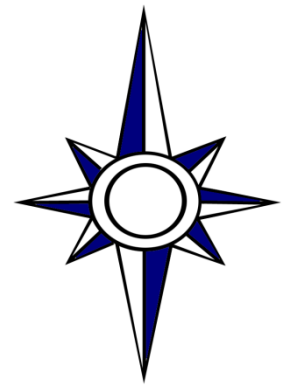


Comparative Connections

A Triannual E-Journal on East Asian Bilateral Relations



US-China Relations: Creating a New Type of Major Power Relations

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In the second trimester of 2012, the US began to flesh out its rebalancing to Asia strategy, prompting Chinese concerns. The fourth round of the Strategic and Economic Dialogue (S&ED) was held in Beijing in May amid a kerfuffle over Chinese dissident lawyer Chen Guangcheng. Presidents Barack Obama and Hu Jintao held their 12th and likely final bilateral meeting in June on the margins of the G20 Summit in Los Cabos, Mexico. Bilateral friction intensified over developments in the South China Sea. US-China military interactions stepped up with a visit to the US by Chinese Defense Minister Liang Guanglie and a visit to China by Commander of the US Pacific Command Samuel Locklear. The US-China Human Rights Dialogue was held in Washington in July.

The US pivot to Asia: China doubts US reassurances

The US rebalancing to Asia strategy was fleshed out a bit in early June by US Secretary of Defense Leon Panetta at the Shangri-La Dialogue, an annual meeting of defense ministers and national security experts organized in Singapore. Panetta announced that the US plans to shift its force posture from the current roughly 50-50 split between the Pacific and Atlantic to a 60-40 split in favor of the Pacific. US forces in the region in the future will include six aircraft carriers and a majority of US cruisers, destroyers, littoral combat ships, and submarines. Panetta insisted that the enhanced US focus on the Asia-Pacific region is not intended to challenge China. Instead, he said “increased US involvement in this region will benefit China as it advances our shared security and prosperity in the future.”

The Chinese were skeptical, however. In July, an article co-authored by Chinese Vice Foreign Minister Cui Tiankai that was initially published in the journal *China International Strategy Review* was posted on the foreign ministry’s website. The article noted that “In the course of returning to the Asia-Pacific, the United States has been vigorously strengthening its alliance system, advancing the anti-ballistic missile system in the Asia-Pacific, pursuing ‘air-sea battle’ and intervening in the disputes between China and its neighbors.” It then asked “What is the true motive behind all these moves? What signals do they want to send to China and the region?” US actions in the region “have not only made China raise doubts, but also have upset other countries in the region,” the article stated. It called on the US to “face the issue and convince China, other countries in the region and the international community that there is no gap between its policy statements on China and its true intentions.”

At various bilateral meetings in the May to August period, Obama administration officials sought to explain the complexity of the US pivot to Asia and persuade Chinese counterparts that the

strategy is not targeted at China. Secretary Panetta outlined the strategy and its goals to Defense Minister Liang Guanglie when they met at the Pentagon in early May. US Secretary of State Hillary Clinton discussed the rebalancing strategy with Chinese Foreign Minister Yang Jiechi on the sidelines of the ASEAN-related meetings in Phnom Penh in mid-July. National Security Adviser Thomas Donilon explained the origins and motivations of the strategy when he visited Beijing later that month. In August, US defense officials once again explicated the reasons for the US rebalancing strategy when China's Deputy Chief of the General Staff Cai Yingting traveled to the US in late August, emphasizing that the strategy is not aimed at constraining China or harming Chinese interests.

Despite these assurances, the Chinese continue to say that they will “listen to US words and watch its deeds” – in other words, wait and see. Debates in China about US intentions and whether the US will have sufficient resources to fund a larger and more capable military presence in the Asia-Pacific region are ongoing. Reports that China conducted flight tests of a new multiple-warhead, ground-mobile missile and the *JL-2* submarine-launched ballistic missile in July and August suggest, however, that the People's Liberation Army (PLA) is already taking steps to enhance the survivability of China's nuclear deterrent in the face of improvements in US missile defense systems.

Obama meets Hu in Los Cabos

Presidents Obama and Hu met for the 12th and likely the last time in Los Cabos, Mexico on the sidelines of the G20 Summit on June 19. Prior to the meeting, both leaders told the press that they are committed to working together to improve the bilateral relationship. Obama noted that the two countries have been able to “really create a new model for practical and constructive and comprehensive relations between our two countries.” The idea of establishing a new type of major power relationship is a key proposal put forward by Hu Jintao, which he elaborated on in his speech to the S&ED in May. On that occasion, Hu said that the two nations should “strive to develop a new type of great power relationship that is reassuring to the peoples of both nations and gives the peoples of other countries peace of mind.” The essential features of new type of great power relationship that Hu identified are: mutual trust, equality and mutual understanding, energetic action, and deep friendship.

In their private meeting, Hu and Obama reviewed their accomplishments in promoting the US-China relationship in the past 3½ years. According to *China Daily*, President Obama lauded the “significant progress” in expanding trade and commercial ties. He also noted that the two countries had established “a practical and positive cooperation mechanism” and cooperated effectively on many issues, including the global economy, bilateral trade, and major international and regional issues.

Hu Jintao put forward a four-point proposal on how to develop a new model of great power relations between the two countries: 1) continue dialogue, especially high-level strategic communication, and enhance mutual trust; 2) deepen win-win cooperation in traditional fields such as commerce, investment, law enforcement, education, and technology as well as in new sectors like energy, environment, and infrastructure construction; 3) properly manage differences and avoid interferences, including preventing domestic politics from having a negative impact on

bilateral ties and supporting the peaceful development of cross-strait relations with concrete action; and 4) jointly undertake international responsibilities and meet global challenges. According to *China Daily*, Obama agreed with Hu's vision for the next phase of the bilateral relationship and expressed willingness to forge a new model of great power relations.

President Obama pressed Hu to cooperate with international efforts to curb Iran's nuclear ambitions and to press North Korea from undertaking new provocations. Ending the violence in Syria was also on the agenda. From the US perspective, Beijing has played an unhelpful role by shielding the regime of Bashar al-Assad through the exercise of its veto in the UN Security Council. Obama also specifically raised concerns about China's continued efforts to keep its currency artificially low to bolster exports.

Tensions persist in South China Sea

As tensions have risen in the South China Sea in the past few years, the issue has become a major topic in meetings between high-level US and Chinese officials. Ever since Secretary Clinton and Foreign Minister Yang Jiechi clashed at the ASEAN Regional Forum (ARF) meeting in Hanoi in July 2010, which alarmed many of China's neighbors, the two countries have tried to coordinate in advance of ARF gatherings to avoid a repeat performance. This year, in the run-up to the 19th ARF and related meetings in Phnom Penh, Washington and Beijing were in frequent contact about the standoff between Chinese and Philippine ships in the Scarborough Shoal. The incident began on April 10 when Manila sent its largest warship to intercept a group of Chinese fishing vessels that the Philippines claimed were fishing illegally in the waters around the shoal and briefly boarded them with armed marines. China dispatched two maritime surveillance vessels which prevented the Philippine Navy from arresting the Chinese fisherman. The face-off continued until early June. The US played an instrumental role in helping the two sides to de-escalate tensions, although the Chinese failed to withdraw all their fishing vessels from the lagoon as promised.

At the Shangri-La Dialogue, Secretary of Defense Panetta noted that the US was paying close attention to the situation in the Scarborough Shoal. In a clear enunciation of US policy, he called for restraint and diplomatic resolution, adding that the US opposes provocation, opposes coercion, and opposes the use of force. Panetta also stressed the urgency for the countries in the region to "develop a binding code of conduct that would create a rules-based framework for regulating the conduct of parties in the South China Sea, including the prevention and management of disputes."

In the multilateral meetings in Phnom Penh, Secretary Clinton also articulated US policy toward the territorial disputes in the South China Sea, underscoring that while the US does not take a position on the territorial claims, it is very concerned about the manner in which these are addressed. On the margins of the official meetings, she met Foreign Minister Yang and discussed the need for a meaningful code of conduct between China and ASEAN.

When the ASEAN ministers failed to reach agreement on a joint communiqué for the first time in 45 years, largely due to disagreement over the wording of one paragraph in the section on the South China Sea, US concerns about ASEAN unity and centrality spiked. After interagency

deliberations, the State Department released a statement on the South China Sea on Aug. 3. The statement expressed concern about the increase in tensions in the South China Sea and singled out China for criticism for its June decision to upgrade the administration level of Sansha City and establish a new military garrison there covering the disputed areas of the South China Sea. In addition, the statement referenced “coercive economic actions,” which referred to China’s sudden quarantine of tropical fruit imports from the Philippines to pressure the government in Manila to back down from the confrontation in the Scarborough Shoal. It also mentioned “the use of barriers to deny access,” which was an allusion to China’s roping off of the lagoon of the shoal to deny Filipino fisherman access.

The Chinese response was quick and harsh. China’s Foreign Ministry spokesman Qin Gang expressed “strong dissatisfaction and opposition,” and charged that the US press statement “completely ignored the facts, deliberately confounded right and wrong, sending a seriously wrong signal, which is not conducive to the efforts safeguarding the peace and stability of the South China Sea and the Asia Pacific region.” Qin accused the US of “selective blindness” and taking sides despite its claim that it remains neutral on the South China Sea territorial disputes.

The annual S&ED in Beijing

The fourth round of the S&ED opened in Beijing on May 3-4, 2012. Secretary of State Clinton and Treasury Secretary Timothy Geithner co-chaired the meeting with counterparts, State Councillor Dai Bingguo and Vice Premier Wang Qishan. Under the Obama administration, the S&ED has “become the premier forum” for US-China dialogue, and has “served as a platform for building trust and understanding” between the two countries.

In the strategic track, the two sides focused on promoting high-level exchanges, bilateral dialogues and consultations; addressing regional and global challenges; and enhancing bilateral cooperation. They also reviewed progress in previous rounds of the S&ED in “deepening strategic trust and advancing” their respective president’s shared vision of a cooperative bilateral relationship. The outcome was a list of 50 specific outcomes and areas of bilateral cooperation. On the sidelines, the second round of the Strategic Security Dialogue (SSD) – the only bilateral mechanism that brings together senior civilian and military officials to discuss sensitive security issues – was also held during the S&ED with a third planned for next year. The SSD was co-chaired by US Deputy Secretary of State William Burns and Chinese Vice Foreign Minister Zhang Zhijun. They were joined by Acting Undersecretary of Defense James Miller, US Pacific Command Commander Samuel Locklear, and Deputy Chief of the General Staff of the PLA Ma Xiaotian. Discussions focused primarily on maritime and cyber security issues. *Xinhua News Agency* reported that “The two sides agreed to continue to develop the SSD mechanism, and let it play a greater role in enhancing bilateral strategic mutual trust.”

The economic track meanwhile resulted in 67 outcomes, ranging from broad macroeconomic policies to issues related to trade, investment, and finance. China agreed to review its economic policies which provide “attractive financing” for its exports (policies which many foreign companies consider unfair); allow foreign investors to acquire a larger stake in Chinese securities or futures joint ventures; and remove regulations and subsidies which unfairly benefit state-owned enterprises, among many other commitments and affirmations. Meanwhile, the United

States stated its support for the *renminbi*'s inclusion in the International Monetary Fund's basket of reserve currencies, agreed to make efforts to facilitate civilian high-tech exports to China, and committed to amend its controls on some dual-use items.

President Hu Jintao praised the "positive results" and the "excellent work" the two sides accomplished during the two day meeting. He also called for the two countries to use the S&ED to strengthen and enhance strategic communication, mutual trust, and bilateral cooperation; to adopt a long-term view of relations; and to respect one another's "core interests." At a press conference following the close of the meeting, Secretary Clinton too praised the fourth round's discussions as "productive" and claimed they were "a testament to how far we've come in building a strong and resilient relationship."

Chen Guangcheng affair

Mere days before the arrival of the US S&ED delegation in Beijing, Chinese "barefoot lawyer" Chen Guangcheng made a dramatic escape from house arrest and sought refuge in the US Embassy. Chen did leave the embassy on his own volition to seek medical treatment at a hospital nearby, and the US and China appeared to have come to an understanding that his rights would be protected and he would stay in China. However, this initial deal fell through when Chen was convinced by his wife and fellow activists that staying was unwise and dangerous.

Subsequently, US officials scrambled to piece together a new arrangement that would allow Chen to travel to the US on a student visa and study law at New York University. The Chinese government issued a statement indicating that Chen could apply for a visa to study abroad just like any other Chinese citizen. On May 19, Chen and his family were granted US visas and departed China for New York City. While the agreement between Chinese and US officials was successful and mutually face-saving, the negotiations aimed at resolving the incident put a great deal of stress on the relationship. In the ensuing months, US and Chinese officials praised the handling of Chen Guangcheng's case and maintained that the rapid and amicable resolution without disrupting the S&ED was evidence of growing mutual trust in the relationship.

US-China military interaction

Bilateral military engagement picked up speed during the May-August period, signaling a full resumption of normal military ties between the US and China. Immediately following the SSD, Liang Guanglie led a delegation to visit the US, marking the first visit by a Chinese defense minister to the US in nine years. It was also the first high-level military exchange between the US and China since the US arms sale to Taiwan in September 2011. Liang's delegation included officers from the three armed services and the Second Artillery Corps as well as the commanders of the Shenyang Military Region and the Xinjiang Military District. The visit included stops at Fort Benning, Georgia; the San Diego naval base; the Fourth Fighter Wing at Seymour Johnson Air Force Base, North Carolina; the US Marine Corps Second Expeditionary Force at Camp Lejeune, North Carolina; the US Military Academy at West Point, New York; and Southern Command in Miami, Florida. An article by Fudan University Professor Zhang Jiadong carried by *Renmin Wang* noted that "In opening some of the Class-A military bases/command center of

its four major armed services for the first time ever to China, the United States has demonstrated its sincerity in carrying out military exchanges with China.”

In Washington, Liang Guanglie met Defense Secretary Panetta, National Security Adviser Donilon, and Acting Secretary of State Bill Burns. According to the official Chinese media, Liang said that this visit represented a “turn for the better” in the relationship, following “some delay” caused by US arms sales to Taiwan.

At a joint press conference with Liang following their talks, Secretary Panetta indicated that it is “essential” that the US and China “communicate effectively on a range of very challenging issues.” He noted that the two countries are expanding cooperation, particularly in areas such as peacekeeping, humanitarian assistance and disaster relief, and counter-piracy. Panetta expressed his “commitment to achieving and maintaining a healthy, stable, reliable and continuous mil-to-mil relationship with China.”

Liang told the news media that the purpose of his visit was “to implement the important agreement reached by Presidents Hu and Obama on developing the China-US state-to-state and military-to-military relationship, to increase mutual understanding, to promote mutual trust and to raise the level of our state-to-state and military-to-military relationship, in particular our military relationship, and to ensure that this relationship can continue to develop in a sound and stable manner.” Noting that discussions are underway between the US and China on how to build a new type of major power relationship that is not “predestined to engage in confrontation or conflict,” Liang said that he proposed to Panetta that the two militaries should establish a new type of relationship based on “equality, mutual benefit and cooperation.” He described his meeting with the US defense secretary as “held in an atmosphere of “candidness and friendship.”

Chinese media reports highlighted Liang’s call for the two sides “to respect each other’s core interests and major concerns and to properly handle disagreements and differences.” In addition, Liang reiterated that US arms sales to Taiwan, US military reconnaissance near China, and US laws restricting military exchanges are the “three major obstacles” to the further development of the bilateral military relationship.

Topics discussed between Liang and Panetta included cyber-security, maritime issues, nuclear proliferation, missile defense, North Korea, South China Sea, and US military deployments in the Asia-Pacific. The two sides agreed to carry out exchanges and cooperation in such areas as humanitarian assistance and disaster relief, military archives, environmental protection, medicine, military education, culture, and sports and to hold joint humanitarian and disaster relief and antipiracy exercises over the course of this year. Many of these activities had been planned the prior year, but were postponed by China after the US announced a major weapons sale to Taiwan. During their discussions, Liang issued an invitation to Panetta to visit Beijing later in the year.

Following the visit, Senior Col. Zhang Xiaozhuo from China’s Academy of Military Sciences wrote in *China Daily* that “Liang’s visit to the US has clearly been very fruitful, and we have good reason to remain optimistic for the future of the China-US military relationship.” Professor Zhang Jiadong was more pessimistic, however. He asserted that “numerous variables” would

determine whether the achievements of Liang's visit would be implemented. Citing the issue of US arms sales to Taiwan as the most significant of these variables, Zhang called for the US to "conscientiously fulfill its pledge" in the August 17, 1982 Communiqué to progressively reduce its arms sales to Taiwan. He also maintained that the Chinese side "needs to find a new plan for dealing with this issue" instead of "disrupting or lowering the depth and level of its military exchanges with the US" after each instance of US weapons sales to Taiwan.

In mid-June the US and China held a meeting of the Maritime Consultative Cooperation Agreement (MMCA). The major focus was search and rescue (SAR). Both sides exchanged briefs on the SAR structures, including their SAR command and control structure. The meeting laid a good foundation for a future SAR joint exercise.

Pacific Command Commander Adm. Samuel Locklear spent four days in China in late June, the first official visit by the top US military officer in the Pacific in four years. He held talks with Minister of National Defense Liang Guanglie and Ma Xiaotian, deputy chief of general staff of the PLA, among others. Official Chinese media outlets reported Locklear's statements that his visit represented a "new start" for US-China military relations and that stable development of the relationship had been a "top priority" since he assumed his position in April. Addressing students at the Academy of Military Sciences in Beijing, Locklear outlined the US Asia-Pacific rebalancing strategy and called for China to play a "productive role" in creating a security environment in the Asia-Pacific.

In an interview with the *American Forces Press Services* following his visit, Adm. Locklear said he had discussed contentious issues such as the South China Sea and US arms sales to Taiwan. He noted that "working through areas of disagreement will take time" and expressed hope that the US and China can look beyond these issues and focus on common interests as they force a more positive path in their relationship.

In late August, Lt. Gen. Cai Yingting, one of six deputy chiefs of the PLA general staff, visited the US, making stops at Fort Hood Texas, Fort Leonard Wood, Missouri, US Pacific Command in Honolulu, and Washington DC, where he met Deputy Defense Secretary Ashton Carter, Deputy Chairman of the Joint Chiefs of Staff James Winnefeld, the Vice Chief of Staff of the US Army Lloyd Austin, and Undersecretary of State for Political Affairs Wendy Sherman. Cai told the Chinese media that he urged the US to make more efforts to ease the tensions so as to safeguard peace in the Asia-Pacific and maintaining the good impetus in the development of the overall China-US relations.

Human rights dialogue

The 17th session of the US-China Human Rights Dialogue was held July 23-24, 2012, in Washington, DC. The US and Chinese delegations were headed respectively by Assistant Secretary for Democracy, Human Rights and Labor Michael Posner and Chinese Ministry of Foreign Affairs Director General for International Organizations and Conferences Chen Xu. Topics discussed included rule of law, freedom of religion, freedom of expression, internet freedom, and labor rights. After the Dialogue, the Chinese delegation visited the United States Supreme Court and nongovernmental and media organizations.

In a press briefing held after the Dialogue ended, Posner stated that “the overall human rights situation in China continues to deteriorate.” He noted that the US side had raised many individual cases “where lawyers, bloggers, NGO activists, journalists, religious leaders, and others” who are “asserting universal rights and calling for peaceful reform in China ... have been arrested and detained as part of a larger pattern of arrest and extralegal detention of those who challenge official actions and policies in China.”

A statement released by the Chinese delegation stated that the talks were “candid, open, and constructive,” and helped “improve mutual understanding and reduce misunderstanding.” The Chinese side noted that it conveyed “recent efforts in China to improve legislation, judicial justice and people’s livelihood, including amendments to the Criminal Procedure Law, the development of the internet and grassroots elections, and the expansion of the social security network.” *Xinhua News Agency* reported that the Chinese delegation expressed hope that the US would “respect China’s sovereignty and territorial integrity, existing political and legal systems, and self-chosen development path, and take a comprehensive, objective and unbiased look at China’s human rights situation, so as to promote the Sino-US cooperative partnership of mutual respect and mutual benefits for a win-win end.”

In late July, the US Department of State’s Bureau of Democracy, Human Rights and Labor issued its annual report on international religious freedom, which highlighted a decline in 2011 in the Chinese government’s respect for and protection of religious freedom in Tibet and Xinjiang and continued crackdown on Christian house churches. A *Xinhua News Agency* commentary characterized the report as “continuing a notorious practice of blatantly interfering in the internal affairs of other countries.” It decried US insistence on imposing its own standards on religious policies, claimed that the report was “full of prejudice, arrogance and ignorance,” and maintained that religious freedoms in China were protected under the constitution.

Looking ahead

China’s priority over the next few months will be to buffer the relationship from lasting negative effects as the US presidential campaign heats up. Republican presidential candidate Mitt Romney continues to adopt a tough stance toward China on trade, criticizing China’s “flagrant patent and copyrights violations” and promising to label China as a currency manipulator on his first day in office. Romney has also condemned China’s human rights record and an adviser for his campaign said that if elected, Romney would seek to sell *F-16 C/D* fighter jets to Taiwan. Beijing is accustomed to China being a target in US presidential campaigns; the Chinese know that the rhetoric is intended to get votes and that once a president assumes power his policies are usually pragmatic. Nevertheless, they worry that the negative tone could undermine domestic support in the US for a positive US-China relationship. They also do not rule out that if elected, Mitt Romney could pursue a tougher policy toward China. “Romney is expected to use an iron hand in dealing with China-related affairs, especially on currency and national security,” Chinese America watcher Da Wei told *Global Times*. “So we also need to take some precautions and prepare for any potential battles.”

US-China high-level exchanges are expected to be sparse in the final months of 2012 due to both countries' focus on domestic politics, but September will be active. In early September, Secretary of State Clinton will make a swan song visit to Beijing and she will be followed by Secretary of Defense Panetta who plans to further promote bilateral military ties. The US presidential election is Nov. 6. China's once in a decade leadership transition will take place at the 18th Party Congress before the end of the year, possibly in October.

Chronology of US-China Relations* **May – August 2012**

May 2, 2012: The second US-China Strategic Security Dialogue, bringing together civilian and military officers to discuss security matters, is held in Beijing.

May 3, 2012: Activist Chen Guangcheng calls into a congressional hearing organized by the Congressional Economic Commission on China (CECC) and says that he fears for the safety of his family and wants to leave China.

May 3-4, 2012: Fourth US-China Strategic and Economic Dialogue (S&ED) is held in Beijing.

May 4, 2012: The third US-China High Level Consultation on People-to-People Exchange (CPE) is held in Beijing.

May 6-11, 2012: In the first such visit in nine years, Chinese Defense Minister Liang Guanglie travels to the US, visits military installations, and meets US government and military leaders.

May 13, 2012: The *USS North Carolina*, a nuclear-powered submarine, surfaces in the Philippines near the Scarborough Shoal for replenishment.

May 15, 2012: US House of Representatives Foreign Affairs Committee's Subcommittee on Africa, Global Health, and Human Rights holds a hearing titled "Chen Guangcheng: His Case, Cause, Family, and Those Who are Helping Him."

May 17, 2012: US Department of Commerce announces it will impose an antidumping duty of between 31.14 percent and 249.96 percent on China-made solar cells.

May 17-24, 2012: US State Department sends a policy directive to US universities that sponsor Confucius Institutes, requiring Chinese faculty member with improper visas to return to China by June 31 to revise their visa status.

May 18, 2012: Pentagon releases its annual report to Congress on the People's Liberation Army.

May 18, 2012: US House of Representatives passes the National Defense Authorization Act, which includes a recommendation to sell *F-16 C/Ds* to Taiwan.

* Chronology and research assistance by CSIS intern Cristina Garafola

May 19, 2012: Chen Guangcheng arrives in the US with his family to study at New York University.

May 19-20, 2012: Five Chinese warships are reportedly deployed near Philippine waters following the visit of the *USS North Carolina*.

May 22, 2012: US envoy for North Korea Glyn Davies meets Chinese counterpart Wu Dawei and Vice Foreign Minister Fu Ying in Beijing.

May 22-23, 2012: Third round of the US-China Dialogue on Law of the Sea and Polar Issues is held in Beijing.

May 24, 2012: US State Department releases its annual country report on human rights practices, including a report on China.

May 25, 2012: China denounces the human rights report and issues its own report on human rights in the United States.

May 25, 2012: US Treasury Department releases its semiannual report to Congress on International Economic and Exchange Rate Policies in which it says China has not met standards of a currency manipulator.

May 25, 2012: China challenges US countervailing duties on 22 categories of Chinese products and accuses the US of inconsistent application of World Trade Organization (WTO) rules.

May 30, 2012: US Commerce Department hands down a preliminary decision requiring Chinese manufacturers of towers for wind turbines to pay duties of 13.7 to 26 percent.

May 30, 2012: US International Trade Commission rules that the US may levy antidumping and countervailing duties against imports of high-pressure steel cylinders from China.

June 1, 2012: US House of Representatives Financial Services Committee's Subcommittee on International Monetary Policy and Trade holds a hearing titled "Increasing Market Access for U.S. Financial Firms in China: Update on Progress of the Strategic & Economic Dialogue."

June 3, 2012: On the eve of the 23rd anniversary of the crackdown on the Tiananmen Square demonstrations, the State Department spokesman recalls the "tragic loss of innocent lives" and encourages the Chinese government to release all those still serving sentences, and to "protect the universal human rights of all its citizens."

June 4, 2012: Following US Defense Secretary Leon Panetta's speech at the Shangri-La Dialogue in Singapore, China's Foreign Ministry spokesman says that deploying more military forces and strengthening military alliances in the Asia-Pacific region is "inappropriate."

June 8, 2012: China wins a WTO ruling against US antidumping duties on shipments of diamond saw blades and frozen warm-water shrimp from China.

June 11, 2012: The Obama administration announces that it will exempt seven major importers of Iranian oil from US sanctions, but China is not on the list.

June 11, 2012: China's Ministry of Public Security announces that US and Chinese police jointly cracked a major transnational arms trafficking case that included 105 guns and over 50,000 bullets.

June 12-14, 2012: Military Maritime Consultative Agreement meeting is held in Hawaii.

June 13, 2012: Chinese State Councilor Dai Bingguo and US National Security Adviser Tom Donilon discuss China-US relations via phone.

June 13, 2012: Officials and representatives of enterprises from China and the US gather in Beijing for a forum on energy efficiency co-hosted by China's National Development and Reform Commission (NDRC) and the US Department of Energy.

June 18, 2012: US House of Representatives passes Resolution 683, which expresses regret for the passage of discriminatory laws against Chinese immigrants to the US, including the Chinese Exclusion Act of 1882.

June 19, 2012: President Obama and President Hu Jintao meet on the sidelines of the G20 Summit in Los Cabos, Mexico.

June 20, 2012: US House of Representatives Judiciary Committee's Subcommittee on Immigration Policy and Enforcement holds a hearing titled "The Chinese Media Reciprocity Act of 2011."

June 25, 2012: The 5th US-China Security Dialogue is held in Washington, with discussions on arms control, nonproliferation, disarmament, and other international security issues.

June 27, 2012: One day before the largest-ever *Rim of the Pacific (RIMPAC)* naval exercises begin in Hawaii, Defense Minister Liang Guanglie and Deputy Chief of the General Staff Ma Xiaotian meet US Pacific Command Commander Adm. Samuel Locklear in Beijing.

June 28, 2012: Obama administration exempts China from economic sanctions because it has significantly reduced imports of Iranian oil.

July 5, 2012: US files a complaint with the WTO against China over antidumping and countervailing duties on US-made cars.

July 9, 2012: US House of Representatives Foreign Affairs Committee's Subcommittee on Africa, Global Health and Human Rights holds a hearing titled "Continued Human Rights Attacks on Families in China."

July 10-14, 2012: *USS George Washington* Carrier Strike Group makes a Hong Kong port visit.

July 11-12, 2012: Reports that the US Olympic team uniforms for the open ceremony in London are made in China prompt criticism from some members of the US House of Representatives.

July 12, 2012: Foreign Minister Yang Jiechi and Secretary of State Hillary Clinton meet on the sidelines of the ASEAN Foreign Ministers' Meetings in Phnom Penh.

July 16, 2012: US wins a WTO ruling regarding restrictions on foreign companies processing credit card payments and other electronic transactions in China.

July 18, 2012: Vice Premier Li Keqiang meets a delegation from the US business community which includes Thomas Donohue, chairman of the US Chamber of Commerce, former Secretary of Commerce Carlos Gutierrez, and former US Trade Representative Charlene Barshefsky.

July 19, 2012: Foreign Affairs Committee of the US House of Representatives holds a hearing on "Unfair Trading Practices against the US: Intellectual Property Rights Infringement, Property Expropriation, and other Barriers."

July 19, 2012: China (along with Russia) vetoes a US-backed United Nations Security Council resolution that threatened the Syrian government with sanctions.

July 20, 2012: China announces it will appeal part of a preliminary WTO ruling that favored the US regarding Chinese antidumping duties on US electrical steel products.

July 20, 2012: Article co-authored by Vice Minister Cui Tiankai titled, "China-US Relations in China's Overall Diplomacy in the New Era," is posted on Ministry of Foreign Affairs website.

July 23-25, 2012: US National Security Adviser Donilon visits China and meets President Hu Jintao and other leaders.

July 23-24, 2012: US-China Human Rights Dialogue is held in Washington.

July 25, 2012: Foreign Affairs Committee of the US House of Representatives holds a hearing on "Investigating the Chinese Threat, Part Two: Human Rights Abuses, Torture and Disappearances."

July 27, 2012: US Department of Commerce finds in a preliminary hearing that Chinese manufacturers have been illegally selling steel towers, components for wind turbines, below the cost of production and issues duties of 20.85 to 72.69 percent.

July 27, 2012: China's Ministry of Commerce opens an antidumping investigation into imports of polysilicon from the US, which is a key material used in the production of solar panels.

July 30, 2012: In its annual report on religious freedom, the US Department of State names China as one of eight "countries of particular concern."

July 31, 2012: US imposes sanctions on China's Bank of Kunlun for providing financial resources to Iranian banks.

Aug. 1, 2012: Chen Guangcheng visits Capitol Hill and meets House majority leader John Boehner and minority leader Nancy Pelosi.

Aug. 2, 2012: US Senate unanimously passes Senate Resolution 524 declaring that China's recent actions in the South China Sea "are contrary to agreed upon principles with regard to resolving disputes and impede a peaceful resolution."

Aug. 3, 2012: US Department of State releases a statement on the South China Sea that singles out China for criticism.

Aug. 3, 2012: In the UN General Assembly, China votes against a resolution condemning the Syrian government. Resolution passes with 133 votes in favor, 12 opposed, and 31 abstentions.

Aug. 14, 2012: Undersecretary of State for Political Affairs Wendy Sherman and Vice Foreign Minister Zhai Jun hold the inaugural round of US-China Middle East Dialogue in Beijing.

Aug. 22-28, 2012: PLA delegation led by Deputy Chief of the General Staff Cai Yingting makes an official visit to the US.

Aug. 28, 2012: US Department of State announces that Secretary Clinton will visit Beijing on September 4-5 as one of the stops on a trip that includes the Cook Islands, Indonesia, China, Timor-Leste, Brunei, and Russia.

Aug. 30, 2012: Chinese Defense Ministry spokesman Geng Yansheng announces that US Secretary of Defense Leon Panetta will visit China in mid-September.