

China-US Grand Strategy Proposal

- ii. Pursuit of peaceful coexistence in their bilateral relations with other Asian nations; and
- iii. Promotion of economic stability and growth of ASEAN nations in their multilateral relations within ASEAN, APEC, etc.

Military-to-Military Ties

U.S and P.R.C. pledge to cooperate on international and non-traditional security issues, to include:

- i. Lifting of U.S. embargo on military sales to China;
- ii. Regular scheduling of joint naval exercises in Asian waters, with standing invitations to other regional navies;
- iii. Permanent expansion of officer-exchange program;
- iv. Creation of joint peacekeeping force/command in conjunction with other countries within the UN Security Council framework;
- v. Expansion of U.S.-P.R.C Maritime and Military Security Agreement to include frequency of U.S. close-in reconnaissance; and
- vi. Establishment of joint commission collaborating annually on U.S. and P.R.C. technology sharing and transparency of budget expenditures.

Existing and Future International Institutions and Issues

U.S. and P.R.C. pledge to support continued reform of existing institutions (e.g., UN, IMF, World Bank, WTO, G20) to better reflect the evolving global economy and international issues, to include climate change, Doha Agreement, etc.

Strategic and Economic Dialogue (SED)

To implement the new collaborations listed above:

- i. SED becomes permanently sitting commission for continuous senior-level communications and collaboration on economic and security issues; and
- ii. SED reviews all existing tariffs, WTO complaints, and other trade and economic disputes and issues.

P.R.C. Investment into U.S. Economy

P.R.C. pledges to invest up to 1 trillion USD directly into U.S. companies at direction of U.S. President in exchange for:

- i. U.S. removes trade restrictions and high-technology

export bans with P.R.C.;

- i. P.R.C. commits to purchase sufficient amount of U.S. goods/services to balance bilateral trade on annual basis;
- iii. P.R.C. companies' access to U.S. market made equal to that of U.S. companies access to P.R.C. market;
- iv. Ownership limit for new P.R.C. investments in U.S.-owned or controlled corporations limited to 45 percent of shares, with additional 10 percent reserved for preferred equity/pension funds on a case-by-case basis and final 45 percent remaining with non-P.R.C. ownership;
- vi. U.S. and P.R.C. to facilitate global joint ventures between U.S. and P.R.C. companies, with initial example to involve major U.S. firm, possibly General Motors; and
- vii. U.S. and P.R.C. to collaborate in SED on goal of full employment throughout each economy, targeting in particular areas suffering inordinate unemployment or needing special economic growth arrangements.

Other Areas of Bilateral and Multilateral Cooperation

P.R.C. and U.S. to collaborate:

- i. Implementing principles in the Preamble, Article 1 of the UN Charter;
- ii. Rehabilitation of failing and failed states seeking assistance;
- iii. Combining U.S. and P.R.C. markets, technology and financing to ensure affordable costs for all nations of effective pollution remediation and sustainable energy and financing of globally needed technology; and
- iv. Joint space exploration with other UN member states.

No Creation or Operation of "G2" Arrangement

Nothing in this Executive Agreement constitutes, is intended to, nor permits the creation or operation of a "G2", and instead this Agreement:

- i. Establishes an improved framework of collaboration among the U.S., P.R.C. and other UN member states;
- ii. Neither seeks nor infers any formal alliance between the U.S. and P.R.C.; and
- iii. Creates a new U.S. and P.R.C. partnership commitment to the Principles of Peaceful Coexistence in the UN Charter.

Mutually agreed on the _____ day of _____ 2011.

President Barack Obama

President Hu Jintao