

# China 101 Brief: The State of U.S.-China Relations

*\*\* Friday March 4<sup>th</sup>, 2p.m., 2212 Rayburn\*\**

**Representatives of the U.S.-China Economic and Security Review Commission address major issues and take questions on U.S.-China relations**



Dear Colleague:

As co-Chairs of the Congressional China Caucus, we would like to invite you and your staff to attend a ‘China 101’ briefing with the U.S.-China Economic and Security Review Commission (USCC) at 2 p.m. on March 4<sup>th</sup> in 2212 Rayburn. The [USCC](#), created in October 2000, with the legislative mandate to monitor, investigate, and submit to Congress an annual report on the national security implications of the bilateral trade and economic relationship between the United States and the People’s Republic of China, and to provide recommendations, where appropriate, to Congress for legislative and administrative action. At the briefing, the Commission’s Senior Analyst for Economic and Trade Issues, Paul Magnusson, and Senior Analyst for Military-Security Issues, Dan Hartnett, will address some of the major issues in the U.S.-China relationship today and answer questions from staff.

In their 2010 Annual Report to Congress, the Commission covered a number of topics from the overall economic relationship to China’s holding of U.S. debt and its compliance with WTO obligations. Last year China passed Japan becoming the world’s second largest economy after the United States. While the overall trade deficit between the U.S. and China fell, China’s share of the trade deficit in goods jumped from 59.8% to 75.2%. The Commission’s past reports provide a detailed explanation of how China’s trade advantages are based more on massive export-oriented subsidies, technology theft, and mercantilist trade policies than weaknesses on the part of the U.S. industrial base. This has been exacerbated by last June’s announcement by China that it would “enhance its exchange rate flexibility” which has resulted in appreciation of their currency by about 3.5% over the last 9 months.

China’s growing economic power is enabling the modernization of its military. China’s advancements in air and missile capabilities now provide Beijing with the capacity to threaten U.S. forces and bases in the region. Their conventional missile capabilities alone may be sufficient to target and impair operations at five of the six U.S. air bases in the Western Pacific. China is also developing a medium-range ballistic missile that will be capable of targeting U.S. aircraft carriers at sea up to 1,000 miles from China’s coasts. In parallel with these developments, there has been an increased assertiveness by the Chinese government in the pursuit of its political objectives, particularly with respect to maritime border disputes.

An additional area of concern to Americans and the Chinese people alike are the important issues of cyber security and Internet freedom. In China, the Communist Party continues to force private companies to censor online communications, impeding online freedom. The Chinese government also continues to support or

acquiesce to cyber attacks against the U.S. government, companies, and citizens, creating a threat to our privacy, economy and security.

How the United States Congress addresses the challenges and opportunities of China's growing power will dramatically affect the welfare of our nation and American allies across the world for future generations. We hope you will join us on March 4<sup>th</sup> to discuss these and other important issues in U.S.-China relations.

Sincerely,

J. Randy Forbes  
Member of Congress

Madeline Bordallo  
Member of Congress