economic Dialogue

Treasury Secretary Henry Paulson and Chinese Vice Premier Wang Qishan co-chaired the fourth U.S.-China Strategic Economic Dialogue (SED) in Annapolis, Maryland June 17-18. Inaugurated in December 2006, the biannual meetings are the top high-level consultation mechanism on trade and economic issues between the U.S. and China. The fourth round focused on five key areas: managing financial and macroeconomic cycles, developing human capital, the benefits of trade and open markets, enhancing investment, and advancing joint opportunities for cooperation in energy and the environment. During the meetings, the parties exchanged views on the global economic and financial outlook, discussed the deepening of the bilateral trade relationship, and pledged cooperation on common energy and environmental concerns.

Commentators noted a "slight shift in power in China's favor" at the negotiation table as a result of the U.S. subprime crisis and depreciation of the dollar. In a new twist, the Chinese delegation reportedly criticized the U.S. for its contribution to global economic woes and advised the U.S. on the dangers of an open market. Special envoy for China and SED Ambassador Alan Holmer responded that Beijing should not use recent U.S. troubles as an excuse to block further access to its financial markets. At a separate briefing, he told reporters that "there would be significant costs to China if they were to slow down in their financial-sector liberalization." China also raised concerns about continued access to U.S. markets and Chinese investments in the U.S., and expressed hope for an easing of restrictions on high-technology exports to China.

Overall, U.S. and Chinese representatives publicly declared the SED a success, emphasizing positive outcomes in energy and environmental cooperation and bilateral investment. Following the discussions, Paulson and Wang signed a 10-year energy and environment cooperation framework focusing on the key areas of power generation, transportation, greenhouse gases, water and air pollution, and conservation of wetlands and forest resources. Paulson anticipated that the agreement would involve U.S. and China businesses, academics, and research institutes sharing knowledge and commercialization of alternative energy and environmental technologies.

The agreement to work toward a bilateral investment treaty (BIT) aims to facilitate foreign direct investment and reduce economic barriers. This was positively received by U.S. companies as it would increase access to Chinese markets and ensure greater security for investments. Chinese companies also welcomed the prospect of easing the challenges faced by Chinese companies in securing business licenses to operate in the U.S. It is expected to require at least a year before negotiations on a BIT can be completed, thus placing it out of the term of the current administration. The new Congress could block the treaty's ratification as several members have already expressed reservations about it.

Despite progress in areas of energy and environmental protection, uncertainties over the future of the SED following the elections may have prevented the talks from reaching their full potential in the other key areas. Some speculate that China is holding off serious discussions until after the November elections. Nevertheless, the Chinese media emphasized the success that the SED has had in building mutual confidence. *Xinhua* reported Vice Premier Wang Qishan at the opening ceremony saying that holding the SED at a time when both countries are facing many challenges has "especially important significance" for promoting "strategic mutual trust" between the two countries. This was echoed in a Chinese editorial in Hong Kong's *Ta Kung Pao Online*, which considered "consolidating the foundation for long-term cooperation" as the major achievement of the discussions.

Beijing is clearly eager for the SED to survive the change in U.S. administrations. *Xinhua* declared that the SED is of "important significance to the whole world" and will have a positive impact on "world economic growth" and "global stability and security." At the opening ceremony, Wang Qishan maintained that "no matter what," it is "necessary" for China and the U.S. to "continue to make good use of this "important platform."

The meetings have produced significant cooperation in the last two years, notably in areas of intellectual property rights (IPR) and food safety. During the second SED, the U.S. and China signed an agreement on enforcement of IPR laws. China has recently established an Outline of National Intellectual Property Rights, acceded to international conventions, and implemented domestic enforcement and protection mechanisms as well as punitive measures against violators. Food safety issues were raised at the third SED following public concerns and recalls of consumer products in the U.S. Recently, it was announced that the two countries will exchange food and drug inspectors by the end of the year, and the first China-U.S. food safety testing facility has begun operations in Guangdong Province. Other achievements have included the gradual opening of Chinese financial markets, technical assistance with the Chinese sulfur dioxide emissions trading scheme, and an aviation agreement on increasing direct flights between the two countries. Although it is difficult to assess whether the outcomes would have

been achieved without the process, the SED has played a significant role in facilitating and expediting discussions and results.

Critics of the SED have pointed to the unresolved issue of Chinese currency valuation and the expanding trade imbalance as indicative of its shortcomings. At the past three SED meetings, Paulson has encouraged China to increase the value of the *yuan* against the dollar. From the Chinese perspective, “fruitful” progress has been made regarding the exchange rates and trade deficits. Since 2006, the *yuan* has gained 20 percent against the dollar and growth in the trade gap has narrowed as U.S. exports to China have grown faster than Chinese exports to the U.S. Chinese commentators oppose accelerating the *yuan*’s appreciation, claiming that this would slow domestic GDP growth and undermine the U.S.’s strong dollar policy. As was evident at the conclusion of four SED meetings, the countries remain “far apart” on this contentious issue.

Another criticism of the SED is the lack of tangible achievements as the two sides often agree to disagree on issues of conflict and end up “listening politely but ultimately going their own ways,” as noted by *Forbes* magazine. However, Secretary Paulson has consistently argued that the purpose of the dialogue is not necessarily to negotiate specific issues, but rather to engage in discussions of broad topics. Paulson has maintained that the SED is valuable even if it achieves marginal progress and that sustaining the dialogue is an important accomplishment in itself.

An issue that the parties do agree on is the value of the SED in bolstering the overall bilateral relationship. Charles Freeman, a former U.S. trade negotiator, graded the SED at a “solid B” but nonetheless commented on the necessity of “senior-to-senior” economic dialogue as “you can’t litigate your problems with China, and you can’t ignore China.” Therefore, the SED provides “a platform for both sides to increase mutual trust, dispel misgivings, conduct negotiations and consultations, and pragmatically resolve conflicts and disputes in the economic and trade fields” as described by Hong Kong’s *Wen Wei Po* newspaper. The SED also serves as a constructive forum for the discussion of “emerging hot issues of mutual concern” such as energy and the environment.

Officials from both sides are urging that the new U.S. administration continue the dialogue. Those involved in the SED on the U.S. side contend that the dialogue has produced enough progress to merit continuation while PRC officials’ statements and media commentary focus on the value of the dialogue to long term bilateral ties. The above-cited article in *Wen Wei Po* urged U.S. policymakers to “earnestly protect and promote this effective communication and exchange mechanism so that it will contribute to the stability of bilateral relations as well as regional and international stability and prosperity.” Beijing’s support for the SED is also evident in its cooperation and action following the negotiations. The signing of a 10-year energy and environment framework is indicative of a long-term commitment both to the dialogue process and to the future of U.S.-China cooperation. The successes from the fourth SED demonstrate the flexibility of the process to address matters outside traditional trade issues. This lays the foundation for a persuasive case for the continuation of the SED.

## **Developments in military-to-military ties**

The quarter opened with a visit by Marine Corps Commandant Gen. James Conway to China's South Sea Fleet in Guangdong province. Highlights of the visit included going aboard a Chinese amphibious ship that was built in 2004, a recently constructed missile destroyer, and China's version of the expeditionary fighting vehicle (EFV). Conway told *Newsweek* that he was "really encouraged because they were fairly open . . . I got to see some things that had just not been divulged before."

In discussions with Guangzhou Regional Commander Lt. Gen. Zhang Qinsheng, Conway proposed closer cooperation in disaster relief, including exercises that provide opportunities to share techniques and procedures. In the interview with *Newsweek*, Conway maintained that it is "fitting" that China has a "substantial" military, but also expressed concerns about China's unwillingness to be more transparent about its long-term strategy. Conway's host, PLA Navy Commander Vice Adm. Wu Shengli, was invited to visit the U.S. at a mutually convenient time.

In early April, the defense telephone link (DTL) between the U.S. Department of Defense and Chinese Ministry of Defense became operational and was inaugurated by a phone call placed by Secretary of Defense Robert Gates to Defense Minister Liang Guanglie on April 10. The call, which lasted about 30 minutes, focused mostly on Taiwan. Gates urged China to work with Taiwan's newly elected President Ma Ying-jeou. Liang called for an end to U.S. arms sales and military ties with Taiwan, according to Xinhua. Both Gates and Liang lauded the creation of the communication link. Gates described the hotline as an "important step forward in enhancing communications between our ministries," and Liang said the direct telephone link was "an important step that served both countries' long-term strategic interests." The hotline was first proposed in Feb. 2004 by Douglas Feith, then undersecretary of defense for policy. A formal agreement was not signed until four years later, on Feb. 29.

The link was used again less than two weeks later by Gen. Conway who phoned Adm. Wu Shengli to express his gratitude for the hospitality during his visit to China. According to the *PLA Daily*, Conway expressed his hope that the contacts between the U.S. Marine Corps and its Chinese counterpart will be further strengthened and will contribute to better mutual understanding and trust between the two armed forces. Wu said China was "ready to join hands with the U.S. side in the effort of further building up the mutual confidence, enhancing cooperation, and promoting the healthy and steady development" of the two militaries.

A professor at China's National Defense University, writing in the PRC-owned Hong Kong newspaper *Wen Wei Po*, pointedly distinguished the defense hotline from the hotlines between the U.S. and Japan and the U.S. and Taiwan. The main purpose of the Sino-U.S. hotline is to "increase trust and dispel doubt" to reduce risks, resolve crises, and prevent incidents, the professor wrote. By contrast, he said the hotlines that the U.S. has with Japan and Taiwan are intended to "convey information and intelligence" to enable "actions in complete coordination."

Two years after Presidents Bush and Hu Jintao agreed to launch a dialogue between their militaries on nuclear matters, talks on nuclear policy and strategy got underway at the Pentagon in April. China's delegation was headed by Maj. Gen. Huang Xing, director general of research

at the Academy of Military Sciences and included officers from the PLA Second Artillery, which is in charge of China's nuclear and conventional missile forces. The U.S. side was led by Brian Green, deputy assistant secretary of defense for strategic capabilities. The two delegations exchanged views on the international security environment and their respective nuclear strategies and doctrines. At the close of the talks, the two sides agreed in principle to hold the next round in Beijing, but no date has been set.

The Shangri-La Dialogue, an annual meeting of defense ministers from the Asia-Pacific region, was held in Singapore May 30-June 1. Secretary of Defense Gates outlined U.S. strategy toward Asia. He described the U.S. as a "resident power" in the region that will continue to base its approach to Asia on the "time-tested principles" of strategic access, freedom of commerce and navigation, and freedom from domination by any hegemonic force or coalition. Gates also underscored U.S. support for strategic dialogue and multilateral arrangements. His criticism of China was muted; Gates opted instead to point to China's "valued cooperation" in tempering North Korea's ambitions and noted that the U.S. and China had begun a series of dialogues on strategic issues "to help us understand one another better, and to avoid possible misunderstanding."

PLA Deputy Chief of Staff Ma Xiaotian also delivered a speech that emphasized China's commitment to adhere to a path of peaceful development while preserving the country's territorial integrity and protecting its maritime interests. Alluding to recent protests in Tibet, Ma raised concerns about "ethnic and religious disputes" which, he said, have led to regional tension and confrontation. In addition, Ma cited "three forces" as posing severe threats: the expansion of military alliances, the development and expansion of missile defense systems, and space weaponization. Gates and Gen. Ma had an opportunity to exchange views on security issues in a meeting on the sidelines of the meeting.

Several port calls during the quarter involved U.S. ship visits to Chinese ports. In early April, the *USS Nimitz* arrived in Hong Kong, marking the first aircraft carrier to make a port call there since the Chinese denied access to the *USS Kitty Hawk* in November 2007. A few days later, the U.S. Navy destroyer *USS Lassen*, with a crew of 382, began a four-day port call in Shanghai. On June 19, the aircraft carrier *USS Ronald Reagan* made its third port call in Hong Kong in two years.

### **Human rights dialogue resumes**

After a hiatus of six years, the U.S. and China held a round of their bilateral dialogue on human rights from May 24 to 28. This was the 14<sup>th</sup> round of the dialogue since it was launched in 1990. The 13<sup>th</sup> round was held in Beijing in 2002. The dialogue was formally suspended by Beijing in 2004 when the U.S. introduced a motion condemning China's human rights practices at the 60<sup>th</sup> session of the UN Commission on Human Rights. David Kramer, assistant secretary of state for democracy, human rights and labor, and Wu Hailong, director general of the department for international organizations and conferences of the Chinese foreign ministry, headed the U.S. and Chinese delegations respectively. During the five-day dialogue, the two sides briefed each other on the progress they have achieved in the human rights field, and held extensive and in-depth

discussions on such issues as freedom of speech, religious freedom, anti-racial discrimination, and United Nations human rights cooperation.

Kramer characterized the talks as “constructive and positive.” He said that the Bush administration did not seek to hold another round of the human rights dialogue after 2002 “because we were concerned it was becoming dialogue for the sake of dialogue and not producing the results that both sides expected to see.” Foreign Minister Yang Jiechi and Secretary of State Condoleezza Rice agreed to resume the dialogue during Rice’s visit to Beijing in February. In what was likely a precondition for the resumption of the talks, the U.S. removed China from its list of top human rights abusers two weeks after Rice’s trip. Kramer indicated that the Bush administration sought to resume the talks because after substantial changes in the past six years, the basis might now exist for tangible progress to be made. *Xinhua* reported that the dialogue was “candid, open, and constructive; that it helped enhance mutual understanding and reduce differences; and that it was conducive to promoting the sustained, healthy, and stable development of Sino-U.S. ties.”

Kramer said he raised U.S. concerns on a number of human rights issues during the talks, including imprisonment of dissidents and journalists, restrictions on religious activities, and suppression of nationalist activists in Tibet and Xinjiang. He also voiced satisfaction at Beijing’s willingness to hold talks with the representatives of the Dalai Lama. Kramer told the press that the Olympic Games present a good opportunity for China to show progress on human rights.

China’s foreign ministry spokesman noted that Wu Hailong emphasized the “principle of equality and mutual respect” in conducting the human rights dialogue and called for differences to be dealt with constructively, rather than through the application of “double standards,” “staging confrontation,” or “interfering with other countries’ internal affairs under the pretext of human rights.”

The U.S. delegation met separately with Foreign Minister Yang and Assistant Minister Liu Jieyi. They also visited the United Front Work Department of the CCP Central Committee, the Ministry of Justice, the Bureau of Religious Affairs, the State Nationalities Affairs Commission, the State Council Information Office, and the China National Center for Tibetan Studies. The delegation also had informal discussions with the faculty members and students of the Foreign Affairs University. Another round of the talks is scheduled to be held before the end of the year.

### **Security talks recommence**

Another official dialogue mechanism was restored this quarter when John Rood, acting undersecretary for arms control and international security at the U.S. Department of State, led a delegation to Beijing for talks on strategic security, non-proliferation, arms control, and international and regional security issues. Assistant Minister He Yafei headed the Chinese delegation. The vice ministerial-level talks, newly dubbed the U.S.-China Security Dialogue, were last held in February 2004. Both sides included diplomatic and military representatives.

On some topics the U.S. and China found common ground, such as how to expand cooperation in countering the threat of nuclear proliferation. However, there was discordance on other

issues. The U.S. pressed China to be more transparent about its nuclear weapons modernization and its space plans, but was not satisfied with China's responses. "China clearly has large-scale efforts in the nuclear area. This is something that we've sought a greater dialogue with our Chinese colleagues about," Rood told a news conference. The U.S. reiterated concerns about the anti-satellite test China conducted in January 2007 when it used a missile to destroy a defunct weather satellite. The Chinese raised its concerns about the U.S. military buildup at Guam and U.S. cooperation with its Asian allies to deploy missile defense systems in the region. "We think our missile defense cooperation with Japan is not threatening to China. This is a purely defensive capability," Rood told the press, and presumably the Chinese.

After the one-day U.S.-China Security Dialogue, which was held somewhat unseemly on June 4 – the anniversary of the 1989 massacre at Tiananmen Square – Rood held separate meetings with Foreign Minister Yang and Deputy Chief of Staff of the PLA Ma Xiaotian. *Xinhua* quoted Yang as telling Rood that "China and the United States have increasing mutual benefit and a sphere of cooperation on issues such as international security, arms control, and non-proliferation." He added that consultations on security issues are "conducive to enhancing mutual trust and cooperation" and to improving "the sound and stable development of the China-U.S. constructive and cooperative partnership."

### **The Wenchuan earthquake and the U.S. response**

A massive 7.9 magnitude earthquake rocked China's southwestern Sichuan Province and neighboring regions in mid-afternoon on May 12. The epicenter of the quake was in Wenchuan County, 159 km. northwest of Chengdu, the Provincial capital. As of June 29, the death toll had risen to 69,185 with 374,177 injured and 18,404 people reported still missing. The number of quake survivors that were rescued was approximately 1.43 million. Hospitals had treated 96,362 individuals, of whom 85,211 had been discharged. An estimated 5 million people were left homeless and approximately 15 million people were displaced.

A steady stream of relief supplies poured into the quake zone, including about 1.5 million tents, 4.9 million quilts, 14.1 million garments, 1.5 million tons of fuel oil, and 2.6 million tons of coal. Relief workers built 215,600 temporary houses and were installing an additional 42,100 houses. The government disaster relief fund reached 54.22 billion *yuan* (\$7.75 billion). Of the 49.55 billion *yuan* from the central budget, 19.6 billion *yuan* was allocated for disaster relief and 30 billion *yuan* for reconstruction. Domestic and foreign donations reached 55 billion *yuan* in cash and goods, with 19.6 billion *yuan* forwarded so far to the quake-hit areas.

The day after the quake, President Bush phoned President Hu Jintao to express his condolences to the victims. A week later Bush and his wife Laura visited the Chinese Embassy in Washington DC to pay their respect to the victims. The president told Chinese Ambassador Zhou Wenzhong that "Our country stands ready to assist in any manner that China deems helpful." Laura wrote in the book of condolence, "And with love and sympathy to the people of China from the people of the United States."

On May 16, Treasury Secretary Henry Paulson talked by phone to Chinese Vice Premier Wang Qishan, describing the Chinese government's quick response to the quake as "very impressive."

Paulson offered U.S. assistance for material relief and post-disaster reconstruction. A day later, Secretary Rice also expressed U.S. readiness to provide additional relief support in a phone call to Foreign Minister Yang Jiechi. Ma Xiaotian, deputy chief of the General Staff of the PLA, and Timothy Keating, commander of U.S. Pacific Command (USPACOM), also spoke by phone about quake relief strategies. The State Department announced that in response to a request from China, the U.S. National Geospatial-Intelligence Agency was providing satellite imagery to China to aid earthquake damage assessments.

Two days after the earthquake, the U.S. pledged initial aid of \$500,000. On May 18, two U.S. Air Force *C-17 Globemaster* cargo planes delivered relief supplies to Chengdu. The cargo included food, blankets, electrical generators, and hand tools from U.S. disaster relief stocks in Hawaii and Guam as well as 15,000 ready-to-eat meals, 655 tents, and 2,592 lanterns. A nine-person USAID team of specialists was also dispatched to train local rescue workers on the use of specialized search, rescue, and recovery equipment. On May 29, the U.S. airlifted 153 medium-sized tents, valued at nearly \$940,000 including transport to Chengdu. DOD assistance to date totals more than \$2.2 million.

In a June 6 meeting at the American Red Cross, attended by President Bush, Secretary Rice, and Secretary Paulson, USAID Administrator Henrietta H. Fore noted that the U.S. private sector has provided more than \$102 million in cash and in-kind contributions to Chinese response efforts. In his remarks, President Bush praised the Chinese government's firm response to the earthquake and conveyed the deep concern of the American people for the people of China.

### **Cooperation on Olympic security**

As the 29<sup>th</sup> Olympic Games draw near, China is partnering with foreign governments to ensure the highest possible security for the visiting dignitaries, the athletes, and the spectators. U.S. federal agencies working with Chinese officials include the Departments of State and Energy. The Energy Department's National Nuclear Security Administration provided radiological detection equipment and training to Chinese customs and other agents to detect nuclear material or radiological bombs. Similar knowledge sharing is taking place between other U.S. agencies and their Chinese counterparts, drawing on extensive experience in major event security from past Olympics in the U.S., most recently in the Salt Lake City Winter Games of 2002, and abroad, such as the 2004 Athens Olympics.

The FBI, Secret Service, and other U.S. security agencies are working with China's Public Security Ministry and elements of the People's Liberation Army to help them respond to any terrorist attack at the Olympics. This includes assisting China to develop sensitive counterterrorism coordination techniques, such as creating joint security operations and intelligence centers, according to *The Washington Times*. In addition, export-controlled equipment has been licensed for sale to China for the Olympics including explosives-detection equipment, X-ray scanners, building access control systems, radiation detection gear, and fire and rescue equipment, *The Times* reported.

Homeland Security spokesman Russ Knocke said that while security will primarily be handled by Chinese authorities, the department will provide specialists from several agencies. The U.S.

Secret Service will provide protection for dignitaries; the Transportation Security Administration will help the Chinese coordinate with local authorities and airlines for Federal Air Marshals coverage on various flights; U.S. Customs and Border Protection and U.S. Immigration and Customs Enforcement attachés will have a presence; and the U.S. Coast Guard will have a liaison officer in Beijing to provide assistance and expertise if requested by local authorities.

Patrick Donovan, acting director of the State Department's Diplomatic Security Service, said, "As host nation to the 2008 Olympic Games, Chinese authorities will have ultimate responsibility for security during the Games themselves." "That said," he added, "ensuring a safe and secure Olympics [is] in everyone's interest, and the United States stands ready to offer our support as needed."

### **Rice visits earthquake zone and Beijing**

After attending the G8 ministerial in Kyoto and stopping in Seoul for consultations, Secretary Rice traveled to Sichuan on June 29 to observe the earthquake devastation and China's relief efforts before proceeding to Beijing for meetings. In her four-hour tour of the earthquake-hit areas, Rice visited the debris of the Tengda sports club in Dujianyan, one of the cities that was hit worst by the quake. She also visited a temporary shelter housing 8,000 people displaced by the earthquake. Rice offered the deep condolences of the American people. She contrasted the willingness of the Chinese government to accept the help of the international community and the uncooperative response of the Burmese authorities to offers by many nations to provide aid after Cyclone *Nargis* left more than 130,000 people dead or missing.

In Beijing, Secretary Rice met counterpart Foreign Minister Yang Jiechi, as well as President Hu Jintao, Prime Minister Wen Jiabao, and State Councilor Dai Bingguo. Topics discussed included North Korea, Tibet, Burma, Iran, Zimbabwe, the upcoming meeting between Presidents Hu and Bush on the margins of the G8 summit, and human rights. Although the Chinese shared Rice's concern about the situation in Zimbabwe following the rigged re-election of President Robert Mugabe, Yang Jiechi maintained that the African countries should assume the lead in resolving the crisis, rather than the UN Security Council.

Rice lauded Beijing's decision to hold another round of talks with the Dalai Lama's envoys and expressed her hope for "positive developments and some momentum behind the talks." She also discussed Chinese restrictions on internet use and raised U.S. concerns about several dissidents who have been jailed. In a joint press conference with Foreign Minister Yang, Rice was upbeat about the overall bilateral relationship. Although the U.S. and China hold different views on some issues, she said, "those differences have not obscured a very important fact . . . that the United States and China simply must work together if we are going to resolve the many challenges that we face in the international community. . ."

### **Looking ahead**

Next quarter Presidents Bush and Hu Jintao will meet on the sidelines of the G8 meeting in Hokkaido, July 7-9. On Aug. 8, at 8 minutes after 8 PM, President Bush will be present for the commencement of the opening ceremonies of the 29<sup>th</sup> Olympic Games in Beijing. While in

Beijing, President Bush will also be opening the new U.S. Embassy. The two U.S. and Chinese presidents will meet one last time before President Bush leaves office when the two leaders attend the APEC summit in Lima, Peru in November. Military exchanges will continue apace with planned visits to the U.S. by Lt. Gen. Zhang Qingsheng, commander of the Guangzhou Military Region, and Lt. Gen. Xu Caihou, vice chairman of the Central Military Commission.

Now that the presidential candidates of the Republican and Democratic parties have been decided, Beijing will closely observe the election campaign and assess the implications for U.S.-China relations of a McCain vs. an Obama presidency. Generally speaking, Beijing is confident that whoever is elected the next U.S. president will attach special importance to U.S.-China ties and seek to have a cooperative bilateral relationship. Nevertheless, there is some angst about whether the close rapport and the high level of credibility that existed between Hu and Bush can be established under a new U.S. president.

For China, the exceptional personal relationship between Hu and Bush has been especially important in managing the challenge of Taiwan independence. Even though Chen Shui-bian has left power and his successor Ma Ying-jeou has embarked on a policy of easing cross-Strait tensions, the Chinese worry about the U.S. factor in Mainland-Taiwan relations and hope to continue to coordinate with Washington on this sensitive issue. There is also concern about the possibility of U.S. trade policy taking a more protectionist tack under a Democrat.

### **Chronology of U.S.-China Relations April-June 2008\***

**April 1, 2008:** The Olympic Torch relay begins its four-month journey around the world.

**April 1-2, 2008:** U.S. Marine Corps Commander Gen. James Conway visits the South China Sea Fleet in Zhanjiang, Guangdong province.

**April 2-3, 2008:** Treasury Secretary Henry Paulson visits China in preparation for the Strategic Economic Dialogue in June. Paulson meets Vice Premier Wang Qishan, Premier Wen Jiabao, and President Hu Jintao.

**April 4, 2008:** The *USS Nimitz* arrives in Hong Kong, the first aircraft carrier to make a port call in Chinese territory since the *USS Kitty Hawk* incident in November of 2007.

**April 8, 2008:** The Navy destroyer *USS Lassen*, with crew of 382, arrives in Shanghai for a four-day port call.

**April 8, 2008:** The White House reaffirms Bush's attendance at the Beijing Olympics in response to calls within the U.S. to boycott the event.

---

\* Chronology by CSIS interns Arthur Kaneko and Tiffany Ma

**April 9, 2008:** The Olympic torch arrives at its only U.S. destination, San Francisco, and is met by hundreds of peaceful protesters.

**April 10, 2008:** The International Monetary Fund calculates that China's quarterly trade surplus declined for the first time in three years. The *yuan* rises past seven *yuan* to the dollar for the first time after the semi-float.

**April 10, 2008:** Chinese Defense Minister Liang Guanglie holds a phone conversation with U.S. Secretary of Defense Robert Gates. The call marks the establishment of a hotline between the heads of the two defense ministries.

**April 11, 2008:** The Chinese Foreign Ministry calls the U.S. House of Representatives resolution concerning Tibet "a rude interference into China's internal affairs" that "seriously hurt the feelings of the Chinese people."

**April 14, 2008:** Sally Collins, U.S. Forest Service associate chief, visits the Chinese State Forestry Administration and praises the joint Forest Health Pilot Project that helps preserve China's forest resources with the help of the U.S.

**April 15, 2008:** The Food and Drug Administration announces that it will open an office in China in May to more aggressively monitor and regulate products exported to the U.S.

**April 16, 2008:** A study released by the University of California shows that China surpassed the U.S. as the largest emitter of greenhouse gas in 2006.

**April 16, 2008:** Foreign Minister Yang Jiechi and Secretary of State Condoleezza Rice hold a telephone conversation on bilateral relations.

**April 16, 2008:** The political directors from Foreign Ministries of China, the U.S., Germany, Russia, Britain, France, and directors of the European Council on Foreign Relations meet in Shanghai to discuss a plan for restarting talks on the Iranian nuclear issue.

**April 21, 2008:** U.S. officials express concern over the alleged toxicity of the drug Herapin manufactured in China.

**April 21, 2008:** Undersecretary of State Paula Dobriansky meets the Dalai Lama in Michigan.

**April 21-22, 2008:** The U.S. and China initiate talks on nuclear policy and strategy. China sends a delegation to the Pentagon that includes military researchers from the PLA Academy of Military Sciences and Second Artillery officers.

**April 22, 2008:** Chinese officials criticize the meeting between Undersecretary Dobriansky and the Dalai Lama.

**April 22, 2008:** Adm. Wu Shengli, a member of the Central Military Commission and commander of the PLA Navy, holds a phone conversation with U.S. Marine Corps commander Gen. James Conway on the newly established defense hotline.

**April 24, 2008:** The Department of State urges China to halt arms shipments to Zimbabwe.

**April 24, 2008:** A report released by the Ministry of Information Industry says that China now has more internet users than the U.S.

**April 25, 2008:** The U.S. welcomes an announcement by the Chinese government that it will meet with the private representatives of the Dalai Lama.

**April 26, 2008:** The U.S. Trade Representative's office releases a report naming China and Russia as the top offenders of international copyright laws.

**April 28, 2008:** The *USS Kitty Hawk* makes a final port call in Hong Kong before its planned decommissioning later this year.

**April 30, 2008:** The FDA suggests during a House subcommittee hearing that Heparin exported from China may have been contaminated deliberately.

**May 1, 2008:** 54 U.S. Congressmen write to President Hu Jintao asking China to stop repatriating North Korean refugees.

**May 6, 2008:** The Chinese Foreign Ministry objects to a report by the U.S. Commission on International Religious Freedom that criticized China's lack of religious freedom.

**May 8, 2008:** U.S. Commerce Department announces it will impose anti-dumping duties on Chinese paper used to print receipts. It also requests that China adopt international technological standards.

**May 8, 2008:** In an interview with *Voice of America*, USPACOM Commander Adm. Timothy Keating urges China to relinquish "high-end military options" such as the submarine base in Hainan in favor of cooperation with the U.S.

**May 10, 2008:** The Steering Committee of the United States-China Collaborative Program on Emerging and Re-Emerging Infectious Diseases holds its annual meeting.

**May 11, 2008:** Deputy Secretary of State John Negroponte meets Politburo Standing Committee member Xi Jinping, PLA Deputy Chief of the General Staff Ma Xiaotian, Foreign Minister Yang Jiechi and other MFA officials during a one-day visit to Beijing to discuss North Korea and the possibility of establishing a Northeast Asia peace and security mechanism.

**May 12, 2008:** Adm. Keating says Chinese submarine base in Hainan is worrisome for the U.S.

**May 12-19, 2008:** Health and Human Services Secretary Michael Leavitt visits China to discuss export product safety, contagious diseases, and preparations for the Olympics.

**May 12, 2008:** A massive earthquake strikes Wenchuan country in Sichuan Province.

**May 13, 2008:** President Bush extends his condolences to the victims of the Sichuan earthquake to President Hu Jintao during a phone call.

**May 14, 2008:** The U.S. pledges initial aid of \$500,000 in response to the Sichuan earthquake.

**May 14-15, 2008:** Commerce Secretary Carlos M. Gutierrez travels to Beijing to hold high-level bilateral trade talks.

**May 15, 2008:** Deputy Secretary Negroponte calls China's military build-up "unnecessary and counterproductive" during a Senate Foreign Relations Committee hearing.

**May 16, 2008:** The State Department announces that the U.S. provided satellite imagery to China to help with earthquake relief.

**May 17, 2008:** Secretary of State Rice has a phone conversation with Chinese counterpart Yang Jiechi about the Sichuan earthquake.

**May 18, 2008:** Ma Xiaotian, deputy chief of the General Staff of the PLA, and Adm. Keating speak on the phone about quake relief strategies.

**May 18, 2008:** U.S. Air Force *C-17* cargo planes deliver relief supplies to Chengdu.

**May 19, 2008:** The Senate passes a resolution extending condolences to quake victims in China.

**May 20, 2008:** President Bush and his wife Laura visit the Chinese Embassy to express condolences to the Sichuan Quake victims.

**May 20, 2008:** House of Representatives passes resolution supporting relief efforts in Sichuan.

**May 20, 2008:** Army Brig. Gen. Jeffrey Horne of the U.S. Strategic Command speaks to the U.S.-China Economic and Security Review Commission about China's cyber and space threat. Patricia McNerney, principal deputy assistant secretary, international security and nonproliferation, delivers a statement on China's nonproliferation practices.

**May 22, 2008:** U.S. aid valued at \$815,000 arrives in Chengdu.

**May 24, 2008:** President Hu Jintao and Russian President Dmitry Medvedev voice objections to U.S. plans to establish missile defense systems in Eastern Europe.

**May 24-28, 2008:** For the first time since 2002, China and the U.S. hold a session of the human rights dialogue.

**May 27, 2008:** Representatives from China and the U.S. meet in Beijing with Six-Party Talks counterparts to restart negotiations.

**May 28, 2008:** A Chinese woman pleads guilty on a spying case involving former analyst Gregg Bergersen stealing arms export secrets from the Department of Defense.

**May 31, 2008:** Secretary Gates and Deputy Chief of the PLA General Staff Lt. Gen. Ma Xiaotian speak at separate plenary sessions of the 2008 Shangri-La Dialogue in Singapore.

**June 2, 2008:** China criticizes the Department of State's recent assessment of its democracy and human rights record as "unreasonable" and claims it overlooks China's achievements.

**June 4, 2008:** In a congressional hearing on China's relations with Africa, Deputy Assistant Secretary of State for East Asian and Pacific Affairs Thomas Christensen urges China to allow Taiwan a "full role" in international organizations.

**June 4, 2008:** Acting Under Secretary for Arms Control and International Security John Rood visits Beijing to hold the U.S.-China Security Talks with Assistant Minister He Yafei.

**June 5, 2008:** Defense Minister Liang Guanglie meets U.S. Foreign Policy Council delegation in Beijing. Liang thanks the U.S. for aid following the earthquake and declares it a sign of "friendship" between China and U.S. militaries.

**June 5, 2008:** The Department of Commerce signs an agreement with China to allow greater numbers of Chinese travelers to the U.S. commencing mid-June.

**June 6, 2008:** President Bush, Secretary Rice, Secretary Paulson, China's Ambassador to the U.S. Zhou Wenzhong, and 30 leaders from the U.S. business community and the nongovernmental sector attend an American Red Cross meeting to discuss China earthquake relief efforts.

**June 9, 2008:** China's Ambassador to the World Trade Organization Sun Zhenyu urges the U.S. to reduce farm subsidies to end the deadlock at the Doha Round trade negotiations. The ambassador also says that U.S. protectionism may threaten the multilateral trading system.

**June 11, 2008:** U.S. Rep. Christopher H. Smith accuses Chinese hackers of accessing Congress computers in search of information on Chinese dissidents. An alleged victim, Rep. Frank R. Wolf said that an FBI inquiry confirmed the cyber intrusions.

**June 11, 2008:** Secretary Paulson praises the positive economic relationship between China and the U.S. in a speech at the Carnegie Endowment in Washington D.C.

**June 16, 2008:** Greg Schulte, U.S. ambassador to the International Atomic Energy Agency, arrives in Beijing for talks on Iran's nuclear program.

**June 17, 2008:** Chinese and U.S. companies announce business deals valued at \$14 billion, ahead of the upcoming Strategic Economic Dialogue. This includes \$6 billion of U.S. and \$8 billion of Chinese investments and purchases.

**June 17, 2008:** The fourth round of the U.S.–China SED commences in Annapolis, Maryland. The meeting is co-chaired by Vice Premier Wang Qishan and Secretary Paulson.

**June 17, 2008:** U.S. delays banking licenses for two Chinese banks over concerns that their largest shareholder is controlled by China’s sovereign wealth fund.

**June 17, 2008:** The first group of 250 Chinese tourists arrives in the U.S. under the auspices of a memorandum to facilitate travel from China to the U.S.

**June 18, 2008:** The first China-U.S. food safety testing facility begins operation in Zhuhai, Guangdong province. The center will adhere to standards acceptable to both the U.S. FDA and the Chinese authorities for subsidiary agricultural products.

**June 19, 2008:** President Bush meets Vice Premier Wang Qishan in the White House and commends the outcome of the fourth SED.

**June 19, 2008:** Vice Premier Wang Qishan meets with prominent senators and representatives in Washington D.C. to discuss the U.S.–China bilateral relationship.

**June 19, 2008:** Aircraft carrier *USS Ronald Reagan* makes port call in Hong Kong; its third in two years.

**June 19, 2008:** Speaking to U.S. business and financial leaders in New York, Vice Premier Wang Qishan praises “constructive” and “cooperative” ties with the U.S. if differences can be resolved through dialogue.

**June 19, 2008:** The U.S. lifts sanctions on the China Great Wall Industry Corporation in acknowledgement of the company’s cooperation. The sanctions were imposed on the commercial space launch provider due to engagement in proliferation activities.

**June 20, 2008:** The U.S. International Trade Commission passes a ruling that Chinese competition is hurting domestic steel pipe makers. The decision will lead to tariffs of more than 100 percent on imports to compensate for subsidies received by the Chinese competitors.

**June 24, 2008:** Allegations are made that the U.S. Ambassador to Albania assisted in the illegal transfer of Chinese-made ammunition to Afghan security forces. The ammunition, purchased by a Pentagon contractor, was disguised as originating from a U.S. company.

**June 29-30, 2008:** Secretary of State Rice tours the earthquake-struck regions of Sichuan and has meetings in Beijing.