The Influence of Congress upon America’s China Policy

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September 8, 2016

Abstract

How is the executive’s ability to win policy concessions from foreign countries affected by legislative opposition to his or her foreign policy? To answer this question, I record daily interactions between American presidents and China and between the American Congress and China since 1973. To accommodate the possibility of reverse causality—that congressional hostility toward China both responds to and influences Chinese foreign policy—I employ high volume days in Congress as an instrument for anti-Chinese legislation. Congressional holiday weekends yield exogenous variation in the volume of legislation, yet affect US-China relations through no other channel. The evidence suggests that when Congress introduces legislation hostile to China, China penalizes the president by reducing its willingness to cooperate by a factor of four. Most broadly, these results suggest that the benefits accorded to democracies in international relations may be circumscribed under some conditions.

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“We bend over backwards to accommodate China’s domestic politics. Why can’t they do the same for us?”

–William J. Clinton to Henry Kissinger, mid-1990s.

1 Introduction

How does legislative opposition condition the executive’s ability to conduct foreign policy? Many international relations (IR) scholars argue that the separation of executive and legislative power is advantageous for the conduct of democratic foreign relations. In their view, legislatures bestow credibility upon executives negotiating abroad. Schelling (1980) and Putnam (1988) argue that an executive can point to a hawkish legislature to extract concessions from his or her bargaining partner. If the executive yields too much in international negotiations, opposition politicians will soon object. “Institutionalized legislative participation in international cooperation,” Martin (2000) concludes, “leads to greater credibility of international commitments, and therefore to higher levels of international cooperation.” Quantitative evidence suggests that legislatures render states more pacific, better warfighters, more durable alliance members, and able to negotiate lower tariffs.

Other scholars question the benefits of legislatures in international relations. Milner (1997) argues that domestic groups introduce veto points and therefore never make international cooperation more likely. Milner and Rosendorff (1997, 120) demonstrate that the Schelling conjecture “holds only when the legislature is not too hawkish.” In their model, legislative opposition reduces the prospects for international cooperation and shifts agreements toward the legislature’s ideal point. When legislative and executive preferences diverge, the executive’s threats to his bargaining partner lose credibility.

There is some quantitative support for this argument. Foreign states are more likely to initiate conflict with the United States when members of Congress voice displeasure with presidential foreign policy than when they do not. When Senate treaty consent is difficult to secure, foreign countries may “simply disregard US demands or abandon the negotiations

\[1\] William J. Clinton Presidential Library archives.

\[2\] Schultz (1998).

\[3\] This is a large literature, but see, for example, Bueno de Mesquita et al. (1999); Choe (2010); Gaubatz (1999); Howell and Pevehouse (2003); Kriner (2010); Leeds (1999); Mansfield, Milner and Rosendorff (2000, 2002); Powell and Pevehouse (2007); Russett and Oneal (2001).
entirely. Increasing the number of domestic veto players decreases the likelihood of forming a preferential trade agreement by 50 percent. “[D]omestic politics,” the authors conclude, “may be a greater obstacle to international co-operation than political or military relations among states.”

This article explores one way in which legislative influence upon democratic foreign policy may be detrimental. If the legislature introduces legislation hostile to a foreign country, the foreign country may punish the executive in international negotiations. It may do so for three reasons. Obviously, the country may wish to deter harmful legislation in the future. It may wish to deter the legislature itself, or it may wish to deter Schelling-type collusion between the executive and the legislature. Second, legislative hostility may force the foreign leader to adopt a tough bargaining position to avoid being penalized by her constituency. In response to legislative hostility, the foreign country’s citizens may demand that their leader stand up for national interests and prestige. Quantitative evidence suggests that citizens care about the nation’s reputation and the distributional implications of international negotiations.

Finally, the foreign country may view the legislative-executive divide as an opportunity to move negotiations closer to its ideal point. Legislative opposition renders failure to reach an agreement costly for the executive, whose domestic political capital is at stake. As National Security Advisor Brent Scowcroft told President George H.W. Bush, “An ugly confrontation with Congress and Beijing awaits us ... a majority in both houses will be eager to humiliate our China policy.” Divided government enables more credit claiming by the successful party. These stakes give an embattled executive an interest in signing any international agreement, and the foreign leader may sense the opportunity to shift the terms of cooperation toward her ideal point. For all three reasons—deterrence, domestic audience costs, and strategic opportunity—legislative opposition to the executive’s foreign policy may reduce a democracy’s ability to realize the gains from international cooperation.

US-China relations are an ideal context in which to test this hypothesis because of the historically wide gap between congressional and executive preferences on China policy. Since the early 1970s, American presidents have pursued engagement with China, while Congress has condemned Chinese human rights and trade practices. American presidents have vetoed several China bills. Congress has attempted to override three vetoes. There is perhaps no

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5 Kelley and Pevehouse (2013, 541).
7 Tomz (2007).
8 Scowcroft (1990).
other case in which an executive’s ideal point has been so far from his legislature’s for so long.

The analysis employs two original datasets. The first is a complete history of China’s relations with the United States between 1949 and 2014. It is drawn from three dozen primary and secondary sources and records 3,000 bilateral interactions across a host of issue areas and severity levels. I record daily episodes of diplomacy, criticism, cooperation, and conflict. The second dataset includes 2,758 congressional actions on China since 1973, drawn from the congressional register. It includes all resolutions, bills, amendments, and laws introduced or enacted in the House or Senate. I record whether or not each piece of legislation was hostile toward China.

In assessing the relationship between congressional hostility toward China and Chinese foreign policy toward the United States, one confronts an endogeneity problem: congressional hostility surely renders China less likely to cooperate with the United States, but Chinese foreign policy may also provoke congressional hostility. To address this problem, I employ the congressional calendar as an instrument for anti-Chinese legislation. The volume of congressional activity varies dramatically throughout the calendar year, and predictably. It is most common after the State of the Union address and before Memorial Day, Independence Day, the August congressional recess, and the fiscal year funding deadline of 1 October. In each of these periods, the mean daily volume of legislation is more than two standard deviations greater than average. As the congressional calendar generates exogenous variation in the volume of total legislation, so too does it generate exogenous variation in the number of bills that are hostile to Chinese interests. The evidence suggests that congressional hostility toward China reduces the probability of Chinese cooperation with the United States by a factor of four.

This paper contributes to our understanding of the relationship between domestic institutions and international relations. Scholars writing in the democratic peace tradition suggest that democratic institutions may enable states to secure more favorable international outcomes. However, the consequences of strategic legislative behavior remain relatively unexplored, due in part to the difficulty of addressing reverse causality concerns. This study provides evidence that when the legislature opposes the executive’s foreign policy agenda, the nation as a whole may realize fewer gains from international cooperation. Most broadly,

\footnote{Indeed, most empirical research focuses on the implications of fixed institutional features for international cooperation. A considerable body of work focuses on the number of domestic veto players, for example. See e.g., Henisz and Mansfield (2000); Kastner and Rector (2003); Mansfield, Milner and Rosendorff (2000); Mansfield, Milner and Pevehouse (2008); Tsebelis (2002).}
the domestic politics of democracies sometimes impede a dyad’s ability to reach the Pareto frontier of international cooperation.

This paper proceeds as follows. Section 2 introduces the data on bilateral interactions and congressional hostility toward China. Section 3 explains why the congressional calendar is a suitable instrument for anti-Chinese legislation and then presents the analysis. Section 4 presents new archival case evidence from the Reagan, George H.W. Bush, and Obama administrations that demonstrates that American presidents and their staff believed that China punished them for congressional hostility. Section 5 considers the limitations of the analysis and concludes.

2 Data

2.1 Bilateral Data

2.1.1 US-China Interactions, 1949-2014

To test whether congressional hostility reduces the president’s ability to secure international cooperation, I constructed a dataset of over 3,000 bilateral interactions between 1949 and 2014 from three dozen primary and secondary sources listed in the appendix. I drew from secondary sources, policymaker memoirs, case studies, periodicals that follow Chinese politics such as the China Leadership Monitor, declassified primary source documents, and leaked American diplomatic cables from 1990 onwards provided by WikiLeaks. In all, I coded a diplomatic history of interactions between China and the United States. This analysis is restricted to 1973-2014, the period covered by the legislative data introduced below.

By hand coding some 10,000 pages of historical documents, I was able to capture private encounters that do not appear in traditional event datasets. In my coding scheme, a bilateral interaction is an episode of contact between the two states. For example, in 1950 Premier Zhou Enlai sent the United States private, third party warnings not to invade Korea through the Indian ambassador to China. In 1980, China and the United States cooperated to install monitoring equipment in western China to spy on the Soviets. In 1986, the Reagan administration secretly requested Chinese assistance in arming the Nicaraguan contras. China complied. After being lobbied by FedEx and UPS in 2009, Secretary of State Hillary Clinton requested that China reduce barriers to entry in its postal market.

\[^{11}\text{WikiLeaks covers US-China relations between 2003 and the end of 2009 with the greatest frequency. However, some cables cover the 1990-2002 period.}\]
For all these episodes, I recorded the date of the interaction. When it was not possible to identify the exact date, I identified the month that it occurred. I next recorded the source and target of the interaction. Most international events are directional. For example, John F. Kennedy offered food aid to China, while Hank Paulson requested that China appreciate the renminbi. Some, however, involve equal effort by both parties, like negotiating or signing an agreement. I duplicated these events so both sides received credit equally.

I then recorded the action itself: diplomacy, criticism, cooperation, or conflict. With a few adjustments for IR theory discussed below, these categories are similar to the “quad scores” employed in event datasets, which record verbal cooperation, verbal conflict, material cooperation, and material conflict. I define diplomacy as cooperation in word rather than deed. As shown in Table 1, it includes positive statements, requests, meetings, negotiations, invitations, visits, explanations, reassurances, offers, statements of regret, proposals, and promises.

Cooperation entails material deeds. It includes audience cost generating official apologies, the release of imprisoned foreign nationals, concessions, the provision of economic or humanitarian aid, the signing of official agreements, presidential summits, and yielding militarily.

Criticism entails negative verbal interactions. As shown in Table 2, it includes unfriendly statements by representatives of the executive branch, the postponement of scheduled talks, the downgrading of diplomatic protocol for a visit, refusals, demands, warnings, private threats, and public threats made by low ranking officials. In keeping with the IR literature I draw the line between criticism and conflict at audience cost generating leader threats. Some studies suggest that autocrats are only able to generate audience costs by inciting domestic nationalist protests (Kinne and Marinov, 2013; Weiss, 2013, 2014). The results are robust to this modification.

Conflict includes negative material interactions. These include public leader threats, the obstruction of the other side’s initiatives, the withdrawal of support, the cancellation of planned exchanges, punitive economic actions, human rights violations, interfering in the other party’s domestic affairs, inciting anti-foreign nationalist protest, arresting the other state’s nationals, espionage, formally downgrading relations, and all military claims, exercises, and conflict.

Because Taiwan, Tibet, and Chinese dissidents are salient in the bilateral relationship, I record American cooperation with these actors as conflict with China (and vice versa).
Table 1: Positive Interactions

<table>
<thead>
<tr>
<th>Action</th>
<th>positives</th>
<th>Diplomacy</th>
<th>Cooperation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive statement</td>
<td>9</td>
<td>Request</td>
<td>Release nationals</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Meet</td>
<td>Concede</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Negotiate</td>
<td>Aid</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Invite</td>
<td>Sign agreement</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Visit</td>
<td>Hold summit</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Explain</td>
<td>Yield militarily</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Reassure</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Offer</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Express regret</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Propose</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Promise</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Apologize</td>
<td></td>
</tr>
</tbody>
</table>

*See online appendix for definitions and examples.*
Table 2: Negative Interactions

<table>
<thead>
<tr>
<th>Action</th>
<th>Criticism</th>
<th>Conflict</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negative statement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Postpone</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Downgrade protocol</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refuse</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demand</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private threats</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public low ranking threats</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public leader threats</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Obstruct</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Withdraw support</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cancel exchanges</td>
<td></td>
<td></td>
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<tr>
<td>Punitive economic action</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infringe upon human rights</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intervene on behalf of dissident</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Incite protest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arrest nationals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Espionage</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Develop weapon system</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assert territorial claim</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proliferate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Downgrade relationship</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Military exercise</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Military conflict</td>
<td></td>
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</tbody>
</table>

* See online appendix for definitions and examples.

Examples of all action types appear in the online appendix.

I then recorded the issue area of the interaction, such as arms sales or intellectual property rights, as well as its private or public venue. Finally, I recorded a description of the event and its source. The dataset excludes interactions between Congress and China to avoid double counting. Congressional action towards China is captured in the second dataset.

Figure 1 visualizes the bilateral relationship since 1949. The top panel shows the number of diplomatic, critical, cooperative, and conflictual interactions initiated by China each year. The bottom panel shows the same data for the United States. Diplomacy is more common

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A note is appropriate on routine military patrols. There are many of these and they are difficult to record accurately. I record policy changes that alter military patrols—making them more aggressive, for instance, or mandating them in new areas—rather than the specific patrols themselves. This is appropriate because policymakers respond to changes in the other side’s assertiveness rather than to status quo patrols.
than criticism and talk is far more common than action. The volume of bilateral interaction has expanded massively over the study period. This is unsurprising because the two countries avoided official contact before 1969 and normalized relations only in 1978. Two gaps in the dataset—in the mid-1980s and the early 2000s—reflect sparsity in the primary and secondary historical record. However, I expect that this source of measurement error is classical.

2.1.2 Comparisons

I eschewed existing event datasets for several reasons. The popular Militarized Interstate Dispute dataset records only costly forms of conflict, not cooperation. Daily event datasets such as GDELT or Gary King’s “10 million events” record bilateral interactions with much greater frequency, but with tremendous noise. By my estimation, 20-30% of these events are false positives or false negatives: respectively, events that were omitted by the automated event coding process and events that were included mistakenly. Additionally, I identified many more diplomatic action types than recorded in standard event ontologies like Conflict and Mediation Event Observations (CAMEO). Existing ontologies were constructed from news wires, which omit some important types of diplomatic interaction. Examples include demurring, canceling an invitation, postponing talks, expressing restraint, or offering asylum to a dissident. These have all been important in US-China relations but do not appear in standard ontologies. Omissions are also considerable for classified military interactions. For example, China has occasionally initiated aggressive aircraft tails and submarine dogfights. These episodes are very important, but appear only in policymaker memoirs or declassified documents.

Furthermore, many international negotiations take place out of the public eye and escape the attention of news wires. For example, the United States and China famously conducted third party diplomacy through Pakistan in 1969, when President Yahya Khan relayed Washington’s message that the United States sought dialogue with China rather than Chinese isolation. Months later, American ambassador Walter Stoessel made contact with Chinese ambassador Lei Yang in Warsaw, who invited him to the Chinese embassy for discussions. Stoessel expressed American hopes to reduce forces on Taiwan, and Lei emphasized China’s willingness to discuss "any idea or suggestion presented by the United States on the basis of the five principles of peaceful coexistence." Washington proposed a high-level meeting. In October 1970, Chairman Mao invited American journalist Edgar Snow to view National Day celebrations beside him. During the festivities, Mao privately told Snow that China would

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14 Ross (1995, 32-33, 28).
Figure 1: Diplomacy Data

[Graph showing diplomacy data for PRC and USA from 1960 to 2000. The graph displays the number of events (Criticism, Diplomacy, Conflict, Cooperation) over the years.]
welcome an official visit from President Nixon. The rest, of course, is history. In order to understand public international outcomes, it is crucial to record the private interactions that led to them.

### 2.2 Congressional Data

Legislative data are drawn from [www.congress.gov](http://www.congress.gov), the official website for US legislative information. I collected all 2,758 pieces of legislation on China between 1973 and 2015. The dataset includes all resolutions, bills, amendments, and laws introduced or passed in either chamber. I coded each piece of legislation according to a dichotomous classification: whether or not it was hostile toward China.

A substantial proportion of legislation is overtly provocative toward China. Most commonly, it condemns China’s human rights record. For example, S.Res. 451, introduced in May 2014, was entitled “A resolution recalling the Government of China’s forcible dispersion of those peaceably assembled in Tiananmen Square 25 years ago, in light of China’s continued abysmal human rights record.”

Other legislation may not provoke China in the title of the bill but contains hostile language within. This is often the case with appropriations bills. For example, the 2016 national security appropriations bill provided $8 million to support Tibetan cultural traditions in China. H.R. 3694, the “STOP Organ Trafficking Act,” condemned organ trafficking worldwide but noted that it is particularly prevalent in China. China believes that bills like these interfere in its domestic affairs.

Still other legislation criticizes China for economic reasons. H.R. 1575, introduced in April 2005, threatened “To authorize appropriate action if the negotiations with the People’s Republic of China regarding China’s undervalued currency and currency manipulation are not successful.”

Finally, some legislation condemns executive policy toward China. For example, S.J. Res 19 introduced in April 2015 was “A joint resolution to express the disfavor of Congress regarding the proposed agreement for cooperation between the United States and the People’s Republic of China.” These actions criticize China and administration policy at once.

Overall, the dataset records 602 pieces of legislation that were hostile toward China between 1973 and 2015. Figure 2 shows the annual number of hostile legislative actions. Congressional hostility toward China increased dramatically after Tiananmen, tapered during President Clinton’s first term, and increased after the 1995-1996 Taiwan Strait crisis. Since then, congressional hostility toward China has trended downward with considerable
3 Analysis

3.1 The Calendar Year and Congress

3.1.1 Reverse Causality Concerns

Congress often criticizes China because of Chinese policy decisions. But Chinese foreign policy also responds to congressional criticism. In a naïve logistic setting, congressional hostility would thus be correlated with the error term. This would generate biased and inconsistent estimates. Indeed, Table 6 in the appendix demonstrates that in this setting, congressional hostility is significantly associated with more Chinese cooperation in a bivariate context, and is insignificantly related to Chinese cooperation in the presence of other covariates. We cannot be confident in these results because of reverse causality concerns.

However, if some other variable (known as the instrument) generates exogenous variation in congressional hostility, then endogeneity concerns may be circumvented. The observed volatility.

Figure 2: Congressional Hostility Toward China
relationship between the instrument and congressional hostility may be used to obtain predicted values of congressional hostility. Then, the predicted values may be used as an explanatory variable for Chinese cooperation. The predicted values are presumably exogenous, because they represent the share of congressional hostility explained only by variation in the instrument. Thus, if a valid instrument may be found, one may circumvent the endogeneity concerns that characterize Congress’ relationship with China.

3.1.2 The Instrument

The congressional calendar provides such an instrument. Legislative activity is strongly influenced by the congressional calendar. To assess the rate of legislative activity across the calendar year, I scraped all 393,466 legislative actions between 1973 and 2015 from www.congress.gov with the computer programming language Python. I computed the average number of actions per day and the average number of actions that were hostile to China per day. These trends are shown in Figure 3.

Legislative activity, the figure reveals, varies dramatically over the calendar year. It falls to zero during the congressional recess in August, the holiday season in December, and the holiday weekends of Presidents’ Day, Memorial Day, Independence Day, and Thanksgiving. It spikes in advance of important (but arbitrary) calendar deadlines.

The dotted line shows a threshold for high volume days: those with an average level of legislative activity that is two standard deviations higher than the average level in the whole sample. On average, 23 pieces of legislation are acted upon per day in Congress. To meet the threshold, Congress must act upon 50.5 pieces of legislation in a given day. Congress typically meets this threshold on only seven days in the calendar year: 5 February, 20 May, 25 June, 30 July – 1 August, and 28 September.

The first burst occurs after the president’s State of the Union address in early February. The address renders legislative action more likely because it brings lawmakers to Washington and sparks congressional debate over the president’s priorities. The second and third bursts occur before Memorial Day and Independence Day. Publications that follow the Hill note that these weeks tend to be busy before members of Congress return to their home districts. The fourth burst occurs at the end of July before Congress goes into recess for the month.

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15 For technical reasons, I drop observations from the first month of new congressional sessions (i.e., every other January since 1973). New sessions are characterized by a tremendous amount of administrative action unrelated to China. Figure 4 in the appendix plots daily average legislation including and excluding the first month of new sessions. In constructing my instrument, I excluded these months.

16 See, for example, Leeds (2013).
of August. *Rollcall* describes this period as “among the most fevered fortnights of the legislative year.”\(^{17}\) The final burst precedes the beginning of the fiscal year on 1 October. Federal agencies must be funded before this date to operate. This burst reflects eleventh hour work on appropriations bills.

These calendar dates generate variation in the volume of total legislation and, by extension, anti-Chinese legislation. As shown in Figure \(^{3}\), anti-Chinese legislation tracks total legislation closely. The correlation coefficient between the two time series is 0.78.

### 3.1.3 The Exclusion Restriction

To be valid, an instrument may not violate the exclusion restriction. Could these dates affect Chinese foreign policy toward the United States in any way other than through the congressional calendar? As legislators prepare to return to their home districts for Independence Day weekend and the August recess, these summer days pass in China like any others. The Chinese fiscal year begins on 1 January, not 1 October. Because nothing unusual happens in China in these three periods, they do not violate the exclusion restriction.

There are two potential violations of the exclusion restriction. The first obtains in early February, when the president gives the State of the Union address. Intuitively, it is possible that China could take issue with the tone of the address and hence refuse to cooperate. In fact, all addresses between 1973 and 2011 were neutral or positive in tone toward China.\(^{18}\) Nonetheless, the official Chinese newspaper has occasionally published a critical response to the address. Therefore I exclude the State of the Union from the instrument.

The second potential violation of the exclusion restriction obtains in late May. As legislators prepare to return to their home districts for Memorial Day weekend, China tightens its domestic security in preparation for the 4 June anniversary of the killings in Tiananmen Square. On 4 June, Congress usually introduces resolutions to commemorate those who died in the square. This does not violate the exclusion restriction because the effect of the date goes through Congress. However, the White House sometimes issues a statement about Chinese human rights problems on the same day. If China became less willing to cooperate with the United States because of the statement, the exclusion restriction would be violated. Indeed, China sometimes criticizes the statement directly. Even though the statement occurs after the Memorial Day high volume period, Chinese policymakers might anticipate it and adjust their behavior in May. Then, late May would be associated with both abundant

\(^{17}\)Hawkings (1015).

\(^{18}\)All addresses are archived by Peters and Woolley (2016).
The blue line shows the average number of legislative actions per day between 1973 and 2015. The red line shows the average number of legislative actions that are hostile to China per day between 1973 and 2015. The dotted line shows the threshold employed as the instrument. Observations above the threshold represent days with high legislative volume, defined as more than two standard deviations more than the average level of legislative activity. In the sample, legislative activity averages 23.0 actions per day. One standard deviation is 13.8 actions. The threshold is 50.5 actions.
Table 3: Instrument

<table>
<thead>
<tr>
<th>Dates</th>
<th>Source of Congressional Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 – 25 June</td>
<td>Independence Day weekend</td>
</tr>
<tr>
<td>25 July – 1 August</td>
<td>August congressional recess</td>
</tr>
<tr>
<td>23 – 28 September</td>
<td>Fiscal year deadline</td>
</tr>
</tbody>
</table>

legislation and Chinese recalcitrance. This would violate the exclusion restriction. Thus, I exclude the Memorial Day period from the instrument.

In short, Independence Day, the August congressional recess, and the fiscal year deadline generate exogenous variation in the volume of legislation but do not otherwise influence Chinese foreign policy. Therefore I construct a dichotomous instrument for anti-Chinese legislation, High volume day, which records a value of 1 each 25 June, 30 July – 1 August, and 28 September, and for the five days that precede each of these dates. Table 3 lists these days for convenience.

Table 4 shows the first stage of the IV model: the relationship between high volume days and hostile legislation. The model reports the bivariate relationship between the instrument on day t and congressional hostility toward China on day t. Both variables are dichotomous and the model is logistic. The evidence shows that congressional hostility toward China is 1.9 times as likely during high volume days. The effect is precisely estimated owing to the day-level data and is significant at the p < 2e−16 level.

3.2 Estimation

This subsection estimates whether congressional hostility decreases the probability of Chinese cooperation with the United States in an IV framework. The outcome variable is Net cooperationPRC. It is a dichotomous indicator of whether China initiated more cooperation toward the United States on a given day than conflict. A net measure of cooperation less conflict is preferable to a measure of cooperation alone, because the bilateral relationship includes many streams of negotiation. For instance, suppose Congress criticized Chinese human rights on day t. On day t + 1, China refused to release a dissident, froze cultural exchanges, and signed a transportation agreement. A net measure would correctly reflect the deterioration of the overall relationship, whereas a measure of cooperation alone would

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19I report a logistic model for ease of interpretation. In practice, the ivprobit package in Stata estimates a probit model for the first stage. The results are essentially identical.

20This number is calculated from exp(β), since the model is logistic.
Table 4: Congressional Hostility Toward China on High-Volume Days

<table>
<thead>
<tr>
<th>Dependent variable:</th>
<th>Congressional hostility&lt;sub&gt;t&lt;/sub&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>High volume day&lt;sub&gt;t&lt;/sub&gt;</td>
<td>0.665*** (0.132)</td>
</tr>
<tr>
<td>Constant</td>
<td>-3.266*** (0.044)</td>
</tr>
</tbody>
</table>

Observations 15,492
Log Likelihood -2,534.342
Akaike Inf. Crit. 5,072.684

Note: *p<0.1; **p<0.05; ***p<0.01

incorrectly register an improvement.

The explanatory variable is Congressional hostility<sub>t</sub>. It is a dichotomous record of whether Congress introduced legislation hostile to China on a given day. The instrument is High volume day<sub>t</sub>, which records whether a given day fell within one of the three periods of unusually abundant legislative activity.

I control for other international and domestic factors that may influence China’s level of cooperation with the United States. Recent bilateral interactions profoundly influence China’s stance toward the United States. Net cooperation<sup>USA</sup> records the number of cooperative acts the United States initiated less the number of conflictual interactions it initiated. Net diplomacy<sup>USA</sup> records the number of diplomatic interactions the United States initiated less the number of critical interactions it initiated. Because Chinese policy may be path dependent, I include Net cooperation<sup>PRC</sup> and Net diplomacy<sup>PRC</sup> as well. I observe these variables within the past 28 days. This is a relatively long window, but interstate interactions occur infrequently.

Other slow moving variables may influence China’s propensity to cooperate. As China grows more powerful, it may be less inclined to cooperate. Therefore I include the ratio of Chinese to American military expenditures and Chinese GDP per capita. Because interdependent states cooperate more, I include the natural log of bilateral trade volume. I include the average value of these variables over the past 28 days, although they are almost always observed at the year level.

China may be more likely to cooperate with the United States when it is burdened...
elsewhere. Therefore I include a dichotomous indicator of whether China is involved in an ongoing militarized interstate dispute. This variable takes a value of 1 if China was involved in a dispute within the past 28 days.

China’s domestic politics may also influence its tendency to cooperate. Party congresses chart new courses for Chinese foreign and domestic policy. China’s independence day is a cause for nationalist celebration and might render China more aggressive abroad. I include dichotomous indicators for whether these events took place in the past 28 days.

Finally, I include three sets of fixed effects in separate models. Mao Zedong, Deng Xiaoping, Jiang Zemin, Hu Jintao, and Xi Jinping brought different priorities and negotiating strategies to the world stage. It would be unreasonable to constrain their response to congressional hostility to the same intercept. Therefore I include leader fixed effects. American administrations had different foreign policy agendas that influenced China’s tendency to cooperate. Thus I include administration fixed effects. Finally, I account for unobserved sources of variation with year fixed effects.

Because the outcome and explanatory variables are dichotomous, I employ probit models to estimate the first and second stages of the IV model. The estimating equation is:

$$\text{Probit (Net cooperation)}_{t}^{PRC} = \beta_1 (\text{Congressional hostility})_{t}$$

$$+ \beta_2 (\text{Net Cooperation}^{USA}_{t-1:t-28})$$

$$+ \beta_3 (\text{Net Cooperation}^{PRC}_{t-1:t-28})$$

$$+ \beta_4 (\text{Net Diplomacy}^{USA}_{t-1:t-28})$$

$$+ \beta_5 (\text{Net Diplomacy}^{PRC}_{t-1:t-28})$$

$$+ \beta_6 (\text{Military expenditure}^{PRC/USA}_{t-1:t-28})$$

$$+ \beta_7 (\text{GDP per capita}^{PRC}_{t-1:t-28})$$

$$+ \beta_8 (\text{Log trade volume}^{PRC+USA}_{t-1:t-28})$$

$$+ \beta_9 (\text{Ongoing MID}^{PRC}_{t-1:t-28})$$

$$+ \beta_{10} (\text{Party Congress}^{PRC}_{t-1:t-28})$$

$$+ \beta_{11} (\text{Independence day}^{PRC}_{t-1:t-28})$$

$$+ \gamma_t + \epsilon \tag{1}$$

---

21I employ the ivprobit package in Stata.
where $\gamma_t$ represents a set of leader fixed effects, administration fixed effects, or year fixed effects depending on the model.

Table 5 presents the second stage results. Predicted congressional hostility is robustly associated with decreased Chinese cooperation. The point estimate is relatively stable across a variety of models. Model (1) presents the bivariate relationship. Model (2) introduces the recent history of bilateral interactions. Model (3) introduces other covariates: the military expenditure ratio, Chinese GDP per capita, logged trade volume, and China’s dispute involvement, party congresses, and independence days. Model (4) includes fixed effects for Chinese leaders. Model (5) includes administration fixed effects. Model (6) includes year fixed effects.

In order to interpret the coefficients from a probit regression, one must compute the marginal effects of the regressors. I do this in Stata. The estimated marginal effect of congressional hostility upon the probability of Chinese cooperation ranges from -3.6 (Model 6) to -4.2 (Model 5). That is, congressional hostility renders Chinese cooperation 3.6 to 4.2 times less likely. This is, obviously, an enormous estimated effect. Admittedly, cooperation occurs relatively infrequently: on average, China cooperates with the United States once every five months. Nonetheless, the effect of congressional hostility upon China’s propensity to cooperate on any given day is very large and precisely estimated owing to the day-level data. The evidence suggests that legislative opposition strongly and significantly decreases the likelihood of international cooperation.

3.3 Robustness Checks

The results are robust to operationalizing the outcome variable in two different ways. While I believe that Net cooperation is the appropriate outcome variable, the results are robust to defining the outcome variable as cooperation alone. Cooperation$_{t}^{PRC}$ records whether China engaged in substantive cooperation with the United States on a given day. Concessions$_{t}^{PRC}$ is more focused still: it records whether China conceded to a specific recent American request. I record 95 Chinese concessions in the dataset. These are listed in the online appendix. Overall, congressional hostility reduces broad and focused measures of Chinese cooperation.

The results are also robust to controlling for each type of event instead of their net values. They are also robust to observing the controls in different time frames: the past 7, 14, or 21 days instead of 28.

A final robustness check concerns the instrument itself. Congress occasionally introduces legislation favorable toward Chinese interests. Of the roughly 2,700 pieces of legislation I
Table 5: IV Results: Chinese Cooperation

Second Stage

<table>
<thead>
<tr>
<th>Dependent variable:</th>
<th>Net cooperation$^t_{PRC}$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congressional hostility$^t_{t}$</td>
<td>(1)</td>
</tr>
<tr>
<td></td>
<td>-4.49***</td>
</tr>
<tr>
<td></td>
<td>(0.559)</td>
</tr>
<tr>
<td>Net cooperation$^USA$$_{t-1:t-28}$</td>
<td>-0.121***</td>
</tr>
<tr>
<td></td>
<td>(0.032)</td>
</tr>
<tr>
<td></td>
<td>-0.031</td>
</tr>
<tr>
<td></td>
<td>(.020)</td>
</tr>
<tr>
<td>Net cooperation$^PRC$$_{t-1:t-28}$</td>
<td>0.031***</td>
</tr>
<tr>
<td></td>
<td>(0.007)</td>
</tr>
<tr>
<td>Net diplomacy$^USA$$_{t-1:t-28}$</td>
<td>0.010</td>
</tr>
<tr>
<td></td>
<td>(0.008)</td>
</tr>
<tr>
<td>Net diplomacy$^PRC$$_{t-1:t-28}$</td>
<td>0.639*</td>
</tr>
<tr>
<td></td>
<td>(0.347)</td>
</tr>
<tr>
<td>Military expenditure$^PRC/USA$$_{t-1:t-28}$</td>
<td>-0.0001</td>
</tr>
<tr>
<td></td>
<td>(0.00007)</td>
</tr>
<tr>
<td>GDP per capita$^PRC$$_{t-1:t-28}$</td>
<td>0.163***</td>
</tr>
<tr>
<td></td>
<td>(.060)</td>
</tr>
<tr>
<td>Log trade volume$^PRC/USA$$_{t-1:t-28}$</td>
<td>0.054</td>
</tr>
<tr>
<td></td>
<td>(0.046)</td>
</tr>
<tr>
<td>Ongoing MID (initiated)$^PRC$$_{t-1:t-28}$</td>
<td>0.124</td>
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<tr>
<td></td>
<td>(0.146)</td>
</tr>
<tr>
<td>Independence day$^PRC$$_{t-1:t-28}$</td>
<td>-0.123</td>
</tr>
<tr>
<td></td>
<td>(0.118)</td>
</tr>
<tr>
<td>Constant</td>
<td>-0.932*</td>
</tr>
<tr>
<td></td>
<td>(0.559)</td>
</tr>
<tr>
<td>Leader fixed effects</td>
<td>No</td>
</tr>
<tr>
<td>Administration fixed effects</td>
<td>No</td>
</tr>
<tr>
<td>Year fixed effects</td>
<td>No</td>
</tr>
</tbody>
</table>

Observations | 15,492 | 15,464 | 12,783 | 12,468 | 12,774 | 8,372 |
Cragg-Donald Wald F statistic | 26.5 | 25.2 | 29.1 | 28.9 | 28.7 | 27.7 |

19
coded, 95 were favorable (compared to 602 unfavorable). The results are robust to constructing a net measure of congressional hostility toward China, defined as the number of unfavorable pieces of legislation on a given day less the number of favorable pieces of legislation that day.

4 Qualitative Evidence

Archival evidence from the Reagan, George H.W. Bush, and Obama administrations accessed through two FOIA requests and WikiLeaks demonstrates that American policymakers believed that China punished them for congressional hostility. They attributed Chinese behavior to domestic audience costs. Indeed, Chinese policymakers referenced “the feelings of one billion Chinese people” frequently when protesting congressional action. But because it was strictly in Chinese policymakers’ interest to claim that they faced domestic audience costs so they could extract policy concessions from the United States, it is difficult to adjudicate whether those audience costs were genuine. Indeed, I find suggestive evidence that Chinese policymakers may have occasionally misrepresented their understanding of the American political system in order to improve their bargaining position.

4.1 The Tiananmen Era

Even before Tiananmen rendered Congress a constant concern for Chinese policymakers, they demonstrated a deep understanding of the role of the legislature in American government. In 1984, the deputy chief of mission at the Chinese embassy in Washington, Zhao Xixin said that though Congress “is not for the moment inclined to repeal the Taiwan Relations Act,” the White House is “never powerless in formulating and implementing US foreign policy, if American history is any guide.” In 1989, Under Secretary of State for Political Affairs Robert Kimmitt noted that the Chinese “carefully differentiate between relative ‘good guys’ (the President and ‘old friends’ like Nixon and Kissinger) and ‘bad guys’ (Congress, USIA, the media).”

During the 1980s, Chinese policymakers regularly asked the president to “intercede to block resolutions.” Noting that “the Dalai Lama’s lobby in the US was very effective,” Zhao said he “hoped the US government would thwart moves to introduce counterproductive resolutions” such as those criticizing China’s crackdown on Tibetan protesters in March

\footnote{Foreign Broadcast Information Service (1984).}

\footnote{Kimmitt (1989).}
1989. Indeed, he warned, “If Congress continued, it would certainly hurt friendly US-China relations.”

The events of 4 June heightened these considerations. A week after the killings, Ambassador James Lilley cabled Washington that “We have to deal with the variable of the uncontrolled American reaction to China. Our media, our academics, disappointed businessmen, congressmen will all attack China and will go well beyond USG policy. Some Chinese will see an anti-Chinese conspiracy and they will attack us in kind.” Two days later, Lilley emphasized that “Congressional resolutions, media and VOA coverage, individual critical statements by influential Americans and our occasional private intervention all make us vulnerable to a counter-attack. The Chinese have at all levels signalled us to watch our step or else.”

Lilley’s intuition was right: American citizens and legislators were appalled. Congressional hostility toward China more than doubled in 1989 and 1990. Over the summer, China repeatedly demanded “that the USG act to stem congressional interference in China’s internal affairs.” In July, China summoned the American ambassador to convey this expectation. The Assistant Foreign Minister said that China was concerned

with the six [bills] that attack China and interfere in its internal affairs. This we cannot accept. ...Such activities by the US Congress hurt the feelings of 1.1 billion Chinese people, and repeated interference in China’s domestic affairs will do damage to our relations. ...We hope the US Government will act to stop Senate and House interference in our internal affairs.

President Reagan was obviously unable to halt such “interference.” In July, Chinese officials complained that

In considering the 1990 Foreign Relations authorization bill from 19 to 20 July, the US Senate successively adopted amendments on the “future of Taiwan,” “future of Tibet,” “future of Hong Kong,” “Tiananmen Square Park,” etc., attacking China’s just action of quelling the counter-revolutionary rebellion, distorting and slandering China’s policies on Taiwan, Hong Kong, Tibet, and population, and wantonly interfering in China’s internal affairs. We express our utmost indignation at and lodge a strong protest against this.
...The successive adoption by the US Congress of bills interfering in China’s internal affairs has brought a continuous escalation of the anti-China wave and is thus bound to hurt most deeply the national feeling of the Chinese people and seriously undermine Sino-US relations.28

In October, Chinese ambassador Zhu Qizhen met with Brent Scowcroft as Congress attempted to impose economic sanctions on China. Zhu said that he “did not expect the votes being so lopsided.” He asked Scowcroft whether he thought the Pease and Solomon amendments might pass and whether he expected a lame duck session. Scowcroft acknowledged the possibility and Zhu warned that “if either of the resolutions becomes law, it will have a disruptive impact on economic relations and create a new grave situation in our bilateral relations.”

Less than a week later, Zhao Xixin repeated the message to American embassy officials in Beijing. In particular, he protested a resolution that congratulated the Dalai Lama on being awarded the 1989 Nobel Peace Prize, an amendment to the State Department authorization bill entitled “Chinese fleeing coercive population control policies,” and a resolution calling for further sanctions. He urged the administration “to prevent Congress from passing any legislation interfering in China’s internal affairs lest Sino-American relations suffer further damage.”29

In late November, Chinese Vice Foreign Minister Liu Huaqiu threatened that if President Bush failed to veto the Pelosi Bill, China would suspend the Fulbright program in China and other educational and volunteer exchanges.30 “The US government,” he said, “bears unshirkable responsibility for the adoption of the bill by Congress.”

American policymakers became pessimistic about the prospects for bilateral cooperation that fall. Embassy officials attributed China’s inflexibility in foreign affairs to its domestic audience costs. They advised Washington that “the Chinese leadership bristles at US congressional criticism, and believes making any conciliatory gesture towards the US will open it to attack domestically on nationalistic grounds.” They explained that

It is important that the US understand that Chinese nationalism cannot tolerate foreign interference for any reason. ...The Chinese leadership can distinguish between private mass media in the US, the Congress, and the administration. They do not mind criticism in the media, but they see Congress as a part of the

29 Eagleburger (1989).
government even though it is not under the control of the administration and congressional criticism troubles them.\footnote{US Embassy Beijing (1989d).}

A few weeks later, Ambassador Lilley complained to Washington, “Too bad congress couldn’t have gotten its act together in August. Now we find ourselves running in the opposite direction from most of our allies and giving additional jolts to the Chinese just when we have some chance to turn things around a bit.”\footnote{US Embassy Beijing (1989f).}

As the fall turned to spring, the embassy continued to document the “tired litany of ways that the Congress and others had wounded the feelings of the Chinese people.”\footnote{US Embassy Beijing (1990b).} It was clear that the prospects for bilateral cooperation had diminished. Scowcroft told the president, “China has reneged on the scorecard of positive steps since the Pelosi veto fight.”\footnote{Meeting between General Secretary Jiang Zemin and National Security Advisor Scowcroft (1990).}

Anecdotal evidence suggests that Chinese policymakers may have strategically obfuscated their understanding of the separation of powers. In December 1989, Jiang Zemin told American officials that “I don’t say that I have a full grasp of the relationship between congressional activities and power of the presidency.”\footnote{US Embassy Beijing (1990a).} Such pronouncements were effective with at least some policymakers. While on a trip to Beijing in 1990, Congressman Ichord told Jiang that recent People’s Daily articles revealed that the Chinese “simply did not know how the American system works.” Ironically, Jiang Zemin slipped an American aphorism into the discussion: “he who laughs last, laughs best.”\footnote{US Embassy Beijing (1990a).} Unfortunately, because the relevant Chinese archives are closed, we cannot determine whether Chinese officials believed they benefited from congressional opposition. The Clinton administration soon judged they did, however. In the mid-1990s, President Clinton complained to Henry Kissinger, “God damn the Chinese. We bend over backwards to accommodate their domestic politics. Why can’t they do the same for ours?”\footnote{William J. Clinton Presidential Library archives.}

### 4.2 Obama Administration

Due to declassification schedules, internal documents are not yet available from the Clinton and George W. Bush administrations. However, WikiLeaks reveals that Obama administration officials fielded similar complaints from China. In June 2007, MFA Director General
Liu Jieyi told American embassy chargé d’affaires Daniel Piccuta that

Some people in the United States make an issue of Darfur and attack China baselessly for domestic political reasons. If the proposed Congressional resolutions are adopted, they would send the wrong signal to the outside world and seriously damage United States-China cooperation on Darfur. The PRC urges the United States to stop consideration and passage of the resolutions. The United States administration should correctly guide Congress, the media and the public to better understand China’s constructive role on Darfur.

...Special Representative Liu Guijin will have a difficult time coordinating with the United States amidst all the “finger-wagging.”

To this, Picutta replied much as Lilley had before him: that “Congress is a separate branch of the United States Government and is free to pass non-binding resolutions as it wishes.”

A year later, Chinese policymakers requested that the Obama administration “use its influence and urge Congress to refrain from issuing ‘anti-China’ resolutions” concerning violence in Tibet.

Clearly, the triangular relationship between Congress, the White House, and China has been longstanding. Congressional criticism of China, driven in part by domestic economic issues, leads China to punish the White House and makes international cooperation more difficult to achieve.

5 Conclusion

This study contributes to the IR literature by showing that whatever American policymakers’ diplomatic overtures to their Chinese counterparts, congressional hostility toward China has consistently rendered China far less likely to cooperate with American requests. When the US Congress adopted hostile behavior toward China between 1973 and 2014, China’s probability of cooperating with the United States was reduced by a factor of four.

It may be rational for China to punish the United States for congressional hostility for a number of reasons. Because China expects to interact with the United States in the future, it should attempt to deter congressional behavior that harms its interests. Because China may face domestic audience costs for not standing up for Chinese interests, it should punish the

United States for congressional hostility. And because China may sense that congressional
opposition to the president jeopardizes his political capital and renders an agreement more
pressing, it may seize the opportunity to shift the terms of international cooperation toward
its ideal point.

Future research should proceed in several directions. This article suggests three rea-
sons why a state might punish a foreign executive for foreign legislative hostility: iterated
interaction, domestic audience costs, and strategic opportunity. I have not attempted to
adjudicate between these mechanisms. A deeper understanding of them would generate pre-
dictions about when international negotiations are more or less affected by domestic politics.
Ideally, this research agenda should be pursued in a cross-national context. In showing that
legislative hostility toward China impairs the president’s short term bargaining position,
I have not shown that legislative hostility uniformly constrains an executive. Milner and
Rosendorff (1997)’s formal model suggests that there is a threshold below which legislative
opposition aids executives, as Schelling predicted, and above which it constrains executives.
Is there an optimal amount of legislative opposition to executive foreign policy? What
domestic or international factors determine that optimal level?

Future research should also explore why the US Congress has demonstrated so much
hostility toward China. Is congressional hostility to China driven by genuine concern for
the human rights of its citizens? Or are American legislators chiefly motivated by the eco-
nomic concerns of their constituents, and use anti-Chinese rhetoric to posture themselves for
reelection?

Finally, I have not explored the long-term effects of legislative opposition upon a foreign
country’s policies. While congressional criticism of Chinese human rights and trade practices
render China less likely to cooperate in the short term, perhaps they affect Chinese behavior
in the long term. Less favorable routine agreements are perhaps a small price to pay for
long-term strategic goals that the legislature is as justified in setting as the executive. This
difficult question is left for future research.
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## 7 Appendix

Table 6: Naïve Logit Models

<table>
<thead>
<tr>
<th></th>
<th>Pr(Net cooperation$^{PRC}_{t}$)</th>
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<tbody>
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<td>(1)</td>
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<tr>
<td>Congressional hostility$_t$</td>
<td>0.779***</td>
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<td>(0.35)</td>
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<td>Net cooperation$^{USA}_{t-1:t-28}$</td>
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<td>Net diplomacy$^{USA}_{t-1:t-28}$</td>
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<td>Net diplomacy$^{PRC}_{t-1:t-28}$</td>
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<td>Military expenditure$^{PRC/USA}_{t-1:t-28}$</td>
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<td>GDP per capita$^{PRC}_{t-1:t-28}$</td>
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<td>Log trade volume$^{PRC+USA}_{t-1:t-28}$</td>
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<td>Ongoing MID (initiated)$^{PRC}_{t-1:t-28}$</td>
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<td>Party congress$^{PRC}_{t-1:t-28}$</td>
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<td>Independence day$^{PRC}_{t-1:t-28}$</td>
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<td>(0.10)</td>
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<td>Administration fixed effects</td>
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<td>Year fixed effects</td>
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<td>Observations</td>
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*Note:* $p<0.1$; **$p<0.05$; ***$p<0.01$
Figure 4: Daily Bill Frequency

Mean legislation

All data
Excluding Jan cong elections
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