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**ANOTHER U.S. DEFICIT  
—CHINA AND AMERICA—  
PUBLIC DIPLOMACY IN THE  
AGE OF THE INTERNET**

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**A MINORITY STAFF REPORT**  
PREPARED FOR THE USE OF THE  
**COMMITTEE ON FOREIGN RELATIONS**  
**UNITED STATES SENATE**

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## LETTER OF TRANSMITTAL

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UNITED STATES SENATE,  
COMMITTEE ON FOREIGN RELATIONS,  
*Washington, DC, February 15, 2011.*

DEAR COLLEAGUES: Official U.S. interest in China for political, economic and strategic reasons has been part of our foreign policy for decades. Most Americans, on the other hand, when they have thought about issues outside our borders, have tended to focus on events in Europe and more recently the Middle East. But no more. The latest Pew Research poll shows that for the first time Asia has now overtaken Europe, by a wide margin, as the area of the world most important to Americans.

This is not that surprising given the extent to which the United States and China are currently entwined in our most complex bilateral relationship. While we are increasingly dependent on each other for credit and markets, we nonetheless eye each other warily as each country copes with the economic challenges confronting it. At the same time, U.S. global strategic dominance will face pressures from China's growing military expenditures and nascent but rising nationalist sentiment. Greater focus on China is necessary not only to enhance our national and economic security but to improve our ability to compete with China in markets overseas as well.

One way to address these issues is through our public diplomacy with China. Yet in the same way that our trade with China is out of balance, it is clear to even the casual observer that when it comes to interacting directly with the other nation's public we are in another lop-sided contest. China has a vigorous public diplomacy program, based on a portrayal of an ancient, benign China that is, perhaps, out of touch with modern realities. Nonetheless, we are being overtaken in this area of foreign policy by China, which is able to take advantage of America's open system to spread its message in many different ways, while using its fundamentally closed system to stymie U.S. efforts.

Chinese obstruction of our efforts to engage their citizens through both U.S. government and commercial means is of particular concern given how China restricts its own population's access to information about the outside world and even the very workings of its own government and society. Internal scandals involving tainted milk, shoddy construction of schools that collapsed in recent earthquakes and corruption by high ranking officials or their families are but some of the many topics deemed too sensitive, risking the "harmonious balance" in Chinese society.

But Beijing's efforts to suppress information are beginning to produce stresses on its political system that will have lasting repercussions as more and more Chinese grow frustrated with their own government's "Great Firewall of China." China's suppression of news regarding the awarding of the Nobel Peace Prize to jailed dissident Liu Xiaobo, cyber attacks on Google and repeated harassment of those who voice their opinion on the Internet are but a few illustrations.

China is also beginning to export its Internet censorship technologies to other countries bent on controlling information. In part because of this, and because U.S. international broadcasting must already use Internet circumvention technology on a daily basis to reach its audience in countries such as China, Iran, Cuba, Belarus and other closed societies, I have come to the conclusion that the Broadcasting Board of Governors, which oversees these operations—and not the State Department, which has been somewhat dilatory in disbursing the \$50 million in Internet Freedom funds granted by Congress—should be the primary driver in the U.S. government on this issue.

One manner of communication that cannot be blocked by technology is interaction with American officials, academics, authors and ordinary citizens. However, the United States has only five American Centers in all of China, while China has some 70 Confucius Institutes throughout the United States. This disparity is indicative of the aggressive push China is making to project itself on the world's stage. It is also simply unacceptable. We must do more to establish greater opportunities for Chinese citizens to meet with and discuss issues of mutual concern with American diplomats, scholars and visiting citizens. Our recent efforts at the Shanghai World Expo drew more than 7,000,000 Chinese visitors to the USA Pavilion but also drew criticism for its hastily organized presentations and lack of a cogent message.

With these issues as a back-drop, I asked the Foreign Relations Committee staff under the leadership of Senior Professional Staff Member Paul Foldi to continue the Committee's oversight on this issue by visiting the region and preparing the following report. This is now the Committee's third report aimed at reinvigorating U.S. Public Diplomacy in order to address the continued challenges that confront our nation in the new century. I hope this report will stimulate a dialogue within the Congress, and I will welcome any comments you might have.

Sincerely,

RICHARD G. LUGAR,  
*Ranking Member.*

# **ANOTHER U.S. DEFICIT —CHINA AND AMERICA— PUBLIC DIPLOMACY IN THE AGE OF THE INTERNET**

## **EXECUTIVE SUMMARY**

Concern in the United States over events in China is nothing new, dating back to the “loss” of China in 1949, through the 1989 Tiananmen Square crackdown, Congress’s 1999 “Cox Report” on Chinese military espionage activities and the attempted Chinese cover-up of the SARS epidemic in 2003. In part because of recent events, Americans now believe, for the first time, that Asia is more important to the United States than Europe—a truly historic shift.<sup>1</sup>

There is no question that China’s recent explosive economic advances are of new concern to Americans with our ever-mounting bilateral trade deficit (which has exceeded \$200 billion every year since 2005)<sup>2</sup> coupled with China’s continued dominance as the number one holder of U.S. Treasury securities<sup>3</sup> and its \$2.4 trillion in foreign currency and gold reserves.<sup>4</sup> This erosion of our economic position in the world, and the concomitant loss of manufacturing jobs, blamed by many on China,<sup>5</sup> has only added to the rising tensions between our two nations. China’s recent actions in the South China Sea and Beijing’s refusal to join the rest of the world in trying to contain North Korea’s nuclear program and Pyongyang’s aggression towards South Korea are further stress points.

The economic liberalizations that began slowly in the late 1970’s and grew exponentially in the last decade have transformed much of China’s urban landscape as virtually every major city, particularly those on the coast, are gleaming beacons of China’s new wealth, with their towering skyscrapers, the ultra-modern, efficient public transportation systems and traffic packed with brand-new luxury cars. One need not even visit China to experience this new level of confidence; a trip to any retail store in America, and indeed most of the world, will demonstrate the economic export dominance coming from China today. Everything from inexpensive apparel to high-end sophisticated electronics is now stamped “Made in China.”

<sup>1</sup>See Pew Research January 12, 2011 poll which shows Europe’s decline as “the area most important to the U.S.” from 50% in 1993 to 37% in 2011 while Asia rose from 31% to 47% for the same period. <http://people-press.org/report/692/>.

<sup>2</sup><http://www.census.gov/foreign-trade/balance/c5700.html>.

<sup>3</sup>Some \$880 billion as of September 2010 according to the US Treasury: <http://www.ustreas.gov/tic/mfh.txt>.

<sup>4</sup><https://www.cia.gov/library/publications/the-world-factbook/rankorder/2188rank.html>.

<sup>5</sup>See New York Times “Solar Panel Maker Moves Work to China” from January 14, 2011: <http://www.nytimes.com/2011/01/15/business/energy-environment/15solar.html>.

Meanwhile, state-sponsored troupes of Chinese dancers, acrobats and orchestras criss-cross the United States packing philharmonics and community centers alike. China's hosting of the globally televised 2008 Summer Olympics in Beijing and the 2010 World Expo in Shanghai drew millions of viewers and visitors alike, with the former serving to "introduce China to the world," the second as the "world coming to China."

The new China now presents itself as an alternative center of power, and financial largesse, to the United States—and has the resources to back it up. Having flexed its muscles to reinforce this new position, Beijing sought to allay growing fears that China's success might pose either an economic or military threat with the establishment in 2005 of the "Peaceful Rise of China" Public Diplomacy campaign.<sup>6</sup> China's successful implementation of this campaign in playing down the possible negative consequences of China's ever-increasing dominance was illustrated in President Obama's response to a question during the recent 2010 state visit by President Hu, "I absolutely believe that China's peaceful rise is good for the world, and it's good for America."<sup>7</sup>

Few in the United States appreciate how far China has rebounded from its nadir. For most of America's time as an independent nation, China was a weak and divided shadow of its former self. Many forget that for hundreds of years, while Europe was plunged into its Dark Ages, China was the preeminent power in the world and the source of many so-called "European inventions," which actually originated in China hundreds if not thousands of years before.<sup>8</sup>

Today, Chinese students are taught of this vaunted past, and many see their nation's recent economic success, with its current lead in green technologies and record-setting high speed trains, as a clear sign that China is reclaiming its former glory. Some in China argue that we are now in a "bi-polar" world, while others contend China will soon overtake the U.S. as the new, lone "super power."

However, just as Japan's rise in the 1980s provoked unwarranted fears of American decline, it is important to note that life is not perfect in the "Middle Kingdom." Inland from the coast, many areas remain poverty-stricken; environmental degradation is worsening by the year, profiteering, corruption and land grabs by local officials continually provoke protests, working conditions are often dangerous, and quality control is lax.<sup>9</sup> Recent recalls for excessive

<sup>6</sup> See Zheng Bijian's "China's 'Peaceful Rise' to Great Power Status" in the Sep/Oct 2005 volume of Foreign Affairs: <http://www.foreignaffairs.com/articles/61015/zheng-bijian/chinas-peaceful-rise-to-great-power-status>. This same language/imagery is used in 2011; see Chinese Vice Premier Li Keqiang's piece in the Financial Times "The World Should Not Fear a Growing China" from January 9, 2011: <http://www.ft.com/cms/s/0/64283784-1c23-11e0-9b56-00144feab49a.html#axzz1AevrpiPL>.

<sup>7</sup> <http://www.whitehouse.gov/the-press-office/2011/01/19/press-conference-president-obama-and-president-hu-peoples-republic-china>.

<sup>8</sup> Such developments range from the stirrup, to the 365-day calendar, to inoculation against smallpox, the chain drive, and even the banknote. There are even assertions that China's powerful navy visited North America some eighty years prior to Columbus.

<sup>9</sup> Nationally, per capita income is only \$6,700, ranking China just above Turkmenistan and five places below Albania. For more information, see <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2004rank.html?countryName=China&countryCode=ch&regionCode=eas&rank=130#ch>.



lead in toys made in China<sup>10</sup> and tainted baby-formula produced in China,<sup>11</sup> as well as toxic drywall produced in China,<sup>12</sup> have led to a significant backlash both here in the United States and within China. Even Beijing's vaunted Olympic "Birds nest" stadium is already showing signs of disuse.

China's aging population and one child policy have led to a so-called 4-2-1 pyramid where one adult's salary has to support his/her own two parents and four grandparents. China's recent aggressive moves in the fall of 2010 in the East China Sea have driven many of the nations surrounding it to look to the United States for greater military cooperation and possible arms sales. China's aggressive economic activities have sparked riots in other nations as they too begin to suffer from "Made in China" fatigue and job loss.

There seems little question that the next fifty years will witness a competition between our two countries in much the same way the United States and the Soviet Union vied for allies and global influence during the last fifty. The great unknown is whether this competition will shift from the economic sphere to a more military-oriented direction. *What is known is that our nation is not doing all it can to prepare for the increasingly prominent role China will play in our economic and foreign policy.*

As a public, our knowledge of China is limited and concentrated among a few diplomats and academics. Not enough students are learning Chinese in our schools. While China sends almost 130,000 students each year to the United States, roughly one-tenth of that number of Americans make the reverse trek.<sup>13</sup> Chinese students return home with a better understanding of the value of multi-party democracy, free speech, and the power of the individual, as well as knowing our language, our culture and our world-view. While the Obama Administration's recently announced program to increase Americans studying in China to 25,000 a year over four years through private sector support—the so-called "100,000 Strong" project—is laudable, it remains woefully under-resourced by some of the very sectors of our economy who carry out the most trade with China and who would therefore most benefit from a bilingual workforce.

China, for its own reasons, is helping to teach Americans about China. Beijing has invested millions in so-called "Confucius Institutes" throughout the world that provide classes in Chinese language, literature and the arts. In the United States alone, there are some 70 such Institutes, located primarily at universities and colleges. This is an opportunity for Americans who might not be able to afford overseas studies to delve into such subjects here. However, our ability to make similar outreach to the many Chinese

<sup>10</sup> <http://www.asianews.it/news-en/Chinese-toys-tainted-by-lead-or-made-by-child-labour-18907.html>.

<sup>11</sup> <http://www.usatoday.com/news/health/2008-09-11-tainted-formula-N.htm>.

<sup>12</sup> <http://online.wsj.com/article/SB10001424052702303891804575576272885290234.html?KEYWORDS=china+drywall>.

<sup>13</sup> See the 2010 "Open Doors" study compiled by the Institute of International Education. For the academic year 2009–2010 (the most current data available), 127,000 Chinese students were in the United States (a 30% increase in the number of Chinese students from the year before) making China the #1 "sending" country, having overtaken India. By contrast, a mere 13,000 American students were in China during this same period, making China the number five "receiving" country behind France, Spain, Italy, and number one Britain with 31,000. According to IIE, of the roughly 19.5 million Americans enrolled in college during this period, 250,000 (or just over 1%) studied abroad: <http://www.iie.org/en/Research-and-Publications/Open-Doors>.

unable to come to the U.S. to study has been sharply curtailed by China which has limited the U.S. to only five similar American Centers in China. Likewise, America's press freedoms are available to foreign news agencies inside our borders. The Chinese government-owned Xinhua News, the official press agency of the Chinese government, will soon be allowed to open a multi-floored office in Times Square and already broadcasts from an AM transmitter in Texas. By contrast, Beijing limits the Voice of America to a single, two-person office there, blocks the opening of a VOA bureau in Shanghai. Furthermore, China forces both VOA and Radio Free Asia to beam in on Short Wave radio from distant locations well outside its borders. China also routinely jams these transmissions as well as blocks both VOA's and RFA's Internet sites. Meanwhile, Congress has provided tens of millions of dollars to assist in Internet freedom issues including Internet Censorship Circumvention Technology, but little of that money has been allocated by the State Department in spite of clear bipartisan support.

Since Fiscal Year 2008, Congress has given the State Department some \$50 million targeted for Internet Freedom. To date, some \$30 million of this money remains unobligated, with few of the spent funds dedicated to Internet Censorship Circumvention Technology (ICCT). The Broadcasting Board of Governors entities—the Voice of America, Radio Free Europe, Office of Cuba Broadcasting, Radio Free Asia and Middle East Broadcasting Network—must all work on a daily basis to ensure their radio, internet and television programs are being received by audiences in certain countries that try to block, jam or outlaw these efforts. As such, the BBG, and not the State Department, would appear to be the logical lead agency in the federal government to focus current and future ICCT funding.

Each of these facets of our Public Diplomacy with China—Educational Exchanges, Public Diplomacy Platforms and U.S. Broadcasting as well as others—is in serious need of greater focus and attention if we are to be competitive and remain “in the game” with China.

#### FINDINGS, OBSERVATIONS AND RECOMMENDATIONS

- China routinely jams Voice of America and Radio Free Asia transmissions in Mandarin, Cantonese, Uyghur and Tibetan. It blocks access to VOA and RFA's websites via its “Great Firewall,” requiring its citizens to circumvent such censorship through Internet proxy sites and virtual private networks. China's refusal to allow the opening of a Voice of America office in Shanghai cannot remain unchallenged given the domestic access granted Xinhua and other Chinese state media here in the United States.
- The Secretary of State's January 2010 major speech on Internet Freedom received scant follow-up as twelve months elapsed before the State Department moved to disburse some \$30 million in funds specifically appropriated for Internet freedom promotion, including the development of Internet Censorship Circumvention Technology. Such technology should be given a much higher priority by the U.S. government. Recent delays in allocating pre-existing funding, and the inept handling of an

untested technology, have strengthened the hands of those governments, including China's, who seek to restrict their citizens' access to information. The State Department is poorly placed to handle this issue due to its reliance on daily bilateral interaction with these very same governments, particularly China. The Broadcasting Board of Governors—because of its unique position in combating Internet censorship on a daily basis on behalf of Voice of America, Radio Free Asia and its other entities—is more properly poised to become a leader in the field for the U.S. government.

- China has some 70 “Confucius Institutes” in the United States where Chinese language, literature, culture and arts are taught and Americans made more aware of life in China. We have been unable to reciprocate these projections of soft power as the United States has been allowed to open only five American Centers in China. To help circumvent this unjustifiable restriction, the Administration has begun to assist American universities who have pre-existing programs in China in opening Centers for American Studies at Chinese universities. Pending a reversal of China's intransigence, such partnerships will have to be the way of the future in the near term, but will also require increased funding to keep pace with Confucius Institutes.
- China's moves toward a greater market-oriented economy should not be mistaken for the Communist Party's willingness to tolerate organized political opposition—an iPhone does not equal democracy! Nonetheless, these new technologies are symbols to millions of Chinese that there is much new information available to the rest of the world—information that their government denies them. Determining how to enable reformers to use this technology to safely communicate with like-minded activists should remain a constant goal of the U.S. government.
- China continues to harass, prosecute and imprison bloggers and journalists on a routine basis. Those who dare raise topics related to Tibet, Taiwan and Tiananmen Square—the so-called “Three Ts”—as well as HIV/AIDS in China and issues related to the Xinjiang province (with its Muslim Uyghur population) are often “invited for tea” at the local police station, resulting in a stern verbal warning for a first offense. Those who continue discussing these topics on-line risk being fired or imprisoned for “disturbing the social order.” In 2010, China was tied for first with Iran in the number of imprisoned journalists—34; additionally, there are over 1,400 political prisoners in China as of the date of this report.
- Nobel prizes have been awarded eleven times to Chinese recipients; 326 to Americans. Of the 11 Nobel Prizes awarded to Chinese citizens, only one was living in China at the time—the 2010 Nobel Peace Prize to imprisoned human rights activist Liu Xiaobo. China views this as an example of Western “hegemonic lecturing” and in 2010 created its own “Confucius Peace Prize,” the winner of which declined to accept the award.
- The Chinese lifting of the annual cap of twenty foreign (mostly American) films allowed into China would give the average Chinese viewer a broader exposure to the United States and do

much to offset the millions of dollars in lost revenue due to illegal copying in China.

- Currently, 690,000 international students are enrolled in the United States, generating over \$19 billion in tuition and living expenses. Of these, 130,000, roughly 19%, are from China—making it the number one “sending nation.” In comparison, there are some 14,000 Americans students in China. Increasing the number of Americans studying in China is in our nation’s vital interest if we are to have the needed commercial, academic and policy experts to address the challenges a rising China will pose to our nation. The State Department’s recently announced “100,000 Strong” four-year goal is laudable but was accompanied by no U.S. government funding and will, therefore, need significant financial support from the private sector which has much to gain in terms of competitiveness with a bilingual American workforce. The Chinese government, however, has already agreed to fund 2,500 scholarships each year for the four years of the program.
- The current U.S. Peace Corps program in China of some 140 “Chinese-American Friendship Volunteers” primarily engaged in English-language instruction provides invaluable, long-term interaction with American citizens and should be expanded but amounts to only one American volunteer for every 10 million Chinese.
- Beijing’s “Peaceful Rise of China” Public Diplomacy campaign is also being carried out by an ever-increasing number of Chinese military personnel in United Nations peacekeeping operations. To reinforce the nature of the campaign, none of these troops have come from combat units, but rather engineering, medical and police divisions.
- Many Americans now view World Expos as antiquated affairs. The rest of the globe does not, and U.S. ambivalence towards participation unduly offends the host nations. Given that more than 7,000,000 Chinese visited the U.S. Pavilion at the Shanghai Expo in 2010, the lack of effort caused by unnecessary hesitation and delays on the part of the Obama Administration only squandered an unprecedented opportunity to put our best foot forward to an audience over 10 times the size of the number of Chinese who visit the United States in a single year. Although large crowds streamed in, many were disappointed by the low-tech and rather ordinary exhibits inside which failed to demonstrate American technological, scientific and commercial expertise. Those same mistakes should not be repeated in the lead up to the 2012 Expo in Korea. Given recent interest by Texas and California in hosting the 2020 Expo, the U.S. should seek immediately to re-join the Bureau of International Expositions in order to bid for the 2020 Expo. Consideration should be given to repealing legislation limiting U.S. government involvement in Expos, an action that would give the private sector greater confidence in our efforts and lead to more coherent funding.

# **Another U.S. Deficit: -- China and America – Public Diplomacy in the Age of the Internet**

## INTRODUCTION

### **Public Diplomacy (PD)**

The generally recognized *definition* of Public Diplomacy is practice of governments communicating directly with the citizens, rather than the leadership, of another country. While the term “Public Diplomacy” first appeared in the United States in 1965, governments had long been going over the heads of leaders and working directly with foreign audiences. Nonetheless, China currently acts as if it had only just discovered Public Diplomacy (PD) as a tool of foreign policy and seems bent on furiously trying to reverse engineer it as yet another Western invention that must be produced in China.<sup>1</sup>

The *goal* of effective PD is to convey or project to a foreign public a specific image or attitude about your country through words and deeds. In order to accomplish this, a country must have an agreed upon message it wishes to convey that will resonate with the audience. Also, a nation must be willing to recognize how the rest of the world views it. If the message a nation tries to project through its PD is significantly out of balance with what the rest of the world perceives, PD efforts will not be viewed as a sincere attempt to engage but more as pure propaganda. This is the case confronting China today, particularly in its dealings with the West.

### **Why Does China Even Need PD?**

Modern China holds a unique position in history in terms of its interaction with the United States. Like the former Soviet Union, China is run by a repressive Communist government that has no qualms about quashing human rights and imprisoning democracy advocates. But the Soviet Union was economically isolated, having little need to interact outside its Eastern Bloc system of satellite nations with whom it conducted the majority of its trade by fiat rather than market economics. Like Japan in the 1980s, China’s trade issues with the United States are a major source of bilateral friction. But unlike Japan (both a treaty ally of the United States and heavily dependent on the U.S. for its defense), which opened numerous auto plants in the U.S and obtains the raw materials it needs on the open market, China feeds its economic engine through a series of equity stakes in raw material production – buying everything from oil fields in Sudan, to Australian coal deposits and Peruvian copper mines.

China is thus putting itself in a very tenuous spot where public sentiment could easily turn and harm its economic expansion. Such was the case in 2005 when CNOOC (China

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<sup>1</sup> See China Daily “China Needs More Public Diplomacy” from March 3, 2010:  
[http://www.chinadaily.com.cn/china/2010npc/2010-03/11/content\\_9570697.htm](http://www.chinadaily.com.cn/china/2010npc/2010-03/11/content_9570697.htm).

National Offshore Oil Corporation) attempted to purchase the American oil company UNOCAL for \$18.5 billion – an all-cash bid which surpassed ChevronTexaco’s next highest offer by over \$1 billion. Even though there was no legal prohibition for such a purchase, UNOCAL shareholders eventually rejected the CNOOC bid, in part due to Congressional and public outcry which noted that China’s own market structure hampered reciprocal type purchases in China.<sup>2</sup> Another example where the American public’s perception of Beijing directly affected China’s economic fortunes was the debate over its admission to the WTO during the Clinton administration. Until that time, Congress voted every year, with lengthy debate beforehand, on China’s “normal trade relation” status (formerly called Most Favored Nation). This gave many members an opportunity annually to castigate China for its record on human rights, Tibet, Taiwan, its potential threats to U.S. security, etc. The WTO debate turned not so much on the economic pros and cons of the accession deal reached by the Clinton administration—a deal which has added billions to U.S.-China trade--as on the loss of this regular public forum to air grievances against China. Separately, Congress created two permanent commissions to study and report regularly on China’s human rights record, adherence to rule of law, and potential risks to the U.S. from its economic and security policies.<sup>3</sup> Such single-country focus is unique to China.

Unlike the past, when an economically insular and isolated China could allow its Public Diplomacy to rely solely on a random scattering of a handful of pandas, China must now engage full-on with publics around the world as part of its foreign and economic policy. In addition to strains caused by trade policies, China is also under U.S. and international pressures over its abysmal human rights record and its willingness to coddle and support dictators ranging from Robert Mugabe in Zimbabwe to Kim Jung-il in North Korea. China’s Public Diplomacy is therefore geared towards re-shaping the world’s image of China.

As part of our democratic and, primarily, Euro-centric heritage, most American studies of ancient times focus on ancient Greece and Rome and into the Dark Ages, leading through the Renaissance/Reformation/Counter-Reformation into Columbus and the Pilgrims, until we arrive at 1776. Many forget that during that entire lead-up to the Declaration of Independence and the subsequent 234-year history of our nation, China had existed for more than 4,000 years. (In the Chinese calendar, 2011 is the year 4709.) For much of that time, China was, in fact, the world’s lone super-power, projecting itself far beyond its borders through its trade and military. It is to this former glory that China now wishes to return. For a nation that old, which did not even

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<sup>2</sup> See Bloomberg BusinessWeek “Why China’s UNOCAL Bid Ran Out of Gas” from August 4, 2005: [http://www.businessweek.com/bwdaily/dnflash/aug2005/nf2005084\\_5032\\_db016.htm](http://www.businessweek.com/bwdaily/dnflash/aug2005/nf2005084_5032_db016.htm).

<sup>3</sup> These commissions are the U.S.-China Economic and Security Commission, <http://www.uscc.gov/index.php>, and the Congressional-Executive Commission, which monitors human rights and the rule of law in China: <http://www.cecc.gov/>.

deem an Embassy in the West necessary until 1876, the past 300 years in which nations of the West dominated and colonized much of the world present just a minor blip in the Chinese timeline. Those who fail to recognize that “new” China has every intention and will use every method (economic, social and even military) to reclaim its old mantle woefully underestimate the pride and determination its ancient history imbues in its leaders and citizens.<sup>4</sup>

This report will examine the disparities and tensions between how China uses its ancient history as the lens through which it sees itself and how the rest of the world focuses on China’s more modern developments to form its impressions. This disconnect should, in theory, offer the perfect opening for greater U.S. engagement with China through our Public Diplomacy; however, China is doing everything it can to obstruct, limit and blunt these efforts and using its own soft power efforts to project and regain its place atop the world. While some of their efforts are more effective than others, China currently has the resources and determination needed to drive this policy forward.

#### PD As A Mirror: How China Views Itself

*"Culture has become a more and more important source of national cohesion and creativity and a factor of growing significance in the competition in overall national strength."*

Chinese President Hu Jintao to the 17<sup>th</sup> Communist Party Congress in 2007

#### **Chinese PD -- Modern Day Reliance On A Distant Past**

In its desire to return to what it views as its rightful position as the preeminent global power, 21<sup>st</sup> century China seeks to avoid the appearance of an aggressive or hostile country, lest the nations of the world unite to confront it and derail its political and commercial efforts. To do so, China relies on the early part of its 4,000 years of cultural history to form the core of its Public Diplomacy (PD) and project a stable and inward looking nation that could not possibly be a threat to others. In spite of this focus, Chinese PD is confusingly dispersed in three separate government ministries: the State Council on Information Office which controls “Soft Power” themes, the Foreign Ministry which handles formal Public Diplomacy and the Ministry of

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<sup>4</sup> See Wall Street Journal “In China’s Orbit: After 500 Years of Western Predominance, the World is Tilting Back East” from November 18, 2010:

<http://online.wsj.com/article/SB10001424052748704104104575622531909154228.html>.

Education, which runs the “Chinese National Office for Teaching Chinese as a Foreign Language,” best known by its colloquial name “Hanban.”<sup>5</sup>

In spite of its name, Hanban deals with more than just teaching Chinese; its mission is also to help explain China to the world. To accomplish this, Hanban relies on the nation’s distant past to project a reflective, harmonious, yet inventive nation capable of greatness – not in terms of the modern, industrialized Communist state. China’s Public Diplomacy imagery is thus centered on the so-called Four Great Inventions (paper, the compass, printing and gunpowder – to be used for firecrackers, not cannons) as well as the building of the 4,000 mile long Great Wall and the teachings of Confucius. Each of these images dovetails with the “Peaceful Rise of China” campaign announced in 2005.

Confucius and the Great Wall promote images of an inward-looking nation in both the spiritual and geo-political sense. Confucian reverence for stability focuses on family loyalty and respect for one’s elders, which can easily be transferred to the need to respect ones leaders and loyalty to the nation as the ultimate embodiment of family. The Great Wall was meant to keep foreigners out and suggests a static, non-aggressive nation-state bent on preserving itself, not one seeking to expand beyond its borders.

The so-called Four Great Inventions reinforce China’s contention that it should be viewed as the true source of science and technology, and that the West simply copied its technology centuries later and claimed the credit, such as Gutenberg “inventing” movable type some 400 years after its introduction in China. China believes that the list of such inventions later claimed to have been “discovered” by Europeans who brought the ideas back from visits to the East is as lengthy as it is unrecognized by the modern West.<sup>6</sup> [While the West may shrug off such issues,

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<sup>5</sup> In the United States, Public Diplomacy was handled from 1953 to 1999 solely by the U.S. Information Agency. The Clinton Administration bowed to Congressional critics of USIA and budget hawks looking for “peace dividends” following the collapse of the Soviet Union. USIA went from being a separate Cabinet agency to a division in the State Department headed by an Under Secretary of State who oversees the Bureaus of Educational and Cultural Affairs, International Information Programs and Public Affairs. The only portion of USIA that was allowed to remain outside the State Department was U.S. international broadcasting; today, the Voice of America, Radio Free Europe, the Office of Cuba Broadcasting, Radio Free Asia and the Middle East Broadcasting Network are run by the Broadcasting Board of Governors.

<sup>6</sup> China claims everything from matches, the crossbow, the decimal system, playing cards, the suspension bridge and the fishing reel were first developed thousands of year before their “re-invention” in the West. For other examples see *The Genius of China: 3,000 Years of Science, Discovery and Invention* by Robert Temple; published by Simon and Schuster, 1986. Some ask what has China developed or discovered in the last 200 plus years and point to the wide disparity now between the U.S. and China in the number of patents applied for/granted in recent years. Although China has made phenomenal patent gains from 2000-2006 and is clearly growing, it still lags behind both the U.S. and Japan by nearly half in the number of patents applied for. See the World Intellectual Property Organization’s 2008 World Patent Report:

[http://www.wipo.int/export/sites/www/ipstats/en/statistics/patents/pdf/wipo\\_pub\\_931.pdf](http://www.wipo.int/export/sites/www/ipstats/en/statistics/patents/pdf/wipo_pub_931.pdf).



China views the credit for creating such inventions with the same tenacity and pride that we now hold to modern Intellectual Property Rights, which the West feels China routinely violates.<sup>7]</sup>

### **Chinese PD Platforms: The Rise of the Confucius Institute**

*Confucius Institutes are "an important channel to glorify Chinese culture, to help Chinese culture spread to the world", which is "part of China's foreign propaganda strategy."*<sup>8</sup>

– Li Changchun, one of the nine members of the Standing Committee of the Politburo in charge of ideology and propaganda

In addition to helping shape the imagery of Chinese Public Diplomacy, Hanban is in charge of China's version of the British Council – the Confucius Institute. The Confucius Institute, China's flagship PD program, is an effective, expansive and *expensive* effort to promulgate the teaching of Chinese language and ancient culture throughout the world through classes, teacher training, cultural events and sponsored trips to China. By doing so, China hopes to convey a thoughtful, innovative, responsible and, most importantly, peaceful friend to all nations.

Since 2004, Hanban has established approximately 320 Confucius Institutes throughout the world. China has focused on these efforts on the United States, which now has over 70 Institutes.<sup>9</sup> Russia and Korea follow with only 17 Institutes in each, France with 15, the UK with 14, and Thailand and Japan with 13 each. China's efforts to demonstrate both its largesse and its influence have even led to Institutes in Iceland, Jamaica and Malta.<sup>10</sup>

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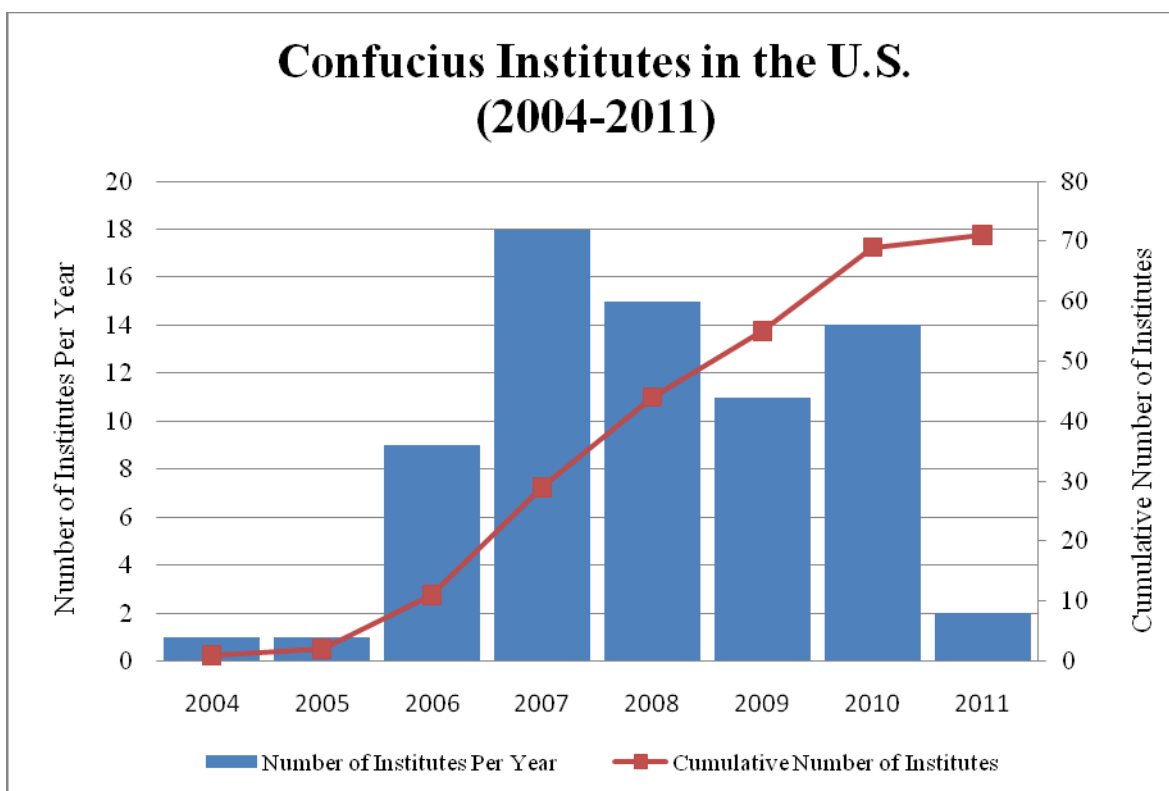
<sup>7</sup> See PC World "U.S. Panel Looks at Intellectual Property Violations in China" from June 15, 2010: [http://www.pcworld.com/businesscenter/article/198901/us\\_panel\\_looks\\_at\\_intellectual\\_property\\_violations\\_in\\_china.html](http://www.pcworld.com/businesscenter/article/198901/us_panel_looks_at_intellectual_property_violations_in_china.html). Chinese government officials argue that they are in fact cracking down, while economists note that countries only begin to take IPR issues seriously when they have their own, home-grown inventions and technologies to protect. See Xinhua's "China cracks down on IPR violations as new year approaches" from December 17, 2010, [http://www.chinaipr.gov.cn/newsarticle/news/government/201012/981909\\_1.html](http://www.chinaipr.gov.cn/newsarticle/news/government/201012/981909_1.html), found on the Chinese government's own "IPR Protection in China Website": <http://www.chinaipr.gov.cn/>.

<sup>8</sup> Quoted from Asia Times "The Language of Soft Power in the U.S." from May 24, 2007: <http://www.atimes.com/atimes/China/IE24Ad01.html>.

<sup>9</sup> A list of the Confucius Institutes in the United States can be found in **Appendix A**.

<sup>10</sup> See China Daily "Confucius Institutes Enhance China's International Image" from April 23, 2010: [http://www.chinadaily.com.cn/china/2010-04/23/content\\_9766116.htm](http://www.chinadaily.com.cn/china/2010-04/23/content_9766116.htm); Hanban's list of Confucius Institutes, Application Procedure and By-Law can be found here: [http://english.hanban.org/node\\_10971.htm](http://english.hanban.org/node_10971.htm).

When establishing a new Confucius Institute, Hanban will partner primarily with universities and provide up to \$100,000 to cover start-up costs. The Institute will often leverage or enhance an existing Chinese studies program and be situated in pre-existing class rooms donated by the university, but Institutes can also be created from scratch. Institute offerings range from Chinese language instruction, cultural events and Tai Chi classes to subsidized trips to China and proctoring the “HSK” test which scores an individual’s proficiency in Mandarin (the Chinese equivalent of the English-language TOEFL test ) used to determine a person’s language abilities for either professional or education accreditation purposes.



As originally envisioned, Institutes would be established using the initial fusion of Hanban funding and up to five years of financial assistance from Beijing; afterwards, tuition costs would be used to cover operating expenses. However, observers note that without significant and continued funding in the out-years, many Institutes will not be sustainable. As one critic noted to Committee staff, “How many citizens of Krakow, Poland do you think really want to pay for Tai Chi classes?” While there is indeed strong interest in the Institutes’ offerings in some locations, few Institutes seem successful enough to be financially independent, thus creating a drain on Beijing for many years to come.<sup>11</sup>

<sup>11</sup> See Asia Pacific Bulletin “China’s Confucius Institutes: Crossing the River By Feeling the Stones” from January 6, 2011, <http://www.eastwestcenter.org/fileadmin/stored/pdfs/apb091.pdf>, which questions the actual long-term

## American PD Platforms in China – Too Small, Too Few To Matter

In many ways, Confucius Institutes are also analogous to American Public Diplomacy platforms such as American Centers, American Libraries, Information Resource Centers (IRCs) and American Corners. **Centers** are the largest and most formal of these PD platforms, often stand-alone facilities, which combine a library, Internet stations, meeting spaces and often English language classrooms. **Libraries** are often co-located with other USG agencies, such as the Department of Commerce, and tend to have smaller meeting/programmatic areas and fewer Internet terminals. **IRCs** (Information Resource Centers) were created when Libraries were down-sized and moved inside our newer embassies' compounds. **American Corners**, the smallest of all these, are spaces obtained in existing university or municipal buildings, usually outside capital cities, via a Memorandum of Understanding between the Embassy and the local institution; the Embassy provides several computers and stocks the shelves with books on U.S. history, culture and literature, but the Corner is wholly run by a local coordinator whose salary is paid by the host institution.<sup>12</sup>

There is one significant exception to this analogy with Confucius Institutes – the numbers. **China currently has 71 Confucius Centers in the U.S., while the United States has five Public Diplomacy spaces in China – for a country of some 1.3 billion.** The United States currently has stand-alone American Centers located in commercially leased spaces in Beijing, Guangzhou and Shanghai. The Center in Beijing sits, isolated, on one of the middle floors of a commercial high-rise. While near to a subway and bus lines, its book and periodical collection is too limited to serve as a significant magnet. Additionally, the public meeting space is limited and in need of refurbishing.<sup>13</sup> Access to the Center is readily available, and visitors are not required to undergo the rigorous screening required to enter the Embassy; however, U.S. officials acknowledge that the Chinese government monitors guests to the Center. The American Centers in Guangzhou and Shanghai are similarly housed apart from the main U.S. diplomatic facilities,

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effectiveness and sustainability of CIs and cites Hanban figures of \$145 Million for the Confucius Institute annual budget for 2009.

<sup>12</sup> For more information on American PD facilities, see the U.S. Senate Foreign Relations Committee's February 2009 report "U.S. Public Diplomacy – Time To Get Back In The Game": [http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111\\_cong\\_senate\\_committee\\_prints&docid=f:47261.pdf](http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_senate_committee_prints&docid=f:47261.pdf).

<sup>13</sup> The American Center in Beijing's website, [http://beijing.usembassy-china.org.cn/irc\\_services.html](http://beijing.usembassy-china.org.cn/irc_services.html), is available in both English and Mandarin and offers links to the Center's collection as well as to the Education USAChina office. This office assists Chinese applicants to American colleges and universities and is co-located in the Center. Webpages of the other Centers/IRCs reveal a discouraging disparity in information and services listed as well as operating hours that seem poorly designed to encourage foot traffic – Guangzhou is open 9 am-5 pm, but closed each day from noon-2pm; Shanghai is closed daily from 11:30 am-1:30 pm but is the only center to offer free Wi-Fi service; Chengdu is only closed from noon-1pm (the same as Beijing), but its webpage is barren; Shenyang is closed 11:30 am-1:30 pm, but it is open by appointment only – a further disincentive for visitors.

enabling easier entry by the public, but these Centers also share space with those Consulates' Public Affairs Sections - reducing their public spaces even further. Small IRCs exist inside the two U.S. Consulates in Chengdu and Shenyang, while the tiny U.S. Consulate in Wuhan has no Public Diplomacy space.

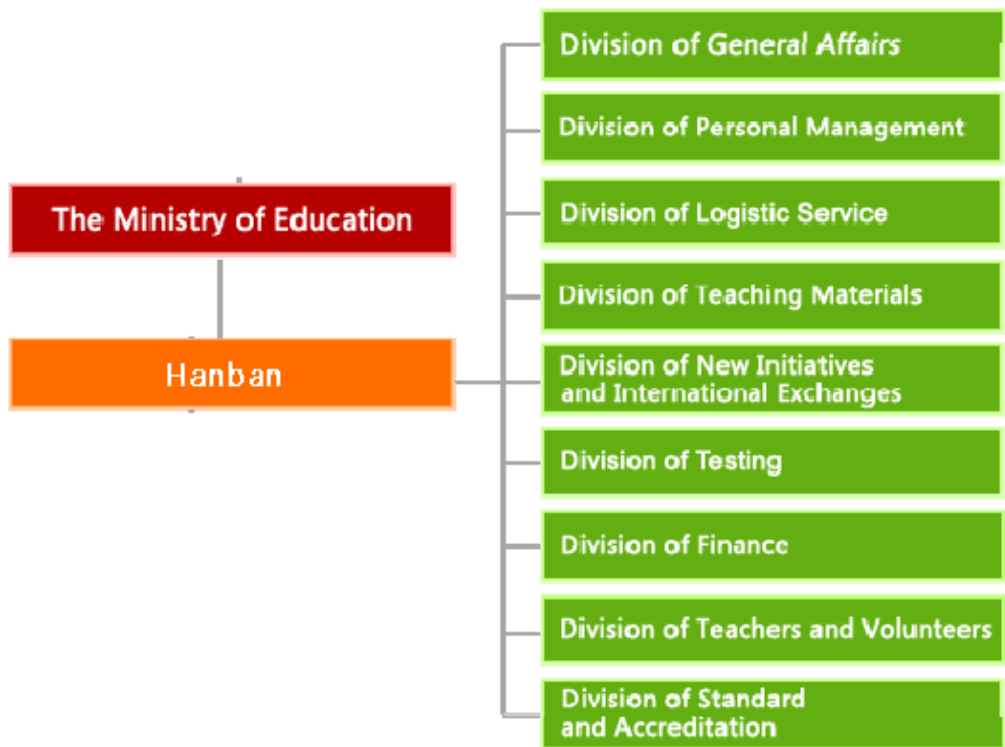


The limited collection of the American Center in Beijing (left) dwarfs that of the even smaller American Center in Shanghai.

The Chinese government has been resistant to any further opening of U.S. public diplomacy facilities, claiming that each country has six diplomatic facilities in the other's country and that this is a matter of strict reciprocity.<sup>14</sup> This is particularly troubling as China considers even the aforementioned American Corners – which, like Confucius Institutes, tend to be situated in local universities and whose staff is paid by the hosting institution whom the U.S. Embassy cannot even dismiss – as diplomatic facilities and thus has blocked even these from being established in China. Attempts to argue reciprocity on the basis of the 71 Confucius Institutes are dogmatically rebuffed by claims that the Institutes are run by the Hanban, which the Chinese consider a Non-Governmental Organization (NGO), not the Chinese government, and therefore cannot be counted. However, such assertions are specious at best given the direct line of authority to the Chinese Ministry of Education found on Hanban's own organizational Chart.<sup>15</sup>

<sup>14</sup> China has an Embassy in Washington and Consulates in Chicago, Houston, Los Angeles, New York and San Francisco. The United States has an Embassy in Beijing and Consulates in Chengdu, Guangzhou, Shanghai, Shenyang and Wuhan.

<sup>15</sup> Hanban's Organizational Chart can be found here: [http://english.hanban.org/node\\_7719.htm](http://english.hanban.org/node_7719.htm).



Chinese officials argue that the United States should create its own version of Hanban. Given our decentralized education system, this seems unrealistic from both the bureaucratic and budgetary standpoint, especially as the U.S. version would only serve one country, given that no other nation has these pre-conditions. The alternative is to force China to recognize that Hanban is in fact not an NGO but an entity directly affiliated with the Chinese government in an effort to leverage more U.S. PD facilities.

There is one positive development for the United States. As part of her re-ignition and re-examination of U.S. PD efforts, Under Secretary for Public Diplomacy and Public Affairs Judith McHale created a \$2 million Innovation Fund from which Embassies worldwide can compete for one-time grants. As part of this, the U.S. Embassy in Beijing submitted a winning proposal that is assisting Arizona State University with \$100,000 in financial and material support to open a Center for American Culture in Sichuan University in Chengdu – in essence an expansion of ASU’s prior relationship with Chengdu. ASU is adding \$150,000 for in-kind services, and Sichuan is providing the space as well as a Chinese co-director, graduate student assistants, and lodging and meals for American scholars from ASU. The Center offers free Internet connectivity (students normally have to pay), regular movie showings, visiting speakers, English conversation, and collaboration between ASU and Sichuan students as well as faculty. Plans for a full-time ASU professor on the ground for a semester or a year will require additional

funding. While Internet access will have to be in accordance with Chinese law, the Center stocks several thousand volumes and several dozen periodicals from around the world.



Scenes from inside ASU's Center for American Culture at Chengdu

As innovative as the ASU-Sichuan partnership may be, such a one-off success hardly suggests a coherent strategy to increase the number of U.S. PD platforms, official or otherwise. Nonetheless, the role of American universities as projectors of “soft power” should not be underestimated, and the State Department should be encouraged to provide similar funding for other such U.S. university projects in China to serve as a dual-track PD effort.<sup>16</sup>

### **U.S.-China People to People PD**

In addition to its Confucius Institutes, Hanban has created Confucius Classrooms to promote Chinese language and culture in primary and secondary schools overseas. As opposed to Institutes, the Classrooms generally involve the funding of a single teacher to a single school. According to Hanban, there are approximately 330 Confucius Classrooms in 98 countries with 37 in the United States, for a total of some 260,000 people receiving instruction either in Confucius Institutes or Classrooms. Similarly, Hanban sponsors the Chinese Bridge Competition testing Chinese language proficiency among non-native speakers. Hanban and the College Board partnered in 2006 to send over 300 volunteer Chinese teachers to U.S. schools with struggling Chinese programs, and this partnership subsidized \$13,000 of the teachers' salaries. Additionally, Hanban has recently expanded its operations to provide Chinese language

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<sup>16</sup> As this report was going to print, The Ohio State University confirmed that in January 2011 it signed a similar MOU with Wuhan University to open an American Center there. OSU officials report that to date they have not yet received funding from the State Department but hope to receive assistance similar to ASU.

programs to foreign diplomats. The first seventeen-week program took place in February 2010, and another program in the fall of 2010.<sup>17</sup>

The United States has no comparable teacher exchange program but there still exists a U.S. Peace Corps program in China with U.S participants known as “Chinese-American Friendship Volunteers.” The program began in 1993 following a formal request by China, and some 600 Volunteers have served there since then. Currently, some 138 Volunteers serve in China in the provinces of Sichuan, Gansu, Guizhou and the Chongqing Municipality where they provide English language training and methodologies to some 30,000 local middle school English language teachers.

Peace Corps programs are among the most effective tools of American “soft power” as volunteers traditionally live in communities far from capitals, often in villages with only the barest of amenities.<sup>18</sup> Some argue that China’s huge foreign currency reserves are proof that China should be “graduated” from the Peace Corps program, while others say that China uses the presence of Peace Corps volunteers as “proof” that it is still a developing nation. Given the difficulties in opening formal U.S. Public Diplomacy facilities in China, the ripple effect of 138 U.S. citizen volunteers living in Chinese communities, engaging with them not only in academic settings but in casual conversations about American history and social and cultural issues on a daily basis, benefits American PD efforts considerably and should be expanded. Recognizing the vicissitudes of the official Chinese media’s attitude towards the U.S., these people-to-people contacts are all the more important for dispelling myths and misperceptions/misrepresentations.

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<sup>17</sup> [http://english.hanban.org/node\\_10971.htm](http://english.hanban.org/node_10971.htm)

<sup>18</sup> While the Peace Corps is a separate agency and thus not part of official Public Diplomacy run by the State Department, it is nevertheless a critical piece of the mosaic of U.S. Public Diplomacy in the 77 countries in which some 8,600 Volunteers currently work. Since its establishment in 1961, some 200,000 Americans have conducted some of the best PD the U.S. has to offer through direct people-to-people efforts.



### How Mighty is “100,000 Strong”? – Higher Education as PD

One of the lesser-recognized U.S. exports is American higher education. The academic freedoms and opportunities afforded foreign researchers and scholars in the United States remain unparalleled in the world today. According to the most recent analyses available, in the 2009-10 academic year, some 690,000 foreign students were enrolled at American colleges and universities, making up approximately 3.9% of total higher-education enrollment in the U.S. of 19.6 million. This figure also represents a new record for international enrollment and is a 3% increase over the previous academic year. The total income generated by the students in the form of tuition, living expenses and incidentals has been estimated at some \$19 billion.<sup>19</sup> The state of Indiana alone received over half a billion dollars in the 2009-10 academic year from international student enrollment in its colleges and universities.<sup>20</sup>

China clearly appreciates the educational opportunities the U.S. offers. By the 2009-10 academic year, China overtook India as the number one “sending” nation with some 130,000 Chinese students in the United States. Not only was this an all-time high for any nation, it also represented a staggering 30% increase over the year before.<sup>21</sup> This is equally impressive given

<sup>19</sup> See U.S. Commerce Department “Survey of Current Business” from October 2010, p. 25, which lists U.S.-Cross Border Trade for Education at \$19.9 Billion (a \$4 Billion increase from just two years before): [http://www.bea.gov/scb/pdf/2010/10%20October/1010\\_services.pdf](http://www.bea.gov/scb/pdf/2010/10%20October/1010_services.pdf). The U.S.-based Association of International Educators (NAFSA) uses a figure of \$18.78 Billion: <http://www.nafsa.org/File/ais2010/usa.pdf>.

<sup>20</sup> According to IIE, the exact figure is \$513.8 Million. The statistic for each state can be found here: <http://www.iie.org/en/Research-and-Publications/Open-Doors/Data/Fact-Sheets-by-US-State>.

<sup>21</sup> Figures from the Institute of International Education’s 2010 annual “Open Doors” study of foreign students: <http://www.iie.org/en/Research-and-Publications/Open-Doors/Data>. India remained a strong second, sending



that ten years ago China sent only 55,000 to the United States. These full-tuition-paying students – who make up 18.5% of all foreign students -- provide much needed financial benefits to American universities, amounting to roughly \$3.5 billion a year. Additionally, the prolonged exposure they receive during their time in the United States is one of the best forms of Public Diplomacy. Many of those who choose to remain in the United States help form part of the core of our research and scientific base in public and private enterprises, and several who have become U.S. citizens have won Nobel Prizes.<sup>22</sup>

In spite of this rising prominence in our nation’s economy and foreign policy, China ranked only fifth in the order of destination countries for the 260,000 Americans studying overseas in academic year 2008-9 with 14,000 Americans studying there – some 5.3% of the total. Most Americans still prefer Western Europe for study, whether for cultural, linguistic or other reasons, with the United Kingdom ranked first (31,000), Italy second (27,000), Spain third (24,000) and France fourth (17,000).<sup>23</sup>

Recognizing the long-term consequences of such an imbalance, as well as the ever-increasing role that China plays in our bilateral relationship, the Obama Administration launched in November 2009 the “100,000 Strong Initiative.” Citing the exchange disparity, and noting that 600 times more Chinese students study English than Americans study Mandarin, the Administration called for a bold step forward to increase the number of students going to China from 14,000 to 25,000/year for at least four years. This ambitious program is estimated by the State Department to total some \$68 million.<sup>24</sup> Unlike other U.S. government exchanges, however, “100K” is intended to be financed solely through private-sector donations. To date, such contributions have been minimal, reaching far less than \$5 million.

The Chinese government, however, is not waiting for the U.S. and has already committed to funding the first 10,000 of “100K,” using its ubiquitous Confucius Institutes to award 2,500 scholarships each of the four years to cover the various programs covered in “100K”:

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105,000 students, but this was only a modest 1.6% uptick from the year before. South Korea (72,000), Canada (28,000) and Taiwan (27,000) round out the top five, though each of these nations saw a decline from the previous year. Saudi Arabia was the only other nation with a notable gain (25%) over the prior year with 16,000 students studying in the U.S.

<sup>22</sup> Of the eleven Nobels awarded to China, ten (including the Dalai Lama) live and work outside of China. The only one residing in China is imprisoned activist Liu Xiaobo. All of which has added to China’s perception that the West refuses to recognize China’s recent developments and only uses such opportunities to embarrass China.

<sup>23</sup> <http://www.iie.org/en/Research-and-Publications/Open-Doors/Data>

<sup>24</sup> [http://www.state.gov/p/eap/regional/100000\\_strong/index.htm](http://www.state.gov/p/eap/regional/100000_strong/index.htm)

- 800 for Bridge “summer camp” – a language and cultural immersion program targeted at high school students;
- 800 for semester and full-year college-level programs;
- 800 for short-term (7-10 days) study tours for educators and school administrators; and
- 100 for “teacher training” for American teachers.

### **Introducing the World to China – the 2008 Olympics; Introducing China to the World – the 2010 World Expo**

By all accounts, the 2008 Beijing Olympics were a stunning success for China and left a positive impact on the minds of the hundreds of millions (some say billions) who watched the event, from the opening ceremony in the iconic “Bird’s Nest” stadium to the operatic closing ceremonies two weeks later. China set the bar high for all future host nations in terms of pageantry – and cost, with Beijing splurging an estimated \$44 billion to show off its new wealth and position.<sup>25</sup> China rightly considered the Olympics as an opportunity to “introduce a new China to the world,” and for the most part it succeeded,<sup>26</sup> both in the athletic and Public Diplomacy sense with images of China’s impressive Olympic facilities, coupled with images of modern Beijing.<sup>27</sup> Somewhat surprisingly, China has done little to incorporate this into the PD imagery used by Hanban discussed earlier.<sup>28</sup> Two years later it was time to “introduce China to the world” via the 2010 Shanghai World Expo.

While less well known outside of China, the Shanghai Expo was judged an equal success, with some 70 million visitors attending during the six-month long event. Understandably, the

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<sup>25</sup> The 2004 games in Athens cost Greece some \$12.8 Billion. See U.S. News “London Admits It Can’t Top Lavish Beijing Olympics When It Hosts 2012 Games” from August 22, 2008: <http://www.usnews.com/news/world/articles/2008/08/22/london-admits-it-cant-top-lavish-beijing-olympics-when-it-hosts-2012-games.html>.

<sup>26</sup> Though not everything was flawless; see BBC “Web Curbs for Olympic Journalists” from July 30, 2008: <http://news.bbc.co.uk/2/hi/asia-pacific/7532338.stm>. Following this uproar, China relented, but then quickly returned to heavy content censorship once the Games ended; see Guardian (UK) “China Relaxes Internet Censorship For the Olympics” from August 1, 2008: <http://www.guardian.co.uk/world/2008/aug/01/china.olympics>.

<sup>27</sup> This success is particularly true when one contrasts the Olympics with South Africa’s squandered hosting of the 2010 World Cup Soccer tournament where the only memory left with the viewer aside from the competition was of the cacophonous “vuvuzela” trumpets.

<sup>28</sup> While admittedly, two years later, the stadium is largely under-utilized and already beginning to show signs of age, it remains a considerable tourist draw for the curious – a testament to both its unique design and the positive memories it and the 2008 Olympic hold. The Olympic Basketball Stadium has no such shortage of events nor difficulty generating revenue, and in January 2011, it was re-named the “Master Card Center”; see [http://www.chinadaily.com.cn/china/2011-01/22/content\\_11900630.htm](http://www.chinadaily.com.cn/china/2011-01/22/content_11900630.htm).

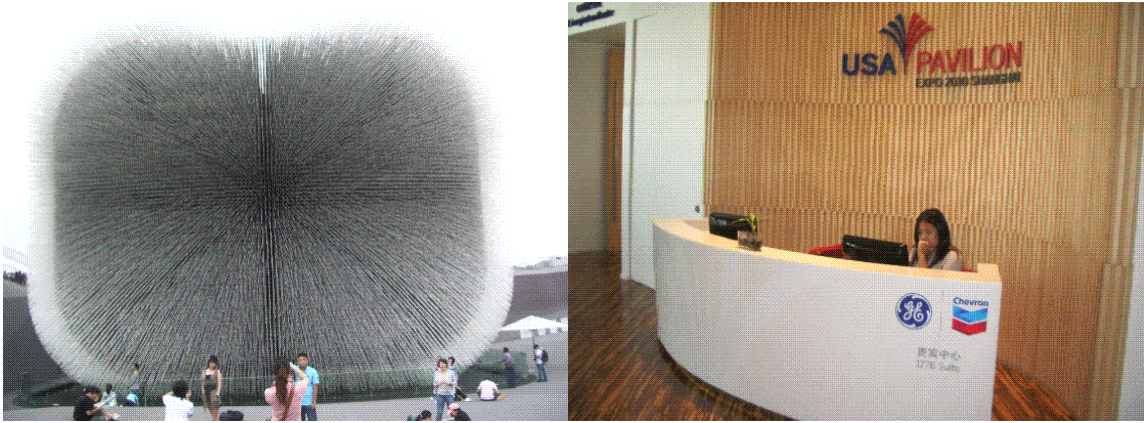
vast majority of the visitors were from China. Most nations realized the Expo offered an unprecedented opportunity to present themselves to the average Chinese citizen, many of whom were not likely to leave their shores but who were willing to wait in lines often over four hours to visit certain pavilions.<sup>29</sup> Many governments spent years working with their cultural and industry leaders to prepare the content and design of their pavilions in order to offer the visitor both a profound and pleasant experience. The iconic British, hedgehog-like “Seed Cathedral” bristled with 60,000 fiber-optic rods. The Saudi Pavilion displayed scenes on the world’s largest IMAX screen, and China’s massive, six-story pagoda dominated the event. Most left positive, lasting impressions on the visitor. Unfortunately, the same cannot be said of the U.S. submission, in contrast, was completely dependent on private sponsorship,<sup>30</sup> which led to heavy criticism for its lack of imagination and heavy corporate branding.<sup>31</sup>

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<sup>29</sup> Understandably, as a matter of national pride, and heavy marketing, the Chinese pavilion was the most popular with the Japanese and the USA pavilion either second or third depending on the day – reflecting a high degree of curiosity about each on the part of the average Chinese citizen. Of the 192 participating nations, over 80 committed significant resources to funding their own, stand-alone pavilion with China quietly providing financial assistance to many countries to ensure universal participation. See LA Times “Curious About the Saudi Pavilion, Better Get in Line” from July 30, 2010: <http://articles.latimes.com/2010/jul/30/world/la-fg-china-expo-crowds-20100731> and The Atlantic “China Rules the World at Expo 2010” from April 29, 2010: <http://www.theatlantic.com/international/archive/2010/04/china-rules-the-world-at-expo-2010/39566/>.

<sup>30</sup> For the U.S. legislation regarding funding of International Expositions, see Sec. 204 of Title II P.L. 106-113 from November 29, 1999: [http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=106\\_cong\\_public\\_laws&docid=f:publ113.106.pdf](http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=106_cong_public_laws&docid=f:publ113.106.pdf) . The full text of the Section 204 is printed in **Appendix B**.

<sup>31</sup> See Popular Science “The USA Pavilion is a Disgrace” from May 6, 2010: <http://www.popsci.com/technology/article/2010-05/usa-pavilion-disgrace> ; Washington Post “The United Corporations of America” from May 24, 2010: [http://voices.washingtonpost.com/ezra-klein/2010/05/the\\_united\\_corporations\\_of\\_ame.html](http://voices.washingtonpost.com/ezra-klein/2010/05/the_united_corporations_of_ame.html); USC’s Center on Public Diplomacy “Shanghai’d, or the USA Pavilion as Corporate Theme Park” from June 8, 2010: [http://uscpublicdiplomacy.org/index.php/newsroom/pdblog\\_detail/shanghai\\_d\\_or\\_the\\_usa\\_pavilion\\_as\\_a\\_corporate\\_theme\\_park/](http://uscpublicdiplomacy.org/index.php/newsroom/pdblog_detail/shanghai_d_or_the_usa_pavilion_as_a_corporate_theme_park/) , a consistent critic of the entire effort . For a more positive appreciation of the U.S effort see U.S. Commissioner General to the World Expo Jose Villareal’s piece “Defending the USA Pavilion” in Foreign Policy.com from April 2, 2010: [http://www.foreignpolicy.com/articles/2010/04/02/defending\\_the\\_usa\\_pavilion](http://www.foreignpolicy.com/articles/2010/04/02/defending_the_usa_pavilion).



Britain's iconic Pavilion/USA Pavilion's VIP Reception Desk

Cobbled together at the last minute, the U.S. Pavilion experience consisted simply of three short films. When visitors finally made it to the entrance following an often two hour-plus wait, they were greeted by the first film, which presented clips of average Americans trying to say “Welcome” and “Hello” in Mandarin, with varying degrees of success until a final shot of U.S. Ambassador Huntsman, himself fluent in Chinese, presenting a polished welcome. Guests were then shuffled to a theater where they sat on benches to watch the second film, which included messages from the various corporate sponsors as well as from Secretary of State Clinton and finally President Obama. Next, they were moved to another benched theater for an eight-minute “4-D” movie experience portraying the efforts of small girl trying to plant a garden in an abandoned city lot. Proponents of the video argued it was a subtle message regarding the power of the individual to affect the world around them while detractors complained it was too juvenile.<sup>32</sup>

The only universally positive and well-received aspect of the pavilion was the use of cadres of American university student “hosts,” all of them fluent in Mandarin and many of whom were of non-Chinese descent, who kept the crowds entertained and informed during their long waits. According to the State Department, some 70,000,000, mainly Chinese, visitors attended the Expo during its six months of operation, of whom some 7,000,000 visited the USA Pavilion. Given that less than one million Chinese visit the U.S. each year, the Expo was a squandered opportunity to have maximum impact on our bilateral relationship.<sup>33</sup>

<sup>32</sup> The film “The Garden” can be seen here: [http://v.youku.com/v\\_show/id\\_XMjE3Mzc2Mjgw.html](http://v.youku.com/v_show/id_XMjE3Mzc2Mjgw.html). State Department officials note the movie is now being used by public diplomacy offices in Afghanistan and elsewhere.

<sup>33</sup> Since 1994, legislation now requires the United States to rely solely on private (mostly corporate) donations to fund its Expo efforts. Such efforts failed to raise sufficient funds for the 2000 Hanover, Germany Expo, and for the first time since 1851, the U.S. did not participate. Similar funding difficulties for the 2005 Aichi, Japan Expo almost sank those efforts until Toyota USA and its U.S. parts subsidiaries stepped in at the last minute. Additionally, since 2001, the U.S. has been the only major country (with the exception of India) not to be a member of the Bureau of

Americans may forget the significant role World Expositions played in our own Public Diplomacy efforts. Until 2000, the United States participated in every Expo since the initial Expo in London in 1851, and from 1962-1984, the U.S. *hosted* six of the eight Expos that took place.<sup>34</sup> While many in the U.S. now view Expos as antiquated events of a by-gone era, the rest of the world does not. Thus, U.S. dithering about participation in Shanghai quickly became a high-level diplomatic topic.<sup>35</sup> During her first overseas trip as Secretary of State, Hillary Clinton received an earful from concerned Chinese officials regarding the lack of commitment on the part of the U.S., and the Administration finally became engaged in the process.<sup>36</sup> When the U.S. Pavilion was completed, it met with mixed reviews – “It’s fine,” was the best the Secretary of State could muster during her visit to the Expo – and critics complained of the slap-dash building design<sup>37</sup> and the lack of imagination and content that went into the project.<sup>38</sup> A similar fate

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International Expositions that governs Expos. Based on the success of Shanghai, states including California, Texas and Minnesota are now expressing interest in hosting the 2020 World Expo; however, absent U.S. membership in the BIE (annual dues of which are less than \$40,000), no U.S. bid will likely be considered. A February 2011 study by San Francisco’s Bay Area Council estimates an Expo there would generate \$5.6 Billion in economic activity. See Bay Area Council Press Release from February 7, 2011: <http://www.bayareacouncil.org/news/2011/02/07/press-release-world-expo-in-silicon-valley-would-generate-5-6-billion-in-economic-activity-for-bay-area-according-to-new-report/>.

<sup>34</sup> These expos included: 1962 Seattle, 1964/65 New York, 1968 San Antonio, 1974 Spokane, 1982 Knoxville and 1984 New Orleans.

<sup>35</sup> The Bush Administration had taken none of the major steps necessary to advance the USA Pavilion’s progress by the time it left office in January 2009, some argue since the Expo would not occur under their watch, this is understandable, others note that the timetable of Expos and U.S. elections makes this almost unavoidable. The Bush Administration did not participate in the Hanover, Germany Expo of 2000 (the first time the U.S. did not participate in an Expo since they began in 1851) for many of these same reasons, but also the inability of the NGO in charge to raise the needed funds. A similar fate almost occurred at the Aichi, Japan Expo in 2005, but was saved by last minute funding, partially by Toyota. See NPR: “U.S. May Need Chinese Money To Build Expo Pavilion” from March 27, 2009: <http://www.npr.org/templates/story/story.php?storyId=102432591> , for images of the 2005 Aichi Pavilion see <http://www.brcweb.com/brand/usaexpopavilion-design.html#picture>

<sup>36</sup> See Washington Post “U.S. Running Out of Time to Join Shanghai Expo” from May 7, 2009: <http://www.washingtonpost.com/wp-dyn/content/article/2009/05/06/AR2009050603888.html>.

<sup>37</sup> Due to the haste required, no architectural competition took place. Instead, the NGO which the State Department selected to create and run the Pavilion selected the Canadian firm Clive Grout (<http://clivegrout.com/>) which had designed similar exhibition halls in the past. The off-the-shelf look of the final product was met with scorn by most who viewed the entire enterprise as a major wasted opportunity to highlight American design, see Foreign Policy “A Sorry Spectacle” from March 8, 2010: [http://www.foreignpolicy.com/articles/2010/03/08/a\\_sorry\\_spectacle?page=full](http://www.foreignpolicy.com/articles/2010/03/08/a_sorry_spectacle?page=full). For images of past U.S. Expo design efforts, see Fast Company.com “Exporting Architecture: The Rise and Fall of U.S. World Expo Pavilions” from February 24, 2010: <http://www.fastcompany.com/pics/exporting-architecture-rise-and-fall-us-world-expo-pavilions?slide=8#10>.

seems to await the U.S. participation in the 2012 Yeosu, Korea Expo, as a formal Letter of Participation had still not been signed with the Korean government as of February 2011.<sup>39</sup> This inability to learn from mistakes of Shanghai is as troubling as it is confounding. The State Department has not yet raised the full \$10 million estimated for the cost of Yeosu, yet it has already released an RFP for the design and operations of the USA Pavilion with bids due March 15, 2011.<sup>40</sup>

### **Chinese PD in Uniform**

One of the most recent innovations in the evolution of Chinese Public Diplomacy has been its increasingly public and prominent role at the United Nations, particularly through its increased presence in U.N. peacekeeping operations. While still nowhere near becoming one of the top five Troop Contributing Countries, China's 2,100 military personnel ranked it number fourteen for 2010.<sup>41</sup> Keeping with its desire to project a non-threatening image, to date none of these troops have come from combat units but are mostly engineers who assist in infrastructure repair. While their projects may not be stamped "Made in China," they leave lasting positive impressions on locals long after they have returned to China.

While their current troop contribution levels may not be significant when viewed over recent years, it is clear that China has sought to step up its peacekeeping personnel dramatically.

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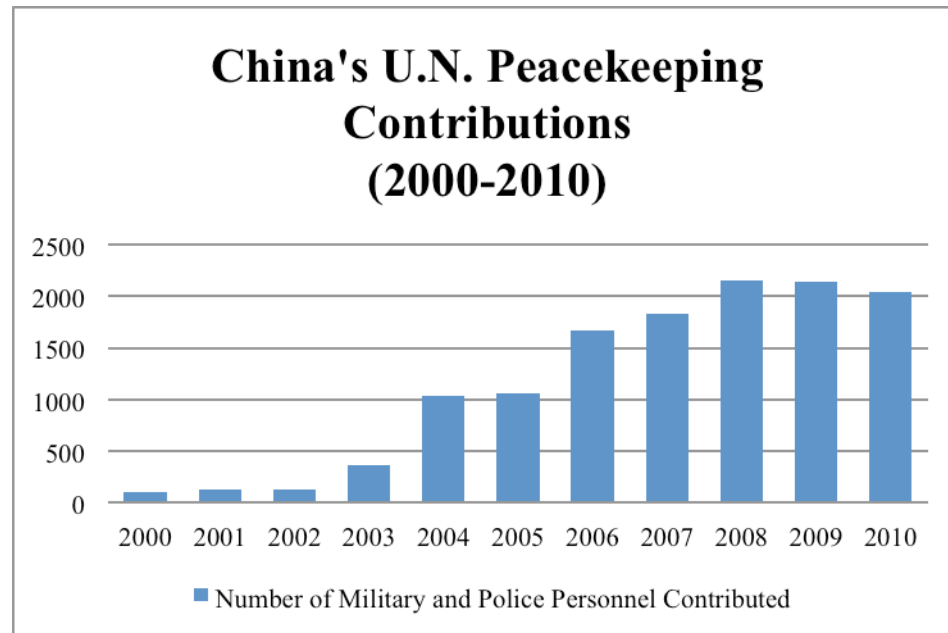
<sup>38</sup> See Shanghai Daily "Thumbs Down for U.S. Pavilion" from November 3, 2010, which cites a poll finding the U.S. the "most disappointing": [http://expo.shanghaidaily.com/news\\_detail.asp?id=453502](http://expo.shanghaidaily.com/news_detail.asp?id=453502); for an opposite view, see the three minute clip on YouTube, produced by the company (BCRI) that developed much of the pavilion's content: <http://www.youtube.com/watch?v=c1xjqpgXHqc>.

<sup>39</sup> The lack of a formal Participation Agreement was particularly frustrating given the important signal it would have sent a beleaguered South Korea in 2010 – the 60<sup>th</sup> anniversary of the Korean War – following the sinking of the South Korean Navy ship Choesen in March 2010 and the shelling of Yeonpyeong Island in November, both by North Korea.

<sup>40</sup> For Shanghai 2010, the NGO tasked with creating and running the USA Pavilion was originally also tasked with raising the \$61 million needed. When it failed to do so, Secretary Clinton lent her position to the effort and funds eventually were forthcoming from U.S. corporations. See New York Times "Famous Fund Raiser Delivers" from January 2, 2010: <http://www.nytimes.com/2010/01/03/world/asia/03clinton.html>. For Yeosu, which is a shorter Expo – only 3 months in duration to Shanghai's 6 months – and smaller, the State Department decided to raise the money itself, yet as of this writing, it had only raised less than \$5 million of the \$10 million needed. Regardless, the State Department released the RFP for the USA Pavilion in Yeosu on January 20, 2011: <http://www.federalregister.gov/articles/2011/01/20/2011-1185/bureau-of-educational-and-cultural-affairs-request-for-proposals-the-design-development-installation> noting to Committee staff that as long as they did not award the contract prior to obtaining all the needed funding, there were no legal impediments to looking at prospective bids.

<sup>41</sup> Bangladesh and Pakistan each contribute over 10,000; India almost 9,000; Nigeria, Egypt and Nepal contribute over 5,000. The United States ranks 89<sup>th</sup> with 89 personnel: [http://www.un.org/en/peacekeeping/contributors/2010/nov10\\_2.pdf](http://www.un.org/en/peacekeeping/contributors/2010/nov10_2.pdf).

This increase, combined with the 2009 opening of a \$29 million peacekeeping training facility outside Beijing, indicates that China will continue to expand its presence in U.N. peacekeeping in order to demonstrate to the world it should be considered a major factor in maintaining world peace.<sup>42</sup> At the same time, others point to China's minute portion (3.94%) of the total U.N. peacekeeping budget as yet another example of China's desire to demand respect at the same time it portrays itself as a developing nation.<sup>43</sup>



### PD Realities: The World's View of China

China has spent countless millions to portray itself as a benign, gentle, reflective nation, and most Chinese officials, when asked by Committee staff during travel to the region how the rest of the world views China, waffled and fell back on Hanban imagery of ancient China. One official, however, said “authoritarian.” Based on China's recent actions, statements and attempts

<sup>42</sup> See China Daily “China Opens First Peacekeeping Training Center” from June 25, 2009: [http://www.chinadaily.com.cn/china/2009-06/25/content\\_8324367.htm](http://www.chinadaily.com.cn/china/2009-06/25/content_8324367.htm) . While the Chinese facility has so far been used only for the training of Chinese peacekeepers, Beijing intends for it to become a global training center. The United States has no formal static facility and therefore loses a significant PD icon that the Chinese facility will surely become. However, through the State Department's Global Peace Operations Initiative (GPOI), it has already trained and equipped nearly 140,000 personnel since 2004. Of these, more than 110,000 troops from 29 GPOI countries have deployed to 19 UN, African Union, and other regional peace support operations around the world. In FY2010, GPOI's budget topped some \$97 million. See <http://www.state.gov/t/pm/ppa/gpoi/>.

<sup>43</sup> The United States assumes the most (27%) of the U.N.'s \$7.9 billion peacekeeping budget. Japan is number two (12.5%), the UK and Germany are roughly tied (8%). France (7.5%) and Italy (5%) assume the next highest percentages of the budget followed by China. See <http://www.un.org/en/peacekeeping/documents/factsheet.pdf>.

to control information and clamp down on anything it thinks smacks of dissent, *most* of the world would agree with that lone opinion. This view of China has been born out in recent polling data and has only worsened in recent years.

In the 2010 annual BBC World Opinion Poll, when asked whether China's influence in the world was having a mainly positive or negative impact, only 34% of the respondents in 28 countries replied "Positive." While the 2010 figure is the same as in 2009, it represents a dramatic drop since 2005 when China received a 49% positive rating.<sup>44</sup> The same poll and the Pew Research's Global Attitudes Project show significantly high negative numbers for China in Europe.<sup>45</sup>

China clearly understands there is an important role for Public Diplomacy in its foreign policy and continues to pour money and resources into it. Yet China has not adequately addressed two critical elements for Chinese PD efforts necessary to gain real traction with foreign audiences. The first issue is the widely-held perception that China, through the ruling Communist Party, controls every aspect of those portions of society that are generally used in PD – the arts, TV, movies, the press and education. Therefore, China's biggest stumbling block is convincing its audience that its PD offerings are anything but a pure projection of the political State rather than the cultural, intellectual, scientific and artistic expressions of the Chinese people. The second key issue is that China's reliance on its Confucian heritage has failed to square with the world's view of a 21<sup>st</sup> century China - in spite of its popular Olympics and Expo. Without addressing these two key areas, China's PD efforts will be viewed, at best, as pure propaganda.<sup>46</sup> This fact, coupled with recent major missteps by China, will only cause this perception/reality gap to widen but will in no way diminish China's PD efforts and spending.

### **KFPD – “Kung Fu Panda Diplomacy” and the Role of Cinema in PD**

Before there was truly modern, organized Chinese Public Diplomacy, China relied on the Giant Panda to project its image. With its gentle nature – the panda is perhaps the epitome of non-threatening. Once China – as the only source of these illusive bears – appreciated the world's fascination with these animals, they became a veritable PD goldmine but that took time. It was not until 1957 that China first bestowed a panda as a state gift to Russia, with North Korea

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<sup>44</sup> In the same poll of some 30,000 respondents, the United States saw an upswing from 2005's 39% Positive rating to 29% in 2007 to 40% in 2010. See pp. 5-8 of

[http://www.globescan.com/news\\_archives/bbc2010\\_countries/BBC\\_2010\\_countries.pdf](http://www.globescan.com/news_archives/bbc2010_countries/BBC_2010_countries.pdf).

<sup>45</sup> See <http://pewglobal.org/database/?indicator=24&survey=9&response=Unfavorable&mode=table>.

<sup>46</sup> When pressed for a more relevant image that China would want to come to mind for the rest of the world that would reflect China's current technological and economic capabilities, the same official who felt the world viewed China as “authoritarian” offered the image of a businessman.



receiving the second in 1965. The U.S. was next in 1972, following President Nixon's historic visit to Beijing. This was followed by a spate of gifts to other countries in the next ten years; however, most of these animals died in captivity. When the program restarted, China began to "loan" pandas to various zoos for ten years (and for a fee that often reached \$1 million per year) with the agreement that any cubs produced would be returned to China. In the U.S., Washington, Atlanta, San Diego and Memphis each have a pair.<sup>47</sup>

This embracing of the panda by the West is one of the few successes China has scored for its current crop of home-grown cultural icons. Yet, frustratingly for China, the United States, through Hollywood, has done at least as much to shape the rest of world's image of China. Recent U.S. films, including Disney's "*Mulan*," and Columbia Pictures' 2010 "*Karate Kid*" have had as large an impact on China's image in Western popular culture as anything China produced domestically. For a nation trying to project and protect its ability to shape its own image, the fact that these films were wildly popular inside China could not have been welcome news. This was particularly true of DreamWork's "*Kung Fu Panda*," which became the highest grossing animated film in Chinese history.<sup>48</sup> Chinese commentators also lamented that it took Americans to portray their ancient symbols in such a successful format, albeit with certain Hollywood liberties.<sup>49</sup> Given its success, DreamWorks is set to release a sequel in May 2011.

The role of cinema as part of a nation's Public Diplomacy often receives little attention, in part because, for most countries, film production is privately run and therefore not under the official control of the state. Nonetheless, the images they convey, the stories they tell and the emotional and cultural imprints they leave on audiences do as much, if not more, to paint a portrait of a nation than any formal PD efforts.

As with almost all societies, a middle class with more disposable wealth and free time on its hands views entertainment as a natural outlet. The rising middle class in China clearly thirsts for more varied fare than Chinese producers are willing (or permitted) to offer. One need only

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<sup>47</sup> Some observers only half-jokingly stated that the only positive and concrete result of President Hu's January 2011 visit to the U.S. was the agreement to extend the loan of the pandas DC's National Zoo for another five years (and to lower the cost to about \$500,000). Given the enormous and enthusiastic crowds they draw and the fact that China tightly controls their distribution, making them even more desirable, one could argue that "Panda Diplomacy" is China's best form of PD. One wonders if a reciprocal "American Buffalo" program would be equally rapturously received in China. See Washington Post "Five Year Extension for Pandas" from January 20, 2011: <http://www.washingtonpost.com/wp-dyn/content/article/2011/01/19/AR2011011907126.html>; The Scotsman (UK) "Pandas Head for Scotland, But It's Not Black and White Yet" from December 11, 2010: <http://news.scotsman.com/news/Pandas-head-for-Scotland-.6657432.jp>.

<sup>48</sup> See **Appendix C** for a list of foreign film box office earnings in China.

<sup>49</sup> See L.A. Times "China Had to Import Kung Fu Panda" from July 28, 2008: <http://www.latimes.com/news/nationworld/world/asia/la-et-panda28-2008jul28.0.4115116.story>.

recall the official backpedaling last year when Chinese authorities tried to force cinema houses to pull the wildly popular 20<sup>th</sup> Century Fox movie “*Avatar*” and replace it with the domestic biographic film “*Confucius*.”<sup>50</sup>

China’s lifting of its official cap beyond the current twenty foreign titles allowed each year would have major impact on Chinese PD in three areas. Firstly, the move would demonstrate willingness on the part of China to address, in part, the festering U.S.-China trade imbalance issue. Secondly, Chinese audiences would be offered a product they clearly desire and can now afford – a further demonstration of how much their economy has grown in the last thirty years. Lastly, China is still viewed by most of the world as a closed society, and such an opening would help suggest otherwise to the rest of the world.<sup>51</sup>

However, Beijing remains steadfast in its desire to control the message as well as the medium. Officially, Chinese officials insist that opening its film market would damage their nascent domestic film industry and point out that there are only 313 movie theaters with 6,200 screens in the *entire* nation (of those, over 1,500 were added in just 2010, again demonstrating domestic demand).<sup>52</sup> However, as the *Confucius/Avatar* issue demonstrates, the Chinese certainly know how to make movies; they just do not yet seem to know how to make many movies with broad domestic or international appeal.<sup>53</sup>

China seems similarly unwilling to recognize the Intellectual Property Rights issues involving the countless shops that hawk bootleg DVDs of the latest fare that Hollywood and China produces, and the impact this is having on its domestic movie theater and cinema industries. According to the most recent estimates provided by the Motion Picture Association of America, video piracy in China in 2005 cost the U.S. some \$244 million in lost revenue.<sup>54</sup>

### **No Nobel for Liu Xiaobo – Poor Human Rights Undermine China’s PD Efforts**

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<sup>50</sup> See New York Times “China’s Zeal for ‘Avatar’ Crowds Out ‘Confucius’” from January 29, 2010: <http://www.nytimes.com/2010/01/30/business/global/30avatar.html>.

<sup>51</sup> While the current cap of twenty films may seem puzzlingly low, prior to China’s accession to the World Trade Organization, the quota had been a mere five. Thus, when China offered to quadruple the limit to twenty, the offer seemed too good to pass up.

<sup>52</sup> See Fast Company “The Chinese Film Industry is Ready for Its Close-Up” from January 11, 2011: <http://www.fastcompany.com/1716119/chinese-film-industry-taking-over-the-globe>.

<sup>53</sup> While Chinese movies such as *Raise the Red Lantern*, *Red Sorghum*, *Crouching Tiger-Hidden Dragon* and *Farewell My Concubine* have done well overseas, they are the exceptions, not the rule.

<sup>54</sup> For more on IPR/Piracy issues, see New York Times “Software Piracy in China” from January 19, 2011: <http://economix.blogs.nytimes.com/2011/01/19/software-piracy-in-china>.

A more profound impact on China's PD image was Beijing's reaction to the awarding of the Nobel Peace Prize to Liu Xiaobo (an imprisoned Chinese human rights activist sentenced in 2009 to eleven years for "subversion"). Beijing's tone-deaf nature in reacting to outside criticism shocked much of the world.<sup>55</sup> Chinese official media lambasted the Nobel Committee and called the ceremony in Oslo an "anti-China farce." Not content with denying Liu Xiaobo's wife, Liu Xia, permission to travel to Oslo to accept the award on her husband's behalf, Chinese authorities also put dozens of human rights activists who applauded the Nobel award under house arrest or surveillance and denied them foreign travel.<sup>56</sup> This timing of all this could not have been worse, as it followed on the heels of an open letter signed by a group of 23 former Communist Party officials, former high ranking state media officials, professors and researchers entitled "Enforce Article 35 of the Chinese Constitution, Abolish Censorship and Realize Citizens' Right to Freedom of Speech and Freedom of Press: A Letter to the Standing Committee of the National Peoples Congress."<sup>57</sup>

In an effort to diffuse the international firestorm, Chinese officials, between the announcement of the Nobel and the actual presentation ceremony, decided to award their own "Confucius Peace Prize." Lien Chan, Taiwan's former Vice President, was selected as the recipient of the Prize for his role repairing ties between Beijing and Taipei and for his 2005 visit to mainland China (the first such high level visit since Chiang Kai-shek and Mao Zedong met in 1945). However, when the Confucius Prize was handed out, the day before the Nobel award, Lien Chan was not present and confusion reigned regarding his knowledge of the award.<sup>58</sup>

Following the announcement of the Nobel Prize, Beijing also warned Norway that the award would strain bilateral relations and urged (some say threatened) nations to boycott the award. Of the seventeen nations listed by the media that joined China in skipping the ceremony, some have a common view on domestic democracy activists. Others, even some who are

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<sup>55</sup> This is not the first time the Nobel Committee has incurred China's wrath. The exiled Dalai Lama won the Peace Prize in 1989 and dissident writer Gao Xingjian, now a French citizen, won for Literature in 2000.

<sup>56</sup> See Financial Times "China Snubs Nobel With Rival Peace Prize" from December 9, 2010: <http://www.ft.com/cms/s/0/7e5f1282-02b8-11e0-a07e-00144feabdc0.html#axzz17dPbt6bi>; Christian Science Monitor "Chinese Authorities Silence Friends of Liu Xiaobo in Extensive Roundup" from December 9, 2010: <http://www.csmonitor.com/World/Asia-Pacific/2010/1209/Chinese-authorities-silence-friends-of-Liu-Xiaobo-in-extensive-roundup>.

<sup>57</sup> See New York Times "Ex-Chinese Officials Join in Call for Press Freedom" from October 13, 2010: <http://www.nytimes.com/2010/10/14/world/asia/14china.html>. The text of the letter is printed in **Appendix D**.

<sup>58</sup> See CNN "Winner a No-Show as China Hands Out its First Peace Prize" from December 9, 2010: [http://articles.cnn.com/2010-12-09/world/china.confucius.peace\\_1\\_prize-committee-norwegian-nobel-prize-jury?\\_s=PM:WORLD](http://articles.cnn.com/2010-12-09/world/china.confucius.peace_1_prize-committee-norwegian-nobel-prize-jury?_s=PM:WORLD).

significant recipients of U.S. democracy training and military professionalization assistance, joined the boycott as well.<sup>59</sup> They included:

Afghanistan	Iraq	Sri Lanka
Algeria	Kazakhstan	Sudan
China	Morocco	Tunisia
Cuba	Pakistan	Venezuela
Egypt	Russia	Vietnam
Iran	Saudi Arabia	

China's posturing throughout this entire period accomplished nothing except to reinforce negative perceptions of China as a reactionary and oppressive state. As noted, China bristles whenever this issue of human rights is raised, but, as has been well documented, China continues to imprison human rights activists and journalists as well as restrict freedom of association, speech and religion.<sup>60</sup> China's all too comfortable relationship with Iran was ironically highlighted when both nations tied for first in the number of imprisoned journalists in 2010 (34 in each). According to the NGO Committee to Protect Journalists (CPJ), China has been the leader in this field since CPJ began keeping statistics in 2000.<sup>61</sup> As of October 2010, the U.S. Congressional-Executive Commission on China's Political Prisoner Database lists the details on over 1,450 cases.<sup>62</sup>

In the same manner that China created its own Peace Prize, in May of 2010, China published, for the eleventh year in a row, its own report on the human rights of the United States – just in time to coincide with the State Department's annual Human Rights Report on every

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<sup>59</sup> See BBC News "Nobel Peace Prize: Who Is Boycotting the Ceremony" from December 10, 2010, which lists stated reasons by some of the boycotters as to why they did not attend: <http://www.bbc.co.uk/news/world-11879731>. Initially, the Philippines, Serbia, and the Ukraine were also reported as planning to boycott see The Norway Post "19 Nations Boycott Peace Prize Ceremony" from December 7, 2010: <http://www.norwaypost.no/news/19-nations-boycott-the-peace-prize-ceremony.html>; but in the end, these countries sent officials to the ceremony.

<sup>60</sup> See Amnesty International's 2009 report on China: <http://www.amnesty.org/en/region/china/report-2009>; Human Rights Watch 2009 report on China: <http://www.hrw.org/en/node/87491>; Freedom House's 2009 country report on China report is here: <http://www.freedomhouse.org/template.cfm?page=363&year=2010>.

<sup>61</sup> See Committee to Protect Journalists: <http://cpj.org/>. CPJ's list of the 34 imprisoned Chinese journalists is found in **Appendix E**.

<sup>62</sup> The full list of all 1,452 can be found here: [http://cecc.gov/pages/victims/20101010\\_PPD\\_AR10.pdf?PHPSESSID=6a812e6c3794e335cdb5cfc620eeca9](http://cecc.gov/pages/victims/20101010_PPD_AR10.pdf?PHPSESSID=6a812e6c3794e335cdb5cfc620eeca9). A searchable version of the Database is here: <http://ppd.cecc.gov/>.

country.<sup>63</sup> This was another example of China bristling at what it views as U.S. hegemonic hectoring and moral double standards and for “posing as the world judge on human rights.” China’s report focused on such issues as criticizing the U.S. for using Human Rights as “a political instrument to interfere in other countries’ internal affairs, defame other nations’ image and seek its own strategic interests.” China’s report also comments on activities by the National Security Agency wiretapping, the level of domestic violent crime, economic hardship leading to increasing suicide rates and the \$64 billion 2010 arms sales to Taiwan.<sup>64</sup> China’s view that the United States is somehow beyond review was blunted this year when it was the turn of the U.S. to appear before the United Nations Human Rights Council in August and defend its human rights record as outlined in its 29-page submission.<sup>65</sup>

This aversion to public discourse on human rights is not limited to activists and NGOs. China blocks any words on the subject from entering the mainstream conversation. Such was the case with Premier Wen Jiabao’s comments made during an interview with CNN on the need for greater reforms. Wen’s statement that “The people’s wish and need for democracy and freedom are irresistible,” apparently pushed the envelope too far and censors quickly informed China media to expunge it.<sup>66</sup> However, this example of censoring China’s top Communist leadership is not a rarity.

During his January 2010 state visit to the U.S.,<sup>67</sup> President Hu was praised by some in the West for his “candor” of his statement that:

“China is a developing country with a huge population, and also a developing country in a crucial stage of reform. In this context, China still faces many challenges in

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<sup>63</sup> The full text of China’s “Human Rights Record of the United States in 2009” can be found here: [http://news.xinhuanet.com/english2010/china/2010-03/12/c\\_13208219.htm](http://news.xinhuanet.com/english2010/china/2010-03/12/c_13208219.htm); the U.S. State Department’s 2009 Human Rights Report on China can be found here: <http://www.state.gov/g/drl/rls/hrrpt/2009/eap/135989.htm>.

<sup>64</sup> What Beijing seems to fail to recognize is that the majority of the statistics listed in its report are sourced to U.S. press articles and official U.S. government documents. Such information reflects a transparency and oversight of government that does not yet exist in China, a fact that the average Chinese reader of the report on the U.S. can easily recognize when they compare it to their own government.

<sup>65</sup> China’s February 2009, 33 page submission to the UN Human Rights Council can be found here: [http://lib.ohchr.org/HRBodies/UPR/Documents/Session4/CN/A\\_HRC\\_WG6\\_4\\_CHN\\_1\\_E.pdf](http://lib.ohchr.org/HRBodies/UPR/Documents/Session4/CN/A_HRC_WG6_4_CHN_1_E.pdf); the U.S. 22 page submission to the Council from August 2010 can be found here: [http://lib.ohchr.org/HRBodies/UPR/Documents/session9/US/A\\_HRC\\_WG.6\\_9\\_USA\\_1\\_United%20States-eng.pdf](http://lib.ohchr.org/HRBodies/UPR/Documents/session9/US/A_HRC_WG.6_9_USA_1_United%20States-eng.pdf).

<sup>66</sup> See NPR “Momentum Slows for Political Reform in China” from October 25, 2010: <http://www.npr.org/templates/story/story.php?storyId=130752569>.

<sup>67</sup> See Washington Post Editorial “President Obama Makes Hu Jintao Look Good on Human Rights” from January 19, 2011: <http://www.washingtonpost.com/wp-dyn/content/article/2011/01/19/AR2011011906123.html>.

economic and social development. *And a lot still needs to be done in China, in terms of human rights.*"<sup>68</sup>

But even President Hu Jintao himself could not escape the Chinese censors, as his statement on human rights received virtually no coverage in China's media. The Obama-Hu press conference was not covered live in China, nor, according to the Washington Post, was any video even available on CCTV – China's main television channel – or its website.<sup>69</sup>

### **China – First or Third World?**

"I hold that the U.S. and the Soviet Union are the First World. The middle elements, such as Japan, Europe Australia and Canada, belong to the Second World. We are the Third World."<sup>70</sup>

- Mao Zedong, February 22, 1974

China's reactions to pressure from the West on human rights and other issues related to rule of law come as no surprise, given China's view of itself as the leader of the G-77 and thus the bulwark against former colonial powers "lecturing" their prior subjects. Mao's quote and President Hu's previous statement that "China is a developing nation..." demonstrate China's public protestations that it is anything but a Superpower.<sup>71</sup> China is, however, decidedly ambivalent about its position in the G-77.

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<sup>68</sup> Text of the press conference: <http://www.whitehouse.gov/the-press-office/2011/01/19/press-conference-president-obama-and-president-hu-peoples-republic-china>.

<sup>69</sup> See Washington Post "Hu's Remarks Censored Back Home" from January 21, 2011: <http://www.washingtonpost.com/wp-dyn/content/article/2011/01/20/AR2011012005348.html>. There is no mention of "...a lot of work still needs to be done." Rather just bland promises to "...learn from each other in terms of best practices" on China Daily's "Quotes from Hu and Obama" from January 21, 2011: [http://www.chinadaily.com.cn/china/2011huvisistsus/2011-01/21/content\\_11892220.htm](http://www.chinadaily.com.cn/china/2011huvisistsus/2011-01/21/content_11892220.htm). However, the full interchange on human rights, including Hu's by-now famous phrase, can be found on China Daily's English website at 2:30 into the video clip: [http://www.chinadaily.com.cn/video/2011-01/20/content\\_11888250.htm](http://www.chinadaily.com.cn/video/2011-01/20/content_11888250.htm) - how many Chinese citizens routinely hear their president via this method is unclear.

<sup>70</sup> From Mao Zedong *On Diplomacy*, Foreign Language Press, Beijing, 2007. p. 454.

<sup>71</sup> See CNN's Fareed Zakaria's September 29, 2008 interview with China's Premier Wen Jiabo in which he states, "I need to correct some of the elements in your question first. China is NOT a superpower. Although China has a population of 1.3 billion and although in recent years China has registered fairly fast economic and social development and opening up, China still has this problem of unbalanced development between different regions and between China's urban and rural areas. China remains a developing country. We still have 800 million farmers in rural areas, and we still have dozens of million people living in poverty. As a matter of fact, over 60 million people in rural and urban areas in China still live on allowances for basic living costs in my country. And each year we need to take care of about 23 million unemployed in urban areas and about 200 million farmers come and go to find

When issues such as economic or monetary policies, climate change<sup>72</sup> and intellectual property rights are raised, China eagerly portrays itself as a developing nation that still needs time to develop and should not be bound by the same rule set as OECD nations.<sup>73</sup> China will point to its low per capita income of \$6,700 when compared to over \$33,000 for the OECD, rather than its trillions of dollars in foreign currency reserves. However, in matters of sovereignty, internal affairs and international relations, China bristles when it is treated as anything like a struggling nation. When other nations criticize or even critique China in these areas they are seen as lecturing and self-righteous for “daring” to try to tell China how it should act.<sup>74</sup>

China’s recent multi-billion dollar push to expand its public diplomacy and international media operations is a logical follow-on for a nation that has risen almost phoenix-like from the ashes of the Cultural Revolution and Great Leap Forward. From Beijing’s perspective, China must be doing something right to have achieved such economic success in less than a generation. China believes the reporting in the Western media is almost “hegemonic,” with its seemingly constant criticism and refusal to give China credit for its past and present achievements.<sup>75</sup> This is a common belief held by most of the G-77, but only China is in a real position financially to try to promote itself through its own global media network. China is perfectly content to carry this global mantle as the counter-weight to Western media, as this stance comports to China’s view of itself as a world leader.

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jobs in China.” Read the full text here: [http://articles.cnn.com/2008-09-29/world/chinese.premier.transcript\\_1\\_financial-crisis-interview-vice-premier?\\_s=PM:WORLD](http://articles.cnn.com/2008-09-29/world/chinese.premier.transcript_1_financial-crisis-interview-vice-premier?_s=PM:WORLD).

<sup>72</sup> See Reuters ‘China Denies Softening On Emissions Stance’ in which Chinese officials denied reports the country would back away from its position that China should be free to grow its economy unfettered by an internationally binding emissions commitment, from December 8, 2010: <http://af.reuters.com/article/energyOilNews/idAFTOE6B607120101208?sp=true>.

<sup>73</sup> G-77 is a misnomer. The original Group of 77 coalition, founded in 1964 to include the Lesser Developed Countries, has since expanded to 131 member countries. Of these China, India and Brazil are the largest economies. Perhaps the opposite of the G-77 would be the 34-member Organization for Economic Cooperation and Development that arose from the recipients of America’s Marshall Plan assistance and later began admitting non-European countries in 1961. A complete list to the G-77 is here: <http://www.g77.org/doc/members.html>; OECD member list: [http://www.oecd.org/document/25/0,3343,en\\_36734052\\_36761800\\_36999961\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/25/0,3343,en_36734052_36761800_36999961_1_1_1_1,00.html). Chile, not China, is currently the only nation to be a member of both organizations.

<sup>74</sup> See New York Times “China Resisted U.S. Pressure on Rights of Nobel Winner” from December 8, 2010 where the Deputy Minister in America Section of the Chinese Foreign Ministry lectures an American diplomat that Washington must “cease using human rights as an excuse to meddle in Chinese internal affairs”: [http://www.nytimes.com/2010/12/09/world/asia/09wikileaks-oslo.html?\\_r=1&hp](http://www.nytimes.com/2010/12/09/world/asia/09wikileaks-oslo.html?_r=1&hp).

<sup>75</sup> See Maria Wey-Shen Siow’s “Chinese Domestic Debate on Soft Power and Public Diplomacy” from the December 7, 2010 Asia Pacific Bulletin; [http://www.eastwestcenter.org/fileadmin/stored/pdfs/apb086\\_2.pdf](http://www.eastwestcenter.org/fileadmin/stored/pdfs/apb086_2.pdf).

As noted in a prior Committee Report,<sup>76</sup> China's state-run Xinhua News has expanded its reach throughout the world, in part to provide what China believes is "balance" to the "anti-China bias" found in Western reporting. With budget cuts dramatically curtailing the number of Western media foreign correspondents, Xinhua by-lines in papers over the world may soon be a reality as its journalists and stringers are being posted to corners of the world deemed of lower priority by other major media services.<sup>77</sup> Xinhua has announced plans to open a two-floor headquarters in Times Square, NY and has begun broadcasting from within the United States.<sup>78</sup> Additionally, Xinhua has some 75 correspondents based in the United States, and since 2007 the State Department has issued some 2,900 press visas to Chinese journalists. Meanwhile, the Chinese government has refused to allow the Voice of America to open a bureau in Shanghai and restricts VOA to only two correspondents in Beijing. Both VOA and Radio Free Asia's broadcasts into China are routinely and heavily jammed, forcing them to reach their audiences primarily through (and around) China's heavily censored Internet.

### **Commercial Dominance and Territorial Saber Rattling Strain Local Relationships**

Recent Chinese actions in the East China Sea brought increased negative attention to China following the collision of a Chinese fishing trawler with one or more Japanese naval vessels near the contested and remote Senkaku Islands (or as China calls them, the Diayou Islands) in September 2010.<sup>79</sup> Even though Japan released the crew after a few days, Beijing allowed ultra-nationalists to spin up the continued detention of the captain to what many considered an alarming degree, with large anti-Japan demonstrations in most major cities. In addition to traditional expressions of discontent such as the cancelling several high-level bilateral meetings, Beijing also stooped to petty levels and blocked the visit of 1,000 Japanese children,

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<sup>76</sup> See U.S. Senate Foreign Relations Committee Report "U.S. International Broadcasting: Is Anybody Listening?" from June 9, 2010: <http://lugar.senate.gov/issues/foreign/diplomacy/report.pdf>.

<sup>77</sup> See Newsweek "All the Propaganda That's Fit to Print: Why Xinhua, China's state news agency, could be the future of journalism" from September 3, 2010: <http://www.newsweek.com/2010/09/03/is-china-s-xinhua-the-future-of-journalism.html>. The decline of the international coverage is not limited to U.S. media as the BBC is also reducing its number of translators of foreign news stories, see "BBC Monitoring Cutting 72 Posts" from January 17, 2011: <http://www.bbc.co.uk/news/entertainment-arts-12209342>. Further cuts to the BBC were announced soon thereafter, including the shuttering of 5 of its 32 language services and eliminating one quarter of its staff over three years, see New York Times "BBC, Facing Budget Cuts, Will Trim World Service and Lay Off 650" from January 26, 2011: <http://www.nytimes.com/2011/01/27/world/europe/27bbc.html>.

<sup>78</sup> See Washington Post "From China's Mouth to Texans' Ears: Outreach Includes Small Station in Galveston" from April 25, 2010: [http://www.washingtonpost.com/wp-dyn/content/article/2010/04/24/AR2010042402492\\_pf.html](http://www.washingtonpost.com/wp-dyn/content/article/2010/04/24/AR2010042402492_pf.html).

<sup>79</sup> The video of the Chinese trawler "Minjinyu" clearly ramming one of the Japanese patrol boats can be seen here: [http://www.youtube.com/watch?v=lv031K\\_IV4I](http://www.youtube.com/watch?v=lv031K_IV4I).



who had been officially invited by Chinese Premier Wen Jiabo, to the Shanghai World Expo.<sup>80</sup> More ominously, China suspended shipments of so called rare earth minerals<sup>81</sup> to Japan – a move that has the potential benefit of Japan now seeking these vital minerals from the United States and Canada, though Western production of them is currently dwarfed by China.<sup>82</sup>

Similar territorial issues exist even farther south. Fears throughout the region were raised by the publication of official Chinese maps that include an inset claiming the *entirety* of the South China Sea. (Because of its shape, this area is known colloquially as the Cow’s Tongue). China’s claims to this vast territory, virtually touching the shores of Vietnam, Brunei, the Philippines and Malaysia (and including the disputed Spratly Islands), go well beyond internationally recognized maritime territorial limits, and are now driving many nations in the region to begin looking towards the United States as a potential buffer.<sup>83</sup>

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<sup>80</sup> See Financial Times “China and Japan Spat Mars Youth Expo Visit” from September 20, 2010: <http://www.ft.com/cms/s/0/c3dd2228-c48c-11df-bc11-00144feab49a.html#axzz17eOcxBEN>.

<sup>81</sup> These 17 minerals are vital to the production of virtually every modern technology from cell phones to computer circuits to virtually every nascent green technology, and China has a lock on some 95% of the production of them. See BBC News “Rare Earth: The New Great Game” from November 18, 2009: [http://www.bbc.co.uk/blogs/newsnight/paulmason/2009/11/rare\\_earth\\_the\\_new\\_great\\_game.html](http://www.bbc.co.uk/blogs/newsnight/paulmason/2009/11/rare_earth_the_new_great_game.html). See pp 128-9 of the U.S. Geological Survey for a breakdown of production and reserves for the U.S., China, Australia, Brazil and others: [http://minerals.usgs.gov/minerals/pubs/commodity/rare\\_earths/mcs-2010-raree.pdf](http://minerals.usgs.gov/minerals/pubs/commodity/rare_earths/mcs-2010-raree.pdf).

<sup>82</sup> See St. Louis Business Journal “Senators Bond and Bayh Introduce Rare Earth Legislation” from December 17, 2010: <http://www.bizjournals.com/stlouis/news/2010/12/17/bond-bayh-introduce-rare-earth-bill.html>; NY Times “Block on Minerals Called Threat to Japan’s Economy” from September 28, 2010: <http://www.nytimes.com/2010/09/29/business/global/29rare.html>; See NTD (Japan) Television “Japan Seeks to Secure Rare Earth Supplies from U.S. Firm” from December 7, 2010: [http://english.ntdtv.com/ntdtv\\_en/ns\\_bus/2010-12-07/630950685742.html](http://english.ntdtv.com/ntdtv_en/ns_bus/2010-12-07/630950685742.html). China mines some 93% of these minerals, with the U.S. (which used to be a major producer) woefully unprepared for any long-term cutoff of overseas production; see New York Times “Challenging China in Rare Earth Mining” from April 21, 2010: <http://www.nytimes.com/2010/04/22/business/energy-environment/22rare.html> and Wall Street Journal “China’s Rare Earth Gambit” from October 19, 2010: <http://online.wsj.com/article/SB10001424052702304410504575559532707753878.html>. China’s actions on these minerals has not abated in the ensuing months, see Wall Street Journal “China Moves To Strengthen Grip Over Supply Of Rare-Earth Metals” from February 7, 2011: <http://online.wsj.com/article/SB10001424052748704124504576117511251161274.html>. See The People’s Daily “China Wise to Guard Its Rare Earth Wealth” from October 18, 2010: <http://english.people.com.cn/90001/90780/91344/7169357.html>; the English edition of the official Chinese paper China Daily “Regulation of Rare Earth Exports Needed” from November 24, 2010: [http://www.chinadaily.com.cn/opinion/2010-11/24/content\\_11600838.htm](http://www.chinadaily.com.cn/opinion/2010-11/24/content_11600838.htm).

<sup>83</sup> See New York Times “China’s Fast Rise Leads Neighbors to Join Forces” from October 30, 2010: <http://www.nytimes.com/2010/10/31/world/asia/31china.html>; BBC News “China Boosts Maritime Fleet Amid Disputes: from October 28, 2010: <http://www.bbc.co.uk/news/world-asia-pacific-11646489>.



Photo of Inset on Official Chinese Map of the so-called Chinese “Cow Tongue” claiming virtually the entire South China Sea

While a great source of domestic pride for a nation that in some thirty years has gone from an industrial backwater to production powerhouse, China’s economic “rise” has not come without its consequences and has provoked backlashes in some markets which seem to have come as a “shock” (whether real or feigned) to China. Events such as the recent riots against Chinese merchants in neighboring Kyrgyzstan, or accusations that Chinese mine operators opened fire on their Zambian workers are becoming more common.<sup>84</sup> While this has provoked a frustrated “after all we have done for them” reaction in Beijing, which views China’s economic development projects with a mixture that is part profit and part benevolence. Such expressions are not always reciprocated by these nations who detect instead what they view as China treating

<sup>84</sup> See BBC News “Chinese Bosses Charged Over Zambian Mine Shooting” from October 18, 2010: <http://www.bbc.co.uk/news/world-africa-11568485>; “Zambia Mine Shooting: Chinese Bosses Miss Court Hearing” from January 5, 2011: <http://www.bbc.co.uk/news/world-africa-12119002>; see China Daily “Chinese Businessmen in Kyrgyzstan Suffer Heavy Losses” from April 20, 2010: [http://www.chinadaily.com.cn/china/2010-04/10/content\\_9710377.htm](http://www.chinadaily.com.cn/china/2010-04/10/content_9710377.htm).

locals with an attitude bordering on patronizing colonialism and officially treating countries as “vassal” nations.<sup>85</sup>

Global concern over China’s willingness to openly support regimes such as Sudan and Iran both diplomatically and militarily in exchange for access to mineral and oil rights have led many to call China to task for its seemingly insatiable appetite for natural resources and its willingness to do business with anyone.<sup>86</sup> To many nations, China’s most perplexing relationship is its continued financial and military support for the brutal North Korean dictatorship, with Beijing acting as both Pyongyang’s protector and benefactor in the international area. This relationship was laid bare for all to see following the North’s sinking of the South Korean naval corvette *Cheonan* on March 26, 2010 and the more recent North Korean artillery attack on South Korea’s Yeonpyeong Island on November 23, 2010. China’s muted reaction and dilatory tactics when the incidents were brought to the U.N. puzzled even the most seasoned China watchers.<sup>87</sup> The U.N. Security Council was only able to pass a Presidential Statement on July 9 after it was watered down by China. China has blocked *any* such statement regarding the November attacks.<sup>88</sup>

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<sup>85</sup> See Washington Post “As China Finds Bigger Place in World Affairs, its Wealth Breeds Hostility” from September 8, 2010: <http://www.washingtonpost.com/wp-dyn/content/article/2010/09/07/AR2010090707448.html>; Financial Times “Mongolia Makes Tracks to Escape Its Neighbor” from January 19, 2001: <http://www.ft.com/cms/s/0/e81f0366-23ed-11e0-bef0-00144feab49a.html#axzz1Bms6DhXD>; Financial Times “Cash Flow Into Peru Mine Brings Rights Fear” from January 19, 2011: <http://www.ft.com/cms/s/0/77666ad0-23f0-11e0-bef0-00144feab49a.html#axzz1Bms6DhXD>.

<sup>86</sup> Others contend that these are the purest examples of how China believes that business is business, and a nation’s internal matters are for it to decide. See Washington Post “China Fights UN Report on Darfur” <http://www.washingtonpost.com/wp-dyn/content/article/2010/10/15/AR2010101506100.html> from October 16, 2010; See Deutsche Welle “Controversy Over Myanmar-China Pipeline” from February 3, 2010: <http://www.dw-world.de/dw/article/0,,5311293,00.html>; See China.org “China Signs U.S. \$20Bn Loan-for-oil Deal with Venezuela” from April 20, 2010: [http://www.china.org.cn/business/2010-04/20/content\\_19866278.htm](http://www.china.org.cn/business/2010-04/20/content_19866278.htm); See UK Telegraph “China to Build \$2 Bn Railway for Iran” from September 7, 2010: <http://www.telegraph.co.uk/finance/china-business/7985812/China-to-build-2bn-railway-for-Iran.html>.

<sup>87</sup> See the official China.org.cn “Lessons from Cheonan” from July 28, 2010: [http://www.china.org.cn/opinion/2010-07/28/content\\_20587399.htm](http://www.china.org.cn/opinion/2010-07/28/content_20587399.htm). Note the passive “When the Cheonan sank” with no mention of North Korean actions except to critique the international investigation led by the U.S. Australia, Sweden and the UK of which “the findings are not objective, because the four are either allied with South Korea or allied with South Korea’s allies. An objective investigation should involve countries not allied with South Korea, especially those with key interests in Northeast Asia, such as China and Russia.”

<sup>88</sup> Text of the July 9, 2010 Statement: <http://daccess-ddsny.un.org/doc/UNDOC/GEN/N10/443/11/PDF/N1044311.pdf?OpenElement>; China’s recent obstructionism stands in sharp contrast to a year ago when the 15 member U.N. Security Council unanimously passed a condemnation of North Korea for its April 7, 2009 provocative missile tests – and issued a Presidential Statement *in*

## **An iPhone Does Not Equal Democracy**

Part of China's frustration with the West's constant focus on censorship, human rights and democracy stems, in part, from the remarkable achievements it has made in improving living standards. Whatever the West may think China lacks, the average Chinese citizen today experiences incredible advantages *relative to his/her parents*. Many in the West forget that for tens if not hundreds of millions of Chinese citizens, life is generally significantly better than it was even five or ten years ago, particularly with regard to access to commercial goods. The desire for the latest fashion or technology is normal in the U.S. but even more so in a society when so many can easily remember when, only a few years ago, such luxuries were unaffordable or forbidden to all but Communist Party elites.

Cash-rich China is now experiencing its own trickle-down effect and spurring domestic consumption, and the oft-promised commercial opportunities in a nation so large are finally being realized by both domestic and overseas firms – as the proverbial “billion pairs of blue jeans” are at last being bought.<sup>89</sup> However, it would be a mistake to conflate the rising consumerism experienced by some with a demand for multi-party elections on the part of all. In fact wanting an iPhone does not *always* equal wanting democracy. There are millions of Chinese content with their lives and their government. As author James Mann has noted, the urban elites who make up the consumer culture are greatly outnumbered by the poor and rural, and would be outvoted in a democratic election. “To protect their own economic interests,” he wrote, they “may opt for a one-party state over one-man, one-vote.”

Conversely, as *New York Times* columnist Nicholas Kristof has written, “No middle class is content with more choices of coffees than of candidates on a ballot.” The Chinese government mistakes the commercial opportunities suddenly available to its citizens as a *replacement for* the democratic advancements desired by many, including greater transparency and accountability of their government, greater press freedoms and above all, greater access to unfiltered information about China and the world around them. It is to this audience (some with the latest version iPhone or the newest laptop on the market, some with their shortwave radios in rural farming villages) that the U.S. has directed its international broadcasting efforts through the Voice of America and Radio Free Asia's Mandarin and Cantonese services. And it is to this audience that the U.S. government must direct its energies and support for Internet Censorship Circumvention technology that enables users to tunnel under/break through the Great Firewall of China.

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*less than a week* on April 13: <http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N09/301/03/PDF/N0930103.pdf?OpenElement>.

<sup>89</sup> See Financial Times “Levi's Launches New Brand in China” from August 18, 2010: <http://www.ft.com/cms/s/0/0a7a1c2e-aaaa-11df-80f9-00144feabdc0.html#axzz1BXDRC4ZU>.

## The “Google-ization” of Internet Freedom

On January 12, 2010, Google made an announcement that abruptly altered the general public’s perception of Chinese censorship.<sup>90</sup> The Internet search giant declared it was no longer willing to self-censor its China-based “google.cn” website. It charged that Chinese government-sponsored hackers had infiltrated Google’s network to access the emails of numerous Chinese civil rights activists. Prior to this, few outside Washington had paid much attention to Beijing’s rigorous censorship efforts.<sup>91</sup> Some contend that Google’s public reactions were an attempt to avoid the same U.S. public backlash Microsoft and Yahoo suffered for their prior complicity with Chinese Internet regulations, and others believe this is exactly what Google had been doing

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<sup>90</sup> Google’s press release on the incident can be found here: <http://googleblog.blogspot.com/2010/01/new-approach-to-china.html>.

<sup>91</sup> The only other major instance of Chinese Internet activity drawing worldwide attention was the surprising decision by China in 2009 to rescind a previous mandate that all computers sold domestically had to contain pre-loaded “Green Dam Youth Escort” censorship enabling software (so-called because it was officially touted as a protection against pornography, but quickly recognized as more pervasive in its blocking abilities) developed in China for a Windows operating system. See AP “China Postpones Controversial Web Filter” from June 30, 2009: [http://www.msnbc.msn.com/id/31662862/ns/technology\\_and\\_science-security/](http://www.msnbc.msn.com/id/31662862/ns/technology_and_science-security/); A 2009 analysis by the University of Michigan of the Green Dam software and its vulnerabilities can be found here: <http://www.cse.umich.edu/~jhalderm/pub/gd/>. A U.S. firm Cybersitter filed a copyright infringement suit against the Chinese government and computer companies trying to install Green Dam software, claiming it uses some 3,000 lines of Cybersitter’s own code; see ComputerWorld “Law Firm in Green Dam Suit Targeted With Cyberattack” from January 13, 2010: [http://www.computerworld.com/s/article/9144618/Law\\_firm\\_in\\_Green\\_Dam\\_suit\\_targeted\\_with\\_cyberattack](http://www.computerworld.com/s/article/9144618/Law_firm_in_Green_Dam_suit_targeted_with_cyberattack); China’s rebuttal to the charge can be found here: Xinhua in Intellectual Property In China “Chinese Legal Experts Challenge U.S. Court’s Ruling Over Green Dam Suit” from December 9, 2010: [http://www.chinaipr.gov.cn/casesarticle/cases/caseothers/201012/980781\\_1.html](http://www.chinaipr.gov.cn/casesarticle/cases/caseothers/201012/980781_1.html). As a result of the outcry and public attention, the Green Dam project ended in mid 2010, see Global Times “Costly Green Dam Trial Ends as Funds Dry Up” from July 14, 2010: <http://china.globaltimes.cn/society/2010-07/551295.html>.

up to this time.<sup>92</sup> Nonetheless, Google is simply too big a company for the incident to have gone unnoticed or unanswered.<sup>93</sup>

Within ten days of the incident, Secretary of State Hillary Clinton delivered a major speech deliberately set in Washington’s museum of American journalism, the Newseum, in which she outlined the U.S. Global Internet Freedom Agenda. Secretary Clinton warned, “Countries that restrict free access to information or violate the basic rights of Internet users risk walling themselves off from the progress of the next century.” Additionally, she cautioned, “Technologies with the potential to open access to government and promote transparency can also be hijacked by governments to crush dissent and deny human rights.”<sup>94</sup>

Following Google’s formal March 2010 announcement that it would re-direct [google.cn](http://google.cn) users to its [google.hk](http://google.hk) servers located in Hong Kong (which is not covered by Beijing’s Internet regulations), “Internet Freedom” and “Internet Censorship Circumvention” have become the watch words of many countries’ approaches to China, its protests of innocence and vilification of Google notwithstanding.<sup>95</sup> Chinese officials quickly sought to add their own spin to the Google episode with Xinhua lecturing, “Regulation of the internet is a sovereign issue. The Chinese

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<sup>92</sup> Most agreed with Rebecca MacKinnon writing in the Wall Street Journal “Google Gets on the Right Side of History” from January 13, 2010: <http://online.wsj.com/article/SB10001424052748704362004575000442815795122.html#articleTabs%3Darticle>.

For prior criticisms of U.S. Internet companies in China, including Google, see Wired.com “Yahoo Strictest Censor on the Net” from June 15, 2006: <http://www.wired.com/politics/onlinerights/news/2006/06/71166>; Sunday Times (UK) “Bill Gates Defends China’s Internet Restrictions” from January 27, 2006: <http://business.timesonline.co.uk/tol/business/markets/china/article721120.ece>; CNET News “Google to Censor China Web Searches” from January 24, 2006: [http://news.cnet.com/Google-to-censor-China-Web-searches/2100-1028\\_3-6030784.html](http://news.cnet.com/Google-to-censor-China-Web-searches/2100-1028_3-6030784.html).

<sup>93</sup> Perhaps China failed to appreciate Google’s total absorption into the English lexicon to the point of becoming formally recognized in 2006 as a verb by the prestigious Merriam-Webster dictionary -- “to Google something” is now on the same level of acceptance as “to Xerox something” was for a previous generation.

<sup>94</sup> The text of Secretary Clinton’s January 21, 2010 speech and Q&A session can be found here: <http://www.state.gov/secretary/rm/2010/01/135519.htm>.

<sup>95</sup> Google’s press release can be found here: <http://googleblog.blogspot.com/2010/03/new-approach-to-china-update.html>. Cnet.com “Google Moves China Search to Hong Kong” from March 22, 2010: [http://news.cnet.com/8301-30684\\_3-20000905-265.html](http://news.cnet.com/8301-30684_3-20000905-265.html). Note, even though Google may not filter the searches, users inside will still not be able to open those links which the Great Firewall otherwise blocks, unless they are using internet circumvention software. See Xinhua “China Says Google Breaks Promise, Totally Wrong to Stop Censoring” from March 23, 2010: [http://news.xinhuanet.com/english2010/china/2010-03/23/c\\_13220853.htm](http://news.xinhuanet.com/english2010/china/2010-03/23/c_13220853.htm). See Gigaom.com “Google and China: What You Need to Know” from March 25, 2010: <http://gigaom.com/2010/03/25/google-and-china-what-you-need-to-know/>.

government regulates the Internet according to laws and will improve its regulations step by step according to its own needs.”<sup>96</sup>

### **“The Web is Fundamentally Controllable”<sup>97</sup> - The Great Firewall of China**

Americans tend to view the chaotic and de-centralized nature of the Web as one of the purest forms of democracy, allowing every citizen’s voice to be heard. Posting an individual blog, leaving an anonymous comment on a web site, organizing “flash mobs” for impromptu snowball fights or creating new political movements capable of re-shaping the electoral landscape -- each of these acts is perceived as the epitome of “freedom of expression” in the United States.<sup>98</sup> In China, it is often the reverse. China views control of the Web as vital to eliminating domestic dissent and maximizing “domestic harmony.” As one expert told Committee staff, “China is perfectly willing to tolerate a thousand armies of one.” However, when these “armies of one” use the Web to organize and demand change, China views them – and the Internet – as a threat to the very core of social order.<sup>99</sup>

China controls the Web by using its official Golden Shield Project Internet software (more commonly known as the Great Firewall of China) combined with more subtle methods of conveying censorship instructions to its media and Internet Service Providers regarding what issues, stories, subjects and websites cannot be covered or retransmitted as well as what searches are to be blocked or re-directed to more “friendly” sites.<sup>100</sup> In some cases, websites are

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<sup>96</sup> See Xinhua “Google, Don’t Politicize Yourself” from March 21, 2010; [http://news.xinhuanet.com/english2010/indepth/2010-03/21/c\\_13219289.htm](http://news.xinhuanet.com/english2010/indepth/2010-03/21/c_13219289.htm).

<sup>97</sup> Quoted from an unnamed Chinese official from a summary of U.S. Embassy Beijing diplomatic cables on China’s internet attacks on Google and various U.S. government departments, see New York Times “Vast Hacking by a China Fearful of the Web” from December 4, 2010: <http://www.nytimes.com/2010/12/05/world/asia/05wikileaks-china.html>.

<sup>98</sup> See “Snowball Fight Flash Mob in DC” from January 27, 2011: <http://abclocal.go.com/wtvg/story?section=news/bizarre&id=7924242>; The Atlantic Monthly “The Tea Party Used the Internet to Defeat the First Internet President” from November 2, 2010: <http://www.theatlantic.com/business/archive/2010/11/the-tea-party-used-the-internet-to-defeat-the-first-internet-president/65589/>.

<sup>99</sup> For examples of Chinese citizens “disturbing social and public order” see Global Voices “China: Blacklisting Netizens” from November 3, 2010: <http://advocacy.globalvoicesonline.org/2010/11/03/china-blacklisting-netizens/>.

<sup>100</sup> See Bloomberg BusinessWeek “The Great Firewall of China” from January 12, 2006: [http://www.businessweek.com/technology/content/jan2006/tc20060112\\_434051.htm](http://www.businessweek.com/technology/content/jan2006/tc20060112_434051.htm); Freedom House’s chapter on China pp 34-44 “Freedom on the Net” from March 2009: [http://www.freedomhouse.org/uploads/specialreports/NetFreedom2009/FreedomOnTheNet\\_FullReport.pdf](http://www.freedomhouse.org/uploads/specialreports/NetFreedom2009/FreedomOnTheNet_FullReport.pdf); OpenNet Initiative Country Report on China from June 15, 2009: <http://opennet.net/research/profiles/china>; ONI – a consortium of Harvard’s Berkman Center for Internet and Society, the Munk Center for International Studies at the University of Toronto and the SecDev group in Toronto. ONI is also critical of the United States but notes in its

completely blocked based upon their IP (Internet Protocol) address or by a site's URL (Uniform Resource Locator). In other cases, reporters, bloggers and "netizens" are "invited for tea" at the local police station for a stern "talking to" when they cross the line. This can escalate with individuals dragged out of their beds in the middle of the night and their equipment confiscated for using their Twitter accounts to suggest that supporters of Liu Xiaobo demand his freedom or sentenced to a year of hard labor for forwarding a satirical Tweet.<sup>101</sup>

While restrictions are sometimes relaxed when the world is focused on China – such as during the Beijing Olympics – restrictions are quickly reinstated once attention is diverted elsewhere.<sup>102</sup> This inconsistent application of censorship is compounded by the overlapping jurisdictions of government ministries who make the regulations including the Ministry of Industry and Information Technology (MIIT), the Information office of the State Council Information Office (SCIO), the Ministry of Public Security, and the Ministry of Culture, the Ministry of Science and Technology, and perhaps a few more.<sup>103</sup>

Known as the "3 T's" (Tiananmen, Taiwan and Tibet), the list of taboo subjects in China has grown to include HIV/AIDs, Xinjiang (home to China's ethnic Muslim population) and Falun Gong. Negative stories related to Communist party officials or their families are

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report on the U.S. and Canada that "Governments in both countries have experienced significant resistance to their content restriction policies, and, as a result, the extreme measures carried out in some of the more repressive countries of the world have not taken hold in North America." One of the leading experts on China's Internet censorship, Rebecca MacKinnon, has a detailed analysis from February 2009 "China's Censorship 2.0, How Companies Censor Bloggers," which can be found here: <http://firstmonday.org/htbin/cgiwrap/bin/ojs/index.php/fm/article/view/2378/2089>. Her Senate Judiciary Committee testimony from March 2, 2010 can be found here: <http://judiciary.senate.gov/pdf/10-03-02MacKinnon'sTestimony.pdf>.

<sup>101</sup> Guardian (UK) "Chinese Twitter User Seized After Supporting Liu Xiaobo" from October 26, 2010: <http://www.guardian.co.uk/world/2010/oct/26/china-nobel-liu-xiaobo-tweet-arrest>; New York Times "Woman Imprisoned for Twitter Message" from November 18, 2010: [http://www.nytimes.com/2010/11/19/world/asia/19beijing.html?\\_r=2&src=twrhp](http://www.nytimes.com/2010/11/19/world/asia/19beijing.html?_r=2&src=twrhp). One democracy activist with whom Committee staff met has found Twitter so crucial to his efforts that he uses the phrase BT/AT (Before Twitter/After Twitter) to express how it has revolutionized his ability to communicate with his fellow activists. Opponents of Twitter in China point to the U.S. ability to keep the site from shutting down during the Iranian Green Revolution as "proof" that Twitter is nothing but a front for the CIA. Far right nationalist activists are equally opposed to the Great Firewall as their sites are often blocked, for example during the incident with the fishing boat captain being seized by the Japanese Coast Guard when their messages were judged too militaristic and aggressive.

<sup>102</sup> See Guardian (UK) "China Relaxes Internet Censorship For the Olympics" form August 1, 2008: <http://www.guardian.co.uk/world/2008/aug/01/china.olympics>.

<sup>103</sup> Chinese officials are at a loss for words when Internet censorship issues arise and are reminded of the fact that as anti-American as sites such as Al Jazeera may be, they can be accessed in both their English and Arabic form from within the United States: <http://www.aljazeera.net/portal>.



especially suppressed. According to some sources, the attack on Google came when Li Changchun – Propaganda Chief and fifth highest ranking member of the Communist Party – was displeased with what he found when he “Googled” his own name.<sup>104</sup> Some typical examples of censorship notifications, taken from December 10, 2010, range from the general, to the mundane to the minutia, and include:<sup>105</sup>

**A General Order From the Central Propaganda Bureau** -- All media outlets are requested to strictly and rigorously examine and check images, videos, and web pages and prevent acrostics, caricatures other forms of reporting that hype the news of Liu Xiaobo receiving the Nobel Prize.

**From the Central Propaganda Bureau** -- Regarding the ticket refund mechanisms and related policies issued by the Railroad Ministry, all media outlets are not to criticize or to question. As a principle, publish copy from Xinhua News Agency.

**An Urgent Directive From the State Administration of Radio Film and Television** -- In tonight’s entertainment, scrupulously monitor Hong Kong television programs that are rebroadcast in the Pearl River Delta region of Guangdong. Around 8 pm, completely screen out “special news reports” from HK television about the Noble Peace Prize.

A partial list of websites that are currently or routinely blocked in China includes:

**Facebook**<sup>106</sup>

**YouTube**

**Twitter**

**Blogspot**

<sup>104</sup> See footnote 110. For an American perspective on Chinese censorship, see Nicholas Kristof’s recounting of how his blog was “harmonized” in New York Times “Banned in Beijing!” from January 22, 2011:

[http://www.nytimes.com/2011/01/23/opinion/23kristof.html?\\_r=2&adxnnl=1&ref=opinion&adxnnlx=1296748837-EqZ4g6yH+c3fNOCGTtfCvw](http://www.nytimes.com/2011/01/23/opinion/23kristof.html?_r=2&adxnnl=1&ref=opinion&adxnnlx=1296748837-EqZ4g6yH+c3fNOCGTtfCvw) .

<sup>105</sup> All quotes taken from China Digital Times: <http://chinadigitaltimes.net/2010/12/latest-directives-from-the-ministry-of-truth-december-10-2010/>, which provides both the Mandarin and English of each and is updated frequently. A Reporters Without Borders interview on this subject with veteran Chinese journalist Zhang Ping can be found on the Center for International Media Assistance (CIMA) site: <http://cima.ned.org/chang-ping-state-media-china>. CIMA, a department of the National Endowment for Democracy provides excellent daily media updates on efforts to stifle the press: <http://cima.ned.org/tools-and-resources/daily-media-news>.

<sup>106</sup> See Wall Street Journal “Mr. Zuckerberg Goes To China: Facebook CEO Makes the Rounds With Tech Executives, Fueling Efforts to End Ban” from December 23, 2010:

<http://online.wsj.com/article/SB10001424052748703814804576035143409583806.html>.

## **Typepad**

## **Voice of America**

## **Radio Free Asia**

Internet control is even imposed on the President of the United States. In anticipation of President Obama's November 16, 2009, Town Hall meeting in Shanghai with Chinese youth, the White House had hoped to have a student panel pick questions submitted by email during the actual event. When Chinese officials blocked that idea, the Embassy put a notice on its website asking for questions in advance, but Chinese officials insisted that only questions from their hand-picked student audience would be allowed. U.S. Ambassador Huntsman then did his own bit of firewall circumvention at the meeting by standing up and asking the President about Internet censorship in China from a submission received by the Embassy prior to the event.<sup>107</sup>

**Ambassador Huntsman:** (Reading the question sent in via the Embassy's website) "In a country with 350 million Internet users and 60 million bloggers, do you know of the firewall?"

**President Obama:** "...I think the more freely information flows, the stronger the society becomes, because then citizens of countries around the world can hold their own governments accountable. They can think for themselves....I'm a big supporter of non-censorship. This is part of the tradition of the United States that I discussed before, and I recognize that different countries have different traditions. I can tell you that in the United States, in fact that we have free Internet – our unrestricted internet access is a source of strength and should be encouraged."<sup>108</sup>

## **China's Answer – Create Our Own Internet Sites We Can Control**

Chinese officials are quick to point out that their citizens have a home-grown search engine – Baidu – that is just as efficient as Google as well as online market places – AliBaba and TaoBao – that compete toe-to-toe with Amazon and eBay.<sup>109</sup> In frustration with what China

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<sup>107</sup> Ambassador Huntsman and his Embassy team maintain no less than eight blogs and three microblogs in Mandarin from the Embassy's website: <http://beijing.usembassy-china.org.cn/>.

<sup>108</sup> <http://www.whitehouse.gov/the-press-office/remarks-president-barack-obama-town-hall-meeting-with-future-chinese-leaders>

<sup>109</sup> <http://www.baidu.com/> ; <http://www.alibaba.com/>; [http://www.taobao.com/index\\_global.php](http://www.taobao.com/index_global.php)

Note: As this Report was going to print: Wall Street Journal "Alibaba.com CEO Resigns In Wake Of Fraud By Sellers" From February 22, 2011:

believed to be GoogleMap's unwillingness to obscure sensitive Chinese military sites, China launched its own version "MapWorld" in October 2010.<sup>110</sup> China is perfectly happy to promote these companies for both the inherent pride in their Not-Just-Made-But-Designed-In-China nature and because of their staggering market penetration and brand recognition by the average citizen. They also cooperate with the censorship rules established by Beijing.

One consequence of this is that some mistakenly equate Baidu, for example, as a formal unit of the Chinese government. In fact, Baidu is a privately held company developed by two Chinese nationals who studied overseas.<sup>111</sup> Baidu is incorporated in the Cayman Islands and listed on the NASDAQ stock exchange under the ticker symbol "BIDU." Baidu closed at \$100/share in December 2010, having started the year at \$40/share, and was less than \$20/share in January 2009.<sup>112</sup> Many point out that Baidu had the most to gain by Google shuttering its operations in China, and there are some allegations the company had direct complicity in the attack on Google.<sup>113</sup>

By their willingness to play by Beijing's rules, Baidu and other Chinese companies virtually guarantee a lock on China's massive, and ever-growing, middle class – an internal market that will soon surpass the entire population of the United States in number. Until the Chinese market system and society develop to the point that shareholders' desire for profits matches their demand for corporate accountability and social responsibility, Western companies doing business there will continue to be seriously disadvantaged, and China will be the worse for it.

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<http://online.wsj.com/article/SB10001424052748704476604576157771196658468.html?KEYWORDS=alibaba&mg=com-wsj>. Also, on February 28, 2011, the U.S. Trade Representative cited both Baidu and TaoBao in its "Out-of-Cycle Review of Notorious Markets" as examples "of marketplaces dealing in infringing goods and helping to sustain global piracy and counterfeiting." [http://www.ustr.gov/webfm\\_send/2595](http://www.ustr.gov/webfm_send/2595)

<sup>110</sup> See BBC "China Unveils Own Mapping Service" from October 22, 2010:

<http://www.bbc.co.uk/news/technology-11605940>. The MapWorld site can be found at the following link: <http://www.chinaonmap.cn/map/index.jsp>.

<sup>111</sup> One of Baidu's founders, Robin Li, dropped out of his PhD program at the State University of New York/Buffalo in 1994 after he received his Masters degree in computer science.

<sup>112</sup> Google stock "GOOG" began in 2004 at over \$600/share, dipped to \$430 during its China crisis and climbed to over \$600 by year's end.

<sup>113</sup> See Guardian (UK) "U.S. Embassy Cables: Google Hacking Directed by Chinese Politburo Itself" from December 4, 2010: <http://www.guardian.co.uk/world/us-embassy-cables-documents/245489>. While Baidu's market capitalization is some \$37 billion, Google's is approaching \$200 billion. Still, it is clear that with China now virtually closed to Google and China seeking to export its own internet technologies to willing recipients, Google will face stiff competition wherever Baidu sets up shop. See BBC News "China Baidu Search Engine Profits More Than Treble" from January 31, 2011: <http://www.bbc.co.uk/news/business-12331266>.

This is of little consequence to Beijing, which prefers instead to point to the hundreds of search results that Baidu will provide the average user as “proof” that its citizens are not denied access to information.<sup>114</sup> The fact that the results of these searches are almost exclusively Chinese government-controlled media sources is the reason so many in China are turning to technology produced in the U.S. to circumvent the censors.

### **Beating the Censors At Their Own Game – Proxies and VPNs**

The Obama Administration has received criticism from foe and friend alike for what many perceive as a weakness in the promotion of human rights.<sup>115</sup> This was particularly true regarding Secretary Clinton’s Internet Freedom Agenda with its promise to push nations to allow freer access to the Web. From Fiscal Year 2008 to 2010, Congress provided some \$50 million in funding to assist in Internet Freedom. As of January 2011, the State Department had obligated less than \$20 million, of which little went to Internet Censorship Circumvention Technology (ICCT). According to the Washington Post and others, the reason for this is simple - China.<sup>116</sup>

Some of the most sophisticated ICCT software is being developed by two U.S. companies, whose founders fled China to escape persecution for being members of Falun

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<sup>114</sup> For examples of searches that an average Internet user inside the Great Firewall would see using Baidu – including “Tibet,” “Tiananmen Square,” “Liu Xiaobo,” “Radio Free Asia” and Egypt’s “Tahrir Square” see **Appendix F**. Note: Baidu may face internal competition after all. As this Report was going to print: See Associated Press “China’s State News Agency Launches Search Engine – Panguso” from February 22, 2011: <http://www.washingtonpost.com/wp-dyn/content/article/2011/02/22/AR2011022201448.html>.

<sup>115</sup> See AP in Ethiopian Review “Obama Putting Human Rights Issues on Back Burner?” from March 13, 2009: <http://www.ethiopianreview.com/content/8891>; Huffington Post “Obama’s Failure to Deliver on His Cairo Speech” from June 9, 2009: [http://www.huffingtonpost.com/flynt-and-hillary-mann-leverett/supporting-occupation-and\\_b\\_604448.html](http://www.huffingtonpost.com/flynt-and-hillary-mann-leverett/supporting-occupation-and_b_604448.html); AFP “Obama’s Visit Leaves Dissidents Disappointed” from November 19, 2009: <http://www.google.com/hostednews/afp/article/ALeqM5gHHrGSBYMtuFEoXFEAR0y07iucGA>; Heritage Organization “Two Faces of Obama’s Human Rights Policy” from April 8, 2010: <http://blog.heritage.org/2010/04/08/the-two-faces-of-obama-s-human-rights-policy>; Washington Post “Dangerously Silent on Human Rights” January 3, 2011: <http://www.washingtonpost.com/wp-dyn/content/article/2011/01/02/AR2011010202381.html>.

<sup>116</sup> See Washington Post “U.S. Risks China’s Ire With Decision to Fund Software Maker Tied to Falun Gong” from May 12 2010: <http://www.washingtonpost.com/wp-dyn/content/article/2010/05/11/AR2010051105154.html?sid=ST2010051105253>; Washington Post “Time to Reboot Our Push for Global Internet Freedom” from October 25, 2010: <http://www.washingtonpost.com/wp-dyn/content/article/2010/10/24/AR2010102402215.html>; Weekly Standard “Battle Over Internet Freedom” from October 26, 2010: [http://www.weeklystandard.com/blogs/battle-over-internet-freedom\\_512987.html](http://www.weeklystandard.com/blogs/battle-over-internet-freedom_512987.html); Rebecca MacKinnon’s paper “Networked Authoritarianism: China and Beyond” from October 2010 can be found here: [http://rconversation.blogs.com/MacKinnon\\_Libtech.pdf?tag=contentMain;contentBody](http://rconversation.blogs.com/MacKinnon_Libtech.pdf?tag=contentMain;contentBody).

Gong.<sup>117</sup> Their software was initially designed to allow fellow Falun Gong practitioners in China (whom Beijing authorities continue to prosecute, harass and imprison)<sup>118</sup> to circumvent the Great Firewall by enabling their users to surf the Web as if they were in the U.S. or other “Internet friendly” nations via a combination of Proxy Websites and Virtual Private Networks.<sup>119</sup> However, both DIT and UltraReach<sup>120</sup> soon found their products being used by democracy activists and ordinary citizens to circumvent Internet censorship in Iran, Saudi Arabia, Syria, Egypt, Burma and Vietnam – countries which have looked to China for lessons in Internet control or to whom China has directly provided such technologies to counter such products.<sup>121</sup> Both companies were part of a loose-knit Global Internet Freedom Consortium that made its case known to Congress in hopes for U.S. funding. Congress has responded by appropriating some \$50 million to the State Department to support Internet freedom.<sup>122</sup>

FY2008 \$14.8 Million

FY2009 \$5 Million

FY2010 \$30 Million

Of the FY08 funding, \$1.6 Million was granted to the U.S. NGO Freedom House which uses the three-year funding to train bloggers and democracy activists in Internet security protocols and as seed funding for their annual Freedom of the Net Report which was launched in

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<sup>117</sup> See Newsweek “Up Against Tehran’s Firewall” from January 26, 2010:  
<http://www.newsweek.com/2010/01/25/up-against-tehran-s-firewall.html>.

<sup>118</sup> Falun Gong began in China in 1992 and peaked with some 70 million practitioners of the peaceful spiritual movement. Beijing authorities dubbed it a “heretical organization” and cracked down on practitioners, particularly after some 10,000 gathered in April 25, 1999, unannounced, in the capital in a mass, silent protest. This protest caught authorities completely off-guard and only increased the levels of arrest, suppression and sometimes torture of its members, including officially designating Falun Gong a “cult.” See <http://www.china-embassy.org/eng/zt/ppflg/t36570.htm>. Many Falun Gong members fled to the West shortly thereafter. For additional information, see U.S. Congressional Research report “China and Falun Gong” from May 25, 2006: <http://fpc.state.gov/documents/organization/67820.pdf>.

<sup>119</sup> For a detailed discussion of the differences between Proxies and VPNs, see the Harvard Berkman Center’s “2007 Circumvention Landscape Report” from March 2009:  
[http://cyber.law.harvard.edu/sites/cyber.law.harvard.edu/files/2007\\_Circumvention\\_Landscape.pdf](http://cyber.law.harvard.edu/sites/cyber.law.harvard.edu/files/2007_Circumvention_Landscape.pdf).

<sup>120</sup> To access these sites, visit [http://www.ultrareach.com/index\\_en.htm](http://www.ultrareach.com/index_en.htm) and <http://www.dit-inc.us/>.

<sup>121</sup> See The Times (UK) “China’s Latest Export: Web Censorship” from February 10, 2007:  
[http://technology.timesonline.co.uk/tol/news/tech\\_and\\_web/article1352239.ece](http://technology.timesonline.co.uk/tol/news/tech_and_web/article1352239.ece).

<sup>122</sup> See New York Times “Aid Urged For Groups Fighting Internet Censors” from January 20, 2010:  
<http://www.nytimes.com/2010/01/21/technology/21censor.html>.

2009.<sup>123</sup> \$13 Million was given, en bloc, to the American NGO Internews Network.<sup>124</sup> Internews awarded a variety of sub-grants, some of which went to American-Based ICCT firm Tor (\$1.6 Million) and Toronto-based Psiphon (\$2.9 Million) because, according to Internews officials, Internews had worked with them in the past.<sup>125</sup> None of the FY2009 money was released by the State Department until mid-2010, drawing much Congressional ire as a result.<sup>126</sup> The Statement of Interest for FY2010 funding was not released until January 3, 2011.<sup>127</sup>

One piece of ICCT software that did receive special U.S. attention was developed by the San Francisco-based Censorship Research Center – Haystack, which had none of these China connections or issues. Haystack software was developed to assist Iranian democracy activists outwit Tehran censors, and its lead developer received accolades in the media.<sup>128</sup> However, the Haystack team had not sufficiently tested its software nor allowed it to be submitted for independent cryptological analysis before it released a beta version to unsuspecting Iranians. In September 2010, just after the beta version was released, an independent team was able to crack the code in six hours and also determined that the Iranian government would be able to manipulate the software to identify any users. Once these weaknesses were made public, the Haystack project quickly collapsed, and Haystack’s website, and that of CRC, are now defunct.<sup>129</sup>

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<sup>123</sup> See Freedom House’s “Freedom on the Net” report from April 1, 2009: [http://www.freedomhouse.org/uploads/specialreports/NetFreedom2009/FreedomOnTheNet\\_FullReport.pdf](http://www.freedomhouse.org/uploads/specialreports/NetFreedom2009/FreedomOnTheNet_FullReport.pdf).

<sup>124</sup> The remaining \$200,000 was retained by the State Department’s bureau of Democracy Human Rights and Labor (DRL) to hire program staff to provide monitoring and oversight of the two grants. In FY2006, DRL obligated \$500,000 for Internet freedom initiatives and none in FY2007.

<sup>125</sup> To access Tor and Psiphon, visit the following: <http://www.torproject.org/>; <http://psiphon.ca/>.

<sup>126</sup> See Wall Street Journal “Senate to Hillary: Support Dissidents” from July 23, 2009: [http://online.wsj.com/article/SB10001424052970203946904574300641911723378.html?mod=googlenews\\_wsj](http://online.wsj.com/article/SB10001424052970203946904574300641911723378.html?mod=googlenews_wsj).

<sup>127</sup> The FY2011 Statement of Interest can be found: <http://www.state.gov/g/drl/p/127829.htm>.

<sup>128</sup> See New York Times “Target Iran’s Censors” from February 18, 2010: [http://www.nytimes.com/2010/02/19/opinion/19iht-edcohen.html?\\_r=1](http://www.nytimes.com/2010/02/19/opinion/19iht-edcohen.html?_r=1), the Guardian (UK) paper named Haystack’s founder Austin Heap its Innovator of the Year see “MediaGuardian Innovation Awards: Austin Heap vs Iranian Censors” from March 29, 2010: <http://www.guardian.co.uk/media/2010/mar/29/austin-heap-megas-innovator-award>, Newsweek “Needles in a Haystack” from August 6, 2010: <http://www.newsweek.com/2010/08/06/needles-in-a-haystack.html>.

<sup>129</sup> See Fast Company “How Haystack Risked Exposing Iranian Dissidents” from September 20, 2010: <http://www.fastcompany.com/1690075/haystack-austin-heap-iran-fail>; Slate “The Great Internet Freedom Fraud: How Haystack Endangered the Iranian Dissidents It Was Supposed to Protect” from September 16, 2010: <http://www.slate.com/id/2267262>. Following Haystack’s collapse, Administration officials were quick to point out that the OFAC license granted Haystack [see Haystack’s April 14, 2010 press release:

In addition to giving Tehran much to cheer about, the entire episode set back on its heels the priority that had been accorded Internet Censorship Circumvention Technology. However, U.S. government support for ICCT development is vital, given the weak private sector market interest in funding such technologies.<sup>130</sup> Most ICCT users tend to be democracy activists with little or no money to pay for such services, quite often having lost their day jobs as a result of their activities. Requiring users of ICCT software either to register or pay for such services would appear illogical in societies where doing either might enable repressive governments to find them and use such information against them.<sup>131</sup>

### **U.S. Broadcasting – Already Practicing Internet Censorship Circumvention Every Day**

U.S. international broadcasting, run by the Broadcasting Board of Governors (BBG), however, offers a natural “market” in need of this technology.<sup>132</sup> The BBG entities – Voice of America, Radio Free Europe, Radio Free Asia, the Office of Cuba Broadcasting and the Middle East Broadcasting Network – all transmit to countries whose governments routinely block not only U.S. radio and satellite signals but their Internet content as well.

For this reason, BBG entities already use ICCT on a daily basis. These include UltraReach, DIT, Tor and Psiphon products as well as individually produced ICCT software, some designed in-house, and others created through a network of like-minded Internet activists. Without such software, most U.S. government news content to China, Iran, Burma, Egypt, Venezuela, Russia, Belarus and others would be inaccessible. For example, each of RFA’s websites (in English, Mandarin, Korean, etc.) has a “Getting Around Internet Blockage” icon on

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<http://www.prlog.org/10625421-anti-censorship-software-licensed-by-us-government-for-export-to-iran.html> ] was not a validation that the technology worked, only that its export could not be used by Iran to harm America, and deny the Secretary was referring to Haystack in the following interchange with Bloomberg TV (<http://www.state.gov/secretary/rm/2010/03/138677.htm>):

**Interviewer:** And how would you deal with the Iranian Government’s response to the U.S. trying to get in there and help the internet access?

**Secretary Clinton:** We are working to help information flow freely into and out of Iran as well as within Iran. We have issued a license to a company with technology that would enable that to occur.

<sup>130</sup> The Onion Router (or “Tor” as it became known) was originally sponsored by the U.S. Naval Research Laboratory. Since December 2006, Tor has been registered 501(c)3 NGO: <https://www.torproject.org/index.html.en>.

<sup>131</sup> See The Tor Project “Ten Things to Look for In a Circumvention Tool” from March 2010: <http://tor.cybermirror.org/press/presskit/2010-09-16-circumvention-features.pdf>.

<sup>132</sup> <http://www.bbg.gov/>

the home screen. VOA's Persian News Network has the same on its Farsi language page.<sup>133</sup> PNN also has its own "iPhone App," though reviews are mixed, with some users having commented, "Due to filtering software in Iran it doesn't work properly," while others gave it higher marks.<sup>134</sup>

The biggest difficulty confronting such efforts is the lack of servers and bandwidth. As a result, ICCT software users are reporting slower and slower download speeds or inability to access the Web at all as the crush of users clogs the system. Indeed, the crush has reached the point that some users are no longer bothering to use the software and/or access these sites. U.S. money for additional servers and greater bandwidth is essential.

Given the poor relations the U.S. already has with Iran, Burma, Cuba and North Korea (though Internet penetration in the last two is very low), there is little political cost for the State Department to be seen as the driver of ICCT activities. The same certainly cannot be said of China, Egypt, Russia and others where our bilateral trade and security relationships often require close cooperation. Because of the firewall that prevents political interference in its reporting of the news, the BBG is immune to such pressures.<sup>135</sup> The BBG is in the business of using ICCT around the clock to ensure its readers, viewers and listeners can access its products. For that very reason, the BBG is perfectly placed to serve as the lead U.S. government agency in assisting ICCT efforts.<sup>136</sup>

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<sup>133</sup> PNN uses ICCT to broadcast its own wildly popular version of The Daily Show – "Parazit" – produced by two former Iranian journalists working for PNN. See Washington Post "Expats 'Daily-Show'-style VOA Program Enthralls Iranians, Irks Their Government" from December 31, 2010: <http://www.washingtonpost.com/wp-dyn/content/article/2010/12/31/AR2010123101327.html>.

<sup>134</sup> PNN's iPhone App and comments can be found here: <http://itunes.apple.com/us/app/voa-pnn/id348178315?mt=8>.

<sup>135</sup> Of the FY2009 Internet Freedom funding, the BBG received \$1.5 Million. The BBG promptly used to contract with DIT to expand its Freegate software operations for some \$600,000 and with UltraReach for \$840,000. Critics contend that this sub-contract is ample evidence of the State Department aversion to offending China given that the Department could just as well have written direct grants with DIT and UltraReach.

<sup>136</sup> The BBG is already in the process of seeking outside vendors to assist it in pushing news via SMS services into closed societies. See "Broadcasting board seeks text-message services" from December 20, 2010: [http://www.nextgov.com/nextgov/ng\\_20101220\\_1780.php?oref=search](http://www.nextgov.com/nextgov/ng_20101220_1780.php?oref=search).



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**A. List of Confucius Institutes in USA by Year**

**2004**

- University of Maryland: College Park, Maryland

**2005**

- San Francisco State University: San Francisco, California

**2006**

- Bryant University: Smithfield, Rhode Island
- Confucius Institute in Chicago: Chicago, Illinois
- Confucius Institute at China Institute: New York, New York
- University of Hawaii at Manoa: Honolulu, Hawaii
- University of Iowa: Iowa City, Iowa
- University of Kansas: Lawrence, Kansas
- University of Massachusetts Boston: Boston, Massachusetts
- Michigan State University: East Lansing, Michigan
- University of Oklahoma: Norman, Oklahoma

**2007**

- Arizona State University: Tempe, Arizona
- University of California Los Angeles: Los Angeles, California
- Community College Denver: Denver, Colorado
- Confucius Institute in Indianapolis: Indianapolis, Indiana

- University of Memphis: Memphis, Tennessee
- Miami University: Oxford, Ohio
- University of Nebraska-Lincoln: Lincoln, Nebraska
- New Mexico State University: Law Cruces, New Mexico
- North Carolina State University: Raleigh, North Carolina
- University of Pittsburgh: Pittsburgh, Pennsylvania
- Portland State University: Portland, Oregon
- Purdue University: Lafayette, Indiana
- University of Rhode Island: Kingston, Rhode Island
- Rutgers, the State of University of New Jersey: New Brunswick, New Jersey
- University of Texas at Dallas: Richardson, Texas
- University of Toledo: Toledo, Ohio
- University of Utah: Salt Lake City, Utah
- Wayne State University: Detroit, Michigan

## 2008

- University of Akron: Akron, Ohio
- University of Arizona: Tucson, Arizona
- Confucius Institutes in Atlanta: Atlanta, Georgia
- University of Central Arkansas: Conway, Arkansas
- Cleveland State University: Cleveland, Ohio
- University of Minnesota: Twin Cities, Minnesota
- University of Montana: Missoula, Montana
- University of South Carolina: Columbia, South Carolina
- University of South Florida: Tampa, Florida
- Stony Brook University: Stony Brook, New York
- Texas A&M University: College Station, Texas
- Troy University: Troy, Alabama
- Valparaiso University: Valparaiso, Indiana
- Webster University: St. Louis, Missouri
- University of Wisconsin-Platteville: Platteville, Wisconsin

## 2009

- University of Alaska Anchorage: Anchorage, Alaska
- Alfred University: Alfred, New York
- George Mason University: Fairfax, Virginia
- Kennesaw State University: Kennesaw, Georgia
- University of Michigan: Ann Arbor, Michigan
- State University of New York at Binghamton (Confucius Institute of Chinese Opera): Binghamton, New York
- Pace University: New York, New York
- Pfeiffer University: Charlotte, North Carolina

- Presbyterian College: Clinton, South Carolina
- San Diego State University: San Diego, California
- Confucius Institute of the State of Washington: Seattle, Washington

**2010**

- University of Chicago: Chicago, Illinois
- Columbia University: New York, New York
- University of Delaware: Newark, Delaware
- Georgia State University: Atlanta, Georgia
- University of Kentucky: Lexington, Kentucky
- Miami Dade College: Miami, Florida
- Middle Tennessee University: Murfreesboro, Tennessee
- University of New Hampshire: Durham, New Hampshire
- State University of New York at Buffalo: Buffalo, New York
- State College of Optometry, State University of New York: New York, New York
- University of Oregon: Eugene, Oregon
- Stanford University: Palo Alto, California
- University of Texas at San Antonio: San Antonio, Texas
- University of Western Kentucky: Bowling Green, Kentucky

**2011**

- Pennsylvania State University: University Park, Pennsylvania
- Western Michigan University: Kalamazoo, Michigan

## **B. U.S. Legislation Regarding Funding of International Expositions**

### **SEC. 204. INTERNATIONAL EXPOSITIONS.**

(a) **LIMITATION-** Except as provided in subsection (b) and notwithstanding any other provision of law, the Department of State may not obligate or expend any funds appropriated to the Department of State for a United States pavilion or other major exhibit at any international exposition or world's fair registered by the Bureau of International Expositions in excess of amounts expressly authorized and appropriated for such purpose.

#### **(b) EXCEPTIONS-**

(1) **IN GENERAL-** The Department of State is authorized to utilize its personnel and resources to carry out the responsibilities of the Department for the following:

(A) Administrative services, including legal and other advice and contract administration, under section 102(a)(3) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2452(a)(3)) related to United States participation in international fairs and expositions abroad. Such administrative services may not include capital expenses, operating expenses, or travel or related expenses (other than such expenses as are associated with the provision of administrative services by employees of the Department of State).

(B) Activities under section 105(f) of such Act with respect to encouraging foreign governments, international organizations, and private individuals, firms, associations, agencies and other groups to participate in international fairs and expositions and to make contributions to be utilized for United States participation in international fairs and expositions.

(C) Encouraging private support of United States pavilions and exhibits at international fairs and expositions.

(2) **STATUTORY CONSTRUCTION-** Nothing in this subsection authorizes the use of funds appropriated to the Department of State to make payments for--

(A) contracts, grants, or other agreements with any other party to carry out the activities described in this subsection; or

(B) the satisfaction of any legal claim or judgment or the costs of litigation brought against the Department of State arising from activities described in this subsection.

(c) NOTIFICATION- No funds made available to the Department of State by any Federal agency to be used for a United States pavilion or other major exhibit at any international exposition or world's fair registered by the Bureau of International Expositions may be obligated or expended unless the appropriate congressional committees are notified not less than 15 days prior to such obligation or expenditure.

(d) REPORTS- The Commissioner General of a United States pavilion or other major exhibit at any international exposition or world's fair registered by the Bureau of International Expositions shall submit to the Secretary of State and the appropriate congressional committees a report concerning activities relating to such pavilion or exhibit every 180 days while serving as Commissioner General and shall submit a final report summarizing all such activities not later than 1 year after the closure of the pavilion or exhibit.

(e) REPEAL- Section 230 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (22 U.S.C. 2452 note) is repealed.

### C. Foreign Film Box Office Gross in China 1999-2010

(Source: Motion Picture Association of America)

All figures are in \$U.S., converted from Renminbi 6.5871 RMB/\$1 on December 31, 2010).

Year	Film	Production Company	Box Office Receipts (\$ millions)
1999	1.Rush Hour	New Line	3.80
	2.Mulan	Disney	1.72
	3.Enemy of the State	Disney	3.37
	4.Star Wars, Ep1	Fox	5.15
	5.Tarzan	Disney	2.08
	6.Entrapment	Fox	4.46
2000	1.Matrix	W.B	2.72
	2.Stuart Little	Sony	3.24
	3. Double Jeopardy	UIP	2.34
	4.General's Daughter	UIP	3.31
	5.U-571	EDKO	4.42
	6.Dinosaur	BVI	4.34
	7.Gladiator	UIP	4.24
	8.MI: 2	UIP	4.45
	9.Perfect Storm	Warner	3.16
	10.Bone Collector	Sony	2.62
	11.Big Momma's House	Fox	1.51
2001	1.Charlie's Angels	Sony	2.82
	2.Chicken Run	CJ	0.94
	3.Vertical Limit	Sony	4.03
	4.The 6 <sup>th</sup> Day	Sony	2.22
	5.Meet the Parents	CJ	0.99
	6.Proof of Life	Warner	1.32
	7.Enemy at the gates	UIP	3.32
	8.Pearl Harbor	BVI	16.13
	9.Swordfish	Warner	2.61
	10.The Mummy Returns	UIP	4.36
	11.Lara Croft: Tomb Raider	UIP	2.69
	12.Antitrust	MGM	0.92
	*Moulin Rouge	Australia/Fox	1.63

2002	1. Planet of the Apes	Fox	1.56
	2. Shrek	CJ	1.07
	*Jurassic Park III	UIP	2.68
	3. Harry Potter and the Sorcerer's Stone	Warner	9.45
	4. The One	SONY	1.88
	5. Princess Diaries	BVI	1.50
	6. The Lord of the Rings: The Fellowship of the Rings	New Line	8.53
	7. E.T	UIP	2.01
	8. Star Wars: Episode II-Attack of the Clones	FOX	6.90
	9. Spider Man	SONY	6.26
	10. Stuart Little 2	SONY	2.75
	11. Wind Talkers	MGM	4.48
	12. Ice Age	Fox	1.06
	13. Bourne Identity	UIP	2.43
	14. Tuxedo	CJ	2.49
*Lagaan	Sony	0.19	
15. Bad Company	BVI	2.71	
2003	1. Sweet Home Alabama	BVI	1.30
	2. Harry Potter & Chamber of Secrets	Warner	7.80
	3. The Recruit	BVI	2.60
	4. Maid in Manhattan	Sony	0.94
	5. Catch Me If You Can	CJ	1.60
	6. The Lord of the Rings: Two Towers	New Line	3.64
	7. Daredevil	Fox	1.55
	8. The Core	UIP	1.71
	9. The Matrix Reloaded	Warner	6.33
	10. Finding Nemo	BVI	5.28
	11. Charlie's Angel: Full Throttle	Sony	2.15
	12. Terminator 3: Rise of the Machine	Sony	4.40
	13. X2	Fox	1.37
	14. The Hulk	UIP	1.23
	15. the Matrix Revolutions	Warner	6.38
* Johnny English	UIP	1.25	
*Pirates of the Caribbean: The Curse of the Black Pearl	BVI	4.13	

	*Italian Job	UIP	2.65
2004	1. The Rundown	Sony	2.53
	* Master and Commander	Fox	3.08
	* Mona Lisa Smile	Sony	0.71
	2. The Lord of the Rings	New Line	13.10
	3. Paycheck	DreamWorks	2.05
	4. Cold Mountain	Miramax	4.02
	* Looney Tunes: Back in Action	Warner	N/A
	* Cheaper By the Dozen	Fox	0.85
	* 50 First Dates	Sony	0.78
	5. Day After Tomorrow	Fox	12.60
	6. Troy	Warner	10.51
	7. Spider Man II	Sony	7.86
	8. Shrek 2	DreamWorks	1.87
	9. Harry Potter 3	Warner	5.89
*Two Brothers	UIP	1.19	
10.King Arthur	Disney	4.17	
11. The Bourne Supremacy	UIP	2.27	
12. Ladder 49	Disney	1.17	
13. I, Robot	Fox	2.29	
14. Garfield	Fox	3.18	
2005	1. The Polar Express	Warner	1.48
	2. The Incredibles	Disney	3.30
	3. Anacondas II	Sony	3.85
	4. Wimbledon	UIP	0.32
	5. Thunderbird	UIP	0.21
	6. A Very Long Engagement	Warner	0.67
	7. National Treasure	Disney	5.45
	* Casablanca	Warner	0.06
	8.Taxi	Fox	1.48
	9.Interpreter	UIP	4.14
	10.Flight of the Phoenix	Fox	2.29
	11.Star Wars III	Fox	11.47
	12.xxx 2	Sony	2.20
	13.Batman Begins	Warner	3.20
	14.Mr.&Mrs. Smith	Fox	9.41
	15.War of the Worlds	UIP	8.04
16.Stealth	Sony	4.02	



	17.Fantastic Four	Fox	3.07
	* Charlie and the Chocolate Factory (IMAX)	Warner	0.06
	18.The Legend of Zorro	Sony	4.69
	19.Harry Potter 4	Warner	14.39
2006	1.The Da Vinci Code	Sony	16.07
	2.King Kong	UIP	15.53
	3.MI 3	Paramount	12.32
	4.Poseidon	Warner	10.46
	5.Superman Returns	Warner	9.50
	6.The Chronicles of Narnia	Disney	9.26
	7.Garfield: A Tail of Two Kitties	Fox	8.73
	8.Eight Below	Disney	8.46
	9.Ice Age II	Fox	5.54
	10.The Transporters 2	Fox	4.61
	11.Miami Vice	Universal	4.49
	12.When A Stranger Calls	Sony	3.59
	13.World Trade Center	Paramount	3.46
	14.The Sentinel	Fox	3.42
	15.Firewall	Warner	3.43
	16.Cars	Disney	3.41
	17.X-men 3	Fox	3.20
	18.Open Season	Sony	2.33
	19.Goal	Disney	1.03
	*Ant Bully	Warner	0.17
2007	*Happy Feet	Warner	0.59
	1.The Guardian	Disney	3.88
	2.Casino Royale	Sony	14.12
	3.Night at the Museum	Fox	9.81
	4.The Devil Wears Prada	Fox	2.83
	5.Deja vu	Disney	4.32
	6.Eragon	Fox	5.19
	7.Click	Sony	1.81
	8.Shooter	Paramount	4.36
	9.Spiderman III	Sony	22.09
	10.TMNT	Warner	5.68
	11.Ghost Rider	Sony	4.36
	12.Pirates of the Caribbean: At World's	Disney	19.02

	End		
	13.Transformers	Paramount	42.67
	14.Mr. Bean's Holiday	Universal	3.54
	15.Harry Potter and the Order of the Phoenix	Warner	21.60
	*Shrek III (Digital New Line)	DreamWorks	1.61
	16.No Reservations	Warner	2.23
	17.Ratatouille	Disney	3.33
	18.Die Hard 4	Fox	4.11
	19.The Bourne Ultimatum	Universal	3.57
2008	1.Blinkers	Sony	0.17
	2.The Pursuit of Happyness (Digital)	Sony	1.03
	3.The Water Horse	Sony	9.50
	4.Atonement	Universal	2.28
	5.National Treasure	Disney	11.11
	6.10,000 BC	Warner	12.20
	7.The Golden Compass	New Line	4.67
	*Spiderwick (IMAX)	Paramount	0.36
	8.Ironman	Paramount	13.76
	9.Fool's Gold	Warner	2.09
	10.27 Dresses	Fox	0.82
	11.The Chronicles of Narnia: Prince Caspian	Disney	12.58
	12.Kung Fu Panda	Paramount	27.32
	13.Hancock	Sony	15.79
	14.Speed Racer	Warner	3.37
	15.Incredible Hulk	Universal	9.27
	*Journey to the Center of the Earth	Warner	10.02
	16.Wanted	Universal	11.14
	17.007 Quantum of Solace	Sony	21.04
	18.Babylon A.D.	Fox	1.28
	19.Hellboy	Universal	2.47
	*Bolt	Disney	6.94
2009	1.Madagascar 2	DreamWorks Animation/UIP Distribution	5.76
	2.Australia	Fox	2.69
	3.Valkyrie	Fox	9.15

	4.Dragonball: Evolution	Fox	9.58
	*Monsters vs. Aliens	Paramount	4.81
	6.Fast & Furious 4	Universal	4.27
	7.X-Men Origins: Wolverine	Fox	12.17
	8.Star Trek	Paramount	9.24
	9.Night at the Museum: Battle of the Smithsonian	Fox	18.06
	10.Terminator Salvation	Sony	17.63
	11.Transformer	Paramount	68.39
	*Ice Age III	Fox	23.47
	12.Harry Potter and the Half-Blood Prince	Warner	25.07
	*Up	Disney	12.54
	13.G.I.Joe	Paramount	20.42
	14.State of Play	Universal	2.58
	15.The Taking of Pelham 123	Sony	4.51
	16.This Is It	Sony	6.95
	17.2012	Sony	71.23
	*G-force	Disney	4.28
2010	1.Avatar	Fox	211.36
	2.Alvin and the Chipmunks: The Squeakquel	Fox	1.56
	3.Sherlock Holmes	Warner	12.02
	4.Percy Jackson & The Olympians: The Lightning Thief	Fox	5.01
			0.15
	5.Alice in Wonderland	Disney	35.50
	*Clash of the Titans	Warner	26.63
	6. Iron Man 2	Paramount	27.15
	7.How to Train Your Dragon	Paramount	13.95
	8.Prince of Persia: The Sands of Time	Disney	24.36
	9.Robin Hood	Universal/Edko	6.43
	*Toy Story 3	Disney	18.05
	10.Knight & Day	Fox	14.11
	*Shrek Forever After	Paramount	13.55
	11.The Last Airbender	Paramount	4.54
	12.Inception	Warner	69.23
	13.The Sorcerer's Apprentice	Disney	9.11
	*Cloudy With A Chance Of	Sony	0.28

	Meatballs (IMAX)		
	14.Wall Street 2	Fox	7.47
	15.Unstoppable	Fox	9.18
	*Legend of The Guardians: The Owls of Ga'Hoole	Warner	4.40
	*Resident Evil: Afterlife (3D)	Sony/DMG (Chinese distributor)	21.71
	16.Harry Potter and The Deathly Hallows 1	Warner	31.27
	*My Name is Khan (non US film (India) quota)	Fox	0.07
	**Hot Summer Days	Fox (Huayi Bros)	19.99
	**The Karate Kid	CFG/Sony	7.06

\*Denotes 3D, IMAX, digital titles or other reasons counted outside the quota

\*\*Denotes co-productions counted as Chinese domestic movies

The titles indicated that are counted against the quote is based on MPA internal tracking.

## **D. October 11, 2010 Open Letter to the Standing Committee of the National People's Congress Calling for Greater Press Freedom**

### **Enforce Article 35 of China's Constitution, Abolish Censorship and Realize Citizens' Right to Freedom of Speech and Freedom of Press: A Letter to the Standing Committee of the National People's Congress**

Written by Li Rui (李锐), Hu Jiwei (胡绩伟) and others

**Dated:** October 11, 2010

Dear members of the Standing Committee of the National People's Congress:

Article 35 of [China's Constitution](#) as adopted in 1982 clearly states that: "Citizens of the People's Republic of China enjoy freedom of speech, of the press, of assembly, of association, of procession and of demonstration." For 28 years this article has stood unrealized, having been negated by detailed rules and regulations for "implementation." This false democracy of formal avowal and concrete denial has become a scandalous mark on the history of world democracy.

On February 26, 2003, at a meeting of democratic consultation between the Standing Committee of the Political Bureau of the Central Committee of the Chinese Communist Party and democratic parties [[http://en.wikipedia.org/wiki/List\\_of\\_political\\_parties\\_in\\_the\\_People's\\_Republic\\_of\\_China](http://en.wikipedia.org/wiki/List_of_political_parties_in_the_People's_Republic_of_China)], not long after President Hu Jintao (胡锦涛) assumed office, he stated clearly: "The removal of restrictions on the press, and the opening up of public opinion positions, is a mainstream view and demand held by society; it is natural, and should be resolved through the legislative process. If the Communist Party does not reform itself, if it does not transform, it will lose its vitality and move toward natural and inevitable extinction."

On October 3, America's [Cable News Network \(CNN\) aired an interview with Chinese Premier Wen Jiabao](#) (温家宝) by anchor Fareed Zakaria. Responding to the journalist's questions, Wen Jiabao said: "Freedom of speech is indispensable for any nation; China's Constitution endows the people with freedom of speech; the demands of the people for democracy cannot be resisted."

In accord with China's Constitution, and in the spirit of the remarks made by President Hu Jintao and Premier Wen Jiabao, we hereupon represent the following concerning the materialization of the constitutional rights to freedom of speech and of the press:

### **Concerning the Current State of Freedom of Speech and Press in Our Country**

We have for 61 years “served as master” in the name of the citizens of the People’s Republic of China. But the freedom of speech and of the press we now enjoy is inferior even to that of Hong Kong before its return to Chinese sovereignty, to that entrusted to the residents of a colony.

Before the handover, Hong Kong was a British colony, governed by those appointed by the Queen’s government. But the freedom of speech and freedom of the press given to residents of Hong Kong by the British authorities there was not empty, appearing only on paper. It was enacted and realized.

When our country was founded in 1949, our people cried that they had been liberated, that they were not their own masters. Mao Zedong said that, “From this moment, the people of China have stood.” But even today, 61 years after the founding of our nation, after 30 years of opening and reform, we have not yet attained freedom of speech and freedom of the press to the degree enjoyed by the people of Hong Kong under colonial rule. Even now, many books discussion political and current affairs must be published in Hong Kong. This is not something that dates from the [territory’s] return, but is merely an old tactic familiar under colonial rule. The “master” status of the people of China’s mainland is so inferior. For our nation to advertise itself as having “socialist democracy” with Chinese characteristics is such an embarrassment.

Not only the average citizen, but even the most senior leaders of the Communist Party have no freedom of speech or press. Recently, Li Rui met with the following circumstance. Not long ago, the *Collected Works in in Memory of Zhou Xiaozhou* were published, and in it was originally to be included an essay commemorating Zhou Xiaozhou that Li Rui had written for the *People’s Daily* in 1981. Zhou Xiaozhou’s wife phoned Li Rui to explain the situation: “Beijing has sent out a notice. Li Rui’s writings cannot be published.” What incredible folly it is that an old piece of writing from a Party newspaper cannot be included in a volume of collected works! Li Rui said: “What kind of country is this?! I want to cry it out: the press must be free! Such strangling of the people’s freedom of expression is entirely illegal!”

It’s not even just high-level leaders — even the Premier of our country does not have freedom of speech or of the press! On August 21, 2010, Premier Wen Jiabao gave a speech in Shenzhen called, “Only By Pushing Ahead With Reforms Can Our Nation Have Bright Prospects.” He said, “We must not only to push economic reforms, but must also to promote political reforms. Without the protection afforded by political reforms, the gains we have made from economic reforms will be lost, and our goal of modernization cannot be realized.” Xinhua News Agency’s official news release on August 21, “Building a Beautiful Future for the Special Economic Zone,” omitted the content in Wen Jiabao’s speech dealing with political reform.

On September 22, 2010, (U.S. local time) Premier Wen Jiabao held a dialogue in New York with American Chinese media and media from Hong Kong and Macao, and again he emphasized the importance of “political system reforms.” Wen said: “Concerning political reforms, I have said previously that if economic reforms are without the protection to be gained by political reforms, then we cannot be entirely successful, and even perhaps the gains of our progress so far will be lost.” Shortly after, Wen Jiabao addressed the 65th Session of the United Nations General Assembly, giving a speech called, “Recognizing a True China,” in which he spoke again about political reform. Late on September 23 (Beijing time), these events were reported on China Central Television’s Xinwen Lianbo and in an official news release from Xinhua News Agency. They reported only Wen Jiabao’s remarks on the circumstances facing overseas Chinese, and on the importance of overseas Chinese media. His mentions of political reform were all removed.

For these matters, if we endeavor to find those responsible, we are utterly incapable of putting our finger on a specific person. This is an invisible black hands. For their own reasons, they violate our constitution, often ordering by telephone that the works of such and such a person cannot be published, or that such and such an event cannot be reported in the media. The officials who make the call do not leave their names, and the secrecy of the agents is protected, but you must heed their phone instructions. These invisible black hands are our Central Propaganda Department. Right now the Central Propaganda Department is placed above the Central Committee of the Communist Party, and above the State Council. We would ask, what right does the Central Propaganda Department have to muzzle the speech of the Premier? What right does it have to rob the people of our nation of their right to know what the Premier has said?

Our core demand is that the system of censorship be dismantled in favor of a system of legal responsibility (追懲制).

The rights to freedom of speech and the press guaranteed in Article 35 of our Constitution are turned into mere adornments for the walls by means of concrete implementation rules such as the “Ordinance on Publishing Control” (出版管理条例). These implementation rules are, broadly speaking, a system of censorship and approvals. There are countless numbers of commandments and taboos restricting freedom of speech and freedom of the press. The creation of a press law and the abolishment of the censorship system has already become an urgent task before us.

We recommend that the National People’s Congress work immediately toward the creation of a Press Law, and that the “Ordinance on Publishing Control” and all of the local

restrictions on news and publishing be annulled. Institutionally speaking, the realization of freedom of speech and freedom of the press as guaranteed in the Constitution means making media independent of the Party and government organs that presently control them, thereby transforming “Party mouthpieces” into “public instruments.” Therefore, the foundation of the creation of a Press Law must be the enacting of a system of [post facto] legal responsibility (追懲制) [determined according to fair laws]. We cannot again strengthen the censorship system in the name of “strengthening the leadership of the Party.” The so-called censorship system is the system by which prior to publication one must receive the approval of Party organs, allowing for publication only after approval and designating all unapproved published materials as illegal. The so-called system of legal responsibility means that published materials need not pass through approval by Party or government organs, but may be published as soon as the editor-in-chief deems fit. If there are unfavorable outcomes or disputes following publication, the government would be able to intervene and determine according to the law whether there are cases of wrongdoing. In countries around the world, the development of rule of law in news and publishing has followed this path, making a transition from systems of censorship to systems of legal responsibility. There is little doubt that systems of legal responsibility mark progress over systems of censorship, and this is greatly in the favor of the development of the humanities and natural sciences, and in promoting social harmony and historical progress. England did away with censorship in 1695. France abolished its censorship system in 1881, and the publication of newspapers and periodicals thereafter required only a simple declaration, which was signed by the representatives of the publication and mailed to the office of the procurator of the republic. Our present system of censorship leaves news and book publishing in our country 315 years behind England and 129 years behind France.

Our specific demands are as follows:

1. Abolish sponsoring institutions of [Chinese] media [NOTE: This is the controlling organization that exercises Party control over the media], allowing publishing institutions to independently operate; Truly implement a system in which directors and editors in chief are responsible for their publication units.

2. Respect journalists, and make them strong (尊重记者，树立记者). Journalists should be the “uncrowned kings.” The reporting of mass incidents and exposing of official corruption are noble missions on behalf of the people, and this work should be protected and supported. Immediately put a stop to the unconstitutional behavior of various local governments and police in arresting journalists. Look into the circumstances behind the case of [writer] Xie Chaoping (谢朝平). Liang Fengmin (梁凤民), the party secretary of Weinan city [involved in the Xie Chaoping case] must face party discipline as a warning to others.



3. Abolish restrictions on extra-territorial supervision by public opinion [watchdog journalism] by media, ensuring the right of journalists to carry out reporting freely throughout the country.

4. The internet is an important discussion platform for information in our society and the voice of citizens' views. Aside from information that truly concerns our national secrets and speech that violates a citizen's right to privacy, internet regulatory bodies must not arbitrarily delete online posts and online comments. Online spies must be abolished, the "Fifty-cent Party" must be abolished, and restrictions on "tunneling/[anti-censorship]" technologies must be abolished.

5. There are no more taboos concerning our Party's history. Chinese citizens have a right to know the errors of the ruling party.

6. *Southern Weekly* and *Yanhuang Chunqiu* should be permitted to restructure as privately operated pilot programs [in independent media]. The privatization of newspapers and periodicals is the [natural] direction of political reforms. History teaches us: when rulers and deliberators are highly unified, when the government and the media are both surnamed "Party," and when [the Party] sings for its own pleasure, it is difficult to connect with the will of the people and attain true leadership. From the time of the Great Leap Forward to the time of the Cultural Revolution, newspapers, magazines, television and radio in the mainland have never truly reflected the will of the people. Party and government leaders have been insensible to dissenting voices, so they have had difficulty in recognizing and correcting wholesale errors. For a ruling party and government to use the tax monies of the people to run media that sing their own praises, this is something not permitted in democratic nations.

7. Permit the free circulation within the mainland of books and periodicals from the already returned territories of Hong Kong and Macao. Our country has joined the World Trade Organization, and economically we have already integrated with the world — attempting to remain closed culturally goes against the course already plotted for opening and reform. Hong Kong and Macao offer advanced culture right at our nation's door, and the books and periodicals of Hong Kong and Macao are welcomed and trusted by the people.

8. Transform the functions of various propaganda organs, so that they are transformed from [agencies] setting down so many "taboos" to [agencies] protecting the accuracy, timeliness and unimpeded flow [of information]; from [agencies] that assist corrupt officials in suppressing and controlling stories that reveal the truth to [agencies] that support the media in monitoring Party and government organs; from [agencies] that close publications, fire editors and arrest journalists to [agencies] that oppose power and protect media and journalists. Our propaganda

organs have a horrid reputation within the Party and in society. They must work for good in order to regain their reputations. At the appropriate time, we can consider renaming these propaganda organs to suit global trends.

We pressingly represent ourselves, hoping for your utmost attention.

October 1, 2010

Sponsors (23 people):

Li Rui (李锐)— former standing vice minister of the Organization Department of the CCP Central Committee, member of the 12th Central Committee of the CCP

Hu Jiwei (胡绩伟) — former director of People’s Daily, standing committee member to the 7th National People’s Congress, director of the Federation of Chinese Communication Institutes.

Jiang Ping 江平— former head of the China University of Political Science and Law, tenured professor, standing committee member to the 7th National People’s Congress, deputy director of the Executive Law Committee of the NPC

Li Pu (李普) — former deputy director of Xinhua News Agency

Zhou Shaoming (周绍明) — former deputy director of the Political Department of the Guangzhou Military Area Command

Zhong Peizhang (钟沛璋) — Former head of the News Office of the Central Propaganda Department

Wang Yongcheng (王永成) — Professor at Shanghai Jiaotong University

Zhang Zhongpei (张忠培) — Research at the Imperial Palace Museum, chairman of the China Archaeological Society

Du Guang (杜光) — former professor at the Central Party School

Guo Daojun (郭道晖) — former editor-in-chief of *China Legal Science*

Xiao Mo 萧默 — former head of the Architecture Research Center of the Chinese National Academy of Arts

Zhuang Puming (庄浦明) — former deputy director of People’s Press

Hu Fuchen (胡甫臣) — former director and editor-in-chief at China Worker’s Publishing House

Zhang Ding (张定) — former director of the China Social Sciences Press at the Chinese Academy of Social Sciences

Yu You (于友) — former editor-in-chief of *China Daily*

Ouyang Jin (欧阳劲) — former editor-in-chief of Hong Kong’s *Pacific Magazine* (太平洋杂志)

Yu Haocheng (于浩成) — former director of Masses Publishing House

Zhang Qing (张清) — former director of China Cinema Publishing House

Yu Yueting (俞月亭) — former director of Fujian Television, veteran journalist

Sha Yexin (沙叶新) — former head of the Shanghai People’s Art and Drama Academy, now an independent writer of the Hui ethnic minority

Sun Xupei (孙旭培) — former director of the News Research Institute at the Chinese Academy of Social Sciences

Xin Ziling (辛子陵) — former director of the editorial desk at China National Defense University

Tie Liu (铁流) — editor-in-chief of *Wangshi Weihen* (往事微痕) magazine (Scars of the Past).

Legal Counsel :

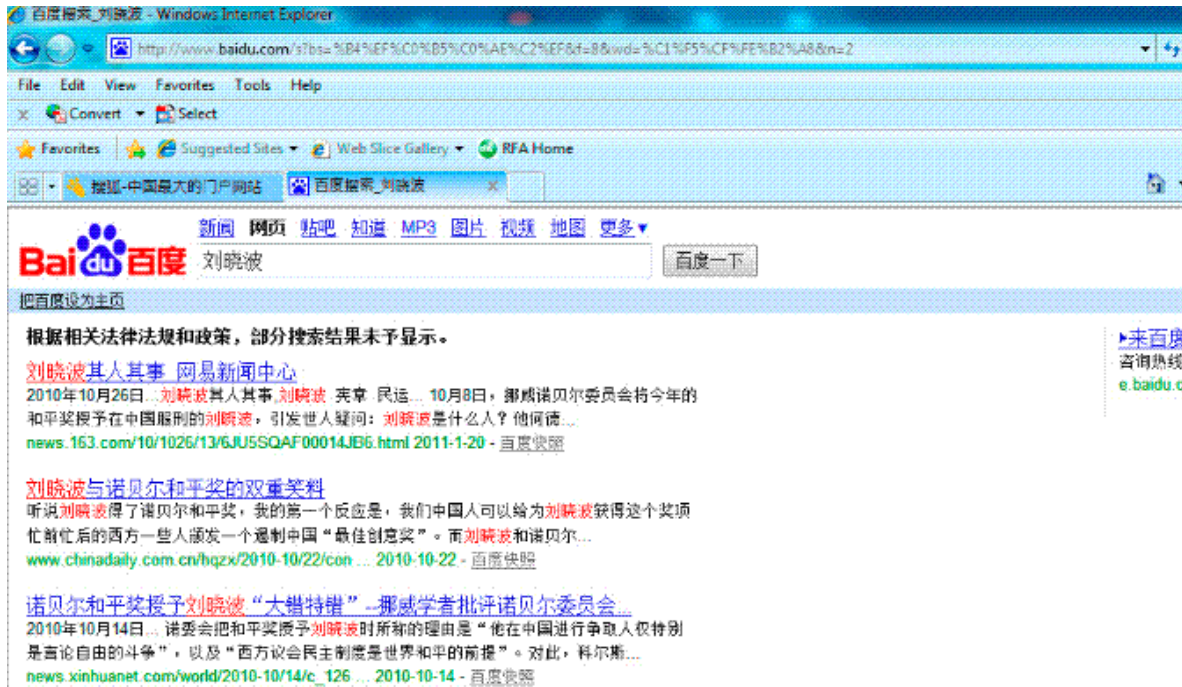
Song Yue (宋岳) — Chinese citizen, practicing lawyer in the State of New York, U.S.

### E. Committee to Protect Journalists 2010 List of Imprisoned Chinese Journalists

Name	Year Imprisoned	Media	Summary of Charges
Xu Zerong (David Tsui)	2000	freelance	"leaking state secrets"
Jin Haike	2001	freelance	"subverting state authority"
Xu Wei	2001	freelance	"subverting state authority"
Abdulghani Memetemin	2002	freelance	"leaking state secrets"
Huang Jinqiu (Qing Shuijun, Huang Jin)	2003	freelance, columnist for Boxun News	"subversion of state authority"
Kong Youping	2003	freelance essayist and poet, Minzhu Luntan	subversion
Shi Tao	2004	editorial director, Dangdai Shang Bao	"providing state secrets to foreigners"
Zheng Yichun	2004	freelance, Epoch Times contributor	subversion
Yang Tongyan (Yang Tianshui)	2005	freelance, Boxun News, Epoch Times	"subverting state authority"
Zhang Jianhong	2006	freelance, founder/editor of Aiqinhai	"inciting subversion"
Yang Maodong (Guo Feixiong)	2006	freelance	"illegal business activity"
Sun Lin	2007	freelance, Boxun News	possessing illegal weapon/organizing disorderly crowd
Qi Chonghuai	2007	freelance, Epoch Times contributor	carrying false press card
Lü Gengsong	2007	freelance	"inciting subversion of state power"
Hu Jia	2007	freelance blogger	"incitement to subvert state power"
Dhondup Wangchen	2008	Tibetan documentary filmmaker	subversion
Chen Daojun	2008	freelance, Zheng Ming contributor	subversion
Huang Qi	2008	founder of website 6-	illegally holding state secrets

		4tianwang	
Du Daobin	2008	freelance Internet writer	violating probation
Mehbube Abrak (Mehbube Ablesh)	2008	Xinjiang People's Radio Station	promoting "splittism"
Liu Xiaobo	2008	freelance, BBC, Epoch Times, Observe China	"inciting subversion"
Kunchok Tsephel Gopey Tsang	2009	online writer for Chomei (Tibetan site)	disclosing state secrets
Kunga Tsayang (Gang-Nyi)	2009	freelance, Zindris website	revealing state secrets
Tan Zuoren	2009	freelance	"inciting subversion"
Gulmire Imin	2009	freelance, contributor to Salkin (Uighur site)	separatism, leaking state secrets
Nureli	2009	manager of Salkin (Uighur site)	endangering state security
Nijat Azat	2009	manager of Shabnam (Uighur site)	endangering state security
Dilixiati Paerhati	2009	editor of Diyarim (Uighur site)	endangering state security
Gheytrat Niyaz (Hailaite Niyazi),	2009	manager of Uighurbiz (Uighur site )	"endangering state security"
Tashi Rabten	2010	freelance, editor Shar Dungri (Tibetan journal)	"subverting state authority"
Dokru Tsultrim (Zhuori Cicheng)	2010	freelance, Khawai Tsesok (Tibetan journal)	N/A
Buddha	2010	contributor to Shar Dungri (Tibetan journal)	"separatism"
Jangtse Donkho (Rongke)	2010	contributor to Shar Dungri (Tibetan journal)	"separatism"
Kalsang Jinpa	2010	contributor to Shar Dungri (Tibetan journal)	"separatism"

## F. Screen Shots of Baidu Searches as Seen from Inside the Great Firewall



Search Engine: Baidu (Chinese equivalent of Google)

Search Term: Liu Xiaobo

Date: Feb 03, 2011

Results:

1. An article on NetEase (163.com)[ Popular State run Web portal ]

Discusses the Nobel Committee's decision to award Liu Xiaobo the Peace prize and asks "Who is Liu Xiaobo and why the Nobile Prize Committee favors him?" States Liu Xiaobo favors China to be under the same colonial rule as Hong Kong, that he receives financial support from NED, and that his opinions run contrary to the Chinese constitution because of his support of "Charter 08".

2. A commentary on China Daily international edition[State run online news website ]

Discusses Nobel Prize and states that it is "a joke." Discusses Liu Xiaobo's life and how he doesn't deserve the award.

3. An article on Xinhua news [State run news agency]

An interview with a Norwegian scholar criticizing the Norwegian Nobel Committee's decision to give Liu Xiaobo the peace prize.



Search Engine: Baidu (a Chinese equivalent of Google)

Search Term: Tiananmen Square

Date: Feb 09, 2011

Results:

1. Entry for Tiananmen Square on Baidu's Encyclopedia Baike [Chinese equivalent of Wikipedia.]

Gives description of Tiananmen Square and lists important events in the Square's history. There is no reference to June 4, 1989.

2. A link to 2008 CCTV video on Sina.com video channel.

The video shows the flags being flown at half-mast in Tiananmen Square to mourn the Wenchuan earthquake victims in 2008.

3. A link to the Tiananmen travel page of a commercial tour company <http://www.lotour.com/>.



Search Engine: Baidu (a Chinese equivalent of Google)

Search Term: Tibet

Date: Feb 09, 2011

Results:

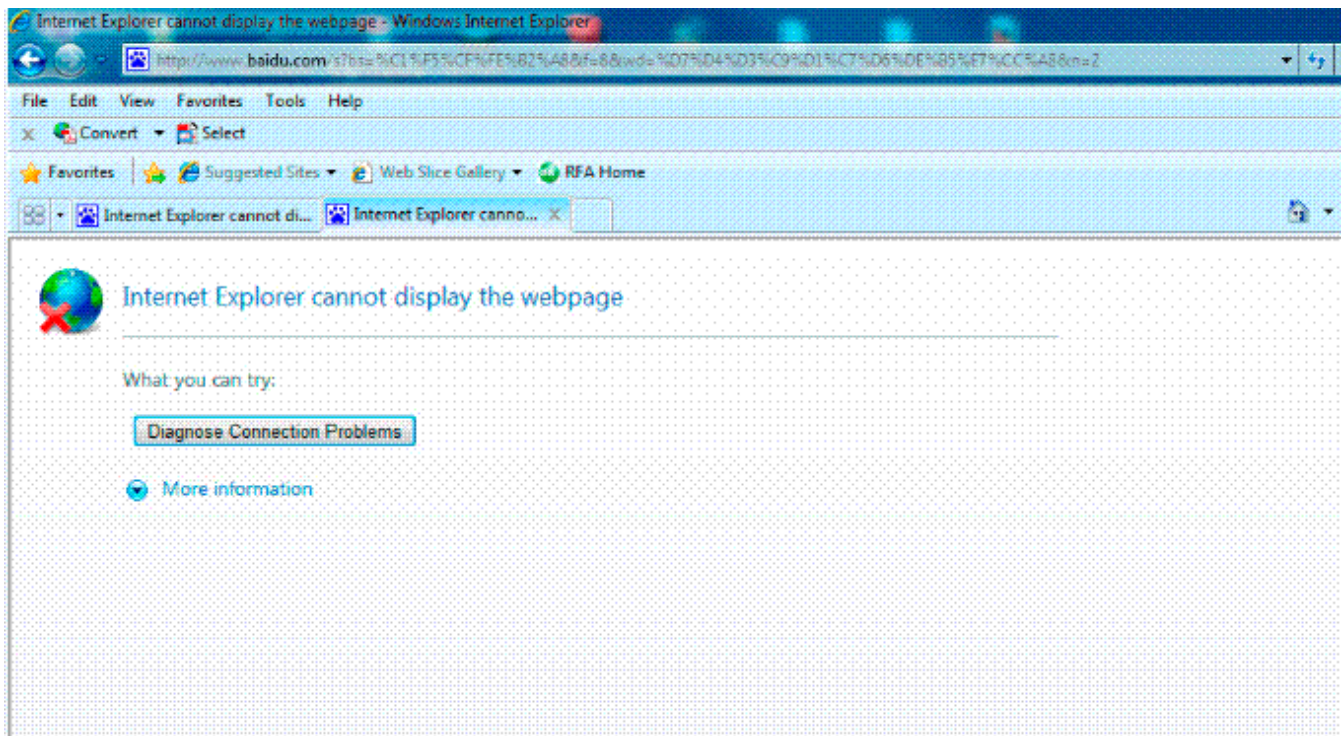
1. An advertisement about travel accident insurance by PING AN INSURANCE COMPANY OF CHINA on travel to Tibet.

2. Entry for Tibet on Baidu's Encyclopedia Baike [Chinese equivalent of Wikipedia.]

Discusses the name Xizang (Tibet in Chinese), gives a Tibet overview, with geography and history etc.

3. Link to China Tibet Online, an official "key national-level media website dedicated to providing updated news stories on China's Tibet Autonomous Region and other Tibetan inhabited areas".





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**Search Engine: Baidu (a Chinese equivalent of Google)**

**Search Term: Radio Free Asia**

**Date: Feb 03, 2011**

**Results:**

**No Results Returned**



Search Engine: Baidu (Chinese equivalent of Google)

Search Term: Tahrir Square

Date: Feb 14, 2011

Results:

1. A link to Sina webpage [Popular Chinese Web portal]  
Shows real estate for sale in and close to "Liberty Square" in China, without mentioning Tahrir Square in Cairo or linking to Sina's news webpage with news results for that search.
2. An article from Baidu's online encyclopedia [Chinese equivalent of Wikipedia]  
Contains general information on a "Liberty Square" in Hunan province and Tahrir Square in Cairo. Shows a single undated file photo of Tahrir Square during the day without mention of protests or with any images from those events.
3. Baidu link to news results about Tahrir Square  
Links only to one brief Reuters article about the military asking protesters to leave Tahrir Square without any background on Mubarak or the situation in Egypt.