



U.S.-China Relations:
Ties Solid for Transition, but Challenges Lurk

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The U.S. and China held the 5th Strategic Economic Dialogue and the 6th Senior Dialogue this quarter. The global financial crisis was a focal point of discussion in both dialogues, as well as in the meeting between Presidents Bush and Hu Jintao on the sidelines of APEC in Lima, Peru. Beijing responded to the announced U.S. sale of \$6.5 billion in arms to Taiwan by suspending bilateral military exchanges between the U.S. and China and talks on nonproliferation. China's internal debate about the international structure of power and the status of the U.S. was revived as the two prepared to celebrate the 30th anniversary of the establishment of diplomatic ties.

Fifth SED focuses on financial crisis

As the global financial crisis worsened, the U.S. and China held their 5th and final Strategic Economic Dialogue (SED) of the Bush administration at the Diaoyutai State Guest House in Beijing on Dec. 4-5. The U.S. delegation was led by Treasury Secretary Henry Paulson and included Environmental Protection Agency Administrator Stephen Johnson, Labor Secretary Elaine Chao, and Health and Human Services Secretary Michael Leavitt. The Chinese delegation was headed by Vice Premier Wang Qishan.

Much of the discussion understandably centered on the financial turmoil, with many on the Chinese side blaming the U.S. for the crisis. Zhou Xiaochuan, governor of China's central bank, said in a statement, "The important reasons for the U.S. financial crisis include excessive consumption and high leverage." Wang Qishan told his counterparts that the U.S. must stabilize its economy in order to "ensure the safety of China's assets and investments in the U.S.," which could signal that China may reconsider funding perennial U.S. government deficits. Both nations, however, agreed that protectionism was not a solution for the current crisis.

In the days and weeks leading up to the summit, many economists believed Paulson might use the final SED of his tenure to press China to strengthen the yuan, especially after the currency weakened significantly against the dollar earlier in the month. However, no progress was made on the issue. The two nations did make headway on other matters. They reached agreement to make available an additional \$20 billion through their respective export-import banks to help finance trade for credit-worthy developing countries, raising their contributions to \$38 billion; China agreed to allow foreign banks to trade bonds on the Chinese market; and the two nations reached consensus on the Ten Year Energy and Environmental Cooperation Framework, signing agreements to work together toward six major goals including clean energy, air, water, and

transport. In the area of food and product safety, the health ministries of the two governments will work together to eliminate harmful and defective products and improve consumer confidence. On the critical issue to Washington of opening China's financial sector to U.S. securities firms, the Chinese opted to wait for future dialogues with the Obama administration.

Much of the commentary in the Chinese media on the SED focused on China's achievement of "more equal status" during the meeting. *Renmin Ribao* carried an analysis by Niu Xinchun of the China Institute of Contemporary International Relations (CICIR) which argued, "The recent financial crisis has dealt a heavy blow to the self-confidence of the United States, and the development model of US-style financial capitalism has been subjected to grave queries." Because of this, Niu believes that the summit involved greater cooperation instead of antagonism. *Jiefang Ribao* quoted Pan Rui of Fudan University, who agreed with Niu's assessment, saying that both nations appeared more as equals than ever before. In the same article, Hou Ruoshi of the Institute of World Development under the State Council's Development Research Center similarly called the SED "a new starting point for equal cooperation between China and the United States." A Dec. 5 *Xinhua* editorial termed the fifth summit "the most plentiful and substantive" of all the SEDs, saying that the two nations focused on long-term agreements instead of short-term disagreements.

Initiated by Paulson and the Bush administration in 2006, the SED has been lauded more for its role in promoting dialogue and cooperation between the U.S. and China than for its substantive accomplishments. As Paulson said after the December meetings, the SED produced candid discussion, rather than bullet-point results. Critics of the SED mechanism, however, have argued that insufficient progress has been made on major issues, specifically currency reform. Paulson himself admitted in an interview with the *New York Times* that he had hoped to persuade the Chinese to move to a market-determined currency, but had not been successful.

The first SED in December 2006 laid the foundation for future discussions on many macroeconomic issues, including currency reform and intellectual property rights. The next summit in June 2007 produced agreements on increasing air and cargo routes between the U.S. and China, improving enforcement of intellectual property rights (IPR) laws, and increasing U.S. access to Chinese financial markets. The third SED in December 2007 focused largely on food and product safety, with China agreeing to strengthen its regulation of food products and other exports and the U.S. agreeing to step up its monitoring of Chinese imports. The dialogue also produced agreements on foreign investment and environmental protection. The fourth SED in June 2008 increased cooperation on energy, the environment, and bilateral investment.

The future success of the SED mechanism will depend on whether the incoming Obama administration decides to continue the dialogue and if so, what approach and objectives are set by the new team. The Chinese have already shown their eagerness to continue the dialogue. President Hu Jintao told Paulson at the close of the 5th SED, "China and the United States should continue to step up their high-level dialogue mechanism for substantive cooperation and stronger bilateral relations." Many believe that Obama will continue the SED, although it may take on a different form. In particular, it is unknown whether a U.S.-China economic dialogue under Obama will be led by the Treasury Department, as it has been under Bush. Some observers have suggested that the SED be led by Vice President Biden's office. A few scholars, such as Fred

Bergsten of the Peterson Institute for International Economics, have argued that the Cabinet-level dialogue between the two nations should be similar to a “G2,” with all topics on the table instead of simply economic and trade policy considerations. Until Obama enters office, however, the future of the SED remains in flux.

Military ties suspended

On Oct. 3, the Bush administration notified Congress of a \$6.5 billion arms package for Taiwan that included *Patriot PAC-III* anti-ballistic missiles, a retrofit for *E-2T* anti-submarine aircraft, *Apache* helicopters, *Harpoon* anti-ship missiles, *Javelin* anti-vehicle missiles, and spare parts for *F-5* and *F-16* aircraft. Funds for design work for diesel submarines, *Blackhawk* helicopters, and additional *Patriot PAC-III* missiles were omitted from the package. Most of the items had been approved by President Bush for sale to Taiwan in April 2001, but were delayed due to various factors, including the refusal of Taiwan’s legislature to provide funding for most of Chen Shui-bian’s term in office.

Beijing responded swiftly by suspending military exchanges with the U.S., including the planned visit to the U.S. by Central Military Commission Vice Chairman Xu Caihou, a visit to China by U.S. Army Chief of Staff Gen. George Casey, and working-level talks on China’s Defense White Paper and the Pentagon’s report on Chinese military power. Scheduled dialogues on non-proliferation between the Foreign Ministry and the Department of State were also postponed.

Chinese officials harshly denounced the arms sale to Taiwan. Vice Foreign Minister He Yafei summoned the charge d’affaires of the U.S. Embassy to China to protest the sale. A Foreign Ministry spokesman said the sale would “gravely harm” China’s interests and Sino-U.S. relations, and a Defense Ministry spokesman charged that it had “endangered China’s national security,” “seriously obstructed” military exchanges and cooperation, and “poisoned” relations between the two militaries. A subsequent statement by the Defense Ministry spokesman called on the U.S. to abide by its commitments to China on the Taiwan issue, cancel relevant arms sale programs to Taiwan immediately, and cut off military ties with the island to prevent harming overall bilateral military ties.

Other signals emanating from China suggested, however, that the suspension of U.S.-China military and nonproliferation exchanges would only last a few months and would not result in major setbacks to the bilateral relationship. A signed article in the Beijing-controlled Hong Kong newspaper *Wen Wei Po* stated that despite the arms sale to Taiwan, “the basic face of the Sino-American military exchange and cooperation has not been seriously damaged” and maintained that soldiers from both armies “passionately desire to understand their counterparts.” Privately, PLA officers hinted that the suspension of exchanges would be short lived and would not have long-term impact on the relationship.

In early December, China’s Defense Minister Liang Guanglie told Richard Myers, former chairman of the U.S. Joint Chiefs of Staff, that the U.S. arms sale to Taiwan had poisoned the sound atmosphere of bilateral military relations and endangered China’s national security, but also observed that the Sino-U.S. relationship is one of the most important bilateral ties in the world and indicated that China is ready to work with the U.S. on a stable and healthy relationship.

Visits by U.S. ships to Hong Kong, technically not included in the bilateral U.S.-China military exchange plan, remained unaffected by the suspension. The guided-missile destroyer *USS Benfold* arrived in Hong Kong on Oct. 9 for a scheduled port visit. On Nov. 22, 2008 the forward-deployed amphibious assault ship *USS Essex* also made a port visit.

China undoubtedly learned lessons from the debacle in November 2007 when Beijing, irked over an arms sale to Taiwan and the awarding of the U.S. Congressional Gold Medal to the Tibetan spiritual leader the Dalai Lama, refused the aircraft carrier *USS Kitty Hawk* permission to enter Hong Kong where its crewmembers had planned to spend the Thanksgiving holiday. The Foreign Ministry had quickly reversed its decision within a day “out of humanitarian considerations,” but not in time for the carrier and its flotilla of five support ships, which were steaming toward their home port in Yokosuka, to turn around. The U.S. military was also angered by China’s refusal at about the same time to consent to a request by two U.S. minesweepers seeking refuge in a storm.

After more than a two-month freeze on U.S.-China military exchanges, the People’s Liberation Army (PLA) held talks with David Sedney, deputy assistant secretary of defense for East Asia, in mid-December. The visit took place in lieu of the annual Deputy Ministerial Defense Consultative Talks, which the Pentagon proposed be put off until the Obama administration and a new deputy secretary of defense is in place. Sedney met with Maj. Gen. Qian Lihua, director of the PLA’s Foreign Affairs Office, and with Chen Xiaogong, assistant chief of the PLA General Staff. A *PLA Daily* article quoted Chen telling Sedney that Sino-U.S. military relations serve not only the common interests of the two countries, but are also “conducive to peace and stability in the region and the world as a whole.” Chen pinned blame on the U.S. side for the current difficulties and called on the U.S. to “remove the obstacles” and “create favorable conditions and atmosphere for the restoration and development of ties between the two militaries.”

Dai Bingguo visits for the 6th Senior Dialogue

Chinese State Councilor Dai Bingguo arrived in New York on Dec. 10 for a weeklong visit in the United States. The main purpose of Dai’s trip was to co-chair the 6th “Senior Dialogue” with Deputy Secretary of State John Negroponte, which was held on Dec. 15. Dai maximized the benefits of his visit by holding numerous meetings with foreign policy elites, some of whom are shaping Obama administration policy, as well as with senior Bush administration officials.

Former Secretary of State Madeline Albright met with Dai as a representative of President-elect Obama. Meetings were also held with Henry Kissinger, Zbigniew Brzezinski, John Hamre, Brent Scowcroft, and Sandy Berger. In addition, Dai met with Secretary of State Condoleezza Rice and National Security Adviser Stephen Hadley. He also delivered a speech at The Brookings Institution, his first ever speech outside of China. Dai’s speech reviewed China-U.S. relations over the 30 years since diplomatic normalization between the two countries. He emphasized that the U.S. and China should see each other as partners rather than rivals.

In his private meetings, Dai delivered several messages. First, he conveyed Beijing’s desire to have a smooth transition from the Bush administration to the Obama administration. China

hopes to have a good beginning and further develop Sino-U.S. relations in the coming years, he maintained. Second, Dai warned against selling more arms to Taiwan, which he claimed is harmful to both U.S.-China ties and to improving cross-Strait relations. Third, Dai urged his interlocutors to not host the Dalai Lama and especially to avoid a meeting between President Obama and the Dalai Lama prior to the 50th anniversary of the Dalai's flight from Tibet this coming March.

Deputy Secretary of State John Negroponte and State Councilor Dai Bingguo co-chaired a full day of consultations on a range of bilateral and international topics. Among the topics discussed were the tensions in South Asia in the wake of the bombings in Mumbai, Iran's continued defiance of United Nations Security Council resolutions aimed at dissuading its pursuit of nuclear weapons, and the humanitarian crisis in Zimbabwe. The two officials also exchanged views on bilateral military and nonproliferation issues, human rights, and stability in Asia, including recent developments in the Six-Party Talks to denuclearize the Korean Peninsula.

China's *Xinhua* reported that Dai and Negroponte "sincerely exchanged views in depth on issues with regard to how long-term healthy and steady development of China-U.S. relations could be maintained and on how bilateral coordination and cooperation in dealing with international and regional issues could be strengthened." It also stated that the two reached a "broad consensus." Dai reportedly proposed that the following actions be taken: 1) strengthen high-level contacts and dialogue to continuously promote strategic mutual trust; 2) properly handle the Taiwan issue to maintain peace and stability in the Taiwan Strait; 3) broaden the scope of mutually beneficial bilateral cooperation with a vision for development and an open mentality; 4) increase communication and coordination on major international and regional issues; 5) properly handle differences and sensitive issues; and 6) carry out nongovernmental exchanges in depth.

The Senior Dialogue round concluded with a dinner celebrating the achievements in U.S.-China relations since diplomatic relations were established nearly 30 years ago. Previous rounds of the Senior Dialogue were held in Beijing in August 2005, Washington in December 2005, Beijing in October 2006, Washington in June 2007, and Guiyang in January 2008. Since the Dialogue has been considered useful by both sides and has not been subject to much criticism, it is likely that it will be continue under the Obama administration.

Presidential contacts

Presidents Hu Jintao and George W. Bush maintained close contact this quarter, with a special focus on economic issues as the impact of the financial crisis reverberated throughout the globe. On Oct. 21, the two presidents held talks by phone on how to respond to the financial turmoil. On Nov. 15, Hu attended the Group of 20 (G20) summit, hosted by Bush in Washington, to address the global economic downturn. Since Bush eschewed bilateral meetings, the two leaders did not meet separately until a week later in Lima, Peru, where they attended the Asia-Pacific Economic Cooperation (APEC) forum.

In their meeting on the sidelines of APEC, Hu reviewed developments in Sino-U.S. relations in recent years and emphasized the importance of proceeding from a strategic and long-term perspective, adhering closely to the two countries' constructive, cooperative relations, increasing

mutual trust, strengthening cooperation, and appropriately handling differences and sensitive issues, particularly Taiwan. Hu expressed appreciation to Bush for the positive efforts he made for the development of Sino-U.S. relations during his presidency. The two leaders also discussed the international financial crisis, the Doha Round, Sino-U.S. trade and economic relations, the Korean Peninsula issue, and the Iran nuclear issues.

Almost a week after the U.S. presidential elections, President-elect Barack Obama phoned Hu Jintao – one in a series of calls placed to foreign leaders – to thank them for their expressions of congratulations on his election. China's Hu was included in the third group of calls, along with Russian President Dmitry Medvedev, perhaps signaling that U.S.-China relations are important, but are not the most important bilateral relationship for Washington. The first group of calls included nine state leaders from Australia, Canada, France, Germany, Israel, Japan, Mexico, South Korea, and the United Kingdom. The second batch included six state leaders from Spain, Saudi Arabia, Egypt, Italy, Poland, and Pakistan.

Debate on international order, U.S. status revives

The global financial crisis, U.S. challenges in Iraq and Afghanistan, the rapid rise of newly emerging powers including China, and other developments have rekindled debate in China about the international structure of power and the status of the United States. This debate has remained mostly dormant since the mid-1990s, when the Chinese concluded that the global pattern of power in the aftermath of the Cold War was best described as “one superpower and several major powers.” The sole superpower – the U.S. – was expected to remain overwhelmingly dominant for decades to come.

Some Chinese experts contend that the time has come to reevaluate that assessment. Fu Mengzi, assistant president of the China Institute of Contemporary International Relations, argues in his institute's journal *Xiandai Guoji Guanxi* (third quarter, Sep. 20, 2008) that the world may be entering a “post U.S. hegemony” multipolar era. Faced with the financial crisis, and the war in Iraq, U.S. national power is likely to wane, Fu predicts. “US guidance and leading force in world and regional economy is on the decline, and globalization will display more original features of non-Americanization” according to Fu. “Non-Western powers will become increasingly lively forces in rebuilding the world order.”

People's University Professor Jin Canrong, writing in the same issue of the CICIR journal, agrees that notable changes have taken place in the international power pattern and relations among powers. However, he maintains that no fundamental change has taken place in the post-Cold War era pattern of power relations of “one superpower and several major powers” “In the foreseeable future, the United States will still hold an incontrovertible controlling status in force and power, and no country has the capability to replace the United States and remold the international order,” Jin wrote. He added, however, that U.S. soft power has diminished and the U.S. is in relative decline compared to other nations.

In an interview with *Nanfeng Chuang* published on Oct. 8, Dean of Beijing University's School of International Studies Wang Jisi cautions against a premature judgment that the U.S. is on the decline. He states that “there really is no reliable basis for saying that at this point the United

States has had a setback from which it cannot recover. To date no country has been able to constitute a comprehensive challenge to the United States, and there is no question that its position as the only superpower will continue for 20-30 years.” Wang observes that “Pax Americana” to a certain degree benefits international stability and maintains that a multipolar world will be more just, but less stable. He advises China to avoid “becoming embroiled in the central maelstrom of world politics and concentrate on managing our own affairs well.”

For the time being, it seems that the Chinese leadership believes that it is premature to conclude that the U.S. is on the decline or to revise its assessment of the international pattern of power. Nevertheless, future discussion of these subjects is worth watching closely since China’s foreign policy is formulated on the basis of its evaluation of the global structure of power along with other factors such as Chinese interests. For example, the judgment that U.S. supremacy will endure, even as the world gradually becomes more multipolar, has been a critical factor in Beijing’s decision to avoid challenging U.S. interests around the globe.

Summing up

Both Americans and Chinese are upbeat about Sino-U.S. relations as the Bush administration nears a close. China policy is viewed by many observers as one of the few successful foreign policies of Bush’s presidency. Dialogue has deepened on strategic and economic issues; cooperation on regional security issues has increased, most notably on North Korea; a difficult and potentially dangerous period in cross-Strait relations was managed effectively; and cooperation between the U.S. and Chinese militaries has expanded, although it has lagged behind the cooperation between civilian agencies and little progress has been made toward achieving mutual strategic trust.

During Bush’s term in office, mechanisms have been established that can be further developed and utilized in the coming years. It goes without saying that many problems persist in Sino-U.S. relations and new problems will undoubtedly arise. The trade deficit is huge, China’s cooperation to resolve issues such as the Iranian nuclear issue and the humanitarian crises in Darfur and Zimbabwe remain insufficient, China’s crackdown on Tibet continues, and more improvement in human rights is needed. Nevertheless, the U.S.-China relationship is being turned over to the incoming Obama administration in fairly good shape.

On Jan. 1, 2009, the U.S. and China mark the 30th anniversary of the establishment of diplomatic relations. Both countries will celebrate this watershed in numerous conferences and celebratory events. As they do, they should appreciate what has been accomplished, while giving due consideration to ways that relations can be further strengthened to promote the interests of both sides, as well as regional and global peace and prosperity.

Chronology of U.S.-China Relations October-December 2008*

Oct. 4, 2008: Chinese Ministry of Defense spokesman Hu Changming expresses China's firm objection to a U.S. decision to sell \$6.5 billion in arms to Taiwan.

Oct. 4, 2008: U.S. nuclear envoy Christopher Hill briefs Chinese counterpart Wu Dawei in Beijing on the outcome of U.S.-North Korea talks in Pyongyang.

Oct. 4, 2008: China's Central Bank expresses support on its website for Washington's \$700 billion bailout package and calls for greater cooperation on financial stabilization.

Oct. 6, 2008: U.S. Defense Department spokesman says China has canceled a series of military and diplomatic exchanges with the U.S. to protest the planned U.S. arms sales to Taiwan.

Oct. 7, 2008: Chinese Foreign Ministry spokesman Qin Gang condemns the proposed U.S. arms sales package to Taiwan.

Oct. 7, 2008: Foreign Ministry spokesman Qin Gang says China hopes the U.S. will soon repatriate the 17 suspected Chinese terrorists held at Guantanamo Bay.

Oct. 8, 2008: Alan Hegburg, a deputy assistant secretary with the U.S. Energy Department, tells the press that the U.S. would welcome Chinese investments in its oil and gas sector.

Oct. 8, 2008: U.S. District Judge Ricardo Urbina orders the Bush Administration to free 17 Chinese from Guantanamo Bay by Oct. 10.

Oct. 9, 2008: A U.S. trade official says the U.S. has won a landmark WTO case against China's copyright and trademark protection regime, contradicting other trade sources' claims that China won the bulk of the ruling.

Oct. 9, 2008: U.S. Rep. Charles Rangel formally requests the U.S. International Trade Commission to collect trade data on Chinese clothing imports.

Oct. 9, 2008: The guided-missile destroyer *USS Benfold* (DDG 65) arrives in Hong Kong for a scheduled four-day port visit.

Oct. 10, 2008: China Merchants Bank's New York branch opens for business, becoming the first Chinese bank branch to open in the U.S. in 17 years.

* Chronology by CSIS interns See-won Byun and David Szerlip

Oct. 11, 2008: At the 18th meeting of the International Monetary and Financial Committee in Washington, Deputy Governor of the People's Bank of China Yi Gang calls for international cooperation to restore global financial stability.

Oct. 13, 2008: Defense Minister Liang Guanglie tells visiting U.S. Sen. Chuck Hagel that Washington must drop its proposed arms sales to Taiwan, saying the plan “has undoubtedly damaged relations between the two countries and two armed forces seriously.”

Oct. 15, 2008: Assistant Secretary of State for African Affairs Jendayi Frazer visits China to discuss African issues as part of the U.S.-China Senior Dialogue and delivers a speech at Peking University on bilateral cooperation on Africa.

Oct. 21, 2008: President Hu holds telephone talks with President Bush on international cooperation in dealing with the global financial turmoil.

Oct. 21, 2008: Foreign Ministry spokesman Qin Gang urges the U.S. to repatriate suspected Chinese terrorists being held at Guantanamo Bay, stressing that “no double standards should be adopted” on terrorism.

Oct. 21, 2008: Lu Yongxiang, vice chairman of the Standing Committee of the National People’s Congress, meets a U.S. Congress delegation in Beijing.

Oct. 22, 2008: Treasury Secretary Henry Paulson at the annual gala of the National Committee on U.S.-China Relations in New York urges the next U.S. president to strengthen bilateral ties given China’s leading role in the world economy.

Oct. 23, 2008: Julie Gerberding, director of the U.S. Center for Disease Control tells reporters in Beijing that the U.S. is expanding a training program for Chinese health officials to promote transparency during disease outbreaks.

Oct. 23, 2008: State Department spokesman Robert Wood condemns the “brutal beating” of the two sons of detained Beijing priest Zhang Mingxuan.

Oct. 25, 2008: Foreign Ministry spokesperson Jiang Yu calls U.S. remarks on the intimidation of a Beijing pastor “groundless” and “irresponsible,” telling the U.S. “to pay more attention to its own human rights problems.”

Oct. 27, 2008: China and the U.S. sign a “Strategic Cooperation Memorandum on Copyrights,” setting a framework for bilateral cooperation on intellectual property rights.

Oct. 28, 2008: Assistant U.S. Trade Representative Tim Stratford visits Beijing and cautions China against adopting protectionist policies that run counter to WTO rules.

Oct. 28, 2008: U.S. Justice Department reports that a multiagency initiative to combat illegal exports of restricted military and dual-use technology from the U.S. has resulted in criminal

charges against more than 145 defendants in the past fiscal year, with roughly 43 percent of these cases involving munitions or other restricted technology bound for Iran or China.

Oct. 29, 2008: Sen. Obama in a letter vows to use “all diplomatic means” to stop China from gaining a trade advantage, if elected president.

Nov. 5, 2008: President Hu and Premier Wen Jiabao congratulate Barack Obama on his election as U.S. president.

Nov. 7, 2008: Chinese and U.S. representatives express differences of opinion over copyright protection at the 7th Annual Ambassador’s IPR Roundtable in Beijing.

Nov. 8, 2008: President Hu and President-elect Obama have a telephone conversation on bilateral and international issues.

Nov. 13, 2008: The Chinese mission to the WTO says China has reached “mutually satisfactory solutions” with the EU, the U.S., and Canada on the regulation of financial information services.

Nov. 13, 2008: The U.S. Food and Drug Administration says all Chinese products containing milk will be held at the U.S. border pending the results of safety tests under a new FDA order.

Nov. 15, 2008: President Hu attends the G20 summit in Washington.

Nov. 16-17, 2008: Director of the PLA’s foreign affairs office, Maj. Gen. Qian Lihua, tells the *Financial Times* that normal U.S.-China military exchanges can resume only if “the US change its ways, cancel its plans to sell weapons to Taiwan and stop its exchanges with the Taiwanese military.” He also states that the world should not be surprised if China builds an aircraft carrier but insists that Beijing would use such a vessel only for offshore defense.

Nov. 17, 2008: The Institute of Electrical Engineering under the Chinese Academy of Sciences and the National Renewable Energy Laboratory affiliated with the U.S. Department of Energy agree to cooperate on solar energy technology.

Nov. 17, 2008: Chinese, U.S., and EU leaders meet in Brussels for their first trilateral summit on product safety.

Nov. 17-18, 2008: The U.S.-China Green Energy Council holds its first U.S.-China Green Energy Conference in Beijing.

Nov. 18, 2008: The Congressional-Executive Commission on China releases its 2008 Annual Report on human rights and the rule of law in China.

Nov. 18, 2008: Chinese Health Minister Chen Zhu and U.S. Secretary of Health and Human Services Michael Leavitt attend the U.S.-China workshop on food safety in Beijing.

Nov. 18, 2008: Approximately 160 representatives from the Chinese armed forces including retired generals and U.S. veterans attend the China-U.S. Veterans Peace Forum in Beijing.

Nov. 19, 2008: The U.S. FDA opens its first overseas office in Beijing while China also prepares to open food and drug inspection offices in the U.S.

Nov. 20, 2008: The U.S.-China Economic and Security Review Commission releases its 2008 Annual Report to Congress, highlighting Chinese cyber attacks, authoritarian rule, and trade violations.

Nov. 20, 2008: The U.S. opens its sixth Consulate in Wuhan, Hubei in central China.

Nov. 21, 2008: Presidents Hu and Bush meet on the sidelines of the Asia-Pacific Economic Cooperation forum in Lima, Peru to discuss bilateral issues and the global financial crisis.

Nov. 22, 2008: The forward-deployed amphibious assault ship *USS Essex* arrives in Hong Kong for a scheduled port visit.

Nov. 24, 2008: A U.S. federal appeals court hears legal arguments in the case of 17 ethnic Chinese detained at Guantanamo Bay.

Dec. 2, 2008: Secretary of the Treasury Henry Paulson tells reporters in Washington that he hopes China will allow its currency to rise against the U.S. dollar and will build on its recent stimulus package in the wake of slumping global demand for Chinese exports.

Dec. 2, 2008: At the invitation of former President Bill Clinton, Foreign Minister Yang Jiechi attends and addresses the 2008 Clinton Global Initiative Asia Meeting held in Hong Kong.

Dec. 4-5, 2008: Vice Premier Wang Qishan and Secretary of the Treasury Henry Paulson co-chair the 5th SED in Beijing.

Dec. 5, 2008: President Hu Jintao meets the U.S. delegation to the SED, saying he hopes the U.S. and China can develop a stronger system for high-level bilateral dialogue.

Dec. 5, 2008: Minister of Commerce Chen Deming tells the American Chamber of Commerce in China that the U.S and China should strengthen mutual cooperation in all fields to meet the challenges brought about by the global financial crisis.

Dec. 8, 2008: Assistant Secretary of State for International Organizational Affairs Brian Hook meets Assistant Foreign Minister Liu Jieyi and Director-General Wu Hailong of the Department of International Organizations and Conferences to discuss U.S.-China cooperation in the UN on UN reforms, Darfur, the Iranian nuclear issue, Iraq, and Afghanistan.

Dec. 8, 2008: The Federal Reserve approves an application by China Construction Bank, China's second-largest bank, to open its first branch in New York City.

Dec. 8-11, 2008: The Heads of Delegation Meeting of the Six-Party Talks is held in Beijing and is chaired by Chinese Vice Foreign Minister Wu Dawei.

Dec. 8, 2008: Defense Minister Liang Guanglie urges the U.S. to cancel arms sales to Taiwan in a meeting with former U.S. Chairman of the Joint Chiefs of Staff Gen. Richard Myers in Beijing.

Dec. 11, 2008: Foreign Minister Yang Jiechi meets chief negotiators of the Six-Party Talks, emphasizing the importance of the talks in resolving the Korean Peninsula nuclear problem.

Dec. 11, 2008: State Councilor Dai Bingguo speaks at the Brookings Institute, and says the U.S. and China should be partners rather than rivals while strengthening dialogue and cooperation.

Dec. 12, 2008: Vice Foreign Minister Li Hui and Assistant Foreign Minister Hu Zhengyue hold consultations with Assistant Secretary of State for South Asian Affairs Richard Boucher in Beijing to discuss South and Central Asian affairs.

Dec. 15, 2008: State Councilor Dai Bingguo and Deputy Secretary of State Negroponte co-chair the 6th Senior Dialogue between the U.S. and China, agreeing that high-level dialogue and cooperation must be maintained and that the U.S. will continue to adhere to its one China policy.

Dec. 15, 2008: State Department deputy spokesman welcomes the establishment of direct transportation links across the Taiwan Strait, calling it a “very positive” step for the improvement of cross-Strait relations.

Dec. 18, 2008: Adm. Timothy Keating, commander of U.S. Pacific Command, says that the U.S. would welcome Beijing’s assistance in fighting piracy in the Gulf of Aden, adding that the move could help rekindle stalled military-to-military relations between the U.S. and China.

Dec. 19, 2008: The U.S. and Mexico jointly file a complaint against China before the WTO for unfairly using subsidies to boost exports.

Dec. 19, 2008: Chen Xiaogong, assistant chief of the PLA General Staff, meets Deputy Assistant Secretary of Defense David Sedney for talks on suspended U.S.-China military ties.

Dec. 22, 2008: U.S. blocks the creation of a WTO panel after China demands an investigation of U.S. taxes on certain goods imported from China, including steel pipes and tires. It is the first time Beijing has ever sought a WTO panel in a trade dispute.