

RECOMMENDATIONS

An Overview of China's Relations with North Korea and Iran

The Commission recommends that:

- Congress investigate whether U.S. sanctions have been imposed on all Chinese firms that have violated the sanction laws by investing in Iran's petroleum industry or providing Iran with refined petroleum products or advanced conventional weapons.
- Congress, in light of China's continued investments in North Korea, hold hearings to evaluate the effectiveness of expanding North Korean sanctions to cover foreign firms investing in North Korea's natural resource industry.

Actors in China's Foreign Policy

The Commission recommends that:

- Congress investigate the extent to which the People's Liberation Army is becoming a more influential actor in China's foreign policy-making.
- Members of Congress make an effort to engage with multiple official and unofficial foreign policy actors during their trips to China in order to better understand and establish channels of communication with these actors.

Taiwan

The Commission recommends that:

- Congress urge the administration to sell Taiwan the additional fighter aircraft it needs to recapitalize its aging and retiring fleet.
- Congress request from the administration an update on the Taiwan submarine program that was approved for sale by the U.S. government in 2001.
- Congress explore in hearings the implications for the United States and the region of closer China-Taiwan relations.

Hong Kong

The Commission recommends that:

- Congress reauthorize Section 301 of the Hong Kong Policy Act of 1992, which requires the U.S. secretary of State to submit an annual report to Congress on political, social, and economic developments in Hong Kong as they relate to the United States. This

should include reporting on China's measures to use Hong Kong as a platform for the internationalization of the renminbi.

- Members of Congress, when visiting mainland China, also visit Hong Kong and that Congress encourage senior administration officials, including the secretary of State, to make visits to Hong Kong part of their travel.
- Congress encourage its Members to raise the issue of preserving Hong Kong's special status when meeting with members of China's National People's Congress.

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