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*China-U.S. Relations in the 107th Congress: Policy
Developments, 2001-2002*

Kerry Dumbaugh, Foreign Affairs, Defense, and Trade Division

January 23, 2003

Abstract. The 107th Congress was legislatively active on issues involving China, enacting P.L. 107-10, authorizing the President to seek observer status for Taiwan in the World Health Assembly, and enacting P.L. 107-228, the Foreign Relations Authorization Act, containing provisions on China, Taiwan, and Tibet, among others. The purpose of this report is to provide background for and summarize developments in U.S.-PRC relations during the 107th Congress.

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January 23, 2003

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China-U.S. Relations in the 107th Congress: Policy Developments, 2001-2002

Summary

In the wake of the September 11, 2001 terrorist attacks against the United States, U.S. and People's Republic of China (PRC) foreign policy calculations appeared to change. The Administration of George W. Bush assumed office in January 2001 viewing China as a U.S. "strategic competitor." Administration officials faced an early test in April 2001 when a Chinese naval aviation jet collided with a U.S. Navy reconnaissance plane over the South China Sea. After September 11, though, U.S. officials came to see Beijing as a potential ally in the fight against global terrorism, while PRC officials saw the anti-terrorism campaign as a chance to improve relations with Washington and perhaps gain policy concessions on issues important to Beijing, such as on U.S. arms sales to Taiwan. U.S. anti-terror priorities led some to suggest that cooperation against terrorism could serve as a new strategic framework for Sino-U.S. relations.

Many, however, saw complexities and pitfalls on this road to cooperation. For one thing, the PRC's definitions of what constitutes terrorism are significantly more expansive than those of the United States and include any political expression of independence — both violently and peacefully expressed — by Tibetans, Uighur Muslims, Taiwanese, and others. Since the United States maintained that the anti-terror campaign must not be used to persecute these groups, Sino-U.S. cooperation already faced early limits. Also, U.S. dominance of the anti-terrorism effort made Washington suddenly appear to be a more threatening competitor for influence in Central Asia, where Beijing had been making successful political inroads in recent years, and in Pakistan, with which Beijing has had traditionally close relations.

Moreover, although the anti-terror campaign appeared likely to overshadow more traditional U.S.-China bilateral problems, it seemed unlikely to eliminate them. Sensitivities remained over long-standing issues such as China's abusive record on human rights issues and on accusations that it routinely violates its non-proliferation commitments, increasing the possibility that weapons of mass destruction can fall into the hands of terrorists. The PRC remained suspicious about the accidental NATO bombing of the Chinese Embassy in Belgrade in 1999, concerned about what they see as an "encircling" U.S. presence in Asia, and wary of U.S. technological advantages and global influence. Taiwan remained the most sensitive and potentially explosive issue in Sino-U.S. relations, with U.S. officials increasingly supportive of Taiwan's security and its quest for international space, and PRC officials adamant about reunifying Taiwan under the "one China" policy.

The 107th Congress was legislatively active on issues involving China, enacting P.L. 107-10, authorizing the President to seek observer status for Taiwan in the World Health Assembly, and enacting P.L. 107-228, the Foreign Relations Authorization Act, containing provisions on China, Taiwan, and Tibet, among others. The purpose of this report is to provide background for and summarize developments in U.S.-PRC relations during the 107th Congress. This report will not be updated.

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China-U.S. Relations in the 107th Congress: Policy Developments, 2001-2002

Uneven Relations Since 1989

Since 1989, U.S. relations with the People's Republic of China (PRC) have followed an uneven course, with modest improvements overshadowed by various recurring difficulties and setbacks. Long-standing bilateral difficulties have included U.S. problems with the PRC's worsening human rights record, growing tensions over the PRC's southern military build-up opposite Taiwan and Taiwan's political status, and continued controversy over allegations of Chinese proliferation of weapons to unstable regimes. Punctuating these have been periodic crises, including the PRC's provocative live-fire missile exercises in the Taiwan Strait in 1995-96, allegations of Chinese espionage and leaking of U.S. military secrets in 1997-1998, the accidental NATO bombing of the Chinese Embassy in Belgrade in May 1999, and the collision of a PRC jet fighter with a U.S. navy reconnaissance plane over the South China Sea in 2001. All these problems have occurred against a steady drumbeat of growing mutual suspicion over the perceived security threat that each poses to the other.

The George H. W. Bush Administration spent its four years from 1989 - 1992 trying to protect U.S.-China relations and field a policy of "engagement" with China against mounting congressional opposition in the wake of the 1989 Tiananmen Square crackdown. The Clinton Administration initially adopted a markedly different position, stating that the United States should use its economic leverage to promote democracy and change in the PRC. But like his predecessor, President Clinton also came to favor a policy of "engagement" with China — a policy that Clinton officials came to call a "strategic partnership." The overall "engagement" policies that both the Bush and Clinton Administrations pursued continued to be criticized by a segment of American observers, including Members of Congress, who increasingly came to see the PRC as America's principal long-term security threat.

Upon assuming office in January 2001, the George W. Bush Administration promised a tougher approach than that of either of his predecessors, describing the PRC as a "strategic competitor" of the United States. Bush Administration officials indicated they would broaden the focus of American policy in Asia, concentrating more on Japan and other U.S. allies and de-emphasizing Sino-U.S. relations. The Administration faced an early test of its policy on April 1, 2001, when a Chinese jet-fighter collided with a U.S. Navy EP-3 reconnaissance plane over the South China Sea, forcing the U.S. plane to make an emergency landing at a military base on China's Hainan island. In a tense stand-off, the PRC held the 24-member U.S. crew for eleven days and required the U.S. military to dismantle the EP-3 and ship it back to the United States rather than repair it and fly it back.

The September 11, 2001 terrorist attacks against the United States appeared to affect the policy calculus for both Washington and Beijing. The Bush Administration appeared to see the potential for Sino-U.S. cooperation against global terrorism as a priority, and U.S. officials down-played other key differences and problems in the relationship evident during much of 2001. U.S. officials sought PRC anti-terrorism support with countries in the region and in initiatives put before the United Nations Security Council, where the PRC is a permanent member. But Bush Administration officials also suggested that only limited cooperation would be possible, and in the intervening months since September 11, the President and others in his Administration continued with a policy approach that appeared tougher toward the PRC and less solicitous of Beijing's views.

In response to these tougher Bush Administration initiatives, Beijing took what many view as a surprisingly low profile. Although PRC leaders were thought to be wary of the precedents being set by a newly assertive U.S. policy toward Taiwan and an expanded U.S. presence in Central and South Asia, their statements on these and other U.S. initiatives remained muted. In fact, some suggest that PRC leaders appeared anxious to assure smooth Sino-U.S. relations in 2001-2002, going out of their way to be non-provocative despite greater U.S. assertiveness. It may be that this low-profile PRC approach was the result of an ongoing leadership transition with which Beijing was and remains preoccupied.¹ From November 8 — 14, 2002, for instance, the Communist Party held its 16th Party Congress, during which it selected Hu Jintao as the new Party Secretary, named a new 24-member Politburo and a new nine-member Standing Committee, and made substantive changes to the Party Constitution. Some observers have suggested that Beijing's views toward U.S. policies may undergo some change once the leadership transition is completed later in 2003.

Key Events in Bilateral Relations

U.S. Reconnaissance Plane/PRC Fighter Collision

U.S.-China relations faced an early crisis during the George W. Bush Administration on April 1, 2001, when a U.S. Navy EP-3 reconnaissance plane and a Chinese F8 jet fighter collided in the air over the South China Sea. The Chinese fighter was reported to have crashed, and the damaged U.S. plane, accompanied by the second Chinese fighter, made an emergency landing at a military base on China's Hainan island. U.S. officials claimed that standard military procedure calls for the plane's crew to destroy sensitive information and technologies prior to landing in such instances, but it is unclear to what extent the crew was able to do this. The Chinese military proceeded to hold the 24 U.S. crew members for 11 days and the plane for a longer period as both sides disputed the facts, questions of international law, and each other's obligations.

¹ For more on the 16th Party Congress decisions, see CRS Report RL31661, *China's New Leadership Line-up: Implications for U.S. Policy*, by Kerry Dumbaugh.

U.S. officials stated that the EP-3 was conducting a routine solo reconnaissance mission approximately 50-60 miles off the Chinese coast when it was intercepted and followed by two F8 Chinese jet fighters. U.S. military officials say that such reconnaissance missions have been routine for decades, including interception by Chinese fighters, but that China's interceptions had grown increasingly aggressive in 2001, resulting in U.S. diplomatic protests. According to the U.S. account, in this particular case one of the Chinese fighters swooped under the U.S. plane and then collided with it, perhaps as the slower-moving U.S. plane was banking to turn. U.S. officials contend that in such emergency situations, international law allows for the plane to remain inviolate sovereign territory of the owner country. The United States asked the Chinese to respect the integrity of the plane and demanded its return as well as the safe and immediate return of the crew.

While apparently agreeing that the U.S. plane was approximately 50 miles off the Chinese coast, Chinese officials claimed that the U.S. plane had violated China's airspace and caused the accident that resulted in the crash of the F8 Chinese fighter. They claimed that the plane landed at the Chinese military base without permission, and they rejected the U.S. assertion that the plane could not be boarded under international law. Several days after the incident, the Chinese military permitted U.S. officials to begin sporadic meetings with the plane's crew members. Going into the weekend of April 7-8, 2001, Bush Administration officials expressed cautious optimism that crew members would be released within a few days. But the Chinese media and high-ranking Chinese officials began insisting on a U.S. apology and implying that this was a prerequisite for any further discussions about the fate of the crew and plane. U.S. officials insisted that no apology was warranted because the collision was purely an accident and the U.S. plane was operating lawfully in international airspace.

On April 12, 2001, the PRC released the 24 American crew members it had been holding since April 1, 2001. The crew's release came after Secretary of State Colin Powell expressed regret and sorrow over the apparent death of the Chinese F8 pilot which caused the collision, and after the U.S. Ambassador to China, retired Admiral Joseph Prueher, delivered a letter to Chinese officials which stated that the U.S. Government was "very sorry" that the U.S. plane entered China's airspace and made an emergency landing without receiving a verbal clearance. An account by *Xinhua*, an official Chinese media outlet, continued to adhere to China's line that the U.S. plane had "rammed" the Chinese jet fighter.

Many observers believed that the heart of the EP-3 stand-off ultimately concerned the status of the island of Taiwan, which Beijing claims as part of China. One important function of U.S. military reconnaissance flights off southern China is presumed to be monitoring the systematic military build-up China has been conducting on its coast opposite Taiwan. Chinese officials have been critical of U.S. policy toward Taiwan and vocal in insisting on China's right to use force against Taiwan. Initially, many U.S. observers believed that U.S.-China relations would suffer lasting damage as a result of the EP-3 crisis, perhaps jeopardizing China's normal trade relations (NTR) status and its chances of success in its bid to host the 2008 Olympic Games. Ultimately, however, the incident appeared to have no lasting affect on the bilateral relationship.

September 11, 2001 Terrorist Attacks

The terrorist attacks of September 11, 2001 against the World Trade Center, the Pentagon, and the plane that crashed in rural Pennsylvania appeared to alter some of the policy calculations for both Washington and Beijing. Bush Administration officials quickly focused on the anti-terrorism campaign as a top U.S. priority in light of which other U.S. foreign policy objectives, including those associated with Sino-U.S. relations, appeared secondary. U.S. officials sought PRC support with countries in the region and in initiatives put before the United Nations Security Council, where the PRC is a permanent member and holds veto power. Beijing, for its part, appeared to see the U.S. anti-terrorism effort as a chance to improve Sino-U.S. relations and demonstrate that China could be a responsible global player.

The initial prospects for mutual support and cooperation were encouraging. In a message to President Bush on September 11, 2001, PRC President Jiang Zemin condemned the terrorist attacks and offered condolences. According to the White House, in a phone call with President Bush the following day, Jiang promised to cooperate with the United States to combat terrorism. The PRC also voted with others in the U.N. Security Council for Resolution 1368 (2001), which among other things “unequivocally” condemned the terrorist attacks and expressed its “readiness to take all necessary steps to respond to the terrorist attacks.” On September 20, Party Secretary Jiang Zemin declared that the PRC offered “unconditional support” in the anti-terrorism campaign, and the PRC’s foreign minister, Tang Jiaxuan, reportedly assured President Bush late in September that Beijing would share intelligence with the United States. On September 24, 2001, a group of counter-terrorism experts from the PRC arrived for meetings with their counterparts in Washington. Many began to speculate that the U.S. anti-terrorism effort could serve as a new framework for U.S.-China relations.

But in other ways, the PRC sent mixed signals early on about its support for the anti-terrorism campaign. Strong statements of unconditional support were qualified by later expressions of concern about U.S. or NATO military action, fault-finding with U.S. intelligence information, and warnings that civilians should not be targets of allied military action. Also, the PRC strongly preferred that global anti-terror efforts be conducted through the auspices of the U.N. Security Council, where it had a voice, and not purely through a U.S. unilateral effort or a coalition of U.S. allies.

The PRC itself has been the target of bombings, sabotage, and other terrorist attacks, primarily thought to be committed by small groups of Muslim extremists (largely Uighurs) based in Xinjiang, in China’s far northwest. For years there have been unconfirmed reports that some Muslim activists were based in Afghanistan, receiving training from the Taliban — reports that appeared to gain more credence late in 2001 when it was revealed that a number of Uighurs from Xinjiang had been captured in Afghanistan. PRC officials also have strong connections to and influence with Pakistan, which in the past had aided the Taliban government and which became a key country in U.S.-led anti-terrorism efforts after September 11th. In addition, Beijing also is an active member in what is now the Shanghai Cooperative Organization (SCO), a six-member consortium involving Russia and the Muslim countries of Uzbekistan, Tajikistan, Kazakhstan, and Kyrgyzstan. Part of the group’s stated goal is to curb fundamentalist terrorist activities in the region.

But since the September 11 attacks, Bush Administration officials have appeared to be neither seeking nor expecting significant PRC support for the anti-terror campaign. This may be partly for political reasons. In the past, the United States had warned PRC officials that the anti-terror campaign should not be used to suppress legitimate political dissent among China's own Muslim populations. In a visit to Beijing in December 2001, for instance, the State Department's top counter-terrorism expert, Francis X. Taylor, said that Washington did not believe Muslim separatists in China who supported an independent East Turkestan were part of the global anti-terror network. But on August 26, 2002, U.S. Deputy Secretary of State Richard Armitage announced that the United States had added the East Turkestan Islamic Movement (ETIM) to its list of terrorist groups. Some European allies questioned the motivations behind the unexpected U.S. move. The *Washington Post*, for instance, quoted one unnamed diplomat as suspicious that the United States was "doing the Chinese a favor" as a trade-off for PRC support in the U.N. Security Council for the U.S. campaign against Iraq.² On August 28, 2002, officials at the U.S. Embassy in Beijing further announced they had evidence that the ETIM was plotting a terrorist bombing of the U.S. Embassy in Bishkek, Kyrgyzstan. On September 11, 2002, the United Nations announced that, at the request of both the United States and China, it was placing the ETIM on a U.N. list of terrorist organizations, requiring that all U.N. members freeze the group's financial assets and ban its members from entry. (See CRS Report RS21995, *U.S.-China Counter-Terrorism Cooperation: Issues for U.S. Policy.*)

U.S.-China "Summitry"

The United States and China had more senior-level visits and contacts in the first two years of the George W. Bush Administration than in previous U.S. Administrations. In October 2001, President Bush had his first meeting with PRC President Jiang Zemin as part of the Asia-Pacific Economic Cooperation (APEC) Forum Leaders Meeting, held in Shanghai. In conjunction with a visit to Japan and South Korea in 2002, President Bush also visited China, stopping in Beijing on February 21-22, 2002. As expected, the 2002 visit resulted in no progress on resolving the "November 2000 agreement," in which the PRC promised the Clinton Administration that it would stop making missile sales to unstable Middle East and South Asia

U.S.-PRC State Visits

George W. Bush Administration

Pres. Jiang Zemin to U.S. — Oct. 2002
Pres. Bush to PRC — Feb. 2002

Clinton Administration

Pres. Clinton to PRC — June 1998
Pres. Jiang to U.S. — Oct. 1997

George H. W. Bush Administration

Pres. Bush to PRC — Feb. 1989

Reagan Administration

Pres. Li Xiannian to U.S. — July 1985
Pres. Reagan to PRC — April 1984

Ford Administration*

Pres. Ford to PRC — Dec. 1975

Nixon Administration*

Pres. Nixon to PRC — Feb. 1972

* before U.S.-PRC diplomatic relations were established

² deYoung, Karen, "U.S. and China ask U.N. to list separatists as terror group," in *Washington Post*, September 11, 2002, p. A13.

regimes and would institute an export control regime, and the United States promised to lift existing restrictions against certain technology exports. On August 25, 2002, however, Beijing published its “Regulations on Export Control of Missiles, Missile-related Items, and Technologies — and the Control List.”³ (See CRS Report RL31555, *China and Proliferation of Weapons of Mass Destruction: Policy Issues.*)

In April-May 2002, PRC Vice-President Hu Jintao, who just succeeded President Jiang Zemin as Party Secretary at the 16th Party Congress, made his first visit to the United States, meeting with President Bush and with a range of other senior U.S. officials. On October 25, 2002, President Jiang Zemin made a state visit to the United States, meeting with President Bush at the President’s ranch in Crawford, Texas. Initially largely symbolic, the meeting became a vehicle for bilateral consultations on North Korea’s nuclear weapons program and on China’s support for a U.N. resolution condemning Iraq. (See CRS Report RS21351, *Sino-U.S. Summit, October 2002.*)

Human Rights in U.S.-China Relations

Since the 1989 Tiananmen Square crackdown, the PRC’s human rights abuses have been among the most visible and recurrent points of contention in Sino-U.S. relations, and this more or less continued during the 107th Congress. According to the State Department Report on Human Rights released on March 4, 2002, the PRC’s human rights record remained poor in 2001.⁴ The government continued to maintain strict controls over religious organizations, political discourse, and publications; law enforcement agencies continued to carry out extrajudicial killings, executions after summary trials, torture and other cruel punishment; and there continued to be lack of adequate medical care, arbitrary arrest and detention, judicial corruption, denial of fair trial, and other arbitrary official interferences with individual privacy and liberty. The report also cited major flaws and deficiencies in China’s Criminal Procedure Law. It stressed that the judiciary is not independent, despite constitutional provisions to the contrary, and that judicial and police corruption is “endemic” in China. However, the report said there were ongoing government efforts to correct systemic weaknesses in the legal and judicial systems, that there was growing public debate in China over the inadequacies in the legal system, and that an increasing number of citizens were seeking redress through the courts and making use of the new legal remedies available to them.

But the George W. Bush Administration appeared to shift from the traditionally broad and generalized U.S. approach on human rights in China in favor of more selective, intense pressure on individual cases involving human rights and on rule of law. In 2002 in particular, the PRC government periodically succumbed to heavy

³ For full text, see [<http://www.china-embassy.org/eng/33977.html>]

⁴ In response to the 2002 State Department report, on March 11, 2002, the Information Office of the PRC State Council issued a white paper, “Human Rights Record of the United States in 2001.” The full text of the PRC White Paper can be found at [<http://www.china-embassy.org/eng/26488.html>].

U.S. pressure and released early from prison a political dissident, usually citing health reasons. Such releases included the December 2002 release of Xu Wenli, co-founder of the China Democracy Party, and the January 2002 release of Ngawang Choephel, a Tibetan scholar. But such gestures were infrequent and overshadowed by other human rights troubles. As in previous U.S. Congresses, Members of the 107th Congress remained both interested in and active on human rights issues with respect to the PRC.

Detention of American Chinese Scholars

Late in 2000, the PRC Ministry for State Security began arresting and detaining China-born American citizens and permanent residents who were traveling in or visiting China, questioning them about their travels and alleging that some were suspected of espionage. Those who were detained included businessmen, scholars, writers, and journalists. One of the more well-publicized cases involved the detention on February 11, 2001, of Ms. Gao Zhan, a researcher at American University and a permanent U.S. resident. Gao was arrested and charged with espionage. Detained along with her were Gao's husband, Xue Donghua, and her five-year-old son Andrew, a U.S. citizen. The father and son were held 26 days before being released. Ms. Gao was convicted of spying on July 24, 2001, sentenced to ten years in prison, and released two days later on medical parole prior to Secretary of State Colin Powell's visit to the PRC. In another notable case, an American citizen, professor Li Shaomin, was detained on February 25, 2001, and was later arrested, tried for, and convicted of spying for Taiwan. He also was released just prior to Secretary Powell's visit.⁵

North Korean Refugees

In March 2002, international attention focused on North Korean refugees who had been living clandestinely in China. In several well-publicized cases, these refugees had begun rushing into the diplomatic compounds of various foreign governments in China asking for asylum. Chinese security forces were accused in some cases of forcing their way into foreign diplomatic compounds to remove them. On May 8, 2002, Chinese police entered the compound of the Japanese consulate in Shenyang to remove two North Koreans seeking asylum. On June 13, 2002, South Korean diplomats scuffled with Chinese police as they hauled away a North Korean refugee seeking asylum. After a stand-off of several weeks, during which PRC officials demanded that the refugees be handed over to Chinese security forces, Beijing reversed its decision on June 23, 2002, and allowed 26 North Koreans living in various foreign diplomatic compounds to leave the country.

In the past, the PRC had largely ignored the large number of North Koreans illegally living in China, cracking down only periodically. But the new activism of

⁵ Representative Chris Smith and Senator Robert Torricelli introduced resolutions in 2001 (H.Res. 160 and S.Res. 128) calling on the PRC government to immediately and unconditionally release all detained American scholars of Chinese ancestry. H.Res. 160 passed the House on June 25, 2001 (379-0); S.Res. 128 passed the Senate on July 24, 2001, by unanimous consent.

the North Korean refugee population in 2001-2002 involved complexities that concerned China, a number of other governments, the United Nations, and the international community. The United States and the governments whose diplomatic offices were involved (Canada, Japan, and South Korea) protested the Chinese forced intrusions into foreign diplomatic compounds as blatant violations of the Vienna Convention. Chinese officials countered that the North Koreans were not covered under the Vienna Convention because they were fleeing economic hardships and not political repression, that Beijing has had long-standing refugee repatriation agreements with North Korea which it must honor, and that Chinese security officials had permission to enter the foreign government compounds.⁶ Although the North Korean refugee issue was not a high foreign policy priority for the Bush White House in 2001-2002, it did receive action in the 107th Congress.⁷

Religious Freedom

Membership data on religious organizations in the PRC suggested that the number of religious adherents in China continued to grow in 2001-2002, despite rigorous restrictions on religious practice put into place in 1994. Among other things, PRC restrictions continued to prohibit evangelical activities and required all religious groups to register with the Religious Affairs Bureau (RAB). Registration has required religious groups to reveal the names and addresses of members, their contacts in China and abroad, and details about leadership activities and finances. Churches and other religious institutions seen conducting public services in large Chinese cities have been among these “registered,” and therefore legal, groups. Groups whose members have refused to register with the RAB are known as “unofficial” or “house” churches.

During the 107th Congress, the PRC intensified further the campaign against these independent religious groups that it had begun in 1999, when American news accounts began to give wide coverage to reports that the government was arresting religious practitioners and giving them harsh jail sentences. On July 22, 1999, for instance, the government outlawed Falun Gong, a spiritual movement in China said to combine Buddhist and Taoist meditation practices with a series of exercises. The November 6, 1999 *People's Daily* suggested that Falun Gong presented the greatest danger to the nation that had ever existed in its 50-year history. In the intervening years, the government continued to arrest Falun Gong leaders, impose harsh prison sentences, and close the sect's facilities. As a consequence of Falun Gong, the National People's Congress on October 30, 1999, adopted a resolution outlawing religious sects and cults in China, but without defining what a cult or a sect was. In extraordinary displays of public dissent, Falun Gong practitioners periodically cut into regional cable television networks and broadcast pro-Falun Gong programs in 2001-2002. On September 25, 2002, for instance, the group hacked into the PRC's

⁶ For further details, see CRS Issue Brief IB98045, *Korea: U.S.-Korea Relations — Issues for Congress*, by Larry Niksch.

⁷ In August 2001, Representative Edward Royce introduced H.Con.Res. 213, expressing the sense of Congress in protest to the PRC's seizure and repatriation of North Korean refugees. The measure passed the House on June 11, 2002 (409-0) and was referred to the Senate, which took no action.

premier national TV satellite system, broadcasting segments of pro-Falun Gong materials across the country.

During the 107th Congress, Beijing also objected to the activities of Falun Gong in the United States, where the group has a growing presence and visibility.⁸ A few PRC officials at times chastised U.S. visitors for what they saw as a worrisome U.S. tolerance of the group's activities on American soil, saying that the group was a danger not only to the PRC government, but potentially also to the U.S. government. Partly in response to the Falun Gong group, the PRC established a central government entity — the “Office for Preventing and Handling Cults.” Although observers believed this measure targeted the Falun Gong, many feared it may come to include Christian churches and other more mainstream groups in the future.⁹

PRC officials also suppressed religious activities and nationalistic sentiments among ethnic minorities, particularly in Buddhist Tibet and in the Xinjiang-Uighur Autonomous Region, heavily Muslim. Amnesty International issued a report in April 1999 which accused the PRC government of “gross violations of human rights” in Xinjiang, including widespread use of torture, lengthy prison sentences, and executions. In August 1999, during the visit of an American congressional staff delegation to Xinjiang, a wealthy, well known Uighur businesswoman, Rebiya Kadeer, was arrested by PRC security forces on her way to a meeting with a delegation member. On February 20, 2002, 84 Members of Congress signed a letter to President Bush urging that he seek Kadeer's release during his official visit.

After September 11, 2001, PRC officials sought to link their ongoing crackdown against Uighur and other Muslim separatists in Xinjiang with the global anti-terrorism campaign. On October 12, 2001, a PRC Foreign Ministry spokesman said, “We hope that our fight against the East Turkestan [Xinjiang] forces will become a part of the international effort against terrorism.” Although U.S. officials warned that the anti-terror campaign should not be used to persecute Uighur separatists or other minorities with political grievances against Beijing, some believed that the U.S. government appeared to make a concession to Beijing on August 26, 2002, when it announced that it was placing one small group, the East Turkestan Islamic Movement, on the U.S. list of terrorist groups.¹⁰

Family Planning/Coercive Abortion

Bitter controversies in U.S. family planning assistance have surrounded the PRC's population programs. Abortion, and the degree to which coercive abortions and sterilizations occur in the PRC's family planning programs, has been a prominent issue in these debates. PRC officials have routinely denied that coercion is an authorized part of national family planning programs, but they have acknowledged

⁸ Falun Gong's founder and leader, Li Hongzhi, is said to have sought refuge at an undisclosed location in the United States after fleeing from the PRC.

⁹ For further details, see CRS Report RS20333, *China and 'Falun Gong,'* by Thomas Lum.

¹⁰ The 107th Congress considered a number of human rights resolutions relating to the PRC. For relevant bills, see the “Legislation” section of this report.

that some provincial and local officials have pursued coercive policies. Direct U.S. funding for coercive family planning practices is prohibited in provisions of several U.S. laws, as is indirect U.S. support for coercive family planning. In addition, legislation in recent years has expanded these restrictions to include U.S. funding for international and multilateral family planning programs, such as the U.N. Population Fund (UNFPA), that have programs in China. In the FY2002 Foreign Operations Appropriations bill (P.L. 107-115), for instance, Congress provided for “not more than” \$34 million for UNFPA. The Bush Administration froze those funds in January 2002, asserting coercion still existed in Chinese counties where UNFPA had programs. Despite a follow-up finding by a State Department assessment team that UNFPA was not supporting coercion in its family planning programs in China, on July 22, 2002, U.S. Secretary of State Colin Powell announced that the \$34 would remain withheld.¹¹

Labor Issues

PRC Prisons/Prison Labor. For years, PRC prisons have been criticized for their conditions, treatment of prisoners, and stringent work requirements. For Members of Congress, a key issue has been the extent to which products made by prisoners are exported to the U.S. market. Prison labor imports have been a violation of U.S. customs law since 1890 under the McKinley Tariff Act [19 U.S.C., section 1307]; criminal penalties also apply under 18 U.S.C., section 1761 and 1762. Although the 107th Congress was not active on the subject of PRC prison labor imports, the U.S.-China Security Review Commission (USCC), in its July 2002 report to Congress, recommended that Congress improve the enforcement of the prohibition against prison labor imports from the PRC.¹² The USCC recommended that private American companies be required to certify that their imported products are not made by forced labor, and further recommended that Congress establish a “corporate code of conduct” for U.S. businesses operating in the PRC.

Labor Unrest. Economic reforms and more stress on making state-owned enterprises profitable led to rising labor unrest in China during the 107th Congress. In 2002, laid-off and unemployed workers estimated to number in the tens of thousands demonstrated to protest job losses, insufficient severance pay, local corruption, and local government decisions to shut-down, sell-off, or privatize unprofitable state-owned factories. Worker unrest is a particularly troubling issue for Beijing, a regime founded on communist-inspired notions of a workers’ paradise. Increasing labor unrest also placed greater pressure on the authority and credibility of the All-China Federation of Trade Unions (ACFTU), China’s only legal labor organization.¹³

¹¹ For further details, see CRS Issue Brief IB96026, *Population Assistance and U.S. Family Programs: Issues for Congress*, by Larry Nowels.

¹² The USCC report was issued pursuant to P.L. 106-398 (October 30, 2000).

¹³ The ACFTU is controlled by the Communist Party. For background and further details, see CRS Report RL31164, *China: Labor Conditions and Unrest*.

In the late 1990s, the PRC government had signed two key human rights agreements: the U.N. Covenant on Economic, Social and Cultural Rights (October 27, 1997) and the International Covenant on Civil and Political Rights (March 12, 1998). On February 28, 2001, the PRC government announced that it would ratify the former, with qualifications. The U.N. Covenant on Economic, Social, and Cultural Rights, which requires signatory countries to ensure their citizens have access to food, medical care, housing, and education, also requires countries to guarantee workers the right to strike and form labor unions. In ratifying the agreement, China appeared to equivocate on the labor provision, saying it would deal with such issues “in line with relevant provisions” of the Chinese constitution.¹⁴

Labor unrest and labor conditions in the PRC routinely prompt a debate in Congress over competing policy goals. In this debate, some Members argue that PRC workers are exploited under economic reforms and that the United States should seek to limit its economic and financial dealings with the PRC until Chinese workers gain full collective bargaining rights. Other Members argue that U.S. investments in the PRC have helped improve workers’ lives and incomes and have contributed to greater public pressure for labor and political reforms.

The Congressional-Executive Commission on the People’s Republic of China (CEEC), which the 106th Congress created to monitor human rights and labor conditions in China, issued its first report to the 107th Congress in September 2002.¹⁵ Among its recommendations on worker rights and conditions, the CEEC included recommendations that Congress expand U.S. assistance to legal clinics in the PRC seeking to expand worker rights; that the U.S. and PRC seek to establish a collaborative relationship between government and business to expand worker rights; that the U.S. Secretary of Labor make discussion of labor issue with the PRC a higher priority; and that Congress seek to fund programs to improve worker rights and safety at the enterprise level in the PRC.¹⁶

PRC Olympic Bid

In July 2001, the International Olympic Committee elected Beijing as the host city of the 2008 Olympic Games — the PRC’s first successful Olympic bid. The 107th Congress considered, but did not vote on, non-binding resolutions saying that the PRC should not be allowed to host the 2008 Olympics until it had released all political prisoners and taken other steps to improve its human rights record. An unsuccessful PRC bid in 1993 to host the 2000 Olympic Games had been blamed on legislation the House passed that year opposing the PRC’s bid (H.Res. 188).

¹⁴ On April 29, 2002, the PRC State Council Information Office issued a white paper, “Labor and Social Security in China.” The document is at [<http://www.china-embassy.org/eng/29539.html>].

¹⁵ The CEEC was created under P.L. 106-286.

¹⁶ Full text of the CEEC report is at [<http://www.ceec.gov>].

Issues in U.S.-China Security Relations

Once one of the stronger linchpins of the relationship, U.S.-China military relations have never fully recovered after they were suspended following the 1989 Tiananmen Square crackdown. Both countries cautiously agreed to resume military contacts after a Sino-U.S. summit in October 1997, and announced they had agreed on a Military Maritime Consultative Agreement (MMCA) meant to reduce the chance of accidents or misunderstandings at sea. But efforts to re-energize military ties since then have met with repeated setbacks.

In March 2001, a U.S. guided missile cruiser made a goodwill port call to Shanghai. But on April 1, 2001, a PRC F8 fighter collided with a U.S. Navy EP-3 reconnaissance plane over the South China Sea, resulting in the death of the Chinese pilot and the forced emergency landing on Hainan island by the American plane. In May 2001, a statement attributed to Defense Secretary Donald H. Rumsfeld announced that the United States was suspending military exchange programs with the PRC military until further notice. Hours later, however, a Pentagon spokesman said the statement was a mistake and that the Pentagon would review and approve future U.S.-China military contacts on a case-by-case basis. In June 2002, Peter Rodman, U.S. Assistant Secretary of Defense for International Security Affairs, held talks with senior Chinese diplomats and military officials in Beijing, including Xiong Guangkai, China's Deputy Chief of Staff, Chi Haotian, China's Defense Minister, and Li Zhaoxing, Vice Foreign Minister.¹⁷

U.S. and PRC Military-related Reports

2002 U.S. National Intelligence Estimate. On January 9, 2002, the CIA issued an unclassified summary of its latest National Intelligence Estimate (NIE), *Foreign Missile Developments and the Ballistic Missile Threat Through 2015*. According to the unclassified report, the PRC is expected to up to 100 long-range nuclear missiles, many on mobile launchers, targeted at the United States by 2015. Currently, the PRC has about 20 fixed silos containing nuclear-armed missiles capable of reaching the United States. The report asserts that the PRC is upgrading its missile forces out of concern that a U.S. missile defense system, if developed and deployed, could effectively neutralize its current nuclear deterrent.

Pentagon 2002 Report on Chinese Military Power. On July 12, 2002, the Pentagon released its "Annual Report on the Military Power of the People's Republic of China," mandated by Congress in Section 1202 of the National Defense Authorization Act for FY2000, P.L. 106-65. Among the conclusions in the 52-page report were: that the Pentagon sees a new emphasis on military modernization decisions that appear aimed at Taiwan; that Chinese defense spending is significantly higher than the \$20 billion that the Chinese government lists as its official defense budget; and that annual military spending by Beijing could increase significantly by 2020. The full text of the Pentagon's report can be found at the website [<http://www.defenselink.mil/news/Jul2002/d20020712china.pdf>].

¹⁷ For background and further details, see CRS Report 97-931, *China: Ballistic and Cruise Missiles*, by Shirley Kan.

“China’s National Defense 2002” White Paper. On December 9, 2002, the PRC published its fourth national security white paper, entitled “China’s National Defense in 2002.”¹⁸ In assessing the international situation, the white paper states that “Rapid and drastic changes are taking place in the military field around the world, and a new serious disequilibrium has occurred in the balance of military power.” But in a number of ways, the tone of the new National Defense paper is more general and less critical of the United States than its third national security white paper, issued in October 2000. For instance, while the third national defense paper attributed a number of negative global developments specifically to the United States, the fourth National Defense paper does not, keeping its discussion of negative global trends general.¹⁹ Similarly, while the Taiwan-related language of the 2000 National Defense paper refers specifically to U.S. arms sales to Taiwan, references to Taiwan in the new 2002 National Defense paper refer only to arms sales by “a handful of countries,” with no U.S. mention. The 2002 Nation Defense paper also emphasizes the continuing growth of global economic interdependence.²⁰

Weapons Proliferation

Even before September 11, a key security issue for the United States was the PRC’s track record of weapons sales, technology transfers, and nuclear energy assistance, particularly to Iran and Pakistan. Officials in the Clinton Administration suggested that China was reassessing its weapons sales policies. As reasons, they cite that the PRC: (1992) promised to abide by the Missile Technology Control Regime (MTCR) and acceded to the Nuclear Non-Proliferation Treaty (NPT); (1993) signed the Chemical Weapons Convention (CWC); (1996) signed the Comprehensive Test Ban Treaty; and (1997) joined the Zangger Committee of NPT exporters.

Critics in the 107th Congress and before, however, charged that confidence in China’s non-proliferation policies is misplaced. They pointed out that for years, reputable sources have reported China to be selling ballistic missiles and technology for weapons of mass destruction in the international market, primarily in the Middle East. Although these allegations have always created problems in Sino-U.S. relations, the issue became more serious in light of a number of developments, including nuclear weapons tests conducted by Pakistan in May 1998; the prospect that weapons of mass destruction (WMD) are being developed by Iraq and Iran, with whom the PRC has had arms sales relationships; and in light of North Korean assertions in 2002 that it was developing nuclear weapons of its own, possibly with PRC assistance. Some U.S. observers are concerned particularly about the security of possible caches of WMD in Pakistan, Iraq, and North Korea, afraid that they may be

¹⁸ See text at [<http://www.china.org.cn/e-white/20021209/index.htm>].

¹⁹ The third National Defense report, for instance, attributes “new negative developments in the security situation” in the region to, among other things, a stronger U.S. military presence in the region, continued sale of weapons to Taiwan and consideration of the Taiwan Security Enhancement Act by the 106th Congress, consideration of theater missile defense (TMD) development, and revision of the U.S.-Japan Defense Cooperation Guidelines. The only specific U.S. mention in the fourth National Defense report is in reference to the September 11 terrorist attacks.

²⁰ See text at [<http://english.people.com.cn/features/ndpaper2002/nd.html>].

vulnerable to theft or purchase by radical Muslims associated with Osama bin Laden and other terrorist groups. Iran also has purchased PRC weapons, including small numbers of SA-2 surface-to-air missiles, F-7 combat aircraft, fast-attack patrol boats, and C-802 anti-ship cruise missiles. Some Members of Congress have questioned whether Iran's possession of C-802's violates the Iran-Iraq Arms Non-Proliferation Act of 1992 (U.S.C. 1701), which requires sanctions on countries that sell destabilizing weapons to Iran or Iraq.²¹

North Korea's Nuclear Program

On October 4, 2002, North Korea told visiting U.S. officials that it was conducting a clandestine uranium enrichment program to produce nuclear weapons, a technical violation of its pledges under the 1994 U.S.-North Korean Agreed Framework in exchange for U.S. energy assistance. The North Korean announcement precipitated the second nuclear-related crisis on the Korean peninsula in a decade, one that continued to escalate as the year ended. The United States responded by suspending its energy assistance under the Agreed Framework.

As North Korea's only ally, the PRC is a crucial factor in any international effort to mitigate North Korean policies and behavior. President Bush is widely thought to have sought PRC support for addressing the North Korean issue at Crawford ranch summit meeting with Jiang Zemin in October 2002. At the end of the summit meeting and on a number of occasions since then, PRC officials have emphasized that China had long supported a non-nuclear Korean peninsula, but Beijing stopped short of promising further pressure on the North Korean regime.

The PRC has a number of competing policy conflicts in terms of North Korea that raise especially thorny challenges for leaders in Beijing and that make the PRC a potentially important but uncertain partner in U.S. policy efforts on the Korean peninsula. PRC support for a non-nuclear North Korea is thought to be genuine, since an unpredictable North Korean regime armed with nuclear weapons could spur a regional nuclear arms race among non-nuclear powers along China's periphery, such as Taiwan, Japan, and South Korea. In addition, international response to aggression by a desperate, nuclear-armed North Korea could prompt assistance to Pyongyang by the PRC, the only country with a mutual defense treaty with North Korea. The PRC therefore has ample cause to seek to curb North Korean nuclear aspirations and to contain its difficult ally. But collapse of the fragile North Korean regime could have equally unhappy consequences for the PRC, leading to floods of North Korean refugees into China and to the possible advance of U.S. military forces from South Korea to the southern PRC border. Such scenarios tend to convince PRC leaders to continue propping up the North Korea regime.

Allegations of Espionage

In the late 1990s, U.S. media sources began reporting on investigations into a number of cases of alleged PRC espionage against the United States dating back to

²¹ For background and further details, see CRS Report RL31555, *China and Proliferation of Weapons of Mass Destruction and Missiles: Policy Issues*, by Shirley Kan.

the 1980s. The most serious case involved China's alleged acquisition of significant information about the W-88, the most advanced miniaturized U.S. nuclear warhead, as a result of serious security breaches at the Los Alamos nuclear science lab between 1984 and 1988. PRC officials denied the allegations.

While no charges of similar import arose during 2001-2002, some congressional sources in the 107th Congress noted periodically surfacing reports suggesting that officials of the PRC had collected and were continuing to collect sensitive technological information from U.S. sources. In August 2001, FBI agents arrested an American intelligence analyst at Dulles Airport, later charging him with trying to sell classified documents to China, Libya, and Iraq. His trial begins in 2003, and if convicted, he could face the death penalty. In periodic hearings through 2001-2002, the USCC (U.S.-China Security Review Commission) also examined what it said were recurring allegations of PRC interests in sensitive U.S. technologies. In its July 2002 report, the USCC recommended to the 107th Congress that it require an annual classified assessment of these activities. In addition, based on recommendations by the USCC, the 107th Congress enacted language requiring the U.S. Department of State to produce a biannual report, beginning in 2004, which would assess and monitor a broad range of U.S.-China science and technology cooperation conducted under the U.S.-PRC Science and Technology Cooperation Agreement of 1979.²²

Economic Issues

The PRC is one of the world's fastest growing economies, and trade analysts have agreed that its potential as a market will increase significantly in the future. Issues involving trade with China have factored heavily into past U.S. policy debates. Between 1991 and 1996, U.S. exports to China increased by 90.5%, while U.S. imports from China surged by 171.4%. The U.S. trade deficit with China surged accordingly, from a \$17.8 billion deficit in 1989 to an estimated \$142.1 billion deficit in 2002. During the 107th Congress, on September 17, 2001, member nations of the World Trade Organization (WTO) voted to accept the PRC for membership. The PRC formally joined the WTO on December 11, 2001. Its WTO membership commitments require the PRC to make significant changes in its trade and tariff regimes by eliminating tariff and non-tariff barriers on many goods and services

With the PRC as a new WTO member, Members of the 107th Congress were especially interested in assuring that the PRC adhered to its WTO obligations. In legislation passed by the 106th Congress, the U.S. Trade Representative (USTR) was required to begin monitoring the PRC's compliance with its WTO obligations, and to issue an annual report to Congress offering that assessment. The 107th Congress received the USTR's first such report in December 2002, in which the PRC was judged to have made significant progress in many areas with major problems in some

²² Section 204 in H.R. 3338 (P.L. 107-117), the Department of Defense Appropriations Act for FY2002.

other areas, primarily in protection for intellectual property rights, and improving the transparency of its trade laws.²³

China's Trade Status: NTR/MFN

During the 107th Congress, the divisive issue of annually renewing the PRC's trade status finally came to an end. Each year since 1990, Congress had faced the contentious decision on whether, and under what conditions, to renew normal trade relations (NTR) status with the PRC for another year. This exercise occurred because under U.S. law, China's NTR status was temporary, and the President had to recommend its renewal each year by June 3. Although the 106th Congress had enacted a bill which granted permanent NTR to China and eliminated the annual renewal process, permanent NTR would only take effect once China had joined the WTO.²⁴ Since this did not happen until late in 2001, President Bush on June 1, 2001, was compelled to recommend another temporary extension of China's NTR status for one year in order for it to continue uninterrupted. The 2001 vote on NTR marked the end of an eleven-year congressional battle over the PRC's overall trade status. A synopsis of congressional consideration of the MFN/NTR issue follows in Table 1.²⁵

China's Fragile Banking System

In the late 1990s, concerns arose about the ultimate prospects for China's fragile banking and financial systems. According to leading authorities on China's economy, official Chinese statistics by the end of the 20th century showed that a staggering 22% of the total lending of Chinese banks was judged to be in non-performing loans, primarily loans to insolvent state enterprises. By comparison, in South Korea, which averted financial collapse during the 1997 Asian financial crisis only with a record \$60 billion international bailout, the percentage of non-performing loans to total bank loans was just over 6%. While China's economic situation in 2001-2002 had a number of mitigating factors — primarily a high savings rate (42%), a sizeable inflow of foreign direct investment, and insulations against currency speculators — many were concerned that a financial crisis similar to South Korea's in an economy the size of China's could have a significant global impact. In addition, the banking sector's non-performing loans made it more difficult during the time frame for China to make the investments in infrastructure, energy production, and environmental improvements to fuel the rate of economic growth China needs in order to keep pace with its demographic requirements.

²³ For further details, see CRS Report RS20139, *China and the World Trade Organization*, by Wayne Morrison.

²⁴ The 106th Congress enacted H.R. 4444 (P.L. 106-286), a bill to grant permanent NTR to China. The President signed the bill into law on October 10, 2000.

²⁵ For further details, see CRS Issue Brief IB91121, *China-U.S. Trade Issues*, by Wayne Morrison.

Table 1. Congressional Consideration of MFN for China: 1989-1999

Year	Disapproval Res.	Final Status	Alternate bills	Final Status	
1989	None	—	None	—	
1990	H.J.Res. 647	Passed House 10/18 (247-174)	H.R. 4939	Passed House 10/28 (384-30)	
1991	H.J.Res. 263	Passed House 7/10 (223-204) Senate Postponed 7/18, Unanimous Consent	H.R. 2212	Passed House 7/10 (313-112)	
	S.J.Res. 153	Senate Postponed 7/18, Unanimous Consent	S. 1367	Passed H.R. 2212 in lieu 7/18 (55-44)	
1992	H.J.Res. 502	Passed House 7/21 (258-135) http://www.fki/crs-rl31729	H.R. 2212	Conference Report H.Rept. 102-392 passed Senate 2/25 (59-39) Vetoed by President 3/2 House override vote 3/11 (357-61) Senate override vote 3/18 (60-38) - veto sustained	
			H.R. 5318	Passed House 7/21 (339-62) Senate amended with text of S. 2808, passed by voice vote, 9/14	H.R. 5318 vetoed by President, 9/28 House override vote 9/30 (345-74) Senate override vote 10/1 (59-40) - veto sustained
			S. 2808	House passed Senate version 9/22, voice vote	
1993	H.J.Res. 208	House rejected 6/8 (105-318)	H.R. 1835 S. 806	No action	
1994	H.J.Res. 373	House rejected 8/9 (75-356)	H.R. 4590	Amended to impose no conditions, then passed House 6/8 (280-152)	
1995	H.J.Res. 96	House tabled 7/20 (321-107)	H.R. 2058	Passed House 7/20 (416-10)	
	S.J.Res. 37	—			
1996	H.J.Res. 182	House rejected 6/27 (141-286)	H.Res. 461	Passed House 6/27 (411-7)	
	S.J.Res. 56	—			
1997	H.J.Res. 79	House rejected 6/24 (173-259)	—	—	
	S.J.Res. 31 S.Amdt. 890*	— Senate rejected 7/16 (22-77)			
1998	H.J.Res. 121	House rejected 7/22 (166-264)	—	—	
1999	H.J.Res. 57	House rejected 7/27 (170-260)	—	—	
	S.J.Res. 27	Senate rejected motion to discharge committee 7/20 (12-87)	—	—	
2000	H.J.Res. 103	House rejected 7/18 (147-281)	H.R. 4444	House passed 5/24 (237-197)	
	—	—	S. 2277	Senate passed H.R. 4444 on 9/19 (85-13)	
2001	H.J.Res. 50	House rejected 7/18 (169-259)	—	—	
				Signed by President on October 10, 2000, as P.L. 106-286, giving China Permanent NTR upon accession to WTO	

Sovereignty Issues: Taiwan, Tibet, Hong Kong

Taiwan

Taiwan remains the most sensitive and complex issue in Sino-U.S. relations. Beijing has not foresworn the use of force should Taiwan declare independence from China, and Chinese officials repeatedly block Taiwan's efforts to gain greater international recognition. At the same time, officials in Taiwan are maneuvering for more international stature and for independent access to multilateral institutions. Since the 1970s, when the United States broke relations with Taiwan in order to normalize relations with Beijing, U.S. policy toward Taiwan has been shaped by the three U.S.-China communiques and the Taiwan Relations Act (P.L. 96-8).²⁶

George W. Bush Administration Policy. In 2001-2002, many observers saw the Bush Administration as having abandoned the long-standing U.S. policy of "strategic ambiguity" on Taiwan in favor of policy clarity that placed more emphasis on Taiwan's interests and less on PRC concerns. On April 25, 2001, for instance, in an ABC television interview, President Bush responded to a question about the possible U.S. response if Taiwan were attacked by saying that the United States would do "whatever it took" to help Taiwan defend itself. Since the United States has no defense alliance with Taiwan and has never pledged use of American military forces in the island's defense, the President's answer caused considerable controversy over whether the United States had changed its policy toward Taiwan's security or was moving away from its "one-China" statements. Although State Department and White House officials, including President Bush, later insisted that there had been no change in U.S. policy toward Taiwan, saying that the President's April 25 statement was consistent with U.S. commitments in the Taiwan Relations Act, subsequent statements and actions by Bush Administration officials during the 107th Congress were judged to be more solicitous and supportive of Taiwan than those of previous U.S. Administrations.

Policy Statements by Taiwan's President Chen. Like his predecessor before him, Taiwan's sitting President, Chen Shui-bian, made some controversial statements during the 107th Congress which suggested to Beijing that Taiwan was edging closer to aspirations of independence. There are few if any subjects on which PRC leaders are more united and vocal than their long-held insistence that Taiwan

²⁶ In addition, other U.S. statements sometimes have been interpreted as changes in nuance in U.S. policy. For example, during his summit visit to China in June 1998, President Clinton made a controversial statement that some interpreted as a change in U.S. policy, resulting in resolutions in the 105th Congress (H.Con.Res. 301 and S.Con.Res. 107) reaffirming U.S. policy toward Taiwan. According to a White House transcript at the time, the President said: "I had a chance to reiterate our Taiwan policy, which is that we don't support independence for Taiwan, or two China's, or one Taiwan-one China. And we don't believe that Taiwan should be a member in any organization for which statehood is a requirement. So I think we have a consistent policy." For background information and details, see CRS Issue Brief IB98034, *Taiwan: Recent Developments and U.S. Policy Choices*, by Kerry Dumbaugh; and CRS Report RL30341, *China/Taiwan: Evolution of the "One China" Policy*, by Shirley Kan.

is part of China and not a separate country. President Chen's statements, then, raised the temperature in U.S.-Taiwan-China relations and, over the longer-term, could have global policy implications. On July 21, 2002, Chen said that if Beijing continued to reject Taiwan's overtures for discussions, Taiwan "would not rule out going our own way," a comment taken as a reference to independence. On August 3, 2002, in a televised speech in Tokyo to the World Association of Taiwanese Associations, Chen expanded by describing the situation across the Taiwan Strait as "one side, one country," and also suggested that he supported a national referendum in Taiwan on Taiwan's future — a possibility that Beijing has opposed vigorously. Critics in Beijing said that this violated Chen's inaugural day pledge (made on May 20, 2000) not to hold a referendum if China did not intend military force against Taiwan.

U.S. Visits by Taiwan Officials. In the absence of official U.S. ties with Taiwan, PRC officials argue that no high-level officials of the Taiwan government should be received in the United States. Mindful of PRC sensitivities on this issue, U.S. officials for years remained unwilling to issue visas to senior Taiwan officials for U.S. visits. This changed dramatically on May 22, 1995, when President Clinton, bowing to substantial congressional pressure, decided to allow Taiwan President Lee Teng-hui to make a visit to the United States, but in his capacity as a private citizen, not as an official representing Taiwan. In contrast to previous Administrations, the George W. Bush Administration has been more accommodating in granting limited visits to senior Taiwan officials. In 2001, Taiwan's new President, Chen Shui-bian, was allowed transit stops in New York City and Houston on his way to and from Latin America. Taiwan's Vice-President, Annette Lu, was accorded a similar transit stop in New York in early January 2002. From March 9 -12, 2002, U.S. officials permitted Taiwan's Defense Minister, Tang Yao-ming, to attend a defense conference in Florida. While here, Minister Tang met with U.S. Deputy Secretary of Defense Paul Wolfowitz and U.S. Assistant Secretary of State James Kelly.

Taiwan and the World Health Organization (WHO). For a number of years, Taiwan has sought observer status in U.N.-affiliated organizations, primarily the World Health Organization (WHO), as part of its effort to expand its international space and recognition. The PRC routinely has blocked Taiwan's bids on political grounds, arguing that since Taiwan is not a state, but a part of China, it cannot be separately admitted to U.N. entities, for which sovereign status is a pre-requisite for membership. Taiwan authorities have argued that it is inhumane for the international community to deny the people of Taiwan access to WHO's substantial medical data and assistance in the event of an outbreak of disease, as in June 2002, when a Taiwan city suffered a major outbreak of dengue hemorrhagic fever. Taiwan authorities also say that "observer status" would be an apolitical solution, since other non-sovereign entities, like the Holy See and the Palestine Liberation Organization, have been given such status in WHO. The U.S. Government is on record as supporting Taiwan's membership in organizations "where state-hood is not an issue."²⁷ In the past, some Members of Congress have had problems with what they view as the sclerotic nature of this U.S. support.

²⁷ A State Department spokesman, in response to a press question at the State Department press briefing of March 20, 2002.

In 2001 and 2002, for the fifth and sixth years in a row, Taiwan again applied for WHO observer status.²⁸ The 107th Congress sought to energize U.S. support for this effort by enacting P.L. 107-10, authorizing the Secretary of State to seek Taiwan's observer status in the WHO at the organization's annual meeting, known as the World Health Assembly, in May 2001, and again at the annual meeting in May 2002 (P.L. 107-158).²⁹ In each case, the PRC was able to prevent the issue from coming to a full vote. Neither attempt succeeded.

Political Developments in Taiwan. Taiwan's political scene saw dramatic changes that could have far-reaching future implications for U.S. policy. In elections on December 1, 2001, Taiwan's Nationalist Party (the KMT) lost its legislative majority for the first time in 50 years, dropping from 123 seats to 68. This left the largest bloc in the legislature, 87 seats, in the hands of President Chen's Democratic Progressive Party (DPP), a pro-independence party that Beijing finds highly objectionable. Until the December 2001 elections, President Chen's and the DPP's policy initiatives had been largely blocked by the Nationalist-controlled body. But contrary to expectations, the 2001 legislative elections did not appear to translate into more legislative support for President Chen's policy agenda. Instead, non-DPP minority parties were able to unite in a tenuous coalition that wielded substantial influence over Taiwan's political agenda throughout 2002.³⁰ The uncertainty and fluidity in Taiwan's political scene put extra pressure on Congress and on American policymakers, forcing them at times to choose between supporting Taiwan's democratic values and self-defense and broader strategic goals in which Washington sought PRC support. To many observers, both the Bush Administration and the 107th Congress appeared to tilt more frequently in the direction of Taiwan than did previous American governments. Still, U.S. officials publicly appeared to distance themselves from President Chen's more controversial comments on Taiwan's status in future Taiwan-PRC talks.

Taiwan-PRC Dialogue. Official talks between China and Taiwan, always problematic, last occurred in October 1998, when Koo Chen-fu, Chairman of Taiwan's Straits Exchange Foundation (SEF) and Wang Daohan, president of China's Association for Relations Across the Taiwan Straits (ARATS), held meetings in Shanghai. At that meeting, the two agreed to resume regular discussions and arrange a reciprocal visit to Taiwan by Mr. Wang. Progress toward further talks halted, however, in July 1999 because of controversial statements by Taiwan's then-president, Lee Teng-hui, that future cross-strait talks should be conducted on a "special state-to-state basis." Beijing protested this statement vehemently as a radical departure from Taiwan's former embrace of a "one China" policy.

²⁸ Taiwan has been able to join some international organizations for which sovereign status is not a pre-requisite, such as the Asia-Pacific Economic Cooperation (APEC) and the International Olympic Committee (IOC).

²⁹ On March 14, 2002, the European Union also adopted a non-binding resolution calling on the WHO to accept observer status for Taiwan. Doc.:B5-0132/2002, B5-0138/2002, B5-0147/2002, B5-0150/2002.

³⁰ For background and details, see CRS Report RS21093, *Taiwan's December 2001 Election Results*, by Kerry Dumbaugh.

During 2001-2002, the Taiwan government sent uncertain and at times conflicting messages on their views about Taiwan's political status. Among other things, for instance, early in January 2001, President Chen announced that he would establish direct links between China and Taiwan's outlying islands of Matsu and Quemoy — the so-called “mini-links” — a small but significant step in the direction of further contacts. Late in 2002, Taiwan's Mainland Affairs Council (MAC), a cabinet-level office to oversee Taiwan's relations with the PRC, completed a study to assess the technical features and costs of expanded cross-strait sea and air links, and Taiwan politicians throughout much of 2002 debated and eventually approved a proposal to allow, for the first time, Taiwan charter flights to fly to and from the PRC by way of Hong Kong and Macau for the Chinese New Year — a proposal on which the PRC offered its cooperation. In addition, PRC leaders made their own overtures, calling on Taiwan to return to the negotiating table and holding out the possibility for postponing “certain political disputes” in order to resume talks.³¹ These gestures, however, were tempered by the periodic statements from Taiwan's politicians noted above, and by the PRC's continued military build-up in south China opposite Taiwan.

While official talks remained stymied, cross-strait contacts during the 107th Congress occurred increasingly between mainland and Taiwan business representatives, and in June 2002, three delegations of Taiwan legislators visited Beijing for talks. Taiwan's increasing economic interconnectedness with the PRC appeared to be putting special pressure on Taiwan policymakers, as did the Taiwan business community, to make further accommodations to ease restrictions on direct travel and investment.

Tibet

The U.S. government recognizes Tibet as part of China and has always done so, although some dispute the historical consistency of this U.S. position. Since normalization of relations with the PRC in 1979, both Republican and Democratic U.S. Administrations have sought to minimize areas of potential tension with Beijing on sensitive topics, such as on the question of Tibet's political status. But the Dalai Lama, Tibet's exiled spiritual leader, has long had strong supporters in the U.S. Congress who have continued to pressure the White House to protect Tibetan culture and give Tibet greater status in U.S. law. Because of this congressional and other pressure, Presidents George H. W. Bush (Sr.), Bill Clinton, and George W. Bush each met with the Dalai Lama in the United States — meetings that were deliberately kept low-key but which nevertheless offended Chinese leaders. Prompted by congressional efforts the Clinton White House on October 31, 1997, announced it would designate a Special Coordinator for Tibetan issues within the State Department, a primary function of which would be to encourage dialogue between Beijing and the Dalai Lama.

³¹ Spokesman Zhang Mingqing, on November 28, 2002, quoted in CNN.com. Comments about postponing political disputes were made by PRC President Jiang Zemin during sessions at the 16th Party Congress in early November 2002.

Congressional interest in Tibet during the 107th Congress remained strong. The incoming George W. Bush Administration in 2001 announced that it would retain the position of Special Coordinator for Tibetan issues within the State Department, and named to the post Paula Dobriansky, Under Secretary of State for Global Affairs, to date the highest-ranking U.S. official to hold that position. In addition to including a number of provisions on Tibet in The Foreign Relations Authorization Act of FY2002/2003 (P.L. 107-228), the 107th Congress considered legislation to support the aspirations of the Tibetan people to safeguard their own culture and identity (H.R. 1779), as well as various resolutions relating to human rights in Tibet and PRC dialogue with the Dalai Lama.³²

Hong Kong

After the smooth transfer of Hong Kong's sovereignty from British to Chinese (July 1, 1997), Hong Kong began to face unique political challenges that it had not encountered when the territory was a sovereign British colony. Having been granted "a high degree of autonomy" from Beijing for self-governance, Hong Kong's policymakers themselves have had to deal with issues as wide-ranging as social welfare programs, housing, industrial competitiveness, and education, all of which have been subject to an increasingly diverse public debate. Hong Kong officials at times have been criticized as insufficiently vigilant in protecting Hong Kong's interests against encroachment, real or imagined, by Beijing. During the 107th Congress, a series of unpopular government decisions in Hong Kong contributed to increased public criticism and disaffection. As a result, spirited debate in Hong Kong focused on a number of issues:

- **Proposed "anti-sedition" laws.** Article 23 of Hong Kong's constitution, the "Basic Law," requires the government to enact laws to prohibit acts of "treason, succession, sedition," or "theft of state secrets," although it does not specify a timetable or deadline for such laws. After a five-year hiatus, the Hong Kong government issued a proposal for an anti-sedition law in October 2002 and opened the issue for public commentary, with legislative action expected early in 2003. Many fear such a law will make it easier for Beijing to pressure Hong Kong to crack down on politically innocent acts, eroding Hong Kong's current favorable human rights environment.
- **Government "accountability."** Hong Kong's Chief Executive is not elected by universal suffrage and its civil service are career employees with lifetime contracts.³³ This led many to charge that

³² For background and details, see CRS Report RL30983, *Tibet, China, and the 107th Congress: Issues for U.S. Policy*.

³³ Hong Kong's Basic Law lays out procedures for selecting the Chief Executive for the first two five-year terms of that position, through 2007. The Basic Law says nothing specific about selecting the Chief Executive after 2007, saying only that "The ultimate aim is the selection of the Chief Executive by universal suffrage upon nomination by a broadly representative nominating committee..." (*The Basic Law of the Hong Kong Special* (continued...))

the post-1997 government was politically accountable neither to the public nor to other government agencies. The government attempted to address this issue in mid-2002 by appointing a new tier of non-civil-service “ministers” to head government departments — a de-facto “cabinet” for the chief executive which ostensibly owes him political allegiance. The new ministerial system remains controversial.

- **Hong Kong/Beijing Relations.** Prior to 1997, Hong Kong thought that its interests would best be served by insulating it as much as possible from the PRC, including assuring the integrity of the Hong Kong border, protecting Hong Kong from PRC labor migration, and maintaining a separate currency and financial system. But by the 107th Congress, a growing view in Hong Kong was that these protections were increasingly artificial, that they were hampering trade and other contacts, and that Hong Kong may be losing business opportunities in the PRC to less constrained global competitors. Pressure quietly built throughout 2001-2002 for easing travel and other restrictions along the Hong Kong-China border.

Current U.S. policy toward Hong Kong is set out in the U.S.-Hong Kong Policy Act of 1992 (P.L. 102-383). In addition to have required an annual U.S. government report on Hong Kong’s conditions through March 2000, this Act allows the United States to treat Hong Kong differently from the way it treats China, predicated upon an autonomous Hong Kong. Under the Act, the President has the power to halt agreements or take other steps if he determines that Beijing is interfering unduly in Hong Kong’s affairs.³⁴ The 107th Congress amended the U.S. Hong Kong Policy Act to extend the annual reporting requirement through March 2006.³⁵ In addition, on February 7, 2002, the House Task Force on Hong Kong’s Transition, created at the behest of Speaker Newt Gingrich in 1997, filed its ninth report assessing conditions in Hong Kong following the transition to PRC sovereignty.³⁶

³³ (...continued)

Administrative Region of the PRC, Chapter IV, Article 45.)

³⁴ A specific intention of the Hong Kong Policy Act was to permit the U.S. government to treat Hong Kong differently from the way it treats the rest of China in U.S. law. Thus, the United States has an extradition treaty with Hong Kong but not with China; maintains a liberalized export control regime with Hong Kong but a restrictive one with China; and gives Hong Kong permanent most-favored-nation (MFN) trade status — or “normal trade relations” as it is now known — but gave that status to China separately upon its accession to the WTO.

³⁵ Section 586, Foreign Operations Appropriations Act for FY2002, P.L. 107-115.

³⁶ The full text can be found at [<http://www.house.gov/bereuter/press.htm>].

U.S. Policy Trends

During the 107th Congress, the Bush Administration de-emphasized U.S.-China relations, broadened the focus of U.S. policy in Asia, and notably increased and clarified U.S. support for Taiwan. While it remained receptive to Sino-U.S. dialogue, the Bush White House appeared willing to ignore the views of the PRC — and occasionally of U.S. allies — in pursuit of U.S. interests. This more assertive policy approach was a departure from previous U.S. Administrations, which had favored policies of engagement with the PRC and ambiguity toward Taiwan.

After the tensions over the collision of U.S. and Chinese military aircraft early in 2001, Beijing responded to this U.S. approach with a marked reduction of anti-American rhetoric. While the PRC continued to object to U.S. arms sales to Taiwan, visas for Taiwan officials, and sanctions on PRC companies, its objections were reticent and appeared crafted to avoid disrupting U.S.-PRC relations. As a result, PRC and U.S. officials were able to meet and cooperate on various matters in 2001-2002, even in the midst of continuing real differences on Taiwan, human rights, and other issues. Some credited this notable improvement in U.S.-PRC relations with the more assertive policy approach of the Bush Administration. By remaining open to bilateral dialogue but lowering the priority it gave to U.S.-China relations, they argued, the White House reduced the leverage Beijing had over the U.S. policy process and forced Beijing to be more proactive in seeking a productive relationship with the United States. But others attributed the improvement in relations to a variety of factors. While the U.S. approach may be one, they say, others include the international re-alignments brought about by the anti-terror campaign and the effort to disarm Iraq, the ongoing generational leadership transition in China, mutual PRC-U.S. interests in a non-nuclear and stable Korean Peninsula, and an increasing PRC focus on its considerable domestic economic and social challenges.

In any event, many observers say that the purposeful pragmatism behind the U.S. approach in 2001-2002 has lowered the temperature in what had become a heated American political debate since 1989 over the direction of U.S. China policy. According to these observers, the current approach appears to have charted an uneasy middle territory between the three different camps into which the U.S. policy community had sorted itself over Sino-U.S. policy after the Tiananmen Square crackdown. Those camps are engagement, caution, and threat, described below.

Engagement. The “engagement” approach toward the PRC, which dominated U.S. policy since the Nixon Administration, including in the George H. W. Bush and William Clinton Administrations. Underlying this approach is a belief that trends in China are moving inexorably in the “right” direction. That is, the PRC is becoming more economically interdependent with the international community and therefore will have a greater stake in pursuing stable international economic relationships. They contrast this behavior favorably with that of disruptive states such as Iraq or Afghanistan — those who are not part of the international system and who may support the kind of global terrorism that struck the United States on September 11, 2001. Some also believe that greater wealth in the PRC will push Chinese society in directions that will develop a materially better-off, more educated, and cosmopolitan populace that will, over time, press its government for greater political

pluralism and democracy. Therefore, according to this view, U.S. policy should seek to work more closely with the PRC in order to encourage these positive long-term trends. Some proponents of the “engagement” approach fear that viewing the PRC as a “threat” is a self-fulfilling prophecy that could promote a possible breakup of the PRC, with potentially disastrous policy consequences for U.S. interests.

Caution. American proponents of what might be called a “cautious” policy toward the PRC stress that Beijing officials still view the world as a state-centered, competitive environment where power is respected and interdependence counts for little. This group sees PRC leaders as determined to use all means at their disposal to increase their nation’s wealth and power. They suggest that PRC leaders may be biding their time and conforming to many international norms as a strategy, until China builds its economic strength and can take more unilateral action. Once it succeeds with economic modernization, this argument holds, Beijing will be less likely to curb its narrow nationalistic or other ambitions because of international constraints or sensitivities.

Threat. A third and more confrontational American approach has been based on the premise that the PRC under its current form of government is inherently a threat to U.S. interests, and that the Chinese political system needs to change dramatically before the United States has any real hope of reaching a constructive relationship with the PRC. According to this approach, Beijing’s communist leaders are inherently incapable of long-term positive ties with the United States. Rather, Beijing seeks to erode U.S. power and arm U.S. enemies in the region. Despite the statements of support for the U.S. anti-terrorism campaign, according to this view, the PRC’s repeated violations of its non-proliferation commitments have actually contributed to strengthening and arming nations that harbor global terrorists. U.S. policy should focus on mechanisms to change the PRC from within while maintaining a vigilant posture to deal with disruptive PRC foreign policy actions in Asian and world affairs.

Key 107th Congress Actions and Legislation Relating to China

U.S. Commissions on China

In the year 2000, the 106th Congress mandated the establishment of two commissions which would begin to focus on various aspects of U.S.-China relations. Both commissions held hearings, conducted investigations, and issued their first reports during the 107th Congress. The Commissions are:

Congressional-Executive Commission on the PRC. In what some considered a compromise in legislation ending the annual review of China’s trade status and giving the PRC permanent normal trade relations (P.L. 106-286), the 106th Congress amended the bill to create a permanent body — the Congressional-Executive Commission on the People’s Republic of China (CECC) — to monitor human rights in the PRC. Including both House and Senate Members as well as presidential appointees, the CECC chairmanship rotates between the Senate (odd-

numbered Congress) and the House (even-numbered Congress). Initial members included (Senate): Max Baucus (Co-Chair), Carl Levin, Dianne Feinstein, Byron Dorgan, Evan Bayh, Chuck Hagel, Bob Smith, Gordon Smith, Sam Brownback, and Tim Hutchinson; and (House): Doug Bereuter (Co-chair), Jim Leach, David Dreier, Frank Wolf, Joe Pitts, Sander Levin, Marci Kaptur, Nancy Pelosi, and Jim Davis. Presidential appointees include Paula Dobriansky (Under Secretary of State for Global Affairs), Lorne Craner (Deputy Assistant Secretary of State for Human Rights and Labor), Jim Kelly (Deputy Assistant Secretary of State for East Asia and the Pacific), Grant Aldonas (Undersecretary of Commerce for International Trade), and D. Cameron Findlay (Deputy Secretary of Labor).

For a variety of reasons in the 107th Congress, including the September 11 terrorist attacks, this commission got off to a slow start. It did no business in 2001, and filed its first report on October 2, 2002. Among other actions, the CECC by late 2002 was in the process of developing a web-based “Victims Registry Page,” ultimately designed to access information about political prisoners and other victims in the PRC. When completed, according to the Commission, the page will be accessible through the CECC website.³⁷

U.S.-China Security Review Commission. Often referring to itself as the U.S.-China Commission (USCC), this 12-member body was established in 2000 under the Floyd D. Spence National Defense Authorization Act FY2001 (P.L. 106-398) to review the security implications of U.S. economic and trade ties with the PRC. Commissioners are private citizens appointed by the House and Senate. On July 15, 2002, with one dissenting opinion, the Commission submitted its first mandated annual report to Congress in both classified and unclassified format. The 209-page unclassified report, entitled “The National Security Implications of the *Economic Relationship Between the United States and China*,” assesses various aspects of the U.S.-China relationship and offers more than 40 recommendations for Congress and U.S. policymakers to remedy what it sees as the deficiencies and weaknesses in the U.S. policy approach toward China.³⁸ A list of the CSCC’s 12 members can be found on the group’s website.

Major Legislation

P.L. 107-10 (H.R. 428)

Legislation authorizing the President to initiate a plan to endorse and obtain observer status for Taiwan at the annual week-long summit of the World Health Assembly in May 2001 in Geneva, Switzerland. Introduced on February 6, 2001, and referred to the House Committee on International Relations, which marked it up on March 28, 2001. The House passed the bill on April 24, 2001, by a vote of 407-0. The Senate passed the bill by unanimous consent, with an amendment, on May 9, 2001. The House agreed to the Senate amendment on May 15, 2001, by a vote of 415-0, and the measure was cleared for the President’s signature. It became Public Law 107-10 on May 28, 2001.

³⁷ The CECC official website is at [<http://www.cecc.gov/>].

³⁸ The USCC website is at [<http://www.uscc.gov/>].

P.L. 107-115 (H.R. 2506)

Appropriations for foreign operations, export financing, and related programs for FY2002. Section 526(a) of the Act provided \$10 million to support democracy programs and human rights in the PRC. Section 576 of the Act prohibited funds for a program in the PRC by the United Nations Population Fund (UNFPA). Reported by the House Appropriations Committee as an original measure on July 17, 2001 (H.Rept. 107-142). The House passed it on July 24, 2001, by vote of 381-46. Referred to Senate Appropriations Committee, which reported it favorably, with an amendment, on September 4, 2001 (S.Rept. 107-58). Senate passed it, amended, on October 24, 2001 (96-2). Conference held on November 14, 2001. Conference report filed on December 19, 2001 (H.Rept. 107-345). House agreed to the conference report the same day (357-66). Senate agreed to the conference report on December 20, 2001, by unanimous consent. President signed the bill on January 10, 2002.

P.L. 107-158 (H.R. 2739)

Legislation amending P.L. 107-10 to authorize the President to initiate a plan to endorse and obtain observer status for Taiwan at the annual week-long summit of the World Health Assembly in May 2002. Introduced on August 2, 2001, and referred to the House Committee on International Relations, which ordered it reported on November 28, 2001. The House passed the bill by voice vote December 12, 2001. The Senate passed the bill by unanimous consent without amendment on March 19, 2002. The President signed the bill on April 4, 2002.

H.R. 1779/S. 852 (Lantos/Feinstein)

The Tibetan Policy Act of 2001. Introduced in the Senate and House on May 9, 2001, the bills reaffirm the view that Tibet is an illegally occupied country, establish semi-annual reporting requirements on the status of Chinese negotiations with the Dalai Lama, and establishes certain U.S. policies with respect to international lending to projects in Tibet. The bill was referred to the House Committee on International Relations and the Senate Committee on Foreign Relations. Provisions of S. 852 were later incorporated into the State Department Authorizations Act, P.L. 107-228 (see below).

P.L. 107-228 (H.R. 1646/S. 1401/S. 1803)

The Foreign Relations Authorization Act of FY2002/2003. P.L. 107-228 contains a number of China provisions. The more substantive deal with U.S. policy and practices toward Tibet and Taiwan. The "Tibetan Policy Act of 2002" begins at Section 611, Subtitle B, with provisions similar to, though not as extensive as, the Tibetan Policy Act of 2001 (H.R. 1779 and S. 852, above). The law's provisions include opening a U.S. consular office in Lhasa; Tibetan language training for U.S. foreign service officers; expansion of the responsibilities of the Congressional-Executive Commission on the People's Republic of China (CECPRC) to include monitoring and reporting on the status of dialogue between the Chinese government and the Dalai Lama; support in international organizations for economic development on the Tibetan Plateau; and \$500,000 in each of fiscal years 2002 and 2003 for exchange programs between the United States and the people of Tibet. These provisions are similar to provisions in The Tibetan Policy Act of 2001 (H.R. 1779 and S. 852, above.) The law allows the Secretary of State to detail a State Department employee to the American Institute in Taiwan (AIT) while remaining on

the U.S. government payroll, if he determines that such a detail is in the U.S. national interest. The law also provides that for the purposes of U.S. arms sales, Taiwan should be treated as the equivalent of a major non-NATO ally. It also requires the President to consult with Congress on various sales of defense articles and equipment to Taiwan. The original Senate version, S. 1401, contained substantially similar provisions on China and Tibet as the House-passed bill. On May 1, 2002, the Senate Foreign Relations Committee was discharged from further consideration of the House version, H.R. 1646. The same day, the full Senate took up the bill and, by unanimous consent, passed as an amendment the text of S. 1803, the Security Assistance Act of 2001, which had been introduced by Senator Biden on December 11, 2001, and which the Senate had passed by unanimous consent on December 20, 2001 (S.Rept. 107-122.) Conference Report 107-671 was filed on September 23, 2002. The House agreed to the report by voice vote on September 25, 2002, and the Senate by unanimous consent on September 26, 2002.

P.L. 107-314 (H.R. 4546/S. 2514)

The Bob Stump National Defense Authorization Act for FY2003. Section 1207 of the enacted bill was entitled the “Monitoring of the Implementation of the 1979 Agreement Between the United States and China on Cooperation in Science and Technology.” Section 1207 of P.L. 107-314 requires the Secretary of State to monitor activities under the U.S.-China science & technology (S & T) agreement (formally known as the “Agreement Between the Government of the United States of America and the government of the People’s Republic of China on Cooperation in Science and Technology,” signed on January 31, 1979), keep an accurate accounting of all protocols under the agreement, coordinate U.S. Government activities under the agreement, and ensure that all U.S. laws governing sensitive technology are followed. The provision also requires the Secretary to submit to Congress a report in both classified and unclassified form by April 1 in every even-numbered year. H.R. 4546 was introduced on April 23, 2002; reported amended by the Armed Services Committee on May 3, 2002 (H.Rept. 107-436) and on May 6, 2002 (H.Rept. 107-436 Part II); and passed the House on May 10, 2002, by a vote of 359-58. The Senate passed the bill by unanimous consent with an amendment on June 27, 2002. The Conference Report (H.Rept. 107-772) was filed on November 12, 2002, passed the House by voice vote on the same day, and passed the Senate by voice vote on November 13, 2002. The President signed the bill as Public Law 107-314 on December 2, 2002.

Selected Additional Legislation

Human Rights

- H.Con.Res. 68 — Condemning the PRC for its poor human rights record.
- H.Con.Res. 73, S.Con.Res. 27 — Sense of Congress that 2008 Olympic Games should not be held in Beijing until the PRC releases all political prisoners.
- H.Con.Res. 188, H.Con.Res. 447 — Sense of Congress that the PRC stop persecuting Falun Gong members.
- H.Con.Res. 213, S.Con.Res. 114 — Sense of Congress that the PRC stop repatriating North Korean refugees to face torture, imprisonment, and execution.

H.Res. 56, S.Res. 22 — Support for U.S. Government's solicitation of a resolution at 57th U.N. Human Rights Commission condemning PRC human rights record.

H.Res. 160, S.Res. 128 — Calling on PRC to release Li Shaomin and other American-Chinese scholars detained in China.

H.R. 2030, H.R. 2530 — Prohibiting visas for any PRC physician seeking U.S. training in organ transplantation (H.R. 2030), or who supports harvesting and transplanting organs of executed PRC prisoners (H.R. 2530)

Taiwan

H.Con.Res. 67 — Sense of Congress that U.S. should reconfirm commitments to Taiwan Relations Act.

H.Con.Res. 221 — Sense of Congress that future of Taiwan should be resolved peacefully and with consent of Taiwan people.

Tibet

H.Res. 137 — Sense of House that Dalai Lama's exiled government are the legitimate representatives of Tibet.

H.Res. 410, S.Res. 252 — Sense of House on human rights violations in Tibet.

H.Res. 476 — Sense of House regarding several individuals held as prisoners of conscience by PRC government for pro-Tibetan activities.

Economics and Trade

H.J.Res. 50 — Disapproving extension of normal trade relations (NTR) to PRC.

H.Con.Res. 485 — Requesting U.S. Government to urge PRC to resolve claims of U.S. citizens holding PRC bonds on which the government defaulted.

H.Res. 557 — Expressing support for protecting certain U.S. industries against unfair PRC trade practices.

H.R. 457 — Establish a transitional adjustment assistance program for U.S. workers injured by NTR extension to PRC.

H.R. 1467 — Withdraw NTR from the PRC.

H.R. 1497 — Revoke extension of NTR to PRC.

S. 1372 — Barring access of PRC enterprises to U.S. capital markets.

U.S.-PRC Military Aircraft Collision

H.Con.Res. 96 — Sense of Congress that PRC should release immediately the 24 detained U.S. crew members.

H.Con.Res. 106 — Commending U.S. military crew for outstanding performance of duty.

H.R. 2507, H.Amdt. 177 to H.R. 2500 — Prohibit U.S. Government payment to PRC for reimbursement of costs associated with U.S. military aircraft forced landing.

S.Res. 66 — Sense of Senate regarding release of 24 U.S. crew members.

S.Res. 80 — Resolution honoring "Whidbey 24" crew members for performance of their duties.

S.Res. 81 — Commending U.S. mission in PRC for efforts on behalf of 24 detained U.S. crew members.

Chronology

- 11/08/02** — The 16th Party Congress began, ultimately resulting in the selection of a new 24-member Politburo, a new 9-member Standing Committee, and a new Party Secretary, Hu Jintao, who replaced former Party Secretary Jiang Zemin.
- 09/23/02** — A PRC Navy contingent of two ships completed a four-month deployment marking the first world tour made by the Chinese Navy.
- 09/20/02** — Chinese officials freed AIDs activist Wan Yanhai.
- 08/26/02** — U.S. Deputy Secretary of State Armitage announced the United States was placing the East Turkestan Islamic Movement on a list of terrorist groups.
- 08/25/02** — Beijing published new missile-related export control regulations.
- 06/23/02** — Chinese officials allowed 26 North Korean refugees to leave China.
- 04/30/02** — Vice-Premier Hu Jintao began his first official visit to the United States.
- 03/04/02** — The U.S. State Department issued its annual report on human rights violations, saying that China’s human rights record “remained poor.”
- 02/21/02** — President Bush visited China, Japan, and South Korea.
- 01/01/02** — China received permanent normal trade relations from the United States as specified in P.L. 106-246.
- 12/11/01** — The PRC formally joined the World Trade Organization.
- 09/11/01** — Terrorists hijacked four U.S. commercial airliners and crashed them into the World Trade Center, the Pentagon, and in rural Pennsylvania. Senior PRC officials expressed their sympathy, condolences, and qualified support.
- 09/05/01** — According to the *Washington Times*, Secretary of Defense Rumsfeld said in congressional testimony that reports alleging that the United States had agreed to China’s continued nuclear weapons building were false.
- 08/23/01** — U.S.-China missile talks began in Beijing on allegations that the PRC had violated its non-proliferation pledges.

- 07/13/01** — Beijing won the right to host the 2008 Olympic Games.
- 06/04/01** — Defense Secretary Rumsfeld told journalists that the United States was resuming military contacts with the PRC, suspended since the EP-3 incident.
- 04/24/01** — President Bush authorized a major sale of defense articles and services to Taiwan, including diesel-powered submarines, anti-submarine aircraft, and destroyers. The Aegis combat system was not authorized for sale.
- 04/18/01** — At the annual meeting of the U.N. Commission on Human Rights, the Commission voted 23-17, (12 abstentions) in favor of a PRC “no action” motion on a resolution to condemn China’s human rights practices.
- 04/12/01** — China released 24 American EP-3 crew members held since April 1, 2001.
- 04/03/01** — Chinese officials charged visiting American University professor Ms. Gao Zhan with espionage, having arrested her on February 11, 2001.
- 04/01/01** — A PRC F8 fighter collided with a U.S. Navy EP-3 reconnaissance plane over the South China Sea. The EP-3 made an emergency landing on Hainan island.
- 02/28/01** — China ratified, with qualifications, the International Covenant on Economic, Social, and Cultural Rights, a U.N. agreement it signed on October 27, 1997.
- 02/16/01** — U.S. and British warplanes bombed a fiber-optic network in Iraq on February 16, 2001, which reports allege to have been sold and installed by a Chinese firm, the Huawei Technologies Co.
- 02/11/01** — Chinese authorities detained a Chinese scholar working at American University, Ms. Gao Zhan, and her husband and five-year-old son.
- 01/29/01** — The U.S. Trade and Development Agency (TDA) announced it was reopening its grant assistance program in China, suspended since 1989, based on a presidential “national interest” waiver on January 13, 2001.

For Additional Reading

CRS Issue Briefs and Reports

CRS Issue Brief IB98034. *Taiwan: Recent Developments and U.S. Policy Choices.*

CRS Report RL31661. *China's New Leadership Line-up: Implications for U.S. Policy.*

CRS Report RS21351. *Sino-U.S. Summit, October 2002.*

CRS Report RS21292. *Agriculture: U.S.-China Trade Issues.*

CRS Report RS20876. *Collision of U.S. and Chinese Aircraft: Selected Legal Considerations.*

CRS Report RS20139. *China and the World Trade Organization.*

CRS Report RL30983. *Tibet, China, and the 107th Congress.*

CRS Report RS20476. *China's Xinjiang-Uighur Autonomous Region: Current Developments and U.S. Interests.*

CRS Report RS20333. *China and 'Falun Gong.'*

CRS Report RL30341. *China/Taiwan: Evolution of the 'One-China' Policy — Key Statements from Washington, Beijing, and Taipei.*

CRS Report RL31164. *China: Labor Conditions and Unrest.*