

Forget Taiwan, China tells Bush

JOSEPH Kahn and DAVID E. Sanger
Beijing, November 20

PRESIDENT BUSH began a one-day visit here on Sunday with a first set of meetings with President Hu Jintao of China to defuse a host of tensions, even as many in Beijing argue that he will be able to apply little true pressure on the world's fastest-rising power. In a brief exchange of prepared comments after conferring at the Great Hall of the People on the edge of Tiananmen Square, Bush and Hu committed themselves to improving their relationship. Hu said he intended to gradually achieve balanced trade between China and the US but reiterated that on Taiwan, he would brook no compromise.

"We will by no means tolerate Taiwan's independence," he told Bush, at a moment the administration has been wary of China's missile buildup along the coast opposite Taiwan.

Bush spoke quickly, his voice tight. He thanked China for "taking the lead" in disarmament talks with North Korea, and noted that the North Koreans had agreed in principle to give up their nuclear weapons and programmes. "The United States expects them to honour that commitment," he said, and without reference to specific human rights concerns he said "we encourage the Chinese to continue to make a historic transition to greater freedom."

In their remarks, neither leader made reference to Iraq. On Sunday morning, Bush underscored his concerns about China's crackdown on religion by attending a service at the Gangwashi Church, one of the few state-approved congregations in the country. He took part in a traditional Protestant service and signed the guest book with the words, "May God bless the Christians of China." Emerging from it, Bush chose his words carefully: "You know, it wasn't all that long ago that people were not allowed to worship openly in this society. My hope is that the government of China will not fear Christians who gather to worship openly."

White House officials on the trip say that the Chinese government rejected the idea of a joint news conference for the two leaders, eliminating any chance that Hu would have to answer questions about the pace of democratisation. The state-controlled media in China ignored Bush's speech in Kyoto, in which he cited Taiwan's democracy as a model for the mainland and argued that China was discovering "that once the door to freedom is opened even a crack, it cannot be closed."

New York Times



REUTERS
PHEW! George W. Bush waves to the press (above) as he leaves a news conference in Beijing where he first tried to exit through a locked door (left).

Scribe has US prez scurrying for exit

Reuters
Beijing, November 20

IRKED BY a reporter who told him he seemed to be "off his game" President George W. Bush sought to make a hasty exit from a news conference but was thwarted by locked doors.

While holding a session with a small group of US reporters after meetings with Chinese President Hu Jintao, a reporter critiqued Bush's performance earlier in the day when he stood next to Hu in the Great Hall of the People on Tianan-

men Square to deliver a statement.

"Respectfully, sir — you know we're always respectful — in your statement this morning with President Hu, you seemed a little off your game, you seemed to hurry through your statement. There was a lack of enthusiasm. Was something bothering you?" he asked.

"Have you ever heard of jet lag?" Bush responded. "Well, good. That answers your question."

The president then recited a list of things of that he viewed as positive developments from his Beijing meetings, including the ability to

have "frank discussions" with his Chinese counterpart.

When the reporter asked for "a very quick follow-up", Bush cut him off by thanking the press corps and telling the reporter "No you may not," as he strode towards a set of double doors leading out of the room.

The only problem was that they were locked.

"I was trying to escape. Obviously, it didn't work," Bush quipped, facing reporters again until an aide rescued him by pointing to him towards the correct door.

Bush pushes China on religious freedom

US Prez Attends Service At A 'Patriotic' Church

Beijing: US President George W Bush called on China on Sunday to expand religious, political and social freedoms and urged steps to reduce Beijing's huge trade surplus with the US. President Hu Jintao promised steps to resolve economic frictions.

The two leaders conferred at the Great Hall of the People on the edge of Tiananmen Square, and Hu said they both sought an outcome of "mutual benefit and win-win results".

The US President underscored his call for religious freedom in China by attending a tightly controlled service on Sunday at one of Beijing's state-run "patriotic" Christian churches.

"My hope is that the government of China will not fear Christian who gather to worship openly," Bush told reporters outside the Gangwashi church in Beijing. The unfettered worship that Bush, who calls himself a born-again Christian, advocates is perhaps better displayed in Pastor Deng Xiaobin's church on the city's northern outskirts.

But, there appeared to be no breakthroughs about US demands for currency reforms in China and no concrete announcement about



POWER OF ONE: Bush smiles in front of a Chinese choir at the Gangwashi Church in Beijing

how China would cut its trade surplus with the US, on track to hit \$200 billion this year.

Hu promised Bush that China will take steps to reduce its trade surplus with the US. He said he also told Bush that China was willing to step up protection for intellectual property rights.

"The two sides also expressed their willingness to join hands together to gradually achieve a balance of trade between China and the US," Hu said through a translator. "The frictions

and problems that may arise in this rapid development of the two-way trade may be properly addressed through consultations."

The two leaders met amid tensions over China's rising economy and military might. They readily acknowledged differences but stressed areas of cooperation, from preventing and controlling bird flu to persuading North Korea to abandon its nuclear ambitions in exchange for aid, diplomatic recognition and security guarantees. Agencies

No first strike, China assures Rumsfeld

American Defence Secretary Given Briefing About Missile Command Structure

Beijing: The commander of China's nuclear missile forces told US defence secretary Donald H Rumsfeld on Wednesday that in an armed conflict China would not be the first to use nuclear weapons.

General Jing Zhiyuan, commander of the Second Artillery, which operates the country's growing arsenal of nuclear missiles, offered the assurance while hosting Rumsfeld as the first foreigner to visit his headquarters, according to two US officials who participated in the meeting.

The officials briefed reporters afterward only on condition of anonymity because of the visit's sensitivity. They said Jing told Rumsfeld no foreigner had entered the command headquarters in its 39-year history. Rumsfeld signed a large, new and otherwise empty guest book. The Chinese rejected a Rumsfeld request to visit their national military command centre in the Western Hills.

Jing disavowed a recent public suggestion by another Chinese general that the United States could be targeted for a nuclear strike if it intervened in a conflict over Taiwan. Rumsfeld

aides who were present during the discussions quoted Jing as saying it was "completely groundless" to say China was targeting any country with its strategic nuclear forces.

Jing's operations chief, Senior Col. Kang Hong Gui, gave Rumsfeld a briefing, complete with Microsoft PowerPoint graphics, on the command's structure and missile forces training, without details about the numbers of Chinese missiles, some of which could strike points inside the US.

Later, in a meeting with Rumsfeld at the Great Hall of the People, President Hu Jintao said the visit to the Second Artillery headquarters and Rumsfeld's other discussions in Beijing will "help the military forces of our two countries to better enhance their mutual understanding and friendship." Hu and Rumsfeld also discussed President Bush's planned visit to Beijing in November, and they agreed to speed up plans to increase military educational exchanges, a goal Bush has en-

dorsed. China also asked Rumsfeld to help contain Taiwan pro-independence forces as the US had a responsibility to abide by the three joint communiqués on Taiwan and respect China's sovereignty over the island. Earlier on Wednesday, Rumsfeld complained of "mixed signals" from China and said the government must demonstrate more clearly its interest in improving US-China relations.

Rumsfeld cited a "rapid, non-transparent" buildup of the Chinese military and said this makes other coun-



LOOKING BACK: Rumsfeld gets a photo album of his China trip

tries, including the United States, wonder whether Beijing will hold to a peaceful path.

On his first visit to China as defense secretary, Rumsfeld delivered an address to the Central Party School and fielded questions from several students and faculty members. The school is a key training ground for people the Communist Party considers its rising stars and future leaders. One professor told Rumsfeld that China hears "different voices," or conflicting messages, from US officials. Rumsfeld replied, "I hadn't noticed

that," and then said it is China, not the United States, that has sent conflicting signals about its intentions. "So we see mixed signals and we seek clarification," Rumsfeld said. Chinese officials required US reporters to leave the room after the initial exchange, as planned.

In his prepared opening remarks, Rumsfeld said China is raising global suspicion about its military intentions by failing to acknowledge the true size of recent increases in its defence spending. Later, at a joint news conference at the Ministry of Defence, Rumsfeld's counterpart, Gen Cao Gangchuan, said US-China relations are strong, although he noted that it had been five years since a US secretary of defence visited China. He called Rumsfeld's visit a "big event."

Asked about the Pentagon's assertion in a report to Congress last July that China has vastly understated its defence spending, Cao said it would be "simply impossible" to increase the budget on the scale cited by the Pentagon because China is focusing its resources on fighting domestic poverty. Agencies

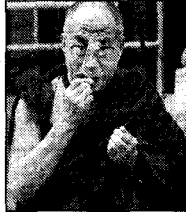
China protests Dalai Lama's American visit

Beijing: China on Thursday issued a strong protest to Tibetan spiritual leader Dalai Lama's planned visit to the America next month, calling him a "separatist" with an intention to split national unity.

"Dalai is not just a religious figure, but is a political exile who has for a long time engaged in separatist activities to damage the national unity under the name of religion", the Chinese foreign ministry said in a statement. "The Chinese government is firmly opposed to Dalai carrying out anti-China and separatist activities in any country in any capacity, and opposes officials in any countries inviting and meeting Dalai in any capacity".

The Dalai Lama is to make a high-profile 10-day visit to Washington in November, during

which he is likely to meet with US President George W Bush, secretary of state Condoleezza Rice and key Congressional leaders, according to the International Campaign for Tibet. If it goes ahead, the visit will come just before Bush



TOUR TROUBLE

makes a trip to China on November 1 to meet with President Hu Jintao.

Meanwhile, some American neurologists have raised objections to plans for Tibetan leader the Dalai Lama to open their annual convention, saying that a non-scientist has no place lecturing them about science.

Over 700 members of the Society for Neuroscience petitioned the organisation to rescind its invitation to the Buddhist leader to give the lecture at their November conference in Washington. Agencies

Rumsfeld wary of China's military intentions

Beijing: US defence secretary Donald H Rumsfeld on Tuesday accused China of understating the scope of its defence spending, and he said this is sowing suspicion about how China intends to use its growing military might.

Rumsfeld arrived in the Chinese capital for his first visit since he became US President George W Bush's defence chief in 2001. He was scheduled to meet Wednesday with President Hu Jintao, who also is chairman of the Central Military Commission, which runs the Chinese military. In an interview aboard his plane en route from Washington, Rumsfeld questioned China's motives in underreporting its defence spending. He mentioned no fig-

ures, but the Pentagon said last summer that China may be spending \$90 billion on defence this year—three times the announced total. "I think it's interesting that other countries wonder why they would be increasing their defence effort at the

pace they are and yet not acknowledging it," Rumsfeld said. "That is as interesting as the fact that it's increasing at the pace it is." Asked about Rumsfeld's comments, Chinese foreign ministry spokesman Kong Quan said Beijing hopes the visit can "increase mutual understanding and trust" between the two sides.

China publishes defence white papers annually outlining its military spending and goals, Kong said at a regular news briefing. He

did not respond directly to the claim that Beijing underreports its military budget. We hope Rumsfeld's visit to China ... will increase his understanding of its policy of firmly taking a peaceful road," he said.

Rumsfeld said the US government welcomes China's emergence as an economic power, but he said that development has created "somewhat of a tension" for its communist leaders as they attempt to cope with new influences and ideas that inevitably enter the country along with foreign investment. He said the world is watching to see whether China will chart a path toward a more open society. China will have to make choices between its desire for continued economic growth and efforts to control outside influences. Agencies



Hu Jintao, Bush agree to enhance bilateral relations

"China-U.S. relationship will promote global peace, stability" 1579

NEW YORK: Chinese President Hu Jintao and his U.S. counterpart George W. Bush agreed here on Tuesday to enhance mutual trust and cooperation and make concerted efforts to develop bilateral relations.

The two leaders held talks on Tuesday afternoon right after Mr. Hu arrived here to attend the summit on the 60th anniversary of the establishment of the United Nations.

Progress made

During the meeting, Mr. Hu pointed out that the two countries have made important progress in the past few years in exchanges and cooperation in bilateral and international affairs, with their common interests increasing and spheres of cooperation expanding. He cited the progress in cooperation in the battle against terror and in the economic and trade spheres.

Mr. Hu said the steadily developing China-U.S. relationship is in the interests of the people of

• Spheres of cooperation increasing, says Hu

• Call to maintain the momentum of high-level visits

• Pledge to settle bilateral disputes through dialogue

the both countries and would contribute to peace, stability and development of the world at large.

He suggested the two sides should maintain the momentum of high-level visits, make use of and continuously improve the bilateral consultation and cooperation mechanisms in various fields, and attach importance to strategic dialogues.

China will settle bilateral trade disputes through dialogue and consultation in line with the principles of equality, mutual benefit and common develop-

ment, said the Chinese President. He also said China would reinforce the protection of intellectual property rights and make greater efforts to crack down on piracy in his country. Beijing would also work with the U.S. to expand cooperation to new areas such as finance, civil aviation, service trade and energy.

Mr. Hu urged the U.S. to handle the Taiwan question with care and expressed the hope Washington would understand China's efforts to improve the cross-straits relations.

Mr. Bush expressed his regret over the postponement of Mr. Hu's state visit to the United States due to the disaster brought about by Hurricane Katrina, adding he expected to visit China after the informal meeting of APEC leaders scheduled for November this year.

Mr. Bush said the U.S. valued its relationship with China and his Government attached great importance to it. — Xinhua

Israel, US resolve row over China arms deal

Tel Aviv Gives In After Washington Keeps It Out Of New F-16 Project

Washington: Israel has agreed to consult with the US government before attempting to sell weapons technology to China or other nations. The understanding reached on Tuesday "ends the dispute" and "fully restores the confidence of the United States," Israeli ambassador Daniel Ayalon said.

The Bush administration had complained about Israel's intent to service spare parts for unmanned Harpy aircraft already sold to China. Washington objected on grounds it would upgrade China's anti-radar capability.

Several rounds of talks were held in Washington, the most recent in July, before the agreement was signed on Tuesday by Defence Secretary Donald H Rumsfeld in Washington and Israeli defence minister Shaul Mofaz in Israel. The text is classified and was not provided to reporters, but Ayalon provided some details in an AP interview at the embassy.

"It ends the dispute," he said. "This is the most important thing. It creates a basis for renewed confidence and cooperation between the two defence establishments." Ayalon said the understanding did not encompass details of any proposed deal.

"It deals with principles," he said, "and the major principle is mutual consultation. I can assure you Israel will be extra careful now," he said. "There are no winners; there are no losers," Ayalon said.

Pentagon spokesman Bryan Whitman said the US government will not have veto power over any possible Israeli arms sales but will be informed and have a chance to express an opinion.

The Pentagon has complained about several potential Israeli sales

China warns UN on Taiwan bid for seat

Beijing: China has fired off a letter to UN chief Kofi Annan warning that Taiwan's bid to join the UN amounted to a "gross encroachment on China's internal affairs", state press said on Wednesday.

Chinese ambassador to the UN Wang Guangya sent the letter on Monday outlining Beijing's firm opposition to Taiwan's 13th bid to join the world body. Wang criticised the move as a "brazen violation" of the purposes and principles of the UN charter. "Taiwan is a part of China's territory and it has never been a country. There is only one China in the world, and China's sovereignty and integrity brook no division," the letter said, according to the China Daily.

Taiwan was replaced by China in the world body in 1971. Its annual attempts to gain a UN seat since 1993 have failed because of objections from Beijing, which regards the island as part of its territory. AP

to China, including Israel's planned Harpy project.

The Pentagon regards the Chinese military as a potential long-term adversary and opposes Western countries' upgrading China's forces.

An official said Israel was unlikely to try to follow through on the Harpy deal. In response to some possible sales, the Pentagon restricted Israel's access to the Joint Strike Fighter programme, which is to create a new multi-role jet fighter designed to replace the F-16 for the US, Israel and several European fighter inventories. AP

Sino
US -

US, China try to halt G-4's UNSC march

G-4

By Chidanand
Rajghatta/TNN

Washington: The United States and China have joined hands to prevent India from becoming a permanent member of the UN Security Council.

American and Chinese envoys to the UN met at the international organization's headquarters on Tuesday and agreed to formulate a joint strategy to thwart efforts by Japan, Germany, India and Brazil to become permanent members of the UNSC.

In doing so, they dropped all pretence of shooting from behind the cover of countries like Pakistan and Italy, which are part of the Coffee Club that was set up to thwart attempts by the G-4 nations. The US also ditched Japan, for whom it has often professed support, in order to scupper the G-4's efforts.

The US-China tactical alliance came on the eve of a meeting of the 53-member African Union in Addis Ababa, which is expected to back the G-4 proposal. Such support could take the G-4 proposal close to the 128 votes it needs to pass.

"At this stage, our objective is to oppose the G-4 to make sure they do not have sufficient votes to take the risk of dividing the house. We agreed to work together to ensure that our interests are protected. This means we have to work in a parallel manner to ensure that the unity of UN members and every regional group is not spoiled because of this maneuver and process," Chinese envoy Wang Guangya said after meeting US counterpart John Bolton.

Wang and Bolton are said to be old friends going back years into US-

China ties.

Bolton, whose nomination as UN envoy was opposed by Democrats in Washington, was cleared by Bush in a backdoor process called recess appointment after the Senate went for summer break. But news of the US-China blockade has fired up the G-4 nations. "Tell Mr Bolton that we're unstoppable. We won't be defeated, cer-



But G-4 nations are not ready to give up their fight. India's envoy Nirupam Sen said, "Tell Mr Bolton that we're unstoppable. We won't be defeated, certainly not by Mr Wang and Mr Bolton"

tainly not by Mr Wang and Mr Bolton," India's ambassador Nirupam Sen was quoted as saying in an unusually feisty response.

On the face of it, Washington's move to work with China to block UNSC expansions contradicts the Bush administration's understated policy of building New Delhi as a counterweight to China.

But a powerful section of the US establishment is against any move to change the composition of the UNSC, even if it means irking Japan and India, the favoured two. At the same time, Japan and India have not made it easy for the US by insisting that they will hang together as G-4 with Germany and Brazil.

0-1-0005

China, U.S. hold strategic talks

218
G.W. - US
7.10.14

BEIJING: China and the United States started their first strategic dialogue in Beijing on Monday, aiming to facilitate bilateral relations.

The closed-door dialogue, first senior level meeting of its kind, was co-chaired by Chinese Vice Foreign Minister Dai Bingguo and U.S. Deputy Secretary of State Robert Zoellick, who arrived in Beijing on Sunday.

Chinese Premier Wen Jiabao met Mr. Zoellick on Sunday, and exchanged views on bilateral and international issues, according to Chinese Foreign Ministry. Mr. Zoellick said in Hong Kong on Sunday he would discuss "strategic issues of common interest" like foreign policy and economics with Chinese officials in Beijing.

The dialogue came as a result of the consensus reached between Chinese President Hu Jintao and his American counterpart George W. Bush during the Asia-Pacific Economic Cooperation (APEC) Summit in Chile last year.

The dialogue may take place twice a year. It is a new height in Sino-U.S. relations, following recent frequent high-level visits and exchanges between the two countries. The two nations tend to prefer negotiations to confrontations in tackling their conflicts and differences.

Beijing and Washington have agreed to continue their consultations to seek solution to the textile trade dispute as the U.S. imposed limits on Chinese clothing on accusation of a surge of exports. The annual session of the Joint Committee on Commerce and Trade (JCCT) was

218
• **First senior-level meeting**

• **Bilateral international issues discussed**

• **Dialogue twice a year**

held on July 11 in Beijing. The two sides agreed to set up cooperation mechanisms on prosecutions for intellectual property rights violations and on the protection of film copyrights.

Mr. Zoellick said the discussions with Chinese officials would enable the two countries "to get a better sense of one another's interests: where there are points of mutuality — and I believe there are many; how to work cooperatively; but also, where we have differences, how best to try to manage them."

Mr. Zoellick is another important member of the Bush administration to visit China within a month, following Secretary of State Condoleezza Rice, Trade Representative Rob Portman, Secretary of Commerce Carlos Gutierrez and Secretary of Agriculture Mike Johanns. Chinese State Councilor Tang Jiaxuan visited the U.S. last week, to discuss the Korean Peninsula nuclear issue and make preparations for Mr. Hu's U.S. visit in September.

The constructive relationship of cooperation will continue to grow through increasing dialogue, building mutual trust, promoting cooperation and handling differences properly, said Mr. Tang at a meeting with Dr. Rice last Wednesday. — Xinhua

■ 'Credible threat' to militaries in region, ballistic missiles could target India, US

China building arms, aiming for Asia superpower: Pentagon

MARK MAZZETTI

WASHINGTON, JULY 20

CHINA has long-term ambitions to extend its power across the Asian continent, and its rapid arms buildup is increasingly aimed beyond its long-standing confrontation with Taiwan, the Pentagon told the US Congress on Tuesday.

The Pentagon assessment of Chinese military capacity, required annually by Congressional mandate, expresses concerns about the threat that China could pose within a decade to Asia's balance of power.

"Current trends in China's military modernisation could provide China with a force capable of prosecuting a range of military operations in Asia—well beyond Taiwan—potentially posing a credible threat to modern militaries operating in the region," the report states.

The assessment further details the advances in China's arsenal of short-range ballistic missiles capable of striking ports and airbases in the Western Pacific, as well as long-range weapons that can strike

Pentagon fears

- Advances in arsenal of long-range ballistic missiles that can target India, Australia and the US
- Short-range missiles capable of striking ports and airbases in Western Pacific
- Defence spending upto \$ 90 billion, three times China's officially acknowledged budget—making it the third largest defence spender.
- Major portion goes for high-tech weaponry from Russia, Israel

India, Australia, and most cities within the United States. The report says China also has made dramatic advances in sea and air power—including a Yuan-class submarine,

From Los Angeles Times

launched last year, and a high-tech F-10 fighter, which will be rolled out this year.

The Pentagon estimates that China might be spending up to \$90 billion annually on its military—three times its officially acknowledged defence budget.

That would make China the world's third-largest defence

spender, and the largest in Asia. A large portion of the secret budget is spent purchasing high-tech weaponry from nations such as Russia and Israel, the report concludes.

But the report notes that China's lofty ambitions are restricted by its current military realities: its surface fleet is largely incapable of projecting power far beyond Chinese territorial waters, it has no aircraft carriers, and most of its planes cannot be refuelled while in flight.

The Pentagon assessment goes to Congress at a time of rising animosity among lawmakers over China's trade and monetary policies, its belligerent attitude toward US support of Taiwan, and the recent takeover bid by China's CNOOC Ltd. for control of California-based Unocal.

The hawkish assessment comes when the Defence Department is conducting its Quadrennial Defence Review, which will serve as the blueprint for military budgets for the next four years. Some say a growing threat from China helps the Pentagon justify multibillion-dollar weapons ill-suited for fighting amorphous terrorist outfits.

'Cold war mentality'

XINHUA

BEIJING, JULY 20

CHINESE military experts today countered Pentagon's annual report on Chinese military power as being full of "guesswork and prejudices" and reflecting the animus and ambivalence of certain forces in the US toward China's "peaceful rise".

"The report issued by the Pentagon on July 19 shows some forces in the US military sector still view China's peaceful rise with a Cold War mentality," said Shi Yan, a research fellow with the Chinese Academy of

Military Science. Referring to the repeated postponement of the report, he said: "Its difficult birth indicates that this is not an objective research report."

Marine expert Li Yaqiang added: "If it is entirely based on facts, why should it be postponed and revised again and again... Only conjectures are prone to revisions."

Li said the report made an irresponsible subjective conjecture on the growth of China's military spending. "China's national defence is becoming increasingly transparent."

Wen holds talks with U.S. trade officials

The Chinese premier favours bilateral trade focus on long term benefits

8/12-18
12/7

BEIJING: Chinese Premier Wen Jiabao said here on Monday that China and the United States should properly handle problems in their trade and economic cooperation through fair dialogue and consultation.

Wen made the marks when meeting with US Secretary of Commerce Carlos Gutierrez, Trade Representative Robert Portman and Secretary of Agriculture Michael Johanns, who are here for a China-US trade and economic joint committee annual meeting.

"Trade and economic cooperation are important component parts of Sino-U.S. relations and a concrete indication of the two countries' interests," Mr. Wen said.

The Chinese premier urged the two countries to deal with bilateral trade and economic ties with regard to long-term benefits and from a global point of view.

Mr. Gutierrez said that at the one-day annual meeting of the U.S.-China Joint Commission on Commerce and Trade (JCCT) two sides had a "very honest and frank" dialogue.

Mr. Portman said the JCCT meeting resulted in steady progress in many fields.

Johanns said he was optimistic about the future development of U.S.-China agricultural trade.

The JCCT meeting, involving Chinese Vice-Premier Wu Yi and the U.S. officials discussed a number of hot trade issues ranging from textile disputes to intellectual property rights protection.

The U.S. is now China's second largest trading partner after the European Union while Chi-



IRONING OUT DIFFERENCES: Chinese Premier Wen Jiabao (right) with U.S. Commerce Secretary Carlos Gutierrez at their meeting in Beijing on Monday.

- REUTERS/XINHUA PHOTO

na is the third largest trading partner of the U.S. - Xinhua AFP reports:

Stress on market access

The U.S. called on China to give it full access to its enormous market and hinted that it would

slap further restrictions on Chinese textile imports should they continue to surge.

"What we will focus on intensely is our exports to the Chinese market," Mr. Gutierrez told reporters here. "China has full access to our market, what we

want is full access to the Chinese market." He added: "Today we do roughly \$35 billion of exports, that number needs to go up, that is the number we'll focus on and that will be the reflection of whether we have more access to Chinese market or not."

17 JUL 2005

China to play active role: Hu

Rice hails decision to re-start six-party talks on nuclear issue

BEIJING: Chinese President Hu Jintao said here on Sunday that his country was happy over the decision to resume the six-party talks and appreciated the efforts made by the parties concerned for this end.

Mr. Hu told visiting U.S. Secretary of State Condoleezza Rice that peacefully resolving the Korean peninsula's nuclear issue concerned the peace and stability of the region as well as northeast Asia.

China is ready to keep close contact and cooperation with all the parties concerned including the United States and will continue to play a constructive role in seeking progress in the new round of six-party talks, Mr. Hu said.

Vice Foreign Minister of the Democratic People's Republic of Korea (DPRK) Kim Kye-gwan and U.S. Assistant Secretary of State Christopher Hill, who are heads of their countries' delegations to the six-party talks, agreed on Saturday to open the fourth round of the six-party talks in late July.

Hope for results

Ms. Rice, who arrived in Beijing on Saturday afternoon for a 20-hour visit, termed the news as a positive development in the process of solving the nuclear issue. She said the U.S. hoped that all the six parties would join efforts and push the new round of talks move forward for substantial results. On the issue of Taiwan, Mr. Hu said the Chinese Government has the sincerity and determination to improve and expand relations across the Taiwan Straits and to push for peaceful reunification of the motherland. He expressed appreciation that President Ge-



CONSTRUCTIVE TASK: U.S. Secretary of State Condoleezza Rice with Chinese President Hu Jintao in Beijing on Sunday. - PHOTO: REUTERS

orge Bush and the U.S. Government had reiterated their adherence to the one-China policy, and opposition to "Taiwan independence."

Mr. Hu expressed the wish that the U.S. meet its commitment with concrete action by re-

maintaining vigilant against any moves that the secessionist forces would make to push for "Taiwan independence" through constitutional changes.

Ms. Rice said the U.S. side firmly adheres to the one-China policy and abides by the three

joint communiques between the two countries.

She said China has been playing a "very active" role in re-launching the six-party talks, which she considered an important first step to settling the nuclear issue. - Xinhua

JUL 200

HINDI

China tilting Asia stakes: Rumsfeld

Asian nation's growing economic, defence powers seen unnerving US, China try to end trade row

Singapore: US defence secretary Donald Rumsfeld accused China on Saturday of upsetting the delicate military balance in Asia by expanding its ability to project power at a time when it faces no threat.

Rumsfeld's Pentagon has been raising alarms over China's accelerating military modernisation for several years. But his rhetorical assault, in a speech to a conference of regional defence ministers, underscores a growing concern in other US sectors, such as Congress, over China's rising military, economic and diplomatic power.

"China appears to be expanding its missile forces, allowing it to reach targets in many areas of the world while also expanding its missile capabilities within this region," he said in the speech to a conference hosted annually by the International Institute of Strategic

Studies. "China also is improving its ability to project power, and is developing advanced systems of military technology. One might be concerned that this buildup is putting the delicate military balance in the region at risk — especially, but not only, with respect to Taiwan," he said.



RAPID FIRE: Donald Rumsfeld self has vastly boosted defence spending since the September 11, 2001 attacks on the World Trade Center and the Pentagon. Some experts say China's military increases can be expected of a growing power. A senior Chinese official, first vice foreign minister Dai Bingguo, had initially been expected to attend the meeting, but the Beijing government ended up sending a lower-level delegation.

Relations. "I don't believe there is a full level of political pressure that we face with respect to our relationship," he told reporters. Gutierrez, on the tail end of a three-day visit, was later joined by US trade representative Robert Portman for a meeting with Chinese Vice Premier Wu Yi, who said the stakes were just as high for China, which employs 19 million textile workers. Wu, who oversees trade issues, called textiles a "major problem" in Sino-US relations that could affect ties unless dealt with.

Beijing: Top US and Chinese trade officials sought to ease tensions on Saturday over China's surging textile exports but there was no sign of a breakthrough in a row that threatens to spill over into the diplomatic arena. Chinese commerce minister Bo Xilai sounded a positive note after meeting his US counterpart, Carlos Gutierrez.

Gutierrez said they held a "good meeting" but added that he was feeling the heat at home. "I don't believe there is a full level of political pressure that we face with respect to our relationship," he told reporters. Gutierrez, on the tail end of a three-day visit, was later joined by US trade representative Robert Portman for a meeting with Chinese Vice Premier Wu Yi, who said the stakes were just as high for China, which employs 19 million textile workers. Wu, who oversees trade issues, called textiles a "major problem" in Sino-US relations that could affect ties unless dealt with.

'Al Jazeera aids militant groups'

Singapore: Defence secretary Donald Rumsfeld said on Saturday that Arab news channel Al Jazeera was encouraging Islamic militant groups by broadcasting beheadings of foreign hostages in Iraq. Al Jazeera broadcasts footage from militant groups, often showing hostages being brutally killed by their captors or foreign captives pleading at gunpoint for their governments to withdraw troops from Iraq.

If anyone lived in the Middle East and watched a network like the Al Jazeera day after day after day, even if he was an American, he would start waking up and asking what's wrong. But America is not wrong. It's the people who are going on television chopping off people's heads, that is wrong," he said.

"And television networks that carry it and promote it and jump on the spark every time there is a terrorist act are promoting the acts," he told the conference in Singapore. Al Jazeera's offices in Baghdad and in Kabul have been hit by US fire but Washington said the bombings had been accidental and had not targeted the network.

JUN 2 2005

05 JUN 2005

THE TIMES OF INDIA

China criticises EU, US over textile sanctions

TAMORA VIDAILLET &
LUCY HORNBY
BEIJING/SHANGHAI, MAY 30

CHINA hit out on Monday at the US and the European Union for curbing Chinese textile exports, saying the sanctions were justified neither by trade law nor by statistics.

Commerce Minister Bo Xilai said Washington and Brussels had failed to prove their domestic markets had been disrupted by an increase in Chinese exports since a decades-old system of quotas on poor countries' exports of textiles expired on January 1.

"The EU and US imposed quotas on Chinese textiles based on primary data obtained in a short period of just three or four months and made a cursory decision. They are groundless and unscientific," Bo told a news meet.

He was speaking hours after China said it would scrap export tariffs on 81 textile



products, making good on its threat to roll back the taxes if Western countries threw up barriers against its goods.

The tit-for-tat move followed a formal request on Friday by the European Union for talks with China over surging shipments of T-shirts and flax yarn, which have fanned fears of widescale bankruptcies and lay-offs in the 25-member bloc.

The EU has said it hopes a deal to avoid the imposition of import curbs could be struck

during a 15-day consultation period. However, under the terms of China's accession to the World Trade Organisation in 2001, the act of lodging the request already requires China to limit its exports of those products to the EU to a level no greater than 7.5 per cent higher than between March 2004 and February 2005.

The US imposed quotas on Chinese-made trousers, underwear, shirts and other goods in mid-May. —Reuters

31 MAY 2005

INDIAN EXPRESS

China hits back in US trouser war

Beijing, May 14 (Reuters): China said today it opposed a US decision to restrict booming imports of Chinese trousers, shirts and underwear, saying the move violates World Trade Organisation agreements and it urged Washington to reconsider.

China reserved the right to adopt measures within the WTO framework, commerce ministry spokesman Chong Quan was quoted as saying on the ministry's website, www.mofcom.gov.cn. The statement gave no details.

US commerce secretary Carlos Gutierrez said yesterday the US would restrict imports of three kinds of clothing from China that have surged dramatically since the beginning of the year unless

the two countries work out a compromise.

The decision flowed from three investigations the Bush administration launched last month, and Gutierrez said it showed the administration's commitment to levelling the playing field for US industries.

Preliminary US figures suggest imports of cotton trousers from China have increased around 15 fold in just four months. The EU is also considering curbs on Chinese clothing imports following dramatic increases.

But Chong said China's exports of the three kinds of clothing have not caused disorder in the US market and the US move "violates WTO agreements on textiles and clothing and deviates from the spirit of

the WTO's advocacy of trade liberalisation".

The decision would damage the interests of Chinese companies and "seriously blunt the confidence of Chinese people and industries in the international trade environment since China joined the WTO", he said.

"The Chinese government reserves the right within the framework of the WTO to take further measures," he said without elaborating. He urged the US to "correct its erroneous measure".

The quotas on billions of dollars of clothing imports will take effect from the day the US formally requests consultations with China, which is expected by the end of May.

Washington and Beijing will have 120 days to find a so-

lution. If the talks fail, the quotas will remain in place until the end of the year, the commerce department said.

Although clothing and textiles were not mentioned by name, Chinese vice-premier Wu Yi told US ambassador to China Clark Randt yesterday she hoped the trade disputes between the two countries would be solved through consultation based on "equality, mutual benefit and development".

"We also should avoid mixing economic and trade problems with politics," the official Xinhua news agency quoted Wu as saying, adding there were "great opportunities" to improve and develop ties.

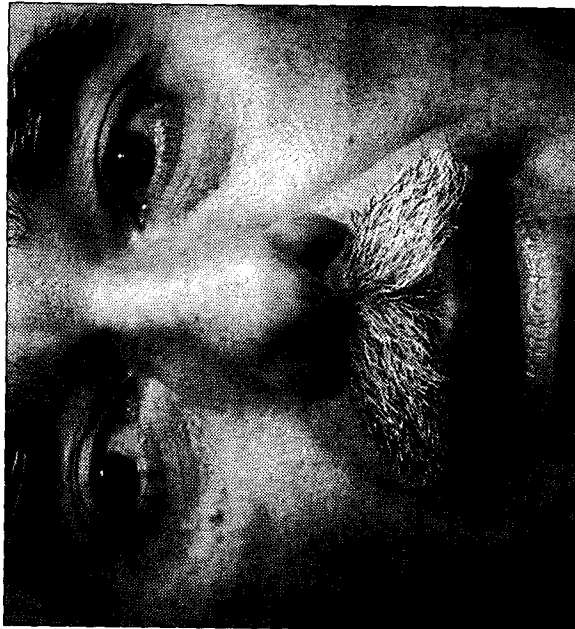
The Bush administration has been under tremendous pressure to curb a trade deficit

with China that reached a record \$162 billion last year.

A WTO rule allows members to restrict growth in clothing imports from China to 7.5 per cent above the previous year's level when there is a surge. Beijing accepted that as a term of its entry into the WTO.

US textile groups hailed the move, which they have urged for months, but US retailers condemned it and accused the Bush administration of ignoring their concerns.

Preliminary US data showed a 1,505 per cent increase in cotton trouser imports from China in the first four months of 2005 and increases of 1,346 per cent for cotton shirts and 347 per cent for underwear.



US commerce secretary Carlos Gutierrez

U.S. slaps quotas on some Chinese textiles

Other petitions filed by the domestic industries are under consideration

Sridhar Krishnaswami

WASHINGTON: In a move that has brought forth strong protests from importers and retailers, the Bush administration has revived quotas on certain Chinese textiles. The latest action of the administration will place quantitative ceilings on cotton trousers, cotton knit shirts and underwear that can be imported from China into this country — a move intended to appease domestic producers.

The Commerce Secretary, Carlos Gutierrez, said that an investigation found a surge in Chinese shipments since the global quotas were eliminated on January 1 and this was disrupting the domestic market. The decision to revive quotas on Chinese textiles was taken by the Committee for the Implementation of Textile Agreements (CITA), an interagency group led by the Commerce Department. Other petitions filed by the domestic industries are under consideration, it is said.

"Today's action by the CITA demonstrates this administration's commitment to levelling the playing field for U.S. industry by enforcing our trade agreements," Mr. Gutierrez said in a statement. The action against China means that the shipments in the three categories will be permitted to increase this year by only 7.5 per cent. The three categories identified for action also represent the most important categories of clothing imports on volume basis.

What is being pointed out is that the Commerce Secretary's determination was based on a controversial theory that safeguards could be imposed on imports even in the absence of a flood if there is the "Threat of disruption." This line of reasoning has been challenged and is pending before courts.

The ruling of the inter-agency group came in for praise from



LOOMING TRADE WAR: A worker operates a loom at a textile unit in Yantai of Shandong Province in China. — PHOTO: REUTERS

the American Manufacturing Trade Action Coalition, a group that represents textile firms. "The unprecedented surge of Chinese imports imperilled tens of thousands of jobs, leaving the U.S. Government no choice but to act," remarked Augustine Tantillo, the Coalition's Executive Director. But as expected brought forth criticism from re-

tailers and importers who have said that consumers have lost the opportunity to get cheaper goods. "Clearly, the government did not seriously consider the facts... The only result of this action will be harm to U.S. consumers and to U.S. importers and retailers who are trying to provide Americans with the clothes they want, at the right quantity and at the right price,"

said Laura Jones, Executive Director of the U.S. Association of Importers of Textiles and Apparel.

Agencies report:

The U.S. government will now request formal consultations with Beijing, but the quota will be imposed regardless by the end of May, officials said on Friday.

"In the event a mutually satis-

factory agreement cannot be reached by the conclusion of the consultations period, the quota will remain in place through the end of 2005," the statement added.

The U.S. action comes just six weeks after the US government launched a probe into the main categories of Chinese textile goods that have surged since the 31-year-old global quota system ended on December 31, 2004.

U.S. critics argue that Chinese imports in general have enjoyed a massive boost from an artificially weak yuan currency. Beijing is under mounting international pressure to relax the yuan but has so far stood firm.

A Commerce Department official said that the quota was set at 107.5 per cent of total shipments of the Chinese textile categories, as calculated over 12 of the past 14 months. Any shipment amount that goes over that ceiling will be blocked at customs, she said.

'India will benefit'

Special Correspondent

CHENNAI: The imposition of quotas on Chinese cotton knit-shirts and blouses, cotton trousers and cotton and man-made fibre underwear by the US will help increase India's exports in these categories to the American market, according to A.Sakthivel, Chairman of the Apparel Export Promotion Council (AEPCC) and leader of the knitwear industry of Tirupur in Tamil Nadu.

India is in a better position than any other textile exporting nation to take advantage of the quotas imposed by the US on China, Mr Sakthivel said, talking to THE HINDU. He expected that the European Union (EU) would follow the US example in imposing curbs on the surging textile imports from China.

Unjustified: Beijing

BEIJING: China on Saturday slammed a U.S. decision to impose restrictions on Chinese textile exports, saying the move was a serious threat to the multi-lateral trading system and that China reserved the right to retaliate.

"The global textile system has just entered its fourth month and the U.S. side has implemented restrictions on Chinese textiles based on short-term and inaccurate statistics," Commerce Ministry spokesman,

Chong Quan, said on the ministry website. "This is beyond doubt an extremely bad precedent and will seriously harm the multi-lateral trading system. The Chinese government reserves the right to take further measures within the WTO framework." "We urge the U.S. to correct its mistaken method and avoid taking arbitrary trade protectionist measures that cast shadows over Sino-U.S. bilateral trade relations," the spokesman said. — AFP

Pre-accession accord sequel

R. Gopalakrishnan

CHENNAI: The quota restrictions announced by the U.S. on Friday on imports of certain categories of textiles from China are in terms of an agreement reached by the two countries as part of their broad bilateral agreement reached prior to accession of the People's Republic to the World Trade Organization (WTO).

The accession agreement provisions enable the U.S. to impose safeguards against imports of Chinese textiles as envisaged under an earlier bilateral agreement (1997) on textiles. In the accession talks, the Chinese agreed that the mechanism for imposition of quotas (as distinct from tariff measures) envisaged under the 1997 accord could be triggered in the case of "market disruption" in the U.S. as a result of a surge in imports from China. This provision covered all products that were under the purview of the Agreement on Textiles and Clothing (ATC, which was a part of the Uruguay Round accords which resulted in the establishment of the WTO and which expired in January year). The mechanism to prevent market disruption in the U.S. will remain till December 31, 2008.

China also agreed in the accession talks that product-specific safeguard measures (as imposed now) could be applied by the U.S. till 12 years after the accession of China to the WTO. (China joined the WTO on December 11, 2001). Other provisions of the accession accord included tariff reductions on textiles by both sides and lifting of restraints imposed by China on distribution channels for imported textiles.

In terms of the safeguards agreement of the WTO (as distinct from the U.S.-China bilateral agreement), safeguard measures cannot be targeted at individual exporting countries, though quotas can be allocated to different exporting countries. However, in extraordinary circumstances, where imports have increased disproportionately quickly from a single country, they can be slapped on the country concerned. Also, countries affected by safeguard measures can seek compensation, and failing agreement on this, impose punitive measures on the importing country. Developing countries exporting less than three per cent of the total imports or collectively exporting less than nine per cent have to be exempted from safeguard measures.

Become a State Distributor

China for constructive ties with U.S.

By P. S. Suryanarayana

SINGAPORE, MARCH 20. China today emphasised the cardinal importance of promoting its "constructive and cooperative relations" with the United States. The U.S. Secretary of State, Condoleezza Rice, today met the Chinese President, Hu Jintao, in Beijing. Mr. Hu hoped that her visit would help "strengthen coordination on some issues of common concern."

Dr. Rice arrived in Beijing after holding talks with the South Korean President, Roh Moo-hyun, in Seoul earlier in the day on the North Korean nuclear issue.

The Chinese Prime Minister, Wen Jiabao, also held talks with Dr. Rice, and said the two countries now "maintain a generally good relationship and have forged fruitful cooperation in various fields." Given that the two countries "will handle the relationship from a strategic

81-10-13 #19-12 2113
and long-term perspective," these ties could be furthered, he said.

Mr. Wen hoped that the U.S. would "understand, respect and support" China's latest anti-secession law regarding the reunification of the non-sovereign territory of Taiwan with the Chinese mainland.

Peace, development

He said the law, aimed at curbing the "Taiwan independence forces," would help maintain peace and development in the Asia Pacific region besides being conducive to the stability of relations across the Taiwan Strait, according to an official Chinese version.

Mr. Wen said China and the U.S. should also "further improve" their bilateral "coordination mechanism" on trade matters on the basis of "equality, mutual benefit and development."

While the Chinese side quoted Dr. Rice as having said her

visit was to "emphasise how important the U.S. considers" its ties with China, whose "remarkable transformation" was being watched across the world, she outlined, prior to her arrival in Beijing, a check-list of Washington's "concerns" and expectations.

Dr. Rice wanted China to play a more proactive role in regard to the six-party talks to defuse the "threat" that a nuclear-armed North Korea posed to the region. Saying China should "not be allowed to draw upon European technology" for the modernisation of the People's Liberation Army, she emphasised Washington's "obligations" to help Taipei under the Taiwan Relations Act of the U.S. even in the context of its acceptance of the "One China" principle.

China's new anti-secession law is, in a sense, an answer to the Taiwan Relations Act, according to East Asian diplomats.

China objects to U.S. remark on anti-secession law

By P. S. Suryanarayana

SINGAPORE, MARCH 11. China on Thursday opposed the "irresponsible" comments by the United States on the current move in the Chinese Parliament to enact an anti-secession law that would keep the non-sovereign territory of Taiwan in line for reunification with the mainland.

Reacting to Washington's suggestion that Beijing recon-

sider this "unhelpful" move, the Chinese Foreign Ministry spokesman, Kong Quan, urged the U.S. not to "embolden" the Taiwan separatists.

"We request the U.S. side to abide by the standards of international relations, understand and support China's legislative actions and not do anything to embolden the 'Taiwan independence' forces or harm Sino-U.S. relations", Mr. Kong said.

Beijing's reaction acquired

additional importance in the context of a parallel announcement that the U.S. Secretary of State, Condoleezza Rice, would visit China on March 20 and 21 to discuss the Korean nuclear issue and the stalled six-party parleys on it.

Mr. Kong hoped that China and the U.S. would "increase mutual understanding, expand consensus and reduce disputes in a bid to push forward the China-U.S. strategic partnership".

THE HINDU

12 MAR 2005

China revises anti-secession law draft amidst US pressure

ANIL K. JOSEPH
BEIJING, MARCH 10

AMIDST US pressure on China to reconsider its anti-secession law, a revised version of the legislation, aimed at foiling Taiwan's independence bid, was on Thursday submitted to the Chinese Parliament to be passed on March 14.

A revised edition of the draft anti-secession law was adopted by the presidium of the current session of China's Parliament, the National People's Congress (NPC), and will be put before NPC deputies for deliberation.

The anti-secession law, currently being discussed by the Chinese Parliament, gives the People's Liberation Army the legal basis for attacking Taiwan but Beijing insists such "non-peaceful means" will be used only as a "last resort".

The NPC Law Committee amended the draft law after careful study of the views of deputies and the opinions formed at the 13th session of the NPC Standing Committee at the end of last year. The Committee also scrutinised the draft law article by article, *Xinhua* news agency quoted an official source as saying.

Chairman of the NPC Law Committee, Yang Jingyu, reported the result of

Taiwan plans protest against new China law

■ **TAIPEI:** Taiwan's pro-independence ruling party plans to call half a million people to protest on March 26 against a Chinese Bill allowing Beijing to use force against it, if it pushes for statehood, party officials said on Thursday.

"The thing that worries us the most is coming closer and closer," said Su, formerly Chen's Chief-of-Staff. "China's Anti-secession Bill is a law that changes the status quo, a law that gives blank authorisation for war. The freedom and democracy that have been the way of life in Taiwan face immediate threat," Su told reporters. "We must protect our own country, protect Taiwan. We must show our determination to say no to China," Su said. —Reuters

deputies' deliberations on the draft anti-secession law to the Presidium.

"The Presidium voted to present the revised version of the draft law to the

plenum of the NPC session for deliberation," the official said, without talking further about the revisions.

According to the official, NPC deputies put forward their views after careful deliberations on the draft law on March 8 after Vice Chairman Wang Zhaoguo of the NPC Standing Committee tabled the draft law.

The deputies also studied the March 4 speech of President Hu Jintao, who set forth a four-point guideline on relations across the Taiwan Straits.

According to Hu, who is also General Secretary of the Ruling Communist Party of China and Chairman of the Central Military Commission, China will never sway in adhering to the One-China Principle, never give up efforts to seek peaceful reunification, never change the principle of placing hope on the Taiwan people, and never compromise in opposing the "Taiwan independence" secessionist activities.

The United States, Taiwan's main arms supplier, has criticised the anti-secession law, saying the legislation runs counter to recent trends towards a warming in cross-strait relations.

"We would call on Beijing to reconsider passage of the law," White House Spokesman Scott McClellan said. —PTI

U.S. accepts E.U. arms sales to China

By Nicholas Watt

BRUSSELS, FEB. 10. The United States has reluctantly accepted that the European Union will lift its arms embargo on China within months, Condoleezza Rice, American Secretary of State, indicated yesterday.

On the penultimate day of her week-long tour of Europe and West Asia, Dr. Rice praised European leaders for listening to U.S. concerns.

"I really have to underscore how much the Europeans have tried to take account of our concerns; how good the discussions have been," she said after lunching with NATO Foreign Ministers in Brussels.

In a sign of deep U.S. unease at the proposed move, however, Dr. Rice said: "The United States has very specific concerns about the lifting of the embargo, having to do with human rights: 2,000 people were arrested after Tiananmen [military crackdown in Beijing in 1989] and 2,000 people are still jailed.

We do have to worry about the military balance in that region and we have concerns about technology and technology transfer."

The U.S. is concerned that strengthening China's military capability could encourage Beijing to adopt a more belligerent stance towards Taiwan — ©Guardian Newspapers Limited 2005