

---

---

## China's Position on USCC 2017 Report: Are You Done ?

Mingyuan Ma \*

Fudan Law School

---

---

The US-China Economic and Security Review Commission (“USCC”), a commission under US Congress, held a press conference and published its annual report on November 15, 2017. This report proposed 26 suggestions to US Congress in several aspects, such as Sino-US economic and trade relationship, security relationship, China and the world, the development of high and new technologies in China, etc.<sup>1</sup> It contains more than last year’s report which made 22 suggestions.<sup>2</sup>

In the field of investment, the report alleged that Congress shall take it into consideration that laws of the Committee on Foreign Investment in the United States (“CFIUS”) be renewed to deal with the present condition that the amount of investment from China to the US and its risk of security were both sharply rising. It also declared that mergers and acquisitions of American enterprises by China’s state-owned enterprises or entities controlled by the government shall be banned, which was the same as what had been mentioned in the 2016 USCC report.<sup>3</sup>

From the perspective of the US enterprises accessing to China market, the 2017 report was basically adherent to the 2016 report. It required that the US Ministry of Commerce and the Office of the US Trade Representative (“USTR”) continue to make standard for this market and ask China to follow the requirements of protection of properties and trademarks.

Considering that China was strengthening its political propaganda abroad and taking advantage of the foreign part of its media organs to collect information and carry out ‘intelligence war,’ the 2017 report specifically required employees

---

\* Postgraduate of International Law at Fudan Law School, Shanghai, P.R. China. The author may be contacted at: [16210270061@fudan.edu.cn](mailto:16210270061@fudan.edu.cn)

of China's state-owned medias to be registered following the Foreign Agents Registration Act.<sup>4</sup>

Carolyn Bartholomew, chairperson of USCC, stated that these were suggested to Congress on the ground that "guarantee of American economic growth shall be considered ultimately in the process of making any policies instead of being labelled as trade protectionism."<sup>5</sup> As to whether the order of USD 250 billion brought back by President Trump could contribute to guarantee American economic growth,<sup>6</sup> however, Bartholomew made no comment.

In military modernization, the 2017 report required Congress to authorize adequate fund in defense affairs in order to tackle the challenge to American interest posed by the continual modernization of Chinese army. The 2017 report, however, deleted the following comment of the 2016 report: "US could consider to cooperate with China to deal with the spreading terrorism in the south-eastern Asia in urgent hours." Instead, it declared: "US shall maintain its preparation and existence in Pacific-Asian area."<sup>7</sup>

The 2017 report also pointed out that China military modernization had made noticeable progress in the field of space, cyber space, nuclear deterrence, drones and artificial intelligence used in arms.<sup>8</sup> It highlights that China was bringing more threat to the US army and its equipment, thus being a challenge to American response ability in Pacific-Asia and Indian Ocean region.

As to Taiwan, the USCC stick to what it used to say: Congress shall urge the government to invite Taiwan to take part in bilateral or multilateral drills organized by US, at least as an observer, so as to enhance its ability of self-protection, broaden its opportunities of participation to international affairs and avoid its international existence from being limited by Mainland China.<sup>9</sup>

Regarding Hong Kong, the 2017 report addressed that the content of United States-Hong Kong Policy Act 1992 should be performed again. An annual report regarding Hong Kong shall be submitted to Congress, thereby enlightening it with the latest and most authoritative information. USCC blamed Mainland China again for its interference into Hong Kong affairs and hampered the "one nation, two systems" policy.<sup>10</sup>

Ironically, after the 2017 report was delivered, the government of the Hong Kong Special Administration Region has clarified that it always strictly adheres to the Hong Kong Fundamental Law; practices the principle of self-governance

by Hong Kong people; and carries out “one nation, two systems” policy fully, which can be witnessed by the international society.<sup>11</sup> It is strongly against any foreign interference to internal affairs within the special region.

USCC was founded in 2001 in order to “test US-Sino economic contact and American economy and security” at the time of China’s entering into the WTO. After its foundation, it submitted annual reports to Congress, whose content was full of alertness and hostility against China’s development.<sup>12</sup> This commission in its 2016 report recommended Congress to direct the Department of State even to prepare a report that assesses whether Hong Kong has maintained a “sufficient degree of autonomy” under the “one country, two systems” policy.<sup>13</sup> On this manifest interference into Chinese internal affairs and disrespect to sovereign, spokesman of China Ministry of Foreign Affairs, Shuang Geng, commented:

This commission created these so-called China-relevant reports years after years, the content of which were no more than hackneyed tunes and phrase and only revealed its discrimination and unchanged stereotype on China. I do not know how many people would pay attention to these reports, but I have no interest in making any comments regarding its details.<sup>14</sup>

When asked about the 2017 report on November 16, 2017, this spokesman highlighted again that this commission was full of discrimination against China and this report was all fake.<sup>15</sup> He hoped that the relevant organs of the US could “jump out of their stereotype, change their false comments and play a constructive role in Sino-US relationship.”<sup>16</sup>

This commission gains political resources by hating China, i.e., hating China is its job. Any fiercer words, however, would not raise China’s surprise. In fact, there is indeed adverse balance of trade between China and the US.<sup>17</sup> However, the US would benefit more in it because China contributes a lot to the low inflation of the US economy through providing goods with cheap price and high quality. President Trump posted a twitter during his visit in China, saying that his meetings with Xi Jinping were very productive on both trade and the subject of North Korea and appraising him as a highly respected and powerful representative of his people.<sup>18</sup> Trump may know that if he can deal with problems of social security, employment and so on, he would win the next election. In this regards, a stable Sino-US relation is important to the US economy. He has

recently fired his advisor Bannon, who was known as a China-hater, because of their different political view.

The 2017 report also blamed Chinese reporters for collecting American intelligence. With the growth of Sino-US relation, it is natural for the Chinese to have more curiosity on the US. As a matter of fact, there are more American journalists in China than Chinese counterparts in the US. According to USCC's presumption of guilt, what are they doing in China on earth? Regarding Taiwan and Hong Kong, it is totally China's internal affairs. USCC's criticism on the so-called interference into Hong Kong's affairs is, by itself, an interference into China's affairs. This is double standard, self-contradictory, and illogical.

It should be noticed that USCC members are not the key to Sino-US relationship, nor are their reports. The commission was initially founded by Congress to mitigate the president's power on foreign affairs. Only with hostile stance against China, however, their reports would be adopted and influence on the US policies. Now, America needs to look back on itself before trying to protect the world.

## REFERENCES

1. USCC 2017 Annual Report, *available at* [https://www.uscc.gov/Annual\\_Reports/2017-annual-report](https://www.uscc.gov/Annual_Reports/2017-annual-report) (last visited on Feb. 10, 2018).
2. USCC 2016 Annual Report, *available at* [https://www.uscc.gov/Annual\\_Reports/2016-annual-report-congress](https://www.uscc.gov/Annual_Reports/2016-annual-report-congress) (last visited on Feb. 10, 2018).
3. Ying Qing, American Congress' USCC Suggests Forbidding Chinese State-Owned Enterprises' Acquisition in America and China Ministry of Foreign Affairs Responses [美国国会USCC建议禁止中国国企在美收购 中国外交部回应], *available at* <http://international.caixin.com/2016-11-17/101008556.html> (last visited on Feb. 10, 2018).
4. *See* USCC Publishes 2017 Annual Report and Requires Strengthening the Inspection of Chinese Enterprises' Investment, Mergers and Acquisitions in US, *available at* <http://www.glofang.com/news/show/88832> (last visited on Feb. 10, 2018).
5. *See* Are You Done? US Congress Publishes Its Report on China, Which Ministry of Foreign Affairs Prefers to Ignore [有完没完? 外交部都懒得搭理美国会又发布对华年度报告], *available at* [http://www.sohu.com/a/204763308\\_115479](http://www.sohu.com/a/204763308_115479) (last visited on Feb. 10, 2018).
6. *See* Xi Jinping meets Trump in Beijing and This is How State Visit + is Showed [习近平特朗普北京会晤, “国事访问+” 这样体现], *available at* <http://www.xinhuanet.com/>

- politics/2017-11/09/c\_1121932351.htm (last visited on Feb. 10, 2018).
7. See American Anti-China Report Dumps Dirty Water on China and Exaggerates Crisis Brought by Its Science and Technology [美反华报告泼中国媒体脏水 渲染中国科技带来危机], available at [http://www.sohu.com/a/204863446\\_119562](http://www.sohu.com/a/204863446_119562) (last visited on Feb. 10, 2018).
  8. USCC 2017 Annual Report, at 199.
  9. *Id.* at 372.
  10. *Id.* at 414.
  11. See Huang Zhifeng run to US, requesting Trump to interfere into Hong Kong affairs [黄之锋窜至美国：呼吁特朗普插手香港事务], available at <http://www.myzaker.com/article/582e8c5d1bc8e0387a000013> (last visited on Feb. 10, 2018).
  12. See US China Economic and Security Review Commission [美中经济安全审查委员会], available at <https://baike.baidu.com/item/%E7%BE%8E%E4%B8%AD%E7%BB%8F%E6%B5%8E%E5%AE%89%E5%85%A8%E5%AE%A1%E6%9F%A5%E5%A7%94%E5%91%98%E4%BC%9A/859613> (last visited on Feb. 10, 2018).
  13. USCC 2016 Annual Report, at 429.
  14. See Spokesman of Ministry of Foreign Affairs, Geng Shuang, Holds Press Conference on November 17, 2016 [2016年11月17日外交部发言人耿爽主持例行记者会], available at [http://www.fmprc.gov.cn/web/fyrbt\\_673021/jzhsl\\_673025/t1416218.shtml](http://www.fmprc.gov.cn/web/fyrbt_673021/jzhsl_673025/t1416218.shtml) (last visited on Feb. 10, 2018).
  15. See Spokesman of Ministry of Foreign Affairs, Geng Shuang, Holds Press Conference on November 16, 2017 [2017年11月16日外交部发言人耿爽主持例行记者会], available at [http://www.fmprc.gov.cn/web/wjdt\\_674879/fyrbt\\_674889/t1511284.shtml](http://www.fmprc.gov.cn/web/wjdt_674879/fyrbt_674889/t1511284.shtml) (last visited on Feb. 10, 2018).
  16. *Id.*
  17. See USCC Publishes 2017 Review Report on Sino-US Economic and Trade Relationship [USCC发布2017中美经贸关系评估报告], available at <http://www.sccwto.org/post/25192?locale=zh-CN> (last visited on Feb. 10, 2018).
  18. See Trump's twitter on Nov. 9, 2017, available at <https://twitter.com/realDonaldTrump> (last visited on Feb. 10, 2018).

