

NATIONAL COMMITTEE  
ON UNITED STATES-  
CHINA RELATIONS

*2006 Annual Report*

*Celebrating 40 Years*

1966 – 2006

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*November 2005 – November 2006*

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**NATIONAL COMMITTEE  
ON UNITED STATES -  
CHINA RELATIONS**

The National Committee on United States-China Relations is a nonprofit educational organization that encourages understanding of China and the United States among citizens of both countries. The Committee focuses its exchange, educational and policy activities on politics and security, education, governance and civil society, economic cooperation, media and transnational issues, addressing these issues with respect to the People's Republic, Hong Kong SAR and Taiwan. The Committee's programs draw strength from its members, who now number more than 700 Americans from all parts of the country and about 70 corporations and professional firms. They represent many viewpoints, but share the belief that productive U.S.-China relations require ongoing public education, face-to-face contact and forthright exchange of ideas.

Forty years ago, a remarkable group of people decided to take on the challenge of educating Americans about China, anticipating the time when the door between these two countries would reopen. The National Committee on U.S.-China Relations grew out of their vision and incorporated their principles of education, not advocacy; representation of diverse views and all facets of American society among its membership; and outreach to government officials, opinion makers and the general public.

We were gratified to have two of our founders, Lucian Pye and Robert Scalapino, share some of their memories and insights about the Committee's work at our fortieth anniversary program in May 2006. We also took note of the diverse audience in attendance. Certainly it reflected the high regard that Lucian and Bob enjoy, as American pioneers in the field of China studies. Yet it also illustrated the many types of professionals whose work now touches the field of U.S.-China relations: not only diplomats and academic specialists, but also corporate executives, consultants, attorneys, non-profit staff, journalists and others.

While we take pride in our 40-year history, it's no longer sufficient for us to say that we are the *oldest* American organization dedicated to productive U.S.-China relations. Our programs need to take fresh approaches to addressing critical and emerging issues in the relationship. We need to invest in the next generation of leaders, by creating meaningful opportunities for outstanding American and Chinese young professionals and students to interact with each other. And we need to remain true to our founders' goal, of helping Americans gain a deeper and more nuanced understanding of China.

The programs described in this 2006 annual report demonstrate some of the creative ways in which we try to meet these challenges. We have implemented exchange programs in the fields of politics and security, education, economic cooperation, governance and civil society, media and transnational issues, and they often take on sensitive and cutting edge issues. We have taken American political leaders to China for a firsthand look at the dramatic changes taking place there. We have brought American and Chinese specialists together for direct discussion of cross-Strait tensions, HIV/AIDS awareness, labor law and other sensitive topics. We have placed Chinese interns in American non-governmental organizations and American high school students in Chinese homes. We have taken delegations away from the major cities to places that are more reflec-

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tive of typical life in China and the United States. Our programs have given participants opportunities to share professional expertise and insights, debate, argue, laugh and, we hope, find some common ground in their very different sets of personal experience.

Forty years ago, it was not possible to imagine even our earliest exchanges, in the fields of athletics and culture, let alone the substantive issues we now tackle. Nor was it possible to picture the many ways in which Americans and Chinese routinely interact today, through diplomacy, business, education and other fields. In a 2001 essay, Bob Scalapino wrote that the goal of the National Committee is “enabling the issue of China to be viewed in its full complexity, with policies examined with respect to American interests as well as those of the global community.” This, in effect, has been our touchstone over the last four decades. We’re confident that this guidance will continue to serve us well in the years ahead as we develop exchanges and public education programs that will enhance understanding between citizens of the two countries.

Our programs would not have succeeded without the generosity and assistance of our funders, members and friends. We are grateful for the many worthy partners who have worked with us in bringing these programs to fruition.



Carla A. Hills  
*Chair*



Stephen A. Orlins  
*President*

National Committee exchanges are generally short-term in length but, we hope, long-term in impact. By providing a means for professionals on both sides of the Pacific to exchange experience and expertise, they offer participants a different perspective on China or the United States than can be gained through a sightseeing trip. Discussions during these programs may highlight differences as well as common ground, but the effect is to offer a more nuanced understanding of the other country, the challenges that face its leaders and the views of citizens from different walks of life. A typical National Committee exchange program lasts about two weeks and includes stops in several cities; it is characterized by an environment that encourages participants to exchange views in a forthright manner. We see the success of these programs in the contributions they make to policy development in the

two countries, in the ways they change the perspectives participants have of the other country and the continuing interest and collaboration that they foster.

Information on exchanges conducted in 2006 can be found below; for more details about a specific program, please write to [info@ncuscr.org](mailto:info@ncuscr.org).

### POLITICS AND SECURITY

National Committee exchanges in the field of politics and security are designed to engage American and Chinese policy-makers and opinion leaders in direct discussion of sensitive issues. As “China’s rise” draws greater consideration in Washington, the National Committee has reintroduced exchanges for members of Congress and initiated a program for potential candidates in the 2008 presidential race.

The National Committee has deep



*National Committee president Steve Orlins (left) accompanied former Senator John Edwards and his advisor Derek Chollet to China.*

roots in conducting exchanges for members of Congress and their staffs. What has changed in the 30 years since our first program, a 1976 three-week study tour of China for Congressional staffers, are the types of briefings that can now be arranged and the range and depth of those discussions. In January 2006, Congressmen Feeney, Kirk and Larsen, all members of the Congressional US-China Working Group, discussed Sino-American cooperation in the Six-Party Talks, non-proliferation, trade frictions, protection of intellectual property rights and cross-Strait relations in meetings with senior representatives of the National People's Congress (the host organization), Ministry of Foreign Affairs, Ministry of Commerce, Ministry of Defense and other government agencies. They also traveled to Gansu province for a rare tour of China's space launch facility, to Shanghai for meetings with municipal leaders and with several Chinese fellows in the National Committee's Young Leaders Forum, and to Hong Kong for briefings with legislators, justices and other officials.

Similarly, a brief, but intense, trip to Beijing in October gave former Senator John Edwards on-the-ground experience in China and access to senior Chinese policy-makers. The itinerary included meetings with the ministers of foreign affairs, education and defense, the vice minister of the State Environmental Protection Agency; the former chief executive of the Hong Kong SAR and the former mayor of Shanghai; and groups of Chinese scholars, survey researchers and American businesspeople and journalists. He shared some of the highlights of the trip, and his impressions of China, with National Committee members and friends at a New York public program cosponsored with the Asia Society.

The National Committee continues its

Track II diplomacy efforts in conjunction with the Harvard-Stanford Preventive Defense Program (PDP). A delegation of American specialists, led by former Secretary of Defense and PDP co-director William Perry, spent several days in November in Hawaii discussing cross-Strait relations and regional security with Chinese specialists. The core group of Americans has met with mainland and Taiwan interlocutors a total of 10 times since 1998; as a result of consistent engagement, this program has become an effective channel for exchanging views and exploring sources of tensions on sensitive issues.

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#### US-CHINA WORKING GROUP DELEGATION TO CHINA

*January 8-17, 2006*

Funder: Private sources

Partner: National People's Congress

#### VISIT OF SENATOR JOHN EDWARDS TO CHINA

*October 16-19, 2006*

Funder: Private sources

Partner: Chinese People's Association for Friendship with Foreign Countries

#### STRATEGIC SECURITY ISSUES DIALOGUE CONFERENCE IN THE UNITED STATES

*September 27-October 1, 2006*

In cooperation with the Harvard-Stanford Preventive Defense Project

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## GOVERNANCE AND CIVIL SOCIETY

The reform era has introduced significant changes in governance in China: in the relations between the central government and provinces, in the relations between the state and workers, and in the space allowed for non-governmental actors to address social concerns. In the labor market, workers are no longer married to

*Labor experts John Fraser (second from left) and Alan Neal (fourth from left) provided a comparative perspective on China's draft law at a Beijing workshop.*



the same work unit for the duration of their careers and many have experienced material benefits from this increased flexibility and new opportunities in the private sector. A next step in this evolution of China's labor market will be the passage of the Labor Contract Law, anticipated for 2007, which will extend new rights and protections to workers and outline the steps employers must take to ensure them.

For the past several years, the National Committee has helped bring comparative expertise into the process of drafting the Contract Law, through the U.S.-China Labor Law Cooperation Project. This project was initiated by a Memorandum of Understanding between the U.S. Department of Labor and China's Ministry of Labor and Social Security; it is being implemented by a consortium that includes the National Committee, Asia Foundation and Worldwide Strategies. The National Committee's work has focused on legislative drafting and on developing training curricula for labor inspectors. At a December 2006 seminar in Beijing, two international experts in labor law discussed the current draft of China's Labor Contract Law with Chinese policy-makers and labor specialists. They provided information on

how similar issues are handled in European countries that have a formal employment contract law and in the United States, which does not.

Change also can be seen in the expansion of civil society in China. Non-governmental organizations (NGOs) and government-organized NGOs (GONGOs) are playing greater roles in the delivery of social services and in raising awareness about issues such as HIV/AIDS and the environment. A National Committee exchange program, funded by the U.S. Department of State's Bureau of Educational and Cultural Affairs, provided training to NGO and GONGO leaders on how to expand their human resources by effectively incorporating volunteers into their organizations. From February to April 2006, four Chinese NGO staffers spent six weeks as interns in the United States, observing the ways in which a myriad of American organizations recruit, motivate, train and manage volunteers. The four selected were among the participants in training programs and on-site consultations the National Committee had conducted in December 2005 in Beijing, Xi'an and Kunming, in conjunction with PeopleLink and China Development Brief. Two American professionals with extensive experience in the non-profit sector served as hosts and mentors for the interns; both had participated in the 2005 phase of the project

A National Committee conference, held in July 2006 in conjunction with Renmin University's School of Finance and supported by the Ford Foundation, looked at another area of change in governance. Over the past decade, China's central government has transferred greater



responsibility for social service provision to the provinces and other subnational governments. Yet, there has not been a corresponding increase in revenue to assist them in meeting their obligations. The conference on China's intergovernmental fiscal relations brought together Chinese, American and European financial specialists to consider some of the budgetary tools used in both unitary and federal government systems. The policy debates on rebalancing China's public spending and on better management of central-local fiscal relations were given specific connotations in discussions on special transfer payments and extra-legal off-budget expenditures. A monologue, "Central-Local Fiscal Relations in China," resulted from the meeting and is available on the Committee's website ([www.ncuscr.org](http://www.ncuscr.org)).

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STRENGTHENING VOLUNTEER  
MANAGEMENT IN CHINESE NGOS  
INTERNSHIPS IN THE UNITED STATES  
*February 25 – April 3, 2006*

Funder: U.S. Department of State, Bureau  
of Educational and Cultural Affairs  
CENTRAL-LOCAL FISCAL RELATIONS IN  
CHINA  
CONFERENCE IN CHINA  
*July 10-11, 2006*  
Funder: Ford Foundation  
Partner: School of Finance, Renmin  
University

LABOR CONTRACT LAW  
SEMINAR IN CHINA  
*December 4-6, 2006*  
Funder: U.S. Department of Labor  
Partner: Ministry of Labor and Social  
Security



*NGO leaders Zhu Jiangang (far left) and Michael Chen (second from left) took part in volunteer activities during their internship in Arizona.*

## EDUCATION

There is strong and growing interest throughout the United States in introducing or expanding Chinese language instruction in K-12 schools. The U.S.-China Teachers Exchange Program (TEP) has been at the forefront of this movement for more than a decade, recruiting professional, experienced American and Chinese teachers to spend an academic year in the other country and providing support for the teachers as well as the schools that host them. Fall 2006 marked the start of the eleventh year for the exchanges, which to date have involved nearly 300 American and Chinese teachers.



*Chinese and Minnesota educators exchanged views on the role of higher education in China and the United States.*

The impact of the program is felt well beyond the classrooms: the teachers take on the role of public educators, as they become part of the communities in which they are based and share information about their respective home countries with colleagues and neighbors. Starting in September 2006, Chinese in 15 American cities and Americans in five Chinese cities have had opportunities to add personal dimensions to their impressions of the other country. The Freeman Foundation has been the program's

major funder since its inception; school districts and program alumni also contribute support to TEP.

For more than 25 years, the National Committee has implemented exchange programs for educators on behalf of the U.S. Department of Education and China's Ministry of Education, under the Memorandum of Understanding (MOU) signed by the two countries. The National Committee welcomes two delegations of Chinese educators to the United States each year for two-week study tours. In 2006, at the Ministry of Education's recommendation, both delegations focused on the subject of higher education administration, one in June and the other in October-November. While there are distinct differences between the education systems in the two countries, the Chinese educators found interesting concepts and potential models in briefings across the United States on the roles of state and federal governments in higher education, university administration, sources of funding for programs and faculty research, student recruitment and other topics. A diverse group of institutions were featured on the itineraries – including private institutions, public and land-grant universities, community colleges, minority-serving institutions, among others – giving delegation members a wealth of information.

The reciprocal component of the MOU is the Fulbright-Hays Seminars Abroad Program, a month-long study tour of China for American educators. The program is built around the core theme of "China: Tradition and Transformation," with lectures and complementary site visits designed to expand participants' knowledge of China's history, society, politics and economic development. In addition to the major cities of Beijing, Xi'an and Shanghai, the 2006 program included several days in

Qinghai, a province in western China with a large minority population. The time spent in several rural counties and towns provided an interesting contrast to China's major cities, and the group enjoyed home stays with local families, an introduction to community development projects, seeing parts of a traditional festival honoring mountain gods and being feted by village elders at a banquet. The study tour concluded with an optional three-day extension in Hong Kong, funded by an anonymous donor and by the teachers themselves.

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U.S.-CHINA TEACHERS EXCHANGE PROGRAM

2006-2007 Academic Year

Funder: Freeman Foundation

Partners: Chinese Education Association for International Exchange (CEAIE); six host schools in five Chinese cities and towns and 21 host schools in 15 American cities and towns

HIGHER EDUCATION ADMINISTRATION DELEGATIONS

STUDY TOURS OF THE UNITED STATES

June 3-16, 2006

October 28 – November 10, 2006

Funder: U.S. Department of Education

Partner: Ministry of Education, CEAIE

FULBRIGHT-HAYS SEMINAR ABROAD PROGRAM

June 26 – July 26, 2006; Hong Kong Extension, July 26-30, 2006

Funder: U.S. Department of Education

Partner: Ministry of Education, CEAIE

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**MEDIA**

Growth in China's media sector can be measured not only by the increasing number of media outlets, but also by the variety of news stories now available. Only five years ago, reporting on China's HIV/AIDS situation



*The visit of a delegation of Chinese journalists to Washington, DC fortuitously coincided with the cherry blossom season.*

was sparse and offered few details about the extent of infection within the country – information considered too sensitive for public dissemination. Yet, in the wake of the 2003 SARS crisis, the media became recognized as a channel for educating Chinese citizens about public health threats, including HIV/AIDS.

A 2006 National Committee exchange program focused specifically on the role of the media in HIV/AIDS education. The goal of the program was not only to strengthen the work of China's journalists in raising awareness about HIV/AIDS prevention and treatment, but also to show journalists the media's potential for addressing the stigma associated with people living with AIDS. The first part of the exchange was a two-week study tour of the United States for seven enterprising print and television journalists from Beijing, Guangzhou, Changsha and Zhengzhou. The program included briefings that delivered substantive information on the disease, its transmission and prevention; reports on outreach and advocacy efforts; and firsthand accounts from people living with AIDS. Particular attention was paid to the stigmatization of those with the disease and ways in which the media can help overcome that problem. The participants also learned about effective ways to communicate this information, during sessions at Johns Hopkins

*Chinese specialists came to New York to learn more about strengthening the development of cultural and media industries.*



University's Center for Communication Programs and in discussions with journalists.

During the second phase of the program, four American specialists shared their expertise in public health communication and journalistic experience in covering HIV/AIDS during workshops in Beijing, Changsha and Guangzhou. Site visits to hospitals and other service centers in each city gave them a deeper understanding of steps China is putting in place to meet its HIV/AIDS crisis; the delegation also was able to talk to participants in the 2006 International AIDS Candlelight Memorial, which, serendipitously, was held during the time they spent in Beijing.

In September 2006, the National Committee provided support for a delegation of Chinese specialists interested in ways that national and local governments can strengthen the development of cultural and media industries. Discussions in Washington and New York, at government agencies, public and private media outlets, an art gallery and an auction house, among others, provided information that Chinese policy-makers can draw on in reforming cultural and media sectors.

Another National Committee media initiative, the Time Warner Internship Program, invests in the future of journalism in China. The program is designed to

give aspiring young Chinese journalists a taste of the global media business through three-month placements at Time Warner entities. The three 2006 interns, Fudan University students selected through a competitive application process, worked alongside mentors at Fortune, CNN and HBO. Over the course of the program, these young women absorbed information on the interests of news consumers, traditional and new means of delivering news, the growth of the entertainment industry, and the integration of online and print media. Since its inception in 1998, the Time Warner Internship Program has engaged 39 Chinese students. Many of them have gone on to pursue postgraduate degrees in journalism or media careers in China and abroad.

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DEVELOPING EFFECTIVE MEDIA  
REPORTING FOR HIV/AIDS EDUCATION IN  
CHINA

DELEGATION TO THE UNITED STATES

*March 25 – April 7, 2006*

DELEGATION TO CHINA

*May 19-31, 2006*

Funders: U.S. Department of State, Bureau of Educational and Cultural Affairs; CE&S Foundation

Partners: Center for International Communication Studies, Tsinghua University; City of Changsha; Zhongshan University

MEDIA POLICY FORUM

DELEGATION TO THE UNITED STATES

*September 9-14, 2006*

Funders: U.S. Department of State, Barbash Family Foundation

TIME WARNER INTERNSHIP PROGRAM

INTERNSHIPS IN THE UNITED STATES

*September 13 – December 20, 2006*

Funder: Time Warner Inc.

Partners: CNN, Fortune and HBO



*National Committee chair Carla Hills was one of the speakers at the U.S. Foreign Policy Colloquium.*

## **NEXT GENERATION PROGRAMS**

Several ongoing major programs reflect the significant investment the National Committee has made in educating the next generation of American and Chinese leaders about each other's countries: the U.S. Foreign Policy Colloquium, Public Intellectuals Program, Young Leaders Forum and Student Leaders Exchange.

The U.S. Foreign Policy Colloquium (FPC) is designed to give Chinese graduate students an introduction to the American foreign policy-making process. Each June since 2003, the program has attracted 150-200 students enrolled in U.S. graduate and professional school programs to the campus of our partner, the Elliott School of International Affairs at The George Washington University. Over the course of three days, participants hear directly from some of the actors who play a role in formulating, implementing and explaining foreign policy, including representatives of the administration and Congress, business and interest groups, the media and academia. Among the highlights of the 2006

program were the keynote presentations by Congressmen Mark Kirk and Rick Larsen, co-chairmen of the bipartisan US-China Working Group and an interview of Dennis Wilder, director for China, Mongolia and Taiwan affairs on the National Security Council, conducted by three of the FPC student participants.

The Public Intellectuals Program (PIP), introduced in 2005, has already made substantial progress in nurturing the younger generation of American China specialists. The 20 scholars who participate in the program represent a range of disciplines and institutions; they bring a mutual desire to broaden their knowledge about China and Sino-American relations and to strengthen their ability to communicate with the public about America's China policy. In 2006, the second year of the program, half of the PIP fellows traveled to the mainland and Hong Kong for an intensive 10-day study tour. All of the fellows have spent extensive periods of time in China conducting their own research, yet this program offered something new for each member of the delegation,

whether it was the occasions to exchange views with high-level officials, such as vice minister of foreign affairs Yang Jiechi, or the opportunities to explore dimensions of China outside their individual fields of specialization, such as public health or legal development. A highlight of the trip was the ongoing dialogue with Robert Scalapino, the epitome of a public intellectual in the field of U.S.-China relations, who served as the scholar-escort for the group. The second cohort of fellows will travel to China in the fall of 2007.

The Young Leaders Forum (YLF) selects outstanding American and Chinese, under the age of 40, to participate in an annual retreat and build a network across a diverse array of professional fields. The 2006 YLF was held in Santa Cruz, California and focused on the theme of “motivation.” Over the course of the three-day program, participants shared their perspectives on who and what has motivated them to excel in their work as artists, business executives, entrepreneurs, scientists, educators and other professions. Getting to know each other

*Students from the mainland, Taiwan and the United States took part in conflict resolution exercises.*



better through these informal presentations facilitated two other discussions, on how best to increase America’s understanding of China’s interests and motivations and on China’s understanding of U.S. interests and motivations. Beyond the yearly Forum, YLF fellows stay in contact on topics of mutual interest and often help host National Committee delegations; several exchange programs described in this annual report included contributions from YLF fellows.

The U.S.-China Student Leaders Exchange (SLE) is comprised of 12 participants selected from the ranks of the Presidential Scholars (a group of graduating high school seniors designated by the U.S. Department of Education as the top students in the country). The 2006 group spent two weeks in China exploring the cities of Beijing, Xi’an and Qufu. In addition to briefings on Chinese history and contemporary life, the students were matched in Beijing and Xi’an with host families. The opportunity for the American students to spend time informally with a Chinese “brother” or “sister” and experience Chinese home life firsthand left deep impressions on them. As in previous years, we are pleased to learn that the SLE experience inspired some of the delegation members to enroll in Chinese history and language classes when they began their university experiences in the fall of 2006.

A new addition to our next generation programming debuted in 2006. This was the Conflict Management and Resolution Workshop, open to 30 graduate students from the mainland, Taiwan and the United States. Held on the campus of the University of San Diego, this intensive nine-day program surveyed the roots of different types of conflict and introduced the tools available to manage or resolve them. While the workshop did not directly address cross-

Strait relations, the experience of classroom learning and extracurricular bonding activities certainly made a contribution to enhanced understanding across the Strait. Staff from the National Center on Conflict Resolution served as lecturers and facilitators and gave presentations on topics such as conflict theory, the influence of culture on conflict, game theory, negotiation, mediation, and international dialogue. The students also took part in several role-playing exercises and gained a real-world perspective on conflicts in the Philippines, North Korea and other areas of the globe through lectures by guest speakers. The National Committee is exploring means to make this workshop an annual program.



#### U.S. FOREIGN POLICY COLLOQUIUM

*June 7-9, 2006*

Funders: The Coca-Cola Company, FedEx Corporation, Anheuser-Busch Companies, Inc.  
Partner: Elliott School of International Affairs, The George Washington University

#### PUBLIC INTELLECTUALS PROGRAM DELEGATION TO CHINA

*June 23 – July 4, 2006*

Funders: The Henry Luce Foundation, Starr Foundation  
Partner: Chinese Foreign Affairs University

#### U.S.-CHINA STUDENT LEADERS EXCHANGE

*July 18 – August 1, 2006*

Funders: Laureate Education, Inc., Wall Street English, China State Construction Corporation (U.S.)  
Partners: Ministry of Education, Chinese Education Association for International Exchange

#### CONFLICT MANAGEMENT & RESOLUTION WORKSHOP

*August 5-14, 2006*

Funder: U.S. Department of State, Bureau of Cultural and Educational Affairs  
Partner: Joan B. Kroc Institute for International Peace and Justice, University of San Diego; National Conflict Resolution Center

#### YOUNG LEADERS FORUM

*October 25-29, 2006*

Funders: The Thornton Foundation, Time Warner Inc., UPS, Starr Foundation

*Participants in the Student Leaders Exchange enjoyed a range of adventures in China.*

Through seminars, panel programs, publications, e-mail briefings and conference calls, the National Committee provides information about the major issues in U.S.-China relations directly from specialists on both sides of the Pacific. The Committee's website ([www.ncuscr.org](http://www.ncuscr.org)) is another channel for public outreach. The programs listed below were held in New York City, unless otherwise indicated.

JANUARY 12

*Jones Day China Lecture Series*

"One Billion Customers: Lessons from the Front Lines of Doing Business in China"

Speaker: James L. McGregor, Author

JANUARY 17

*Roundtable Discussion*

"U.S.-Chinese-Japanese Relations"

Shanghai Institute for International Studies Delegation

FEBRUARY 27

*Roundtable Discussion*

"China's Media"

Speaker: Li Xiguang, School of Journalism and Communications, Tsinghua University

MARCH 1

*Barnett-Oksenberg Lecture on Sino-American Relations*

"American Perceptions of China"

Speaker: Kenneth Lieberthal, University of Michigan  
Shanghai

MARCH 9

*Jones Day China Lecture Series*

"New Tensions in the Taiwan Strait"

Speaker: Harry Harding, Eurasia Group

MARCH 20

*Roundtable Discussion*

"Political Developments in Taiwan"

Speaker: Ma Ying-jeou, Mayor of Taipei



*Henry Kissinger talks with President Hu Jintao during the April dinner in Washington.*

MARCH 20

*Roundtable Discussion*

"U.S.-China Political and Trade Relations"

Speaker: Jiang Enzhu, Foreign Affairs Committee, National People's Congress

APRIL 17

*Jones Day China Lecture Series*

"The Hu-Bush Summit"

Speaker: Cheng Li, Hamilton College

APRIL 20

*Dinner Address*

President Hu Jintao

Cosponsored with US-China Business Council and U.S.-Chamber of Commerce, in cooperation with America-China Forum, Asia Society, Brookings Institution, Center for Strategic and International Studies, China General Chamber of Commerce-USA, China Institute, Committee of 100, Council on Foreign Relations, US-China Policy Foundation  
Washington, DC

MAY 3

*40th Anniversary Program*

"The Past as Prologue: A Discussion with the National Committee's Founders"

Speakers: Lucian Pye, Massachusetts Institute of Technology and Robert Scalapino, University of California, Berkeley



MAY 19

*Luncheon Address*

Li Yuanchao, Chairman, Standing  
Committee, Jiangsu Provincial People's  
Congress

Cosponsored with Asia Society and Council  
on Foreign Relations

JULY 11

*Roundtable Discussion*

“Corporate Philanthropy”

Ministry of Civil Affairs Delegation  
Cosponsored with New York Regional  
Association of Grantmakers

JULY 18

*Jones Day China Lecture Series*

“China’s Judiciary: Current Reforms and  
Challenges”

Speaker: Judge Song Jianli, Supreme  
People’s Court

JULY 26

*E-mail Broadcast*

“The Shanghai Cooperation Organization”

Authors: Phillip Saunders, National Defense  
University and Shen Dingli, Center for  
American Studies, Fudan University

AUGUST 23

*Roundtable Discussion*

“Cross-Strait Dynamics”

Foundation on International and Cross-  
Strait Studies Delegation

SEPTEMBER 18

*Roundtable Discussion*

“Current Issues in U.S.-China Relations”

China Institutes for Contemporary  
International Relations Delegation

SEPTEMBER 19

*Jones Day China Lecture Series*

“Chinese Lessons: Five Classmates and the  
Story of the New China”

Speaker: John Pomfret, Author



*Les Gelb interviewed Hank Greenberg about  
his experiences with China.*



*Victor Yuan highlighted some of the findings  
of his polling in China.*

SEPTEMBER 21

*Panel Discussion*

“Sino-Japanese Tensions and Implications  
for U.S.-China Relations”

Speakers: James Kelly, CSIS Pacific Forum;  
Michael McDevitt, Center for Naval  
Analyses; Alan Romberg, The Henry L.  
Stimson Center.

Cosponsored with Japan Society

OCTOBER 31

*Breakfast Program*

“The Future of U.S.-China Relations”

Speaker: Senator John Edwards  
Cosponsored with Asia Society

NOVEMBER 9

*Annual Members Program*

“Surveying U.S.-China Relations”

Speaker: Maurice R. Greenberg, C.V. Starr  
& Co.; Moderator: Les Gelb, Council on  
Foreign Relations

DECEMBER 5

*Jones Day China Lecture Series*

“Independent Polling Work in China”

Speaker: Victor Yuan, Horizon Research  
Group

Moderator: Les Gelb, Council on Foreign  
Relations



All photos on this page © Elise Ruiz

*Honorees Muhtar Kent (far left) and William Weldon (far right) are congratulated by Consul General Liu Biwei and National Committee president Steve Orlins.*

The National Committee celebrated its 40th anniversary at a Gala Dinner on the evening of October 12, 2006 in New York City. The Committee also used the occasion to recognize two outstanding business leaders for their contributions to productive U.S.-China relations: Muhtar Kent, president of Coca-Cola International, and William C. Weldon, chairman and chief executive officer of Johnson & Johnson. Mr. Kent and Mr. Weldon accepted honors, on behalf of their respective companies, in front of an audience of nearly 500 corporate executives, senior American and Chinese diplomats, policy specialists, media representatives and others.

U.S. Trade Representative Susan C. Schwab, the evening's keynote speaker, picked up on the "responsible stakeholder" theme that then-Deputy Secretary of State Robert B. Zoellick had introduced at the 2005 Gala. In her remarks, she pointed to some of the challenges and opportunities that China and the United States face as joint stakeholders in the global trading system, including the Doha Round of trade negotiations.

Another highlight of the evening was an eight-minute clip of an hour-long documentary prepared by the Voice of America (to show in China) on the last four decades of Sino-



*Distinguished guests included Assistant Secretary of State Christopher Hills and Madeleine Albright...*



*...National Committee chair Carla Hills and U.S. Trade Representative Susan Schwab...*



*...and National Committee director Tom Gorrie, Madame Cong Jun and UN Ambassador Wang Guangya.*

American relations, as seen through the prism of the National Committee.

The Gala raised more than \$1.1 million for the National Committee's programs, with 55 companies and dozens of individuals providing support. The Committee extends its deep appreciation to honorees, directors, members, sponsors and others who generously contributed their time and resources to the Gala.

The 80th Meeting of the Board of Directors was held in New York City on November 10, 2006. The 40th Annual Members' Meeting was held on November 9, 2006.

Since the Committee was moving to a calendar fiscal year (effective January 1, 2007), and future Annual Meetings and Board elections would take place each spring, no Board election took place at this session. To maintain continuity as the Committee was moving to the new cycle, Members present (or by proxy) approved a Resolution extending current Directors' terms as follows: Directors whose terms were to expire in November 2006, 2007 and 2008 were extended to the spring annual meetings in 2007, 2008 and 2009, respectively.

During 2006, Director Thomas J. Christensen retired from the Board (for government service). Mr. Muhtar Kent was appointed a Director at the 64th Meeting of the Executive Committee on May 24. Former Directors Douglas Paal, James R. Sasser, and I. Peter Wolff were appointed Directors at the 80th Board session on November 10.

Also at the session, Directors elected the following officers of the Committee: Carla A. Hills, chair; William M. Daley, Maurice R. Greenberg, Thomas H. Kean, Nicholas R. Lardy, William R. Rhodes, and J. Stapleton Roy, vice chairmen; Herbert J. Hansell, treasurer; Kathryn D. Christopherson, secretary, and Stephen A. Orlins, president.

At-large Board Members, Dennis C. Blair, Barbara H. Franklin, Peter F. Geithner, David M. Lampton, Robert A. Levinson, Kenneth J. Lieberthal, D. Bruce McMahan, Robert S. McNamara, and Joseph W. Prueher, joined the officers to comprise the Executive Committee.

Herbert J. Hansell was appointed chairman of the Audit & Budget Committee; Carla A. Hills, chair of the Compensation Committee; Edward T. Cloonan and D. Bruce McMahan, co-chairmen of the Development Committee; Nicholas R. Lardy, chairman of the Management Committee; Kathryn D. Christopherson, chairman of the Nominating Committee; and David M. Lampton, chairman of the Program Committee.

The activities of the National Committee are made possible by the support of U.S. government agencies, particularly the United States Department of State, the United States Department of Education, and the United States Department of Labor, foundations, business firms, Members and friends. This support enables the Committee to maintain service to the public at large and to undertake exchanges and special programs that contribute to the advancement of knowledge and strengthening of relationships on both sides of the Pacific.

We are indebted to those who made financial contributions during Fiscal Year 2006 (October 1, 2005 – September 30, 2006) and the three-month fiscal period following (October 1, 2006 – December 31, 2006). We are also indebted to the many individuals who gave so much of their time, creativity and in-kind assistance. Financial contributors for the 15-month period are listed below and on succeeding pages.

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STATEMENT OF  
FINANCIAL POSITION

*Condensed Statement of Financial Position – September 30, 2006*

	September 30, 2006	September 30, 2005
<b>ASSETS</b>		
Cash and cash equivalents	\$1,249,539	\$1,032,221
Investments	3,521,795	2,054,315
Grants and contributions receivable, net	544,923	372,117
Discount on Receivables	(168,540)	
Other receivables	245,048	670,978
Program advances, exchanges and other assets	101,060	39,256
Grants and Contributions Receivable (long term portion)	4,000,000	
Security deposits	5,838	6,413
Property and equipment	11,355	25,090
TOTAL ASSETS	<u>\$9,511,018</u>	<u>\$4,200,390</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$236,929	\$261,725
Refundable advances	126,075	
Deferred rent	6,817	6,606
TOTAL LIABILITIES	<u>369,821</u>	<u>268,331</u>
<b>NET ASSETS</b>		
Unrestricted		
Undesignated	1,833,906	378,821
Board-designated	617,045	1,294,090
	2,450,951	1,672,911
Temporarily restricted	6,690,246	2,259,148
TOTAL NET ASSETS	<u>9,141,197</u>	<u>3,932,059</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$9,511,018</u>	<u>\$4,200,390</u>

*Condensed Statement of Activities for the Year Ended September 30, 2006*

	Unrestricted	Temporarily Restricted	2006	2005 Totals
<b>SUPPORT AND REVENUE:</b>				
U.S. Government grants	\$ ~	\$ 656,877	\$ 656,877	\$ 754,157
Contributions	1,380,610	6,083,577	7,464,187	1,731,897
Special events (net)	~	~	~	1,223,523
Investment income and other	253,144	~	253,144	66,507
Net assets released from restrictions	2,309,356	(2,309,356)	~	~
TOTAL SUPPORT AND REVENUE	3,943,110	4,431,098	8,374,208	3,776,084
<b>EXPENSES:</b>				
Program services	2,217,808	~	2,217,808	2,564,145
Management and administration	793,362	~	796,362	650,130
Fund-raising	153,900	~	153,900	180,987
TOTAL EXPENSES	<u>3,165,070</u>	<u>~</u>	<u>3,165,070</u>	<u>3,395,262</u>
Change in net assets	778,040	4,431,098	5,209,138	380,822
Net assets beginning of year	<u>1,672,911</u>	<u>2,259,148</u>	<u>3,932,059</u>	<u>3,551,237</u>
Net assets end of year	<u>\$2,450,951</u>	<u>\$6,690,246</u>	<u>\$9,141,197</u>	<u>\$3,932,059</u>

The above information was extracted from the audited financial statements, which are available upon request.



*Condensed Statement of Financial Position October 1 – December 31, 2006*

December 31, 2006

**ASSETS**

Cash and cash equivalents	\$ 3,605,558
Investments	1,045,642
Grants and contributions receivable, net	404,309
Other receivables	485,803
Program advances, exchanges and other assets	132,383
Grants and Contributions Receivable (long term portion)	3,831,460
Security deposits	5,839
Property and equipment	9,695
<b>TOTAL ASSETS</b>	<u>\$ 9,520,689</u>

**LIABILITIES**

Accounts payable and accrued expenses	\$ 190,143
Refundable advances	10,000
Deferred rent	6,158
<b>TOTAL LIABILITIES</b>	<u>206,301</u>

**NET ASSETS**

Unrestricted	
Undesignated	2,791,794
Board-designated	504,494
	<u>3,296,288</u>
Temporarily restricted	6,018,100
<b>TOTAL NET ASSETS</b>	<u>9,314,388</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <u>\$ 9,520,689</u>

*Condensed Statement of Activities for Period Ended December 31, 2006*

December 31, 2006

	Unrestricted	Temporarily Restricted	December 31, 2006 Total
<b>SUPPORT AND REVENUE:</b>			
U.S. Government grants	\$ ~	\$ 144,455	\$ 144,455
Contributions	37,889	61,018	98,907
Special events (net)	507,198	~	507,198
Investment income and other	64,622	~	64,622
Net assets released from restrictions	877,619	(877,619)	~
<b>TOTAL SUPPORT AND REVENUE</b>	<u>1,487,328</u>	<u>(672,146)</u>	<u>815,182</u>
 <b>EXPENSES:</b>			
Program services	400,747	~	400,747
Management and administration	189,591	~	189,591
Fund-raising	51,653	~	51,653
<b>TOTAL EXPENSES</b>	<u>641,991</u>	<u>~</u>	<u>641,991</u>
 Change in net assets	845,337	(672,146)	173,191
Net assets beginning of year	<u>2,450,951</u>	<u>6,690,246</u>	<u>9,141,197</u>
 Net assets end of year	<u>\$ 3,296,288</u>	<u>\$ 6,018,100</u>	<u>\$ 9,314,388</u>

The above information was extracted from the audited financial statements, which are available upon request.

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