

Quarterly Chronicle and Documentation

(July–September 2011)

Sources

The principal sources of information on which this chronicle is based are British Broadcasting Corporation, *Monitoring Global News line – Asia-Pacific Political* and British Broadcasting Corporation, *Monitoring Global News line – Asia-Pacific Economic*. These sources, now only available electronically, do not have reference numbers and are only identifiable by date of publication of material. The inclusion of each of these dates would unnecessarily clutter the text and such dates have therefore been omitted, except, at many points, for the original sources from which the BBC reports themselves are taken.

Abbreviations

XHNA	Xinhua (New China) News Agency
CNA	Central News Agency (Taipei)
RTHK	Radio-Television Hong Kong
ZTS	Zhongguo tongxun she (China Reporting Agency), Hong Kong
ZXS	Zhongguo xinwen she (China News Agency), Beijing
RMRB	<i>Renmin ribao</i> (<i>People's Daily</i>)
SCMP	<i>South China Morning Post</i>
KCNA	Korean Central News Agency

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1. Internal Developments

- a *The Standing Committee of the National People's Congress*

The 22nd Session of the National People's Congress Standing Committee (NPCSC) was held in Beijing from 24 to 26 August, presided over by

Chairman Wu Bangguo. The Session reviewed some draft amendments to the Criminal Procedure Law (intended to stop judges accepting confessions obtained through torture or violence, and to allow the confiscation of money from corrupt officials or terrorists who have fled the country), ratified the Third Protocol Amending the Treaty of Amity and Co-operation in Southeast Asia, reviewed two cabinet reports on the implementation of the country's 12th Five-Year Programme for economic and social development, as well as the national budget, and deliberated a report on the enforcement of a law protecting the rights and interests of the elderly. The Session also gave an important interpretation of Articles 13 and 19 of the Hong Kong Basic Law on the question of state immunity. The ruling was requested by the Hong Kong Court of Final Appeal following a split decision on whether a sovereign country could be sued in the Hong Kong courts. The case centred on the principle of sovereign immunity, where a US investment fund was seeking the execution of two international arbitral awards against the Democratic Republic of Congo and the China Railway Group as a co-defendant. Congo claimed that it enjoyed state immunity and that the courts of Hong Kong had no jurisdiction. The interpretation followed China's own strict interpretations of state immunity and ruled that Hong Kong's laws should be consistent with the rules or policies on state immunity that the central government has adopted. It therefore ruled that Congo did have state immunity in this case (XHNA, 26 Aug.). The session also appointed Liu Jixin as President of the PLA Military Court, and made some other judicial personnel changes (XHNA, 28 Aug.).

Local-level direct elections to People's Congresses at county and district level began to be held across the country as part of the process that would eventually lead to the indirect election of deputies to the National People's Congress due to meet in early 2013. Hong Kong's *Ming Pao* reported that Wu Bangguo, Chairman of the NPCSC had ordered that all attempts by people to run as independent candidates should be suppressed with no effort spared (*Ming Pao* website, 8 Sept.).

b Party and Political Affairs

General Secretary Hu Jintao delivered a keynote speech on the occasion of the 90th anniversary of the Chinese Communist Party on 1 July (full text in XHNA, 1 July) and the Party issued a national circular calling for organized collective study of the speech which

comprehensively analysed the new changes in the situations both at home and abroad and thoroughly expounded on the new demands for the development of the cause of the Party and state. It offers profound thoughts and rich contents and is of immense and far-reaching significance as a guide for us to do the various tasks of the party and state satisfactorily as well as to advance the great cause of socialism with Chinese characteristics and the great new undertaking of Party building (XHNA, 2 July).

Xinhua reported briefly on Premier Wen Jiabao's remarks on political reform at the World Economic Forum Meeting of the New Champions. He said that five areas needed to be addressed to improve reform of the political system in China: running the country according to the law; promoting social fairness and justice; safeguarding judicial justice; ensuring people's democratic rights; and combating corruption. Of these he said that the most important were to expand democracy, promote social justice and fairness and fight corruption (XHNA, 14 Sept.). Comment in the non-official media was more enthusiastic (*SCMP* website, 18 Sept.).

He Guoqiang, Secretary of the Discipline Inspection Commission of the Party, attended a meeting on combating corruption and upholding integrity on 23 September. The meeting heard a report on combating corruption in four key areas that were the current focus of attention: carrying out construction projects; the problem of "small coffers"; abuse of official cars; and the problem of excessive celebration activities, seminars and forums. Encouraging results had been achieved: 38,000 breaches of the law in respect of construction projects had been taken under investigation; 26.654 billion yuan of funds had been uncovered in 58,225 "small coffers" around the country, 172,600 official cars had been improperly used, and savings on entertainment and seminars of 840 million yuan had been made. He called for further efforts to be made on solving these problems that cause strong public resentment, and on winning the people's confidence with the results of improving the Party's work style, building clean government and fighting corruption (XHNA, 23 Sept.). The former Vice Mayors of Suzhou and Hangzhou, Jiang Renjie and Xu Maiyong, were executed for corruption on 19 July. Jiang had been sentenced in April 2008, and Xu in May 2011. Both had had their appeals rejected (XHNA, 19 July).

A number of provincial-level Party Secretary appointments were announced in late August: Chen Quanguo (aged 56) was appointed Secretary of the Party Committee of Tibet, replacing Zhang Qingli (aged 60); Qin Guangrong (aged 61) was appointed Secretary of the Party Committee of Yunnan, replacing Bai Enpei (aged 65); Luo Baoming (aged 59) was appointed Secretary of the Party Committee of Hainan, replacing Wei Liucheng (aged 65); and Zhang Qingli (aged 60) was appointed Secretary of the Party Committee of Hebei, replacing Zhang Yunchuan (aged 65) (XHNA, 25, 28 Aug.).

c Social Affairs

There was a horrific train crash on the new high-speed rail line near Wenzhou on 23 July. Initial reports suggested that at least 33 people were killed and 190 injured (the final death toll was 40, including two US citizens, and 192 injured). The crash was initially said to have been caused by lightning striking a train causing power failure. A following train then ran into the back of the stalled train (XHNA, 24 July). The leadership swung quickly into emergency mode; both President Hu Jintao and Premier Wen Jiabao were reported to have called for

all-out effort to be made to rescue passengers, and the provincial Governor visited the scene the following day. The Minister of Railways was also reported to be hurrying to the site. The most senior initial visitor was Vice Premier Zhang Dejiang, who arrived on 25 July to assist the relief work and conduct an investigation (XHNA, 25 July). The Railway Ministry quickly announced that three railway officials, the Head of the Shanghai Railway Bureau, his deputy and the Head of the Bureau's Party Committee had all been dismissed and were subject to investigation. A State Council Group under Luo Lin, Head of the State Administration of Work Safety, was set up to investigate the accident (XHNA, 25 July). But all this formal activity failed to convince. The authorities tried hard to control press reporting of the event (it was hardly mentioned in the official national press at first) and to prevent any in-depth public examination of the causes and implications (*Apple Daily*, Hong Kong, 25 July). Nonetheless, widespread comment continued in the social media, much of it critical of the authorities and their handling of the disaster. Particularly disturbing was the apparent decision to bury one of the wrecked locomotives, in what seemed to be an attempt to cover things up. It was dug up again the following day and taken away for forensic examination, but the allegations of cover up and serious mishandling of the incident by the authorities continued to spread (Kyodo News Agency, 31 July). The spokesman for the Ministry of Railways, Wang Yongping, was dismissed on 16 August (XHNA, 16 Aug.).

On 26 July, the authorities announced that victims would be paid 500,000 yuan in compensation and Premier Wen ordered that there should be a swift, open and transparent investigation into the crash (XHNA, 27 July). By 28 July, it was being reported that flaws in the signal equipment had led to the crash (the equipment was designed in Beijing and had been put into service in 2009), and that the crash had revealed vulnerabilities in the safety infrastructure and management of the railways. The disaster led to widespread undermining of confidence in the high-speed rail, and concerns that the whole programme had been pushed through too fast, neglecting proper safety concerns. Even the *People's Daily* was commenting by 28 July that "safety must come first in China's development" and that China should say no to "blood-smeared GDP" (XHNA, 28 July). Premier Wen himself arrived on the scene on 28 July, apologizing that medical problems had delayed his visit. "I am ill, having spent 11 days in bed, but I managed to come today only after my doctor reluctantly allowed me to check out of hospital" (XHNA, 28 July). However, investigations revealed that he had actually been reported conducting official business in Beijing on several occasions during that period (*Apple Daily*, 29 July). Wen was in full emotive mode: I fully understand the pain you are feeling ... I am as deeply grieved as you are ... here is a bow from me to all of you." He promised that a full investigation would take place, and expressed his sympathy over disputes over compensation saying that "I know what the families want is fairness. I believe that this matter will be settled in a fair and reasonable way." Within a day, compensation was raised to 915,000 yuan. It was reported that the families of the dead had

begun to accept this offer, although Xinhua was also obliged to point out that no ultimatum had been issued to force them into so doing (XHNA, 31 July).

The accident raised real concerns about the safety of China's railways, particularly high-speed rail. It was established quite quickly that the signalling equipment failed because of lightning strikes, and staff had failed to cope with the situation. The main immediate cause was a design flaw in the equipment developed by the Beijing National Railway Research and Design Institute of Signal and Communications Co. Ltd. But the overall suspicion was that too many safety corners had been cut in installing the new high-speed rail (*Ming Pao*, Hong Kong, 1 Aug.). The State Council held a meeting on 10 August to discuss the railway situation and ordered safety checks to be carried out on the railways system, and to slow down the operating speeds of the high-speed trains (XHNA, 10 Aug.). On 12 August it was announced that 54 of the high-speed trains used on the Beijing–Shanghai line would be recalled because of defects in the automatic protection systems (XHNA, 12 Aug.). On 22 August, an official of the State Administration of Work Safety said that preliminary investigations had shown serious design flaws in the signalling equipment and loopholes in the safety management systems. A technical report had now been completed and the next stage was to identify the individuals or entities responsible for the failure (XHNA, 22 Aug.). The railways woes were compounded on 27 September when a Shanghai subway train ran into the back of another injuring more than 270 people. It was caused by another signal failure from equipment supplied by CASCO, the same company that supplied the signalling equipment involved in the Wenzhou crash (XHNA, 27 Sept.).

Zhou Yongkang, the Politburo Standing Committee member in charge of security matters, chaired a meeting in Beijing on 21 July on how best to handle letters and visits from petitioners. He said that it was necessary to respond actively to reasonable appeals, safeguard people's fundamental interests and promote social harmony and stability. He said that the current situation was generally good, but that there was still a considerable volume of letters and visits coming in and these needed to be handled properly and the problems they raised solved (XHNA, 22 July). Zhou Yongkang, in his capacity as Director of the Central Committee for Comprehensive Social Management, said in a televised national conference that there should be better social management to address social problems and promote social justice and social order. He told government departments to simplify their procedures and enforce the law in a strict impartial and civilized manner. He said that more manpower and resources should be given to improving social management at grassroots levels, and that the legislation on social management should be improved (XHNA, 28 Sept.). Vice President Xi Jinping told a national meeting on the subject that building harmonious labour relations was an important and urgent political task. He said that it was necessary to improve legislation on labour relations, and to achieve a reasonable distribution of salaries, and enhance corporate management in a democratic way. Greater attention needed to be paid to solving labour disputes and to building

grassroots Party units in enterprises. Workers' economic, political, social and cultural rights should be protected. Vice Premier Zhang Dejiang told the meeting that glaring problems in labour relations need to be solved, and that wages were overly low in some sectors, particularly labour intensive ones (XHNA, 16 Aug.).

The Minister of Public Security, Meng Jianzhu, visited Inner Mongolia from 8 to 9 July and called for efforts to maintain social harmony and stability in the region. He said that police should tackle issues of public concern and make innovations in serving the public. "As long as we treat the people as our family members, they will consider us as theirs" (XHNA, 10 July). The Inner Mongolian government issued new "Guiding Opinions on Further Regulating the Orderly Development of the Mining Industry to Protect the Environment and Guarantee the People's Livelihood in Accordance with the Law" presumably in response to an incident in May (XHNA, 21 July).

The State Council approved and issued the "Outline for the Development of Chinese Women, 2011–2020" together with the "Outline for the Development of Chinese Children, 2011–2020" on 8 August (XHNA, 8 Aug.). The former document covered the seven fields of health, education, economy, political participation, social security, environment and law, with 57 main objectives and 88 strategies and measures (http://www.chinahumanrights.org/Messages/feature/104/t20110811_780680.htm). The Children's Plan listed five development sections, including children's healthcare, education, welfare, social environment and legal protection, as well as the main objectives, strategies and measures of each section, with the aim of guaranteeing children's rights to survive, develop, participate and be protected, narrowing the gap between children in urban and rural areas, promoting children's healthcare and welfare levels, and improving the overall quality of children (<http://news.bnu.edu.cn/englishnews/newsevents/35300.htm>). The following week, the State Council endorsed a five-year Programme on Senior Citizens' Development (2011–2015). The population over 60 was projected to rise from 178 to 221 million in the period. It promised that all senior citizens would get pension insurance by 2015 (XHNA, 17 Aug.). Xinhua reported that the case of an elderly farmer, Zhong Yichun, sentenced to two years imprisonment for helping a friend commit suicide, had given rise to widespread debate on the subject of euthanasia. The friend, who had a history of mental illness, had repeatedly sought Zhong's help. Zhong had eventually provided him with sleeping pills and subsequently buried him, although the autopsy found that the victim had died of suffocation rather than the overdose. Zhong was found guilty of criminal negligence resulting in death. Xinhua reported that euthanasia is illegal in China, and was a complicated and difficult issue. Nonetheless it quoted a number of Chinese experts arguing for euthanasia: "China should first accumulate judicial experience in handling cases regarding euthanasia. The Supreme Court can then come up with judicial interpretations and guidance and finally legalize euthanasia at the proper time" (XHNA, 14 Aug.).

Eleven people involved in the disturbances in Guangdong on 10 June in a dispute between migrant workers and the authorities were charged with various public order offences on 7 July. The local Party Secretary was quoted as saying that the incident had been triggered by mounting anger among migrant workers, and that services for them needed to be improved to avoid further protests (XHNA, 7 July). Xinhua reported a large protest in Anshui town in Guizhou province on 26 July over the alleged beating to death of a one-legged street seller by “city management officers.” Police later detained a city management officer suspected of beating the seller during an argument, although it was stressed that the actual cause of his death remained unknown (XHNA, 29 July). The Head of the City Management Bureau in the district in which the incident took place was dismissed the day after the incident (XHNA, 28 July). Taxi drivers in Hangzhou went on strike for three days in early August complaining about price rises (and no commensurate increases in the fares they could charge) and worsening traffic jams. Their demonstrations were reported by the official press which noted that the authorities had promised to raise fares in the near future (XHNA, 1–3 Aug.). Other taxi driver strikes were reported in other parts of Zhejiang province, similarly demanding higher wages. The authorities promised to put up fares (XHNA, 9 Aug.). Provincial authorities promised a province-wide fare increase for low-paid taxi drivers later in the month (XHNA, 26 Aug.).

Six senior managers who had worked for the mining company Xinyi Zijin were sentenced to prison terms of up to six years for their negligence and liability in the collapse of dam that had killed 22 people in Guangdong in 2010 (XHNA, 5 Aug.). A large demonstration involving 12,000 local residents took place in Dalian on 14 August demanding the relocation of a large chemical plant that had been at serious risk of suffering a large toxic spill during the recent typhoon. There were minor scuffles with riot police but no serious injuries. The municipal authorities quickly promised that the plant would be relocated, and were forced to come up with a specific timetable, ordering the plant to cease operations immediately (XHNA, 14 Aug.). The plant began winding down its operation on 15 August. It had opened in 2009 and was a leading producer of PX, a carcinogenic petrochemical used to create raw materials for the production of polyester film and fabric. Xinhua reported that there were serious insider concerns over the quality of management and the management of risk and quality at the plant (XHNA, 16 Aug.). Xinhua reported that over a thousand workers had gone on strike at the Hainan Youmei Underwear Company over low pay and management demands that they increase their pace of work. The provincial trade union and local authorities sent officials to help mediate. This was the second strike at the plant since it opened in 1992 (XHNA, 8 Sept.). Villagers in Hongxiao Village, Zhejiang, protested outside a solar panel manufacturer (Jinko Solar Co. Ltd.) over a pollution incident which had killed the fish in a nearby river. The factory had been in breach of anti-pollution regulations since April, according to local officials. Thirty-one people were detained as the protests

turned violent. The company was ordered to close down a number of production lines and was fined 470,000 yuan and ordered to clean up the river (XHNA, 17 and 20 Sept.).

The 15-year-old son of General Li Shuangjiang caused a national uproar over the behaviour of privileged youth when he assaulted a couple and damaged their car after they had slowed down in front of him to turn into their home. He had been driving an unlicensed BMW behind them and had been incensed by their behaviour, which led to him and an associate attacking the couple. The boys had tried to run away after the incident but had been apprehended. Li's son was later sentenced to one year's detention (XHNA, 15 Sept.).

d *Economic Affairs*

The National Bureau of Statistics announced on 9 July that the year-on-year inflation rate (Consumer Price Index, CPI) in June had risen to 6.4 per cent, exceeding the previous record month of 5.5 per cent, and well above the annual target of 4 per cent. Food prices were up by 14.4 per cent in June. An analyst with the Development Research Centre was quoted as saying that there was no need to get alarmed and much of the rise was due to a carryover effect that peaked in June (XHNA, 9 July). The National Bureau of Statistics announced on 12 July that the economy had grown by 9.6 per cent in the first six months of the year, tapering off slightly in the second quarter. The spokesman for the Bureau said that economic performance had been generally good, and the slowdown was an expected result of the ending of some of the stimulus policies. Overall the CPI had risen by 5.4 per cent above the target of 4 per cent (XHNA, 13 July). Premier Wen Jiabao attended a series of meetings from 4 to 11 July with leading provincial officials, businessmen and economists to discuss the problem controlling inflation which had risen to a three-year high. He said that stabilizing prices was the top priority for the government's regulatory policies, and that a stable monetary policy combined with a stable supply of food were necessary to tame inflation. He added that measures should also be taken to restrain the runaway property market (XHNA, 12 July). Inflation remained very much on the leadership's mind. Premier Wen published an article in the September issue of the Party theoretical journal *Qiushi* in which he said that control of consumer prices would remain the government's top priority. The economy was basically sound, but "our country's economic development continues to face a very complicated, unstable and uncertain environment both at home and abroad. We should keep a sober mind, enhance our awareness of risks, and have full expectations of the complexity and severity of the present situation" (XHNA, 31 Aug.). President Hu Jintao and Premier Wen attended a seminar on 22 July convened by the Central Committee for non-Party figures and set out China's current economic policies. President Hu said that the government would make real efforts to "handle the relationship between speed, structure and price and continue to gear economic development toward the direction of macroeconomic controls."

The government will maintain continuity and stability in its economic policies, while keeping close watch on economic developments and price increases, which had to be kept stable. Premier Wen supported his remarks, promising that there would be more effort on stabilizing prices and curbing excessive price increases. China would be looking for more self-initiated growth rather than the expansion spurred by the recent economic stimulus package. Growth in the second quarter had been 9.5 per cent year on year, slightly slower than the first quarter, and China still faced many instabilities and uncertainties, particularly while the world economic recovery remained fragile (XHNA, 22 July). The CPI rose to an annual rate of 6.5 per cent in July, but an official of the National Development and Reform Commission said that inflation was now reaching a turning point and would ease off in the rest of the year. He warned, however, that if the US introduced a third round of quantitative easing this might push up international prices and increase the pressure of imported inflation (XHNA, 9 Aug.).

The State Council met on 9 August to discuss the international economic situation following falls in stock markets around the world and fears of a double-dip recession and rising debt. In a statement issued after the meeting, the State Council said that China supported the joint statements made by finance ministers of the G20 on stabilizing financial markets. The statement noted that the international financial markets were experiencing great turbulence and global economic recovery was facing rising uncertainties and instabilities. It said that “we have to watch calmly and handle the situation with imperturbation while taking precautions against risks.” China would maintain “the continuity and stability of macroeconomic controls and properly handle the balance between managing inflationary pressures, maintaining economic growth and restructuring the economy.” China would make efforts to bring down consumer prices and keep stable and relatively fast economic growth. It urged the international community to step up communication and co-ordination about their macroeconomic policies in order to promote the strong, sustainable and balanced growth of the world economy (XHNA, 9 Aug.).

Premier Wen gave a speech on the domestic and international economy at the “Summer Davos” in Dalian. He said that China was now a fully open market economy, and expressed his confidence that China would continue to grow over a long period of time and contribute to robust, sustainable and balanced growth of the world economy. He said that the recent upheavals had not changed the fundamentals of China’s development although he acknowledged that “China’s development is not yet balanced, co-ordinated and sustainable and there are many institutional constraints hindering scientific development.” China would follow a strategy of expanding domestic demand while focussing on improved demand structure to drive economic growth. He urged the major developed economies to adopt responsible and effective fiscal and monetary policies, to properly handle debt issues and ensure the safety and stable operation of investment around the world. Governments should “fulfil their responsibilities

and put their own house in order.” World economic recovery would be a long-term difficult and complex process with sovereign debt problems in some countries, high unemployment in major advanced economies and inflationary pressures in emerging economies. He said that the US currently faces the problems of controlling its external debt, reducing the fiscal deficit, and creating jobs through growth. “We hope the US will carry out appropriate economic policies and maintain fiscal and financial stability to protect the interests and confidence of investors.” He urged the US to allow more Chinese investment in the US market and to loosen controls on exports to China. In the face of the sovereign debt crises in Europe and inflationary pressure from the fluctuating dollar, China needed first to handle its own issues well and meanwhile promote reform of the international economic and financial systems (text in XHNA, 4 Sept.).

The Politburo held its 31st collective study session on the issue of land management on 23 August. General Secretary Hu Jintao chaired the session and told them that:

We need to implement a conservation-first strategy; further perfect the most stringent land management system that fits our country’s national conditions; make sure that various types of construction takes up less land and does not take up or takes up less arable land; use fewer land resources to support larger-scale economic growth; uphold the co-ordination and integration of economic, social, and ecological benefits; constantly improve the efficiency of land utilization; uphold unified planning and rational distribution; promote the optimization of the regional, urban–rural, and industrial land use structures; uphold the integration of current and long-term development; improve the support capacity of land for economic and social development; and strive to build a resource-saving and environment-friendly society (XHNA, 23 Aug.).

Premier Wen Jiabao presided over an executive meeting of the State Council on 20 July which studied arrangements for improving land administration, and ordered a crackdown on illegal land grabs and forced demolitions. The meeting identified four key areas for future work: a) to protect cultivated land and ensure that the total cultivated area did not decrease; b) to make sure that land was used strictly in accordance with the relevant laws and regulations, and in particular to investigate the spread of golf courses; c) to investigate and punish violations of the law in land acquisition, demolitions and relocation of people; and d) to ensure a supply of land for affordable and comfortable housing projects (XHNA, 20 July). In a meeting with provincial leaders on 21 July, Vice Premier Li Keqiang spoke again of the need to build more affordable housing and to address the needs of city dwellers at a time of rocketing property prices and high rents. Land supply for affordable housing in the first half of the year reached 16,477 hectares, an increase of 24 per cent. The government planned to start building 10 million affordable housing units this year, and expected to complete 4 million (XHNA, 21 July).

A Foreign Ministry spokesman reacted sharply to reports that the German Chancellor, Angela Merkel, had commented that emerging economies should

share the burden in reducing emissions. He noted that the current levels of per capita emission in developed countries were several times those of developing countries, and that China had already adopted reduction goals and achieved results that were “not less sufficient” than those of any developed countries. China had cut carbon emissions per unit of output by 19.1 per cent between 2005 and 2010, and had demonstrated a great sense of responsibility on climate change with “no empty talks and focus on action and results” (XHNA, 5 July). The State Council discussed China’s performance over its energy saving and emission reduction goals in the 11th Five-Year Programme (2006–2010) on 19 July. Energy consumption had risen at a rate of 6.6 per cent over the period compared to GDP growth of 11.2 per cent. Most of the goals had been achieved, but Wen called for efforts to promote energy saving and emissions reductions in key areas over the next five years, to continue to eliminate out-of-date capacity, develop public transportation, implement energy-saving projects and promote the use of energy-saving products. The State Council also reviewed and approved a 2011–2015 work plan on energy-saving and emissions reduction in principle (XHNA, 19 July). The Ministry of Environmental Protection announced on 29 August that China had met its two major pollution control targets for 2006 to 2010. The index for sulphur dioxide emissions was 14.29 per cent lower in 2010 compared to 2005, and the index of chemical oxygen demand decreased by 12.45 per cent. The Plan had called for 10 per cent reductions in both (XHNA, 29 Aug.).

A serious oil spill occurred in the Penglai 19-3 oilfield in Bohai Bay at a rig operated by ConocoPhillips China. The spill was first detected on 4 June and the pollution covered some 5,500 square kilometres, causing damage to marine life. The failure of the company to deal rapidly and effectively with the spill aroused much public criticism (XHNA, 5 Sept.). The company reported on 31 August that it had thoroughly checked the position and stopped all leaks, but small amounts of leakage continued to be detected (XHNA, 18 Sept.).

e Military Affairs

The Russian press revealed that the Chinese had concluded a major contract for the supply of US\$500 million worth of 123 AL-31FN aircraft engines with the Russian supplier Rosoboronekспорт by 2013. These engines would be fitted in the Chinese developed J-10 fighter (*Vedomosti* website, 4 July). There was renewed speculation about China’s development of an aircraft carrier capacity as it was reported that the refitted Varyag would be undergoing sea trials. The spokesman for the Ministry of Defence said that China was using the old carrier to carry out reconstruction for the purposes of scientific research, experiment and training. He noted that China was the only P5, and BRIC, member not to have such a capacity, and that China had 18,000 km of coastline and 3 million square

kilometres of coastal waters to defend (XHNA, 27 July). Other military analysts commented that surrounded as it was by foreign aircraft carriers, China had to have aircraft carriers to safeguard its national security and development. The *PLA Daily* commented that the programme would not change China's defensive policy, and noted that it would be some time before China had an actual capability, even though it was perfectly legitimate that it should have such a capacity (XHNA, 29 July). The Varyag started five days sea trials on 10 August. Xinhua noted that: "there should be no excessive worries or paranoid feelings on China's pursuit of an aircraft carrier, as it will not pose a threat to other countries, and other countries should accept and be used to the reality that we are developing the carrier" (XHNA, 10 Aug.). The Defence Ministry spokesman said that the carrier had completed its objectives during its sea trials, but did not elaborate (XHNA, 31 Aug.).

Six military officers were promoted to the rank of full General on 23 July. They were: Deputy Chiefs of the PLA General Staff Sun Jianguo and Hou Shusen; Deputy Chief of the PLA General Political Department Jia Ting'an; the Navy's Political Commissar Liu Xiaojiang, Commander of the Shenyang Military Area Command Zhang Youxia; and Political Commissar of the Lanzhou Military Area Command Li Changcai (XHNA, 23 July).

China launched its first space lab module, the Tiangong-1, on 29 September. It would orbit for two years and dock with China's Shenzhou 8, 9 and 10 spacecraft. A Ministry of Defence spokesman said on 28 September that China was only exploring outer space for peaceful purposes and was firmly opposed to the weaponization of space. In response to questions about the possible military use of Tiangong-1, he said: "The military enjoys unique advantages in organizing and co-ordinating such large-scale activities and its involvement in aerospace missions is an international practice" (XHNA, 28 Sept.). Premier Wen Jiabao met staff involved with the launch on 30 September, and watched the launch along with He Guoqiang (XHNA, 30 Sept.).

f *Human Rights*

The State Council Information Office announced on 12 July that China had put into effect and achieved all the measures set out in its National Human Rights Action Plan of 2009/2010 (published in April 2009 and text in http://www.china.org.cn/archive/2009-04/13/content_17595407.htm). Wang Chen, Director of the Office, told an official assessment meeting that citizens' awareness of human rights had been remarkably enhanced and that overall living standards had risen in line with the national economy. The fulfilment of the tasks in the plan showed that the cause of human rights in China had entered a new stage (XHNA, 12 July). China announced that it would publish a second action plan on human rights, to cover the period 2012 to 2015. It would cover economic, social and cultural rights as well as civil and political rights. It will also make

commitments to improving the rights of ethnic groups, women, children, senior citizens and disabled people. The new plan would be formulated through discussion with more than 56 organizations including government departments and non-governmental organizations (XHNA, 28 Sept.). China rejected the US State Department's remarks on China in its 2010 International Religious Freedom Report saying that it was interference in China's internal affairs. The Foreign Ministry spokeswoman said that Chinese people of all ethnic groups enjoy full freedom to practice religious beliefs in accordance with the law (XHNA, 14 Sept.).

China published its first Blue Paper on human rights, "The No. 1 Report on the Development of Human Rights Undertakings in China." The report was compiled from an academic perspective by the China Society for Human Rights Studies (XHNA, 8 Sept.). A panel of academic experts from the China University of Political Science and Law suggested at a Beijing Forum on Human Rights the setting up an independent human rights commission to monitor human rights violations and promote public awareness of human rights. Zhang Wei, a Deputy Director of the University's Institute of Human rights and Law, said that the commission should be established in compliance with the Paris Principles and could act as the independent commission to which government reports on the International Covenant on Economic Social and Cultural Rights could be submitted (XHNA, 21 Sept.).

Wang Lihong, a 56-year-old woman from Beijing, was put on trial in the capital on 12 August for stirring up trouble. Representatives from an UN human rights organization and the Canadian Czech Embassies were allowed to enter the courthouse but not the courtroom, while about 200 supporters protested outside. Her lawyer claimed that she was not allowed a proper defence and that both his and her closing statements had been cut short by the judge (*Ming Pao* website, Hong Kong, 13 Aug.). She was sentenced to nine months in prison for "provoking quarrels and creating a disturbance" when she had been part of protests in Fujian about the trial and sentencing of three bloggers who had posted the petition of an alleged rape victim's mother online (*SCMP* website, 10 Sept.).

The human rights activist, Jiang Tianyong, gave an interview to the *SCMP* in which he said he was under deep mental stress because of the physical and verbal abuse he had suffered while in detention, and was fearful of how the authorities would react as he had been forced to promise not to contact the media. He had been detained on 19 February and kept incommunicado for 60 days. He said he had been severely beaten for two nights and then made to sit motionless in a room for up to 15 hours a day while being interrogated (*SCMP* website, 14 Sept.).

Six individuals were sentenced to jail terms of between nine months and three and a half years for their part in the unrest by migrant workers in Xintang City in Guangdong in June, which had been sparked by a confrontation between a security worker and a pregnant migrant woman and her husband. All were convicted

on charges of destroying public property (mainly police vehicles). The authorities acknowledged that the disturbances had been triggered by mounting anger among migrant workers and that public services for them needed to be improved. Several local officials including the local Party Secretary had been removed from their posts as a result of the incident (XHNA, 12 July). Five further individuals were sentenced to terms ranging from a year and a half to five years for their part in the same incident on 16 July (XHNA, 16 July). The Shandong-based dissident Li Hongwei was reported to have been sentenced to one year and nine months of labour reform for inciting the subversion of state power because of speeches she made in Jinan in January and February condemning corruption in the CCP (Information Centre for Human rights and Democracy, Hong Kong, 12 July). Human Rights Watch called on the Thai government to explain why it had apparently handed over a Uighur suspect to the Chinese without due process. Nur Mohammed had been detained by immigration authorities in Bangkok on 6 August, and taken to a detention centre where he was immediately handed over to Chinese officials (*Bangkok Post* website, 12 Aug.).

Chinese commentary made good use of the scandal over phone hacking affecting News Corporation in Britain to highlight on-going problems in the values of Western media such as the abuse of freedom, ethical dilemmas, cultural vulgarization and privacy issues. Leading Chinese journalists were quoted as having commented that the scandal showed how Western media infringed on the privacy and dignity of citizens under the guise of “freedom of the press.” A Deputy Head of the Central Propaganda Department said that the scandal would be used as vivid textbook in an education campaign to improve media practices in China (XHNA, 1 Aug.). In a similar vein, Xinhua pointed out the UK government’s apparent U-turn on web monitoring following the riots in England in August, when the Prime Minister spoke of looking at banning potential troublemakers from using on line services. The article concluded that “the internet is also a double-edged sword that cuts both ways. For the benefit of the general public, proper web-monitoring is legitimate and necessary” (XHNA, 12 Aug.). In an apparent attempt to rein in outspoken elements of the Chinese press, two newspapers, *Xinjing bao* and *Jinghua shibao*, which had originally been under central government departments, were placed under the management of the Beijing Municipal Propaganda Department. The net effect was to constrain their freedom to report as they would have had much greater leeway as national-level papers than they would as purely local ones. Both had earned a reputation for their investigative journalism, and had been in trouble with the authorities before. *Jinghua shibao* had been under the sponsorship of *People’s Daily*, and *Xinjing Bao* had been under *Guangming ribao* and *Nanfang ribao* (ZXS, 3 September and *Ming Pao* website, 2 Sept.). Xinhua reported that a journalist with a Hong Kong-based website had complained that police in Langfang, Hebei province, had threatened him and his family and demanded that he delete a report about local government corruption (XHNA, 8 Sept.).

g Xinjiang and Tibet

On the anniversary of the 2009 riots in Urumqi, considerable domestic media attention was devoted to the progress that Xinjiang had made economically and socially. Foreign and domestic tourism had recovered, bringing in over 30 billion yuan. The Party Secretary, Zhang Chunxian, toured Urumqi's night market and said: "Xinjiang is a good place and home to all ethnic groups. We should love our home and build it into a better future" (XHNA, 6 July).

Xinhua reported on 18 July that "several mobs" had been "gunned down" by police in Hotan following an attack upon a police station. Later details showed that a police station had been attacked and hostages taken. Public Security personnel responded, killing several of those involved and freeing six hostages. Two hostages and two security personnel were killed (XHNA, 18 July). Subsequent reports revealed that 14 attackers had been killed, and four arrested out of a group of 18 who had come to Hotan on 16 July. The local police chief said that they had been shouting "frantic religious slogans" as they occupied the building and resisted attempts to retake it. He also said that the police station in question had jurisdiction over "the largest floating population in Hotan City. There are several large commercial and trade markets and mosques with dense floating population and illegal religious activities and illegal personnel. Many members of the terrorist group 'Kulaixi' were arrested in this jurisdiction by the police in 1997" (XHNA, 20 July). The *SCMP* reported that local residents believed that an immediate trigger for the attack might have been the gradual imposition of a ban on the wearing of black veils by Uyghur women (*SCMP*, 22 July). Xinhua reporting made a point of noting that there had been no disturbances leading up to the attack which seemed to have come from nowhere (XHNA, 22 July). A series of violent incidents took place in Kashgar in late July/early August. On 30 July, six people were killed when two individuals hijacked a lorry, killed the driver, and drove it into pedestrians at about 11.45 pm. Six people were said to have been killed and 28 injured. One of the suspects was killed and the other detained. Prior to that two explosions were heard (XHNA, 31 July). Three people, including a policeman, were killed in a bomb explosion on the afternoon of 31 July in Kashgar, and three others were injured. Two suspects were said to have been detained (XHNA, 31 July). On 1 August, there was a shootout at a restaurant in the city centre. Five suspects were shot dead by police, and four others were detained. They had broken into the restaurant and opened fire. Six civilians were reported killed and 12 injured (XHNA, 1 Aug.). Radio Free Asia reported that about 100 Uyghurs had been rounded up after the violence (Radio Free Asia, 1 Aug.). Chinese reports claimed that the perpetrators were terrorists and religious extremists who had been led by people trained in camps run by the East Turkestan Islamic Movement (ETIM) in Pakistan. Rewards of 100,000 yuan were offered for information leading to the capture of two named suspects in the attack on 30 July. An emergency meeting was held in Urumqi and the Party Secretary of Xinjiang ordered an immediate crackdown on terrorist attacks, religious extremist forces, and illegal religious

activities (XHNA, 1 Aug.). The following day the two suspects were reported to have been shot in the suburbs of Kashgar (XHNA, 2 Aug.). The head of the Xinjiang government, Nur Bekri, went to Kashgar and visited some of the injured in hospital. He said that the terrorists were the enemy of people from all ethnic groups in the region and called for unity to protect people's safety and property (XHNA, 2 Aug.). The Xinjiang authorities called for a harsh crack-down on religious extremists, and local officials were ordered to follow the central government's policy "protecting the legitimate, banning the illegal, fighting infiltration and cracking down on crimes." The Head of the local Ethnic Affairs Commission noted that "Illegal religious activities are a key factor influencing Xinjiang's stability. Hostile forces are using illegal religious gatherings to organize separatist activities" (XHNA, 8 Aug.). Four people found guilty of the attacks in July were sentenced to death by courts in Hotan and Kashgar on 13 September, and two of their accomplices were sentenced to 19 years (XHNA, 14 Sept.). Xinjiang authorities subsequently stated that there had been evidence suggesting that the actions had been masterminded by "overseas militant organizations," and that all the perpetrators and their equipment had been local (*SCMP* website, 16 Sept.).

The first China Eurasia Expo was opened in Urumqi on 1 September, amid tight security (and Chinese claims that it had thwarted a number of attempts to sabotage public safety in advance of the meeting). Vice Premier Li Keqiang was the senior central government leader present and foreign visitors included President Zardari of Pakistan, the Kyrgyz interim President, Roza Otunbayeva, the Kazakh Deputy Prime Minister Asset Issekeshov, and the Vice Premier of Azerbaijan, Abid Sharifov. Donald Tsang, Chief Executive of the Hong Kong SAR, also attended as well as the Chief Executive of the Macau SAR (XHNA, 30, 31 Aug.). In his speech to the opening ceremony, Vice Premier Li said that China would speed up its opening of the western regions, fund cross border infrastructure projects, and roll out favourable policies to make Xinjiang a key economic hub at the heart of Eurasia. Special economic zones would be set up in two border cities, and the number of border trade ports would be expanded (XHNA, 1 Sept.).

China published a White Paper on the development of Tibet since 1951 on 11 July. Full text can be found in http://www.china.org.cn/government/whitepaper/node_7122743.htm. The paper had three main sections: "Realizing the peaceful liberation of Tibet," "Sixty-years' development since peaceful liberation" and "Historic achievements that capture world attention." The first section of the paper set out the basis of the Chinese historical claim over Tibet and described China's view of the events of 1951 and the signing of the eventual agreement on the "peaceful liberation of Tibet." The second section was a political history of Tibet from a Chinese perspective from 1951 onwards. The third section of the paper concentrated on the economic and social development of Tibet. It noted that in the 60 years since its "peaceful liberation" Tibet had made two historic leaps "from a society of feudal serfdom to one of socialism and from a state of

isolation, poverty and backwardness to one of opening prosperity and civilization.” The Paper stated that the central government had given over 300 billion yuan in direct subsidies to Tibet from 1952 to 2010, and made over 160 billion yuan of direct investment. It concluded that

Tibet’s 60 years of development would have been impossible without the care of the Central Authorities and the support of the entire nation. Moreover, Tibet’s rebirth and development would have been impossible without national unification, independence and prosperity. Only by adhering to the leadership of the CPC, the path of socialism, the system of regional ethnic autonomy, and the development mode with Chinese characteristics and Tibet’s regional features, can Tibet enjoy lasting prosperity and a bright future (XHNA, 11 July).

Vice President Xi Jinping went to Lhasa to represent the central government at the celebrations of the 60th anniversary of the “peaceful liberation” of Tibet, and opened a new expressway between Lhasa and its airport on 17 July. A grand ceremony to mark the occasion was held in Lhasa on 19 July. In his speech, Vice President Xi said that: “We should fight against separatist activities by the Dalai group, rely on cadres and people of all ethnic groups, seek long-term policies and take measures that address the root cause, and completely destroy any attempt to undermine stability in Tibet and national unity of the motherland.” He said that social stability provided the basis for leapfrog development and a prosperous life for people of all ethnic groups in Tibet. He announced that the central government would be investing a further US\$21.3 billion in Tibet over the next five years (XHNA, 19, 20 July).

Xinhua reported that a monk, Tsongwon Norbu, had set himself on fire on 15 August in Nyitso monastery in Garze Autonomous Prefecture in Sichuan. An investigation into the affair had been opened by the local government (XHNA, 15 Aug.). He died in hospital despite attempts to revive him and was cremated on 17 August in accordance with Tibetan rituals. An official of the monastery was quoted as saying that “His self-immolation was an individual act and ran counter to the commandments of Tibetan Buddhism” (XHNA, 17 Aug.). Three Tibetan monks were put on trial on 29 August for plotting, assisting and instigating the self-immolation of a fellow monk, Rigzin Phuntsog, in an earlier incident in the Kirti Monastery in March. They were accused of having hidden him away to prevent him getting emergency treatment, causing his death (XHNA, 26 Aug.). Two of them, who were said to have been behind the action, were sentenced to 13 and 10 years in prison on 30 August. The other, who had hidden him away, was sentenced to 11 years on 29 August (XHNA, 30 Aug.). In another incident, two monks had attempted to set themselves on fire in Aba County in Sichuan but were prevented by police from doing so and taken away for medical treatment (XHNA, 26 Sept.).

The Chinese Foreign Ministry spokesman said on 9 July that the US Congress should stop indulging and supporting the Dalai Lama group in anti-China and separatist activities, following meetings between the speaker of the House of

Representatives, the House Democratic Leader, Nancy Pelosi and other congressmen with the Dalai Lama (XHNA, 9 July). China also protested in vain against a meeting between President Obama and the Dalai Lama saying that the US should honour its commitment recognizing Tibet as part of China and oppose Tibetan independence, cancel the meeting and “avoid interfering in China’s internal affairs and damaging China–US relations” (XHNA, 16 July). Formal protests were lodged in both Beijing and Washington after the visit which was said to have been a serious interference in China’s internal affairs which damaged China’s core interests and Sino American relations (XHNA, 17 July).

Zhu Weiqun, Vice President of the China Overseas Friendship Association, commented on 29 July on the Dalai Lama’s announcement in March that he intended to retire from political life. He said that the move had a political purpose in order to develop successors for his “secessionist clique.” He said that the Dalai Lama’s only choice was to abandon all secessionist acts, accept the requirements of the central government and seek the forgiveness of the Chinese people. He added that the Chinese government would talk only with representatives of the Dalai Lama and not with delegates from the exiled Tibetan government (XHNA, 29 July). The Prime Minister elect of the Tibetan Government in Exile, Lobsang Sangay, gave an interview to the Indian Press on 31 July in which he asked India to treat the Tibetan issue as a core issue in its relations with China. He said he was ready to meet with Chinese representatives, at any time and at any place, but had had no reaction from Beijing (PTI News Agency, 31 July). Lobsang Sangay was sworn in on 8 August, in a ceremony at which the Dalai Lama made a brief speech in which he declared that “We have handed over all political responsibilities and all the powers now vest in democratically elected leadership of Lobsang Sangay” (PTI News Agency, 8 Aug.). China made it clear that it was not interested in talking with the new exile Prime Minister. Xinhua quoted Dr Dramdul, of the China Tibetology Research Centre, as repeating China’s clear policy that it would talk with representatives of the Dalai Lama, not with representatives of the government in exile. On the question of the reincarnation of the Dalai Lama he said that “the reincarnation institution of Dalai Lama and Panchen Lama, following a strict set of religious practices, has been carried on for several hundred years, and all the 14 generations of Dalai Lama has been acknowledged by the central government of China” (XHNA, 1 Sept.). Xinhua reported the Dalai Lama’s statement of 24 September on his reincarnation on 26 September and his statement that China would have no say in the matter. The report noted that he had raised the issue of his reincarnation several times in the last few years, and insisted on guiding the choice of his successor although his assertions kept changing in form. In a remarkably mild report it said that:

Like a has-been star, he fears the loss of popularity, a personal loss that does no harm to his fellow Tibetans, but would certainly announce the eventual failure of his separatist

attempt, a “cause” in which he has dedicated most of his life. As a result, he has kept to his political campaign even after he relinquished political power as head of the Tibetan government-in-exile. The Dalai Lama knows precisely why he matters in the international political arena and does not mind being used, from time to time, as a cat’s paw by some Westerners with mean motives to put pressure on China. In pursuit of fame and power, he has deviated from the commandments of Buddhism and used his religion as a subterfuge for his personal political motive (XHNA, 26 Sept.).

The report recommended that he should “seriously follow the teachings of Sakyamuni, the founder of Buddhism, and seek the dharma that will liberate him from the rotation of life and death, in lieu of worrying about his reincarnation” (XHNA, 26 Sept.).

h *Hong Kong and Macau Special Administrative Regions*

Vice Premier Li Keqiang visited Hong Kong from 16 to 18 August to mark the founding of Hong Kong University and attend an economic co-operation forum. He also had talks with leading SAR officials and carried out a busy and varied programme, visiting local families and a care home. Li outlined 36 measures the central government would take to help Hong Kong, and told businessmen that the central government would actively support the growth of the Renminbi market in Hong Kong and its aim of building itself into an offshore Renminbi centre. A number of economic co-operation agreements were also signed (XHNA, 17 Aug.). On leaving he told reporters that he had acquired deep feelings and more knowledge about Hong Kong from the trip. He opined that Hong Kong’s role in the nation’s reform and opening up was irreplaceable, the people of Hong Kong were hard working and wise and that “one country, two systems” had strong vitality and was capable of maintaining prosperity and stability (XHNA, 18 Aug.). The visit was overshadowed by rows over the policing of the visit and control of protests, especially in relation to Li’s attendance at the centenary of Hong Kong University. Three students were dragged to the ground and one locked up for an hour as police kept protestors well away from the venue of Li’s speech. The Vice Chancellor later apologized to students for the handling of the incident (*SCMP* website, 19 Aug.). The Hong Kong Police Commissioner told the Legislative Council security panel that was looking into the handling of the visit that the main problems had been when people infringed on the “core security area.” This was a novel concept for Hong Kong and lawyers and journalists demanded to know what the zone was and what legal basis it had (*SCMP* website, 28 Sept.). The Secretary for Security told the panel that the Hong Kong police had communicated with their mainland counterparts over security for the visit, but denied that the mainland had ordered the Hong Kong police to suppress the media or make arrests during the visit (*Hong Kong Standard*, 29 Aug.). The panel failed to come to any firm conclusion over the visit’s handling and the government later rejected pan-Democrat calls for an investigation into police action at the time, although internal reviews were being carried out by the police and by Hong Kong University (*SCMP* website, 13 Sept.).

The annual 1 July march in Hong Kong was claimed by its organizers to have been the biggest since 2004, with over 218,000 protestors. This was said to reflect increasing discontent with the government, particularly over high property prices and the administration of the Chief Executive. The demonstration was largely peaceful but ended in some scuffles. The pro-China press criticized opposition parties for organizing a rally with the aim of resisting Beijing, which caused harm to Hong Kong (*SCMP*, 2 July). Another issue was the government's determination to table a bill to scrap by-elections to the Legislative Council. On 5 July, the government announced the postponement of voting on the bill, originally scheduled for 13 July. There would be a two month period of public consultation, and the process would be resumed in the 2011–12 LegCo session (*SCMP*, 5 July).

The Hong Kong Journalist Association issued its annual report on 3 July, entitled "Two Systems Compromised: Free Expression under Threat in Hong Kong." It claimed that Beijing was taking a more aggressive role in its policy towards Hong Kong and that the Hong Kong Government was becoming more sensitive to Beijing's wishes and becoming less tolerant of protests. The Association welcomed the decision not to enact national security legislation under Article 23 during the current term of the Chief Executive. It called on the future Chief Executive to resist such legislation and to enact freedom of information legislation as a matter of urgency (Hong Kong Journalist Association website, 3 July).

The revision of the Hong Kong educational curriculum to include classes in "national education" generated much discussion over exactly what was intended, and gave rise to the expression of concerns that Beijing style propaganda might be introduced to schools. Under the government's proposals, schools would have to provide up to 50 hours a year, or about two lessons a week, in the new subject. Pupils would be taught to sing the national anthem, attend flag-raising ceremonies, understand the Basic Law, support national sports teams, and appreciate and understand Chinese culture. Students would learn about such Chinese ideals as filial piety, broadmindedness and solidarity. There was a consultation period between May and September and much opposition was voiced, including from teaching unions (*SCMP*, 5 Sept.).

2. Foreign Relations

a *General and Multilateral Affairs*

China issued a White Paper entitled "China's Peaceful Development" on 6 September (text in XHNA, 6 Sept.). It was divided into five sections:

- I. The Path of China's Peaceful Development: What It Is About
- II. What China Aims to Achieve by Pursuing Peaceful Development
- III. China's Foreign Policies for Pursuing Peaceful Development
- IV. China's Path of Peaceful Development Is a Choice Necessitated by History
- V. What China's Peaceful Development Means to the Rest of the World

The paper was a reasonably comprehensive outline of China's current foreign policy position. It listed a number of key foreign policy priorities: promoting the building of a harmonious world; pursuing an independent foreign policy of peace; promoting new thinking on security featuring mutual trust, mutual benefit, equality and co-ordination; actively living up to international responsibility; promoting regional co-operation and good neighbourly relations. It concluded:

China cannot develop itself in isolation from the rest of the world, and global prosperity and stability cannot be maintained without China. China's achievements are inseparable from its friendly co-operation with the outside world; in pursuing development, it needs further understanding and support from the rest of the world. We are deeply appreciative to all the countries and peoples who have shown understanding and solicitude for and given support and help to China's development. Taking the path of peaceful development by China with its over one billion population is a great new undertaking in the history of human development, and we do not claim that what we do leaves nothing more to be desired. We welcome all friendly suggestions and well-intentioned criticism. We sincerely hope that the international community will have a deeper appreciation of China's time-honoured cultural traditions, and respect its sovereignty, security, territorial integrity and social stability, which the Chinese people hold dear. We hope that it will appreciate China's need to settle, step by step, various difficulties in development it faces as the largest developing country, and the aspiration of the Chinese people to shake off poverty and live a prosperous life. We also hope that the international community will have confidence in the Chinese people's sincerity and determination to achieve peaceful development, and support rather than obstruct China's pursuit of peaceful development.

Foreign Minister Yang Jiechi opened a high-level symposium on the United Nations Conference on Sustainable Development. He said that the international community should follow five principles in development: "common but differentiated responsibilities; advancing sustainable development in a balanced manner in the areas of economy, society and environment; respecting the independent choices of countries regarding sustainable development; upholding the principle of building broad partnerships; and paying particular attention to meeting the concerns of developing countries" (XHNA, 8 Sept.).

Premier Wen Jiabao attended the "Summer Davos" (the World Economic Forum meeting of New Champions) which was held from 14 to 16 September in Dalian. He gave a keynote speech to the session (text in XHNA, 14 Sept.) and answered journalists' questions. He also met a number of world leaders who were attending the meeting (President Yayi Boni of Benin, President Alpha Conde of Guinea, Prime Minister Atambayev of Kyrgyzstan, and Emeritus Senior Minister Goh Chok Tong of Singapore).

Beijing hosted a presidium meeting of the World Media Summit (WMS) on 27 September attended by leaders of 11 international media organizations including WMS Executive Chairman and President of Xinhua, Li Congjun. They discussed media IPR protection, media co-operation in the new media era, journalists' safety and the media's role in natural disasters. The first WMS was held in

Beijing in 2009 and founded by Xinhua and eight other media organizations including News Corporation, AP, Thomson Reuters, ITAR-TASS, Kyodo News, BBC, Turner Broadcasting System Inc and Google Inc. Al-Jazeera and the New York Times Inc. joined later. Liu Yunshan, Head of the Party's Propaganda Department, received the delegates and told them that China would always guarantee the legitimate rights of foreign news organizations and their reports and provide the necessary conveniences for their reporting work in China. He hoped that foreign media would be increasingly precise, balanced and objective in their reporting on China (XHNA, 27 Sept.).

b *Diplomatic Tours*

Foreign Minister Yang Jiechi visited Albania, Poland, Sudan and South Sudan from 2 to 9 August. In Albania, on a one-day visit on 3 August, he had talks with the Albanian Foreign Minister, Edmond Haxhinasto, and met the President Bamir Topi, Speaker of the Parliament Jozefina Topalli, and Prime Minister Sali Berisha. He said that China and Albania would become good friends with mutual trust, and good partners with mutual benefits. Foreign Minister Haxhinasto said that he hoped that the good relationship would lead to closer co-operation in the fields of trade, energy resources, infrastructure, finance and others (XHNA, 3 Aug.). In Poland, he had talks with the Prime Minister and with the Foreign Minister, Radoslaw Sikorski. One of the subjects was the failed project by China's COVEC consortium to build a motorway in Poland. The Ministers also reviewed the development of bilateral relations and economic co-operation (in infrastructure, energy, mining and environmental protection) as well as international issues (PAP News Agency, Warsaw, 5 Aug.). Yang Jiechi arrived in Sudan on 7 August. Yang told the press on arrival that China would not alter its policy of developing friendly relations with Sudan no matter how the internal or the regional situation changed. China was ready to step up co-operation in the oil industry and to encourage more Chinese companies to invest in Sudan. Co-operation in agriculture, mining, energy, water conservancy, electricity, roads and bridges engineering, and communications would also be increased. On the relationship between Sudan and South Sudan he said that China urged both sides to keep peace and seek solutions to their problems through dialogue and consultation, and revealed that China had recently made contacts with both sides to perform positive mediation between them. He described the Darfur issue as essentially a developmental one which could be solved only through the elimination of poverty and the realization of development, which would lead to peaceful co-existence. During his visit he had talks with Foreign Minister Ali Ahmed Karti, and with President Umar Al-Bashir (XHNA, 8 Aug.). He met the South Sudan Foreign Minister, Deng Alor Kol, for talks on 9 August. Yang said that China was willing to develop a comprehensive and friendly partnership with South Sudan, and that the two sides should enhance contacts at all levels. China was ready to assist South Sudan in its development and hoped to co-operate with South

Sudan in areas such as energy, agriculture, mining, housing construction, communications, water conservancy and transportation. Minister Alor said that he hoped that China would become South Sudan's main partner in its development. Yang also had talks with President Salva Kiit Mayardit (XHNA, 9 Aug.). On the way back to China, Yang Jiechi stopped over in Turkmenistan, and met President Gurbanguly Berdimuhamedov (Turkmen TV Altyn Asyr, 10 Aug.).

Wu Bangguo, Chairman of the NPCSC, visited Russia, Belarus, Uzbekistan and Kazakhstan from 14 to 27 September. He met Premier Putin on 14 September and told him that it was of vital importance to enhance Sino-Russian strategic trust and co-operation in order to safeguard the core interests of both countries, such as sovereignty, security and development. He said China would always treat Russia as a foreign policy priority. He urged a further expansion of trade and co-operation on major projects and more trade in mechanical/electrical and high tech products so as to reach the targets of increasing trade to US\$100 billion by 2015 and US\$200 billion by 2020. There should be more co-operation in energy matters and the construction of natural gas pipelines should be speeded up (XHNA, 14 Sept.). Wu also met President Medvedev and attended the fifth meeting of the China–Russia Parliamentary Co-operation Committee. He arrived in Minsk on 17 September, and met the Belarusian President, Alexander Lukashenko, the Prime Minister Mikhail Myasnikovich, and parliamentary leaders. Nine co-operation agreements were signed on economic and technical co-operation and the establishment of industrial zone parks (XHNA, 18 Sept.). In Uzbekistan, he had talks with President Karimov and with parliamentary leaders, as well as addressing the Uzbek Upper House. Wu said that the countries enjoyed a friendly co-operative partnership with large areas of complementarity. He said that co-operation should be expanded in energy, mining, new and high technologies, mechanical-electrical, communications, transportation, chemical industry, tourism, and in other non-energy areas. He welcomed Uzbek exports of natural gas, rare metals and cotton to China. They also discussed regional stability and cracking down on the “three evil forces,” drug smuggling and cross border crime (XHNA, 24 Sept.). He arrived in Kazakhstan on 23 September and had talks with President Nazarbayev and with parliamentary leaders. Wu said that President Nazarbayev was an old friend of the Chinese people and the bilateral relationship had now reached the level of all round strategic partnership. Wu proposed deepening their co-operation in energy projects, especially the project of the Chinese–Kazakh oil and gas pipelines and the project of Sino-Central Asian natural gas pipelines, and raising their bilateral trade to US\$40 billion by 2015 (XHNA, 27 Sept.).

Zhou Yongkang, a Member of the Politburo Standing Committee, visited Laos, Cambodia, Tajikistan, Nepal and Mongolia from 16 to 26 August. He was invited by the ruling parties in Laos, Cambodia and Tajikistan, and by the governments elsewhere (XHNA, 11 Aug.).

c Countries, Regions and Territories

Africa (Benin, Cameroon, Ethiopia, Mauritania, Mozambique, Sudan)

The spokesman for the Ministry of Commerce denied that China was acting in a colonialist fashion in Africa. He said that Chinese companies investing in Africa were required to shoulder social responsibilities and pay attention to environmental protection and the people's well being. He noted that China had built more than 2,000 km of railways, 100 schools and 60 hospitals, and reduced or remitted debt worth 20 billion yuan (XHNA, 15 July). The Foreign Ministry spokesman announced that China would be giving 90 million yuan of emergency to countries in the Horn of Africa to help with the famine in the region. He denied accusations made by "some Western officials" that the drought had been caused in part by China's land acquisitions in the region. He said that the claim was "purely fictitious and had ulterior motives." China adhered to the principle of relying on its domestic resources to achieve basic self-sufficiency in food and had never looked for large-scale land acquisitions abroad (XHNA, 29 July). China reacted strongly to remarks by Germany's Africa policy co-ordinator, Guenter Nooke, that Chinese investments in Africa were focussed on farming for export and that this led to "major social conflicts in Africa when small farmers have their land and thus their livelihoods taken away." The Ministry of Commerce spokesman said that he had found that grain products from Sino-African projects were sold to meet local demand and that no rice was shipped to China (XHNA, 24 Aug.).

Benin's President, Thomas Boni Yayi, visited China to attend the Summer Davos meeting. He had a meeting with President Hu Jintao on 13 September. President Hu said that the two countries should advance their relationship on a step-by-step basis. He said that China was willing to help with agriculture and infrastructure development, and called for further co-operation in culture, education, public health and human resource development (XHNA, 13 Sept.).

The President of Cameroon, Paul Biya, visited China from 20 to 22 July for his fifth visit. He had talks President Hu, Wu Bangguo, Chairman of the NPC Standing Committee, and Premier Wen Jiabao. He also visited Tianjin (XHNA, 22 July).

China's Ambassador to Ethiopia gave a press conference in advance of the Ethiopian Prime Minister's visit to China on 3 August. He said that China would be providing US\$90 million worth of humanitarian aid to help with drought relief in the Horn of Africa. Trade between China and Ethiopia had reached US\$1.48 billion in 2010, with Chinese exports growing rapidly (XHNA, 3 Aug.). The Ethiopian rebel group Ogaden National Liberation Front issued a statement on 3 August condemning the activities of China's PetroTrans Company in exploring for oil and gas in Ogaden, and calling on China to stop sending its citizens to the "Ogaden battlefields" (ONLF website, 3 Aug.). The Prime Minister, Meles Zenawi, met Premier Wen Jiabao in Beijing on 15 August and Premier Wen told him that China would provide an additional US\$55.28 million worth of food aid to Ethiopia and other drought

struck countries in Africa. He also said that China would support Ethiopia's economic development in areas such as electricity and communications, expanding industrial development and technology transfer, and helping build an efficient agriculture. Premier Wen described China as Ethiopia's sincere friend and important partner. A number of bilateral co-operation agreements were signed (XHNA, 15 Aug.).

The President of Mauritania, Mohamed Ould Abdel Aziz, visited China from 19 to 23 September. He had talks with President Hu Jintao and with Jia Qinglin, Chairman of the Chinese People's Political Consultative Conference. He then attended the China Arab States Economic and Trade Forum in Ningxia and then visited Anhui province (XHNA, 19 Sept.).

The President of Mozambique, Armando Emilio Guebuza, visited China from 9 to 15 August, visiting Beijing, Shenzhen and Henan. He met President Hu Jintao on 9 August. Hu said that the two sides had built up a sound momentum in their exchanges and co-operated in politics, trade, economics and public health. President Guebuza also had talks with Premier Wen Jiabao, and with Wu Bangguo, Chairman of the NPCSC (XHNA, 9 Aug.). Bilateral trade was US\$690 million in 2010, but in the first six months had reached US \$420 million, with a substantial balance in China's favour. Premier Wen Jiabao promised to increase assistance to Mozambique in agriculture, medical services, education and training. During the visit, ten co-operation agreements were signed on economic co-operation, interest free loans, support for small and medium sized enterprises, the expansion and construction of five technical schools, a bio-gas project and the establishment of a bus maintenance company (XHNA, 10 Aug.).

China sent a high-level envoy to the independence celebrations of South Sudan and announced its immediate recognition of the new country on 9 July. President Hu Jintao sent a message of congratulation to the new President Salva Kir saying that the founding of South Sudan was the common aspiration of the South Sudanese people and their own decision. China respected the political system and development path the South Sudanese have chosen and stood ready to establish and develop friendly and co-operative relations with the new nation based on the five principles of peaceful co-existence. Formal diplomatic relations were established through a joint communiqué signed by China's special representative Jiang Weixin and the Foreign Minister of South Sudan. The Chinese Ambassador to the United Nations expressed China's support for South Sudan being admitted into the UN (XHNA, 9 July), and China voted for the new state's admission to the UN on 13 July.

Americas (Canada)

The Canadian Foreign Minister, John Baird, visited China from 17 to 21 July. He had talks with Vice Premier Li Keqiang on 18 July who said that: "We expect China and Canada to expand substantive co-operation in comprehensive fields

covering economy and trade, energy and resources, science and technology, environmental protection, and public health.” He also had talks with Foreign Minister Yang Jiechi. In an interview with Xinhua, John Baird said that Canada saw its relationship with China as a strategic priority and was committed to taking ties to a new level. Trade rose US\$13.2 billion to reach US\$58.4 billion in 2010, and Chinese investment in Canada reached US\$14.69 billion making it the sixth largest overseas investor in Canada (XHNA, 18 July). On 22 July, a federal court upheld the decision to extradite Lai Changxing to China, bringing to an end an immensely lengthy immigration case. Lai fled with his family to Canada 12 years previously accused of masterminding a massive smuggling operation in Fujian. Canadian officials had at first refused to extradite him as he might face a death sentence, but in 2007 China undertook not to sentence him to death if he were returned. Lai had been notorious as a corrupt official, but he is the most high profile figure to have been returned to China by a Western country (XHNA, 22 July).

Australasia (Fiji, New Zealand)

President Hu Jintao met the Fijian President, Epili Nailatikau, on 12 August and said that the visit would further advance their friendly and co-operative relations. President Nailatikau was in China to attend the opening of the Summer Universiade in Shenzhen (XHNA, 12 Aug.).

New Zealand opened a joint immigration and tourism office in Shanghai in August. The New Zealand Immigration Minister and Associate Tourism Minister said that the office had been opened in response to the demand from China which was one of its fastest growing tourist markets, worth around NZ \$365 million a year. New Zealand was now issuing multi-entry six-month visas to Chinese as standard (XHNA, 2 Aug.).

Central Asia (Kazakhstan, Kyrgyzstan)

The Foreign Minister of Kazakhstan, Yerzhan Kazykhanov, visited China from 7 to 9 September. He had talks with Foreign Minister Yang Jiechi on 8 September. Yang spoke of their neighbourly, co-operative and win-win relations, and they agreed to broaden their co-operation in economics, trade, energy, technology and security. The Kazakh Foreign Minister also met Vice President Xi Jinping who said that they would further develop their all-round strategic partnership in which they supported each other on major core interests and kept close co-ordination in regional and global affairs (XHNA, 8 Sept.).

The Kyrgyz Prime Minister, Almazbek Atambayev, visited China in September to attend the World Economic Forum (Summer Davos), and had meetings with Premier Wen Jiabao and Foreign Minister Yang Jiechi (Kyrgyz news agency 24.kg website, 13 Sept.).

Europe (EU, France, Italy, Malta, Romania, United Kingdom)

China and the EU agreed to negotiate a bilateral investment treaty during the visit of EU Trade Commissioner, Karel De Gucht, in July. China–EU trade reached US\$480 billion in 2010, and grew by a further 21.3 per cent in the first half of 2011 (XHNA, 14 July). China won its first ever case against the EU at the WTO in July following the EU's imposition of anti-dumping measures against Chinese zip fasteners in July 2009. The WTO ruled that EU regulations breached WTO rules and supported China's position (XHNA, 17 July).

Premier Wen Jiabao spoke on the telephone to the President of the EU Commission, José Manuel Barroso, on 2 September, on the European and global financial situations. He said that the stability of the EU was linked to the stability of the world economy and that the recovery of the EU economy would be conducive to that of the world economy. He said that:

being the EU's comprehensive strategic partner and main trade partner, China has closely followed the economic situation in Europe and has provided sincere support and assistance to the EU and relevant countries. China has always been confident of the economy in Europe and the Euro, will continue to regard Europe as one of the major investment markets and hopes the EU will ensure the safety of China's investment in Europe...continuously pushing forward China–EU comprehensive strategic partnership conforms with the common interests of both sides and goes with the trend of the time of peace, development and co-operation. China is ready to work together with the EU to enhance political mutual trust and strategic mutual trust, integrate joining hands to deal with current difficulties with implanting respective development strategies, persistently take the correct road of treating each other as equals, mutual benefit and win-win results and strengthen the positive momentum of joining hands to meet challenges" (XHNA, 2 Sept.).

On 13 September, the Foreign Ministry spokeswoman reiterated China's confidence in the European economy and the euro: "We support European countries' efforts to handle the debt crisis, and believe they will enhance co-ordination and take collective measures to properly address related issues." She urged European countries to take concrete measures to ensure the security of Chinese investment in Europe (XHNA, 13 Sept.).

President Sarkozy stopped off in China on 25 August on his way to New Caledonia. He had talks with President Hu centring mainly on the financial turmoil, and the important role that the G20 could play in boosting international co-operation and promoting the sound recovery of the world economy (*China Post*, Taipei, 21 Aug.). President Hu told him that China was confident about the European economy and the euro, and believed that Europe that the wisdom and capacity to overcome its current difficulties. He said that China agreed with the core issues for the G20 summit and would continue to support and participate in the summit and work with all G20 members to ensure success (XHNA, 25 Aug.). After the meeting, the French Finance Minister said that China and France were forming a special task force to clear the way for the inclusion of the yuan in the Special Drawing Rights of the International Monetary Fund (*SCMP* website, 27 Aug.). The French Foreign Minister, Alain Juppé, visited

China from 12 to 14 September, and had talks with Foreign Minister Yang Jiechi. Yang said that China would work with France to implement the consensus reached by their leaders and maintain the momentum of high-level visits and deepen co-operation in economics, trade, nuclear energy, aviation and tourism. Juppé described China's development as an opportunity, not a threat, for France and pledged to promote their strategic partnership (XHNA, 13 Sept.). Juppé met Premier Wen Jiabao on 13 September. Wen said that China was willing to work with France to enhance co-ordination on bilateral relations and China–Europe relations and to promote the development of their strategic partnership (XHNA, 13 Sept.).

The Italian Foreign Minister, Franco Frattini, visited China from 18 to 21 July. In a pre-visit interview with Xinhua he said that Italy could play a central role in drawing China closer to the EU thanks to its deep understanding of China which others lacked. He hoped to increase trade from the current level of US\$45 billion to reach a target of US\$100 by 2015 (XHNA, 13 July). He had talks with Foreign Minister Yang Jiechi and with Vice Premier Li Keqiang before visiting Shanghai and Guangzhou. Vice Premier Li told him that China and Europe were important trading partners and that China hoped and believed that the EU would achieve steady economic growth. China wanted to strengthen its political dialogue and co-ordination on world affairs with Italy (XHNA, 19 July).

Malta's Deputy Prime Minister and Foreign Minister, Tonio Borg, visited China in September leading a delegation from the Maltese Nationalist Party. He met Zhou Yongkang, a member of the Politburo Standing Committee, on 1 September. Zhou said that the relationship between China and Malta was a paradigm of how countries of different social systems could get along together, and he hoped that they would seek stronger ties in the future (XHNA, 1 Sept.).

The Romanian Prime Minister, Emil Boc, and the Foreign Minister, Teodor Baconschi, visited China to attend the opening of the Summer Universiade in Shenzhen. Teodor Baconschi met his counterpart Yang Jiechi in Shenzhen on 11 August and they discussed strengthening their co-operation in trade, economy, culture, education and tourism (XHNA, 11 Aug.). Prime Minister Boc met President Hu Jintao on 12 August (XHNA, 12 Aug.). He then travelled to Beijing where he had talks with Premier Wen Jiabao on 15 August in which they agreed to expand investment in infrastructure construction (XHNA, 15 Aug.).

An article in the *People's Daily* gave a number of differing views on the riots in England over 7–8 August. One commentator suggested economic motives, writing that “the British government adopted austerity measures to cope with the economic downturn. People find the negative impact of belt-tightening hard to tolerate although they are aware of its need. Rising unemployment among university graduates, in particular, brings resentment that has been building up in the hearts of the rebellious young people to a trigger point.” The paper also noted that

while the spread of the riots reflected problems with the police, it is not sufficient to prove that the London police, even the British police for that matter, lack the ability to maintain public order. The main reason for the spread of the riots was that the local police were not aware things would take such a rapid turn. With the Olympics taking place next year, London as the primary target of terrorist attacks will be facing a much tougher security situation. The British police are facing two main problems. First, since the government is cutting funding to the police in a bid to reduce deficits, the British police will have to make massive layoffs. The shortage of manpower and financial resources will make them feel the pinch in maintaining public order. Second, the credibility of the British police has taken a plunge after the *News of the World* wiretapping scandal and the police have a long way to go to reshape their reputation and restore public support (*People's Daily* website, 9 Aug.).

Xinhua, reporting on 10 August, noted that economic woes in the West had precipitated anti-social sentiments in society and disillusionment among young people. The great disruption in social welfare programmes had hit many levels of society. Xinhua identified a number of reasons for the spread of the riots: a) a slow reaction from the government which did not pay sufficient attention to the rioting when it first started; b) inefficient handling by the police, with inadequate numbers present and signs of reluctance to confront the rioters; c) the way in which the use of mobile phone networking sites made “a stormy sea stormier” (XHNA, 10 Aug.).

Japan

The Japanese Foreign Minister, Takeaki Matsumoto, visited China from 3 to 4 July for discussions on bilateral and security issues, including China's assistance following the earthquake. It also coincided with continued tensions over the East China Sea with the Foreign Ministry spokesman calling on 4 July for the withdrawal of Japanese fishing vessels from waters round the Diaoyu Islands, and a Chinese fisheries patrol vessel operating in the area (XHNA and *SCMP*, 4 July). Foreign Minister Matsumoto had talks with Foreign Minister Yang Jiechi, State Councillor, Dai Bingguo, and with Vice President Xi Jinping. According to the Kyodo News Service, they discussed maritime territorial disputes in the region and maritime security. Foreign Minister Yang was quoted as saying that bilateral disputes should be solved peacefully by the two countries and that this was different from the issue of freedom of navigation. The Japanese side called for more co-operation between China and Japan on signing an agreement on resource development in the East China Sea, and the establishment of a multi-layered crisis management system in the area. He also explained to Yang the updated set of US–Japan “common strategic objectives” in the region and urged China to take a responsible and constructive role in regional stability, including over Taiwan. They also discussed North Korea, and Chinese restrictions on Japanese food imports. They agreed to maintain high-level contacts through frequent visits (Kyodo News Service, 4 July). Xinhua reported that the two sides had agreed to enhance their bilateral ties as territorial and other

disputes lingered on. Vice President Xi said that they were becoming increasingly mutually dependent as major trading partners and had important responsibilities in maintaining stability and peace in Asia and the world. China also expressed its concerns over the US–Japan military alliance and joint statement issued in June which had called on China to play a constructive role in regional stability (XHNA, 4 July).

On 4 July, two Chinese military aircraft flew within 60 km of the Diaoyu Islands. Japanese fighters were sent to intercept them. The Chinese Defence Ministry said that the aircraft had been flying over China's sea areas in accordance with international law. The spokesman added that China hoped that the Japanese side would take effective measures and halt taking risky activities to avoid and prevent accidents both at sea and in the air (XHNA, 7 July). General Ma Xiaotian visited Japan in late July, and had the first ministerial-level defence talks with Japan since 2008. One outcome was an agreement to resume working-level talks to establish a maritime liaison system to prevent disputes in the East China Sea. They also agreed to organize a visit by the Japanese Defence Minister to China (Kyodo News Service, 26 July). Japan published a defence white paper on 2 August, raising concerns about China's increasing military strength especially its naval presence in East Asian waters (text in http://www.mod.go.jp/e/publ/w_paper/2011.html). The Chinese Foreign Ministry spokesman dismissed it as making "carping and irresponsible comments on China's national defence construction." He added that China's military modernization was entirely for safeguarding its national sovereignty, security and territorial integrity, and was not targeting any other country. "China has not been and will never be a threat to any other country." He called on Japan to learn from the past, seriously reflect on its own defence policy and do more to deepen mutual trust with its neighbours (XHNA, 3 Aug.).

Following an internet outcry, a stone monument that had been erected for Japanese settlers who died during the Second World War in Heilongjiang province was removed by local authorities in Fangzheng County. The local government had been heavily criticized on the net for spending substantial sums on the monument in an attempt to attract foreign investment. Its explanation that it was doing this simply to reflect on the past and wish for peace was dismissed. Over 5,000 Japanese settlers had died after 1945, and in 1963 Premier Zhou Enlai had authorized a special cemetery be established for them (XHNA, 7 Aug.).

Koreas (DPRK, ROK)

China and North Korea marked the 50th anniversary of their Treaty of Friendship, Co-operation and Mutual Assistance with an exchange of high level visits. Yang Hyong Sop, Vice President of the Presidium of the Supreme People's Assembly, visited Beijing where he was received by top leaders including President Hu Jintao. In return, Vice Premier and Politburo member Zhang Dejiang visited Pyongyang and was received by Kim Jong Il. Both sides held

formal banquets or receptions to mark the occasion (XHNA, 11 July, and KCNA, 12 July). Kim Jong Il visited northeast China (Heilongjiang and Jilin provinces) on 26 and 27 September on his way back from his official visit to Russia. He was received by State Councillor Dai Bingguo. Xinhua reported that Kim had told Dai that North Korea was ready to resume the Six-Party talks without any preconditions. Kim had said that North Korea adhered to the goal of the denuclearization of the Korean peninsula and was ready to implement fully the 19 September Joint Statement (XHNA, 26 Sept.).

The South Korean Minister of Defence, Kim Kwan-jin, visited China for the eighth round of ministerial-level talks on defence. His visit was the first for two years and came after a period of cooling of military relations following the sinking of the Cheonan by North Korea. He had talks with Chen Bingde, Chief of the PLA General Staff, on 14 July, and with the Chinese Minister of Defence, Liang Guanglie, on 15 July (XHNA, 14 July). According to the South Korean press, the two sides agreed to upgrade their military relationship to a level befitting their “strategic and co-operative partnership,” and agreed an annual strategic defence dialogue to be held alternately in Seoul and Beijing (*Korea Herald* website, 17 July). The first session of these talks took place on 27 July and they reached consensus on further strengthening defence co-operation and on working together to promote peace and security in the region (XHNA, 27 July).

Xinhua reported the start of the annual US–South Korean military exercise on 16 August in straightforward terms. It noted that North Korea had demanded the cancellation of the exercise, which it saw as a plot against Pyongyang (XHNA, 16 Aug.). CCTV was rather more robust, noting the unprecedented scale of the exercise, and quoting Admiral Yang Xiyu: “what deserves our attention is that the unprecedented seniority of the exercise command indicates that it is by no means a tactical combat exercise but an exercise at the scale of an all-out war ... because even the [ROK] president had to go down to an underground bunker” (CCTV 4, Beijing, 16 Aug.).

China welcomed the meeting between US and North Korean representatives in New York on 28 July for talks on reviving the Six-Party talks mechanism. This came after representatives of North and South Korea had met at the ASEAN meetings in Indonesia earlier in the month. A *People’s Daily* commentary said that the talks had sent a positive signal, but that it was crucial for both sides to show their sincerity and gradually establish a certain degree of mutual trust (XHNA, 29 July). After the talks, which were not productive, the North Korean Vice Foreign Minister, Kim Kye-gwan, visited China on his way back home (Kyodo News Service, 3 Aug.). Kim met Vice Foreign Minister, Zhang Zhijun, on 3 August to discuss restarting the Six-Party talks (Kyodo News Service, 3 Aug.). A second round of inter-Korean talks was held between the nuclear envoys of North and South Korea in Beijing in September, arousing expectations that the Six-Party talks might be resumed imminently (XHNA, 20 Sept.). In the event, they failed to agree on terms for restarting the talks, although their exchanges were described as “constructive and useful.”

According to South Korean officials, the sticking point was South Korea's demand for the North to take some pre-emptive measures to back up its promise of denuclearization before the talks started. North Korea insisted that the resumption should be without conditions (Yonhap News Agency, 21 Sept.). In his speech to the UN General Assembly on 26 September, Foreign Minister Yang Jiechi urged an early resumption of the Six-Party talks:

We believe that dialogue and consultation are the only effective way to address the issues of the Korean Peninsula and the Six-Party talks are an effective mechanism to advance the denuclearization of the Korean Peninsula and uphold peace and stability both on the Peninsula and in Northeast Asia... China welcomes the recent resumption of dialogue between the DPRK and the ROK and between the DPRK and the US. We hope that the parties concerned will seize the opportunity, remain engaged in dialogue and work for an early resumption of the Six-Party talks (XHNA, 26 Sept.).

The North Korean Prime Minister, Choe Yong-rim, visited China from 26 to 30 September. He had talks with Premier Wen Jiabao, who said they had both made great efforts to develop their relationship in the spirit of "carrying forward the traditions, looking to the future; remaining good neighbours, and strengthening co-operation." Wen said that China was ready to share its experience in governance and economic development with Korea. On the Six-Party talks, he said that: "China hopes that all sides can maintain contact and dialogue, improve relations, and resume the Six-Party talks at an early date, which will contribute to peace and stability on the Korean Peninsula and lasting peace and stability in Northeast Asia" (XHNA, 26 Sept.). Choe also had meetings with President Hu Jintao and with Jia Qinglin, Chairman of the Chinese People's Political Consultative Conference (XHNA, 27 Sept.). After his talks in Beijing, Premier Choe visited Shanghai and Jiangsu (XHNA, 30 Sept.).

Middle East (Iran, Iraq, Israel, Libya, Morocco, Palestine, Syria, Yemen)

He Guoqiang, a member of the Politburo Standing Committee, visited Iran as a part of a wider regional tour on 14 to 16 July for talks with Iranian leaders. On arrival he stated that China valued its relations with Iran and was willing to expand friendly co-operation in all areas. He would also be marking the 40th anniversary of diplomatic relations and witnessing the signature of contracts worth over US\$4 billion. Bilateral trade was worth US\$29.3 billion in 2010, an increase of 38.5 per cent. The Chinese press noted that China respected the sanctions imposed by the United Nations Security Council against Iran, but it opposed some of the harsher punishments adopted by Western countries, and has maintained business and trade relations with Iran. China called for a peaceful solution to the Iran nuclear issue through dialogue and negotiation (XHNA, 15 July). Following Iran's announcement that it would not continue negotiating a nuclear fuel swap with some world nuclear powers, China called for more diplomatic efforts to resolve the crisis: "Under the current circumstances, relevant parties should ratchet up diplomatic efforts, continue to commit to dialogue and

negotiation, take new measures to deepen trust, and create new conditions to properly resolve the Iranian nuclear issue” (XHNA, 1 Sept.).

The Prime Minister of Iraq, Nuri al-Malik, visited China from 17 to 21 July. In an advance interview with Xinhua, he said that he wanted to renew the Silk Road, and was eager to enhance economic co-operation with China. He hoped more Chinese companies would join in Iraq’s reconstruction (XHNA, 16 July). He met Premier Wen Jiabao, who said that China would encourage its companies to build a long-term and stable relationship on oil and gas supply and demand with Iraq, and China would expand co-operation in oil exploration, refinery and equipment trade. China would continue to help Iraq’s reconstruction, implement debt relief agreements, take part in infrastructure building and offer personnel training (XHNA, 18 July). President Hu told him that China would work with Iraq steadily to promote exchange and co-operation in political, economic and humanitarian affairs, and enhance their communication on co-ordination on international and regional affairs (XHNA, 19 July).

The Chinese Chief of General Staff, Chen Bingde, visited Israel in August. He was received by Prime Minister Shimon Peres who told him that the visit and its contribution to strengthening relations between Israel and China were very important. Chen said that the Chinese army would push forward relations with its Israeli counterpart, strengthen bilateral exchanges and improve mutual understanding (XHNA, 16 Aug.).

Chinese press commentary argued that the arrest warrants against Colonel Gaddafi and his family, and the Western selling of arms to the rebels, would complicate rather than solve the problem. It contrasted these moves with decisions taken at the African Union Summit to try to get the two sides in the Libyan conflict to sit down and negotiate, and noted strong criticism there of the NATO air campaign (XHNA, 3 July). The Foreign Ministry spokesman called on the two parties to start substantive dialogue, and said that “China appreciates and supports the African Union’s efforts to push a political solution to the Libyan crisis, and we expect Libyan parties to take into account the fundamental interests of the country and people and give serious attention to the related reconciliation proposal” (XHNA, 5 July). Meanwhile, a senior Chinese diplomat was reported to have met leaders of the opposition, the National Transition Council (NTC), in Benghazi on 6 July. He reiterated China’s position on the opening of talks and on reaching a quick political solution to the conflict. He noted that the NTC was “an important dialogue partner” of China (XHNA, 6 July). China announced that it would not attend the Contact Group meeting on Libya in Istanbul on 15 July, as it needed more time to study the functioning and mechanisms of the Group (XHNA, 14 July). An opposition leader said that the NTC would respect all the contracts signed between China and the Gaddafi regime, although they would be examined for evidence of corruption. He added that Libya was looking forward to China playing a role in rebuilding the country. He said that he hoped China would use its international status to support the Libyan people to retrieve their frozen assets (XHNA, 17 Aug.).

As the Libyan rebels took Tripoli, Xinhua worried over signs of strife within the NTC and concerns that Libya might degenerate into a strife torn country like Somalia. Without political stability, recovery would be in jeopardy. It added that “Libya’s future is also contingent on the role of foreign powers and international organizations in the reconstruction process. Some countries have apparent reservations in dealing with the Libyan rebels amid fears that terrorists might have infiltrated their ranks.” The Foreign Ministry spokesman said that “We have noticed recent changes in the Libyan situation and we respect the Libyan people’s choice ... (We) hope that the Libyan situation will stabilize at an early date so that people there can live a normal life” (XHNA, 22 Aug.). Despite its doubts, China came to accept the realities of the changed situation. The Foreign Ministry spokesman commented on 23 August: “China hopes the new, future regime can take effective measures while bringing all parties together to restore normal social order as soon as possible, as well as endeavour to conduct political and economic reconstruction in Libya, allowing the Libyan people to live stable and happy lives at an early date” (XHNA, 23 Aug.). The Ministry of Commerce spokesman said that China was willing to play an active part in the reconstruction of Libya. It had been involved in 50 projects worth US\$18.8 billion before their suspension because of the hostilities. The spokesman said that China was ready to play an active role in Libya’s reconstruction. It had 50 projects in Libya worth US\$18.8 billion (XHNA, 24 Aug.). Two Chinese telecommunications companies, Huawei and XTE, were reported to have resumed operations in Libya by 23 August (ZXS, 23 Aug.). China’s UN representative, Li Baodong, said that four principles should be followed in handling the next stage of the Libyan issue:

First, bring an early end to the conflicts. Second, launch an inclusive political process as soon as possible. Third, respect the sovereignty, independence and territorial integrity of Libya and the will and choice of the Libyan people. Fourth, give play to the leading role of the Security Council, while other countries, international mechanisms and international conferences should also play a supplementary role under the guidance of the UN Charter and established principles concerning the Libyan issue (XHNA, 30 Aug.).

Vice Foreign Minister Zhai Jun attended the Friends of Libya conference in France on 1 September as an observer, and China began to reach out more actively to the NTC. China’s assessment of the Paris conference was cautious, saying that many questions key to a peaceful and democratic transition remained unanswered (XHNA, 1 Sept.). The Foreign Ministry spokesman said on 1 September that China was ready to maintain close contact with the NTC and to steadily advance China–Libya relations. He acknowledged that China had opposed the British proposal to unfreeze Libyan assets held in Britain because it felt that there was not enough clarity in the British application, but said that China had repeatedly expressed its willingness to continue trade and economic co-operation with Libya (XHNA, 1 Sept.). China later claimed that it had “no difficulty in principle” with the release of Libyan assets after complaints from

the NTC. China also dismissed reports that it had been supplying military equipment to the Libyan government. The spokeswoman acknowledged that in July the Gaddafi regime had sent people to China to contact various companies, but no military contracts had been signed and no military hardware exported. She added that: “in accordance with China’s undertaking of international obligations and with domestic laws and regulations, we exercise strict management on the export of all military hardware. Export of any military hardware requires the strict examination and approval by the Chinese Government departments” (XHNA, 5 Sept.). On 6 September the spokeswoman said that China needed to see when conditions were ripe before it recognized the NTC but it finally did so on 12 September, recognizing the NTC as the administration authority of Libya and the representative of the Libyan people. The Foreign Ministry spokesman said that China looked forward to the establishment of an interim government at an early date. China maintained close contact through various channels with the NTC. She said that China appreciated the NTC’s commitment to honour existing treaties and agreements, and said that China would make joint efforts with the Libyan side to realize a steady and smooth transition and the development of bilateral ties. She said that the UN should play a major role in Libya’s reconstruction and that if invited China would positively consider participation in any dialogue on the issue (XHNA, 13 Sept.). Foreign Minister Yang Jiechi attended the high-level meeting on Libya convened by the UNGA on 20 September. He promised that China would continue its support to the Libyan people in conducting reconstruction and promoting development. He put forward four suggestions for handling the Libyan issue: a) respect the sovereignty, territorial integrity and independence of Libya, and maintain bilateral relations on the basis of mutual respect and benefit; b) launch an inclusive political process at an early date, safeguard Libyan ethnic solidarity and national unity and put the reconstruction of Libya back on track; c) the global community should support Libyan reconstruction; and d) support the leading role of the Security Council while other countries and organizations should play a supplementary role under the guidance of the UN charter and Resolution 2009 (XHNA, 20 Sept.).

The Chinese Foreign Ministry spokesman said that China welcomed the approval of the new draft constitution in a referendum. “China supports the active efforts made by the Moroccan King and Government to push forward political reform, promote its national economy and maintain social stability” (XHNA, 11 July).

According to the Palestinian News Agency WAFA, China’s envoy to the Middle East Peace Process, Wu Sike, delivered a message from the Chinese leadership in which China confirmed its full support for Palestine’s bid for UN membership. In China’s view this did not contradict the peace process (WAFA website, 24 Aug.). Wu said “China supports the Palestinian people and their cause. We also support the Palestinians to get the United Nations recognition of a Palestinian state on the lands occupied in 1967 with Jerusalem as capital.”

Wu was on a visit to Palestine, Israel, Egypt and France to discuss the peace process (XHNA, 26 Aug.). Wu said in an interview with Xinhua in Egypt on 28 August that:

The friendship and co-operation relations between China and the Arab world have the foundation and potential for further development in the long run despite temporary impact of the region's ongoing unrest... China respected the will and choice of the people in the turmoil-hit countries. But peaceful means and consultations should be adopted to avoid armed conflicts and violence which has led to huge losses ... China is against the foreign interference with the domestic affairs of other countries and believes that people have the ability and wisdom to deal with their own issues (XHNA, 28 Aug.).

Foreign Minister Yang told the UN General Assembly on 26 September that "China consistently supports the just cause of establishing an independent Palestinian state and supports Palestine's membership in the United Nations." He added that: "We support efforts to achieve the 'two-state solution' through political negotiation so as to establish, on the basis of the 1967 borders, an independent Palestinian state that enjoys full sovereignty with East Jerusalem as its capital." On the Middle East Peace Process, he said that: "We believe that progress should be made in parallel in the peace talks between Syria and Israel and between Lebanon and Israel with a view to eventually achieving comprehensive, just and durable peace in the Middle East and peaceful coexistence between the Arab countries and Israel" (XHNA, 26 Sept.).

The official Syrian press hailed China's supportive position towards Syria. On 25 July it reported demonstrations of appreciation in front of the Chinese embassy in Damascus for rejecting foreign interference in Syrian affairs and stressing that only the Syrian people could decide their future (SANA website, 25 July). China's Ambassador, Li Huaxin, was given the Order of Merit of the Excellent Degree at the end of his tour by the Syrian government. Li was quoted as saying that

what is happening in Syria is an internal affair, and it has been one of our principles in foreign relations not to interfere in the internal affairs of countries, which is also a primary principle in the international law ... we believe that the Syrian people are the most capable of addressing these events without foreign interference. Hence, we disapprove of foreign interference or imposing anything on Syria ... we hope that security and stability will return to Syria as soon as possible (SANA website, 27 July).

China's Permanent Representative to the UN Office in Geneva, He Yafei, said on 22 August that China had been following developments in Syria with great concern, and called on all parties to seek a political solution through dialogue and consultations. He said the future of Syria should be determined by its people and not dictated by outside forces. He noted that the government had taken a number of reform measures and urged that they be implemented. He said that any international initiatives must be guided by the UN charter and international law and must respect the sovereignty, independence and territorial integrity

of Syria (XHNA, 22 Aug.). The Foreign Ministry spokesman spoke in similar vein:

The Chinese side maintains that the crisis in Syria should be defused through promptly initiating an inclusive political process with Syria playing the leading role. All relevant parties in Syria should peacefully and appropriately address the problems through dialogues and negotiations. The future of Syria should be independently determined by Syria. The relevant actions taken by the international community should be conducive to pushing the Syrian Government to implement its reform commitments and to encouraging all sides to participate in the political process in a constructive manner and should be helpful to promoting stability in Syria at an early date (XHNA, 23 Aug.).

On 6 September, China publicly welcomed the Syrian national dialogue that had opened at provincial level (XHNA, 6 Sept.). Foreign Minister Yang Jiechi told the UN General Assembly on 26 September that:

China is also greatly concerned about the developments in Syria ... we hope that parties in Syria will exercise restraint, avoid any form of violence or more bloodshed and conflict, and act quickly to ease tension ... we believe that a Syria-led, inclusive political process aimed at promoting reform and advanced through dialogue and consultation is the right way to resolve the current crisis in Syria (XHNA, 26 Sept.).

The Foreign Ministry spokesman commented on 19 September that: “China is keeping a close watch on the situation in Yemen. We call on all sides in Yemen to address disputes through dialogue and other peaceful means and avoid violent conflicts.” He said that China hoped that stability would be restored as soon as possible (XHNA, 20 Sept.). He repeated the message on 27 September: “China urges Yemen to resolve differences through dialogue and other peaceful means, and to promote an inclusive, peaceful, orderly and Yemeni-led process of political transition.” He added that China supported the efforts being made by the UN Secretary General’s political advisor and the Gulf Co-operation Council and hoped that the international community would help Yemen restore social stability and normal order (XHNA, 27 Sept.).

South Asia (India, Pakistan, Sri Lanka)

India denied reports that a Chinese warship had confronted an Indian naval vessel near Vietnamese waters in July. The Indian navy stated that reports that the INS Airavant had been stopped by a Chinese vessel in the South China Sea were incorrect. There was no confrontation (Press Trust of India website, 1 Sept.).

The Chinese Foreign Ministry spokesman said on 3 August that China would increase its anti-terrorism co-operation with Pakistan, and praised Pakistan for its efforts as an important frontline state in the international fight against terrorism (XHNA, 3 Aug.). Pakistan was taken aback by the Chinese public claims that some of the perpetrators of the terrorist attacks in Xinjiang in August had been trained in camps run by ETIM in Pakistan. President Hu Jintao was reported to have rung President Zardari personally to express concern over the activities of ETIM, and the Director General of Inter Services Intelligence was

reported to have gone to Beijing to address Chinese concerns. The Pakistan military was reported to be coming under pressure from the Chinese to allow the setting up of military bases in the tribal areas to counter Chinese rebels operating from the area (*The News* website, 6 Aug.). The Pakistani Foreign Minister, Hina Rabbani Khar, visited China in August and had talks with Yang Jiechi on 24 August. Yang spoke of the high-quality strategic co-operative partnership that they enjoyed and said that the two countries enjoyed an all-weather friendship. He said China would stand by Pakistan in developing its economy and safeguarding its national stability (XHNA, 24 Aug.). The Pakistani President, Asif Ali Zardari, visited Xinjiang for the China Eurasia Expo. He told Zhang Chunxian, Party Secretary of Xinjiang, that Pakistan would co-operate more closely with China in fighting terrorism (XHNA, 31 Aug.).

The President of Sri Lanka, Mahinda Rajapakse, visited China from 9 to 13 August, taking in Beijing, Xiamen and Shenzhen. He met Premier Wen Jiabao on 11 August, who told him that China was ready to help with Sri Lanka's economic development, promote communications between them over infrastructure construction, expand trade and investment, and to strengthen cultural and personnel exchanges (XHNA, 11 Aug.). In Xiamen, the Prime Minister of Sri Lanka visited the China International Fair for Investment and Trade and told a forum there that Sri Lanka's exports had increased to US\$102 million in 2010 (from US\$37 million in 2006) mainly because of exports of tea, fibre and fish. Sri Lanka imported mainly tractors, mechanical parts, machinery, textiles and chemicals. The Prime Minister was seeking more Chinese investment in Sri Lanka (XHNA, 8 Sept.).

South East Asia

Foreign Minister Yang Jiechi attended the various meetings held around the Bali meeting of ASEAN on 19 to 23 July. China wanted to step up ASEAN + 1, and ASEAN + 3 co-operation, and discuss issues relating to the ASEAN Regional Forum and the future development of the East Asia Summit (XHNA, 14 July). But the issue of the South China Sea remained prominent in the lead up to the meeting. There were demonstrations against the Chinese Embassy in Hanoi in early July following an incident between Chinese naval vessels and a Vietnamese oil drilling research vessel (*SCMP* website, 15 July). Chinese commentary recalled US Secretary of State Clinton's remarks at the meeting in 2010 when she had made it clear that the US viewed the South China Sea question as being related to its national interests, which it said had contributed to the escalation of the issue (*People's Daily*, 15 July). The question was discussed at a Chinese and ASEAN senior officials' meeting on 20 July and they agreed guidelines to implement a declaration of conduct in the disputed areas (Kyodo News Service, 20 July). But rumblings continued through the meetings. On 20 July, China lodged a strong protest when several Filipino lawmakers landed on one of the islands (Zhongye Dao in Chinese). Yang told the foreign ministers'

meeting that China and ASEAN had become a new engine for the world's development. China would always be a good neighbour, good friend and good partner of ASEAN. He proposed strengthening co-operation and settling differences through friendly consultation. He said that China was willing to work with ASEAN on international issues such as climate change, transnational crime and food security. He welcomed the adoption of the guidelines on implementing the Declaration of Conduct, which he said laid a solid foundation for pragmatic co-operation in the South China Sea (XHNA, 21 July). Chinese commentary welcomed the new guidelines, while complaining that the issue had been given more prominence than it need by outside forces, and said that ASEAN had a rich and full agenda:

In recent years, China has strictly complied with the "Declaration" and has maintained a good consultation momentum with the ASEAN countries. The latest "guideline" is designed to promote pragmatic co-operation and increase the areas of co-operation from the original three to six. This is ample proof that China and the vast majority of ASEAN countries are ready to press ahead with bilateral co-operation more vigorously. The South China Sea issue is not the top issue on the agenda of the development of China–ASEAN relations. The fact that it has become a heated issue has something to do with the attempts by some countries to put their own interests ahead of those of ASEAN as a whole and with the abetting and interference by outside forces. The fact of the matter is that ASEAN's internal integration and development, the development of the China–ASEAN Free Trade Area [FTA], and the development of the relations between ASEAN and China, Japan and South Korea (10 + 3) must be accelerated on various fronts. There are many things that need to be addressed urgently. The only way to solve the South China Sea issue and create even more favourable conditions for common development is to advance the relationship between China and ASEAN across the board (*People's Daily* website, 22 July).

The Chinese Minister of Commerce attended the tenth round of consultations between China and ASEAN Economic Ministers in Manado on 12 August. He said that trade had reached US\$292.8 billion in 2010 and was up 25 per cent in the first half of 2011. China had invested US\$13 billion in ASEAN (XHNA, 12 Aug.).

The Secretary General of the Lao People's Revolutionary Party, Choummali Saignason, visited China from 18 to 21 September. He had talks with Wang Jiarui, Head of the International Department of the Central Committee, and met and had talks with President Hu Jintao on 19 September. Hu said that China would enhance its strategic communication, substantial co-operation, party-to-party exchanges, and co-ordination on international and regional issues. Choummali also had meetings with Premier Wen Jiabao and with Vice President Xi Jinping (XHNA, 19 Sept.).

The Philippine Secretary of Foreign Affairs, Albert del Rosario, visited China in early July at a time of rising tensions in the South China Sea. In advance of the visit, he said that he would be talking about the "West Philippine Sea" to see if they could find areas of convergence, but also wanted to discuss trade, investment, culture, tourism and other issues. The Philippines had complained to the

Chinese on 31 May about sightings of Chinese vessels in the West Philippine Sea engaged in unloading building materials and erecting a number of posts (*Philippine Star* website, 7 July). He met Foreign Minister Yang Jiechi on 8 July for wide ranging talks on trade, investment, culture, tourism, defence co-operation, and co-ordination in combating transnational crimes, as well as recent tensions in the South. He also met Vice President Xi Jinping who said that the visit had been productive and that China was “committed to remain a good neighbour, a good friend and a good partner with the Philippines.” The Chinese press commented that they had agreed that maritime disputes should not be allowed to affect the broader picture of friendship and co-operation, and that they had agreed to make joint efforts to safeguard peace and stability in the South China Sea in accordance with the Declaration on the Conduct of parties in the South China Sea (XHNA, 8 July). After the visit, the Philippines put forward a proposal to take the disputed claim to the International Tribunal for the Law of the Sea (*Philippine Star* in English, 14 July). But this was rejected by the Chinese, who said that any dispute should be solved by direct negotiations (XHNA, 14 July). The Philippine Navy built a “star shell like” structure on Patag Island (the sixth largest of the nine islands occupied by the Philippines). It was the second such structure built for supporting the Philippine garrison in the islands. At the same time it was reported that the Philippines planned to upgrade the airstrip on the largest island to be capable of landing C-130 aircraft (*Philippine Star* website, 31 July). A *People’s Daily* commentary of 2 August warned that the relevant countries would face dire consequences if they made serious strategic miscalculations in the South China Sea. It said that China’s willingness to shelve difference while seeking joint development did not mean that China would stand for other countries “nibbling” at its sovereignty. It criticized the Philippines for building a new military structure in the area, saying that this showed that the Philippines lacked sincerity about solving disputes in a peaceful way, and had violated the stance agreed by ASEAN (*People’s Daily* website, 2 Aug.).

The Philippine President, Benigno Aquino, visited China from 30 August to 3 September, accompanied by a large business delegation. The visit took in Beijing, Shanghai, and Fujian. In advance of the visit, Xinhua suggested that it would focus on a people-centred partnership that would push for more trade, investment, media, culture, education and tourism exchanges (XHNA, 18 Aug.). At least six agreements were planned for signature including: the Joint Statement on the South China Sea; the Philippines-China Five-Year Development Programme for Trade and Economic Co-operation; a Memorandum of Understanding (MoU) between the PCOO and State Council Information Office on Friendly Exchanges; a MoU on Sports Co-operation; Implementing Programme on the MoU on Tourism and Exchange of Letters on the Executive Programme of the Philippines–China Cultural Agreement (XHNA, 24 Aug.). Nonetheless the South China Sea formed an important part of the background to the visit. Chinese commentary noted that:

China has always made itself loud and clear that it has indisputable sovereignty over the sea's islands and surrounding waters, which is part of China's core interests. That is based on unambiguous and undeniable historical facts ... meanwhile, Beijing is willing to follow the principle of shelving differences and seeking joint development, so as to create amicable, secure and prosperous neighbourhood with the Philippines (XHNA, 31 Aug.).

President Hu Jintao had talks with President Aquino on 31 August and he reiterated China's "consistent and explicit" position, making it clear that "before the disputes are resolved, the countries concerned may put aside the disputes and actively explore ways of common development in the related sea areas" (XHNA, 31 Aug.). President Aquino also met Premier Wen Jiabao and Wu Bangguo, Chairman of the NPCSC. A Joint Statement was released after the Beijing leg of the visit (text in XHNA, 1 Sept.). They agreed to expand bilateral trade to US\$60 billion by 2016 (up from US\$27.7 billion in 2010). On the South China Sea the Statement read:

Both leaders exchanged views on the maritime disputes and agreed not to let the maritime disputes affect the broader picture of friendship and co-operation between the two countries. The two leaders reiterated their commitment to addressing the disputes through peaceful dialogue, to maintain continued regional peace, security, stability and an environment conducive to economic progress. Both leaders reaffirmed their commitments to respect and abide by the Declaration on the Conduct of Parties in the South China Sea signed by China and the ASEAN member countries in 2002.

Yang Jiechi met the Vietnamese Foreign Minister, Pham Gia Khiem, in the sidelines of the ASEAN meetings and they discussed the border dispute. Yang said that they should "should proceed from the overall situation of the two countries' relations and of regional stability, firmly and properly handle maritime dispute through talks and consultations, actively seek resolution methods, avoid the re-escalation of maritime dispute, and avoid the internationalization and complicating the South China Sea issue" (XHNA, 21 July). State Councillor Dai Bingguo visited Vietnam from 5 to 9 September to chair a regular session of the China Vietnam Steering Committee for Bilateral Co-operation. In the press statement issued after the meeting the two sides "held that the satisfactory settlement of the sea-related issues is very important to maintaining the general situation of Vietnam–China friendly and co-operative relations." They affirmed that relations would be based on the common perception of the two countries' leaders, international law and the spirit of the Declaration on the Conduct of Parties in the East Sea (DOC) and they would persistently pursue friendly talks and negotiations to peacefully settle marine disputes and take effective measures to maintain and defend peace and stability in the East Sea (Vietnam News Agency, Hanoi, 8 Sept.).

Taiwan

It was announced on 4 July that Taiwan's representative offices in Hong Kong and Macau would be renamed the "Taipei Economic and Cultural Office" in the two territories, and the Hong Kong Government announced that it would

be opening a multi-functional office in Taiwan in the course of the year to be called the Hong Kong Economic Trade and Cultural Office in Taiwan (CNA and XHNA, 4 July). Hau Lung-pin, Mayor of Taipei, visited Shanghai on 24 July to attend a Shanghai/Taipei forum and to sign MoUs with Shanghai on education, travel and medicine (CNA 24 July). General Lo Hsien-che, former head of military communications and electronic information, was sentenced to life imprisonment on 25 July for spying for China since 2004. Lo had apparently been recruited while serving overseas in Thailand in 2004 (*Taipei Times* website, 26 July). The first batch of individual tourists from China to Taiwan visited the islands of Kinmen and Matsu on 29 July. Individual tourists can stay in Taiwan for a maximum of 15 days (XHNA, 29 July).

Wang Yi, Director of the PRC Taiwan Affairs Office, visited the United States from 27 to 30 July for talks with American officials, politicians and scholars. In a discussion with “Taiwan compatriots” he said that the relationship between China and Taiwan could be advanced by: a) sticking to a common political basis of opposing Taiwan independence and sticking to the 1992 consensus, b) maintaining the current good momentum in cross-Strait exchanges and allowing ordinary people to benefit from the peaceful development of relations, and c) safeguarding public opinion in favour of the peaceful development of cross-Strait relations (XHNA, 28 June). He had talks with Secretary of State Hillary Clinton and other senior officials. Wang made clear China’s long-held opposition to US arms sales to Taiwan, which he said harmed Sino–US ties and the peaceful development of cross-Strait relations (XHNA, 29 July). Wang was reported to have said publicly that China’s deployment of missiles was for self-defence and not aimed at Taiwan. The Taiwan Minister of Defence, Kao Hua-chu, commented that it was difficult for the people of Taiwan to buy this story, and that they did feel threatened by the missiles. He added that US arms sales in accordance with the Taiwan Relations Act served to reassure the Taiwanese public, and called for the US to sell F16C/D fighters and diesel submarines to Taiwan (*China Post* Website, 27 July).

United Nations

Foreign Minister Yang Jiechi attended the UN General Assembly meeting in New York in late September. He had a busy programme of meetings and side meetings with other foreign ministers. On 20 September, he took part in the high-level meeting on Libya (XHNA, 20 Sept.). On 22 September, he met the President of the European Union, the Chairman of the Transitional National Council of Libya and the Foreign Ministers of Cyprus, Pakistan and Greece (XHNA, 22 Sept.). On 23 September, he attended a meeting of the Foreign Ministers of the BRICS countries, and then had meetings with the Russian and Nigerian Foreign Ministers. Yang was quoted as saying that great progress had been achieved in co-operation among the BRICS countries and that the organization’s prospects were good (XHNA, 23 Sept.). On 24

September, he met representatives of the Rio Group and the Foreign Ministers of Indonesia and Malaysia. He also addressed the ministerial mini-summit on the Humanitarian Response to the Horn of Africa. He said that China was gravely concerned by the situation and had already given about US\$60–70 million worth of grain and monetary assistance, the largest such grain donation that China had ever made. Later, he met the Chairman of the African Union commission, the Prime Minister of Nepal and the Foreign Ministers of Cuba, South Africa, Vietnam and Thailand, as well as representatives of the Gulf Co-operation Council (XHNA, 24 Sept.). On 26 September he met the US Secretary of State, Hillary Clinton. The main subject was US arms sales to Taiwan and he “urged the US to attach great importance to China’s solemn position and take it very seriously, correct the mistake of selling weapons to Taiwan by revoking the above-mentioned wrong decision, eliminate its negative influence, stop arms sales to Taiwan and US–Taiwan military contact, and take real actions to uphold the larger interest of China–US relations.” Secretary of State Clinton replied along standard lines and added that the US was firmly committed to expanding, deepening and enhancing positive, comprehensive and co-operative relations with China. He also had meetings with the Secretary General of the Arab League and the German Foreign Minister. He told the Secretary General that China had “always believed that establishing an independent state is an inalienable and lawful right for the Palestinian people,” and that “China supports Palestine’s efforts to establish, on the basis of the 1967 borders, an independent Palestinian state that enjoys full sovereignty with East Jerusalem as its capital” (XHNA, 26 Sept.). Foreign Minister Yang addressed the General Assembly on 26 September and urged the international community to intensify its consultation and co-ordination to strengthen confidence in global recovery and growth. He said the international community should work for a just, fair, and inclusive and orderly international monetary and financial system, and increase the voice and representation of emerging markets and developing countries. He said the G20 should have a greater role in global economic governance. He also restated China’s position on current issues such as North Korea and Libya, as well as Syrian and Palestinian representation (XHNA, 26 Sept.).

United States

Admiral Mike Mullen, Chairman of the Joint Chiefs of Staff, visited China from 10 to 13 July. He was scheduled to have talks with Chen Bingde, Chief of the PLA General Staff, and to visit units of the army, navy air force, and second artillery (China’s strategic arm) in Beijing, Shandong and Zhejiang. The Ministry of Defence spokesman said that he would be given a relatively high standard of treatment, and that the arrangements made for the visit showed China’s positive attitude and sincerity in developing military relations (XHNA, 7 July). Following his talks with Chen Bingde, the two sides

announced that they had reached consensus on future military exchanges, including a visit to China by the Commander in Chief of PACOM, and a number of joint naval exercises in areas such as rescue and medical drills and anti-piracy work. They agreed that defence consultations, working meetings between their defence authorities and bilateral consultations on maritime security would be important methods of communication between them. Chen Bingde said that they should handle problems with respect, mutual trust, equality and reciprocity. They were reported to have discussed the South China Sea, attitudes of some US politicians towards China, cyber security and China's military development. In the press conference following the meeting, Chen Bingde said that it was inappropriate for the US to hold military drills in the South China Sea, and that any issues should be addressed through dialogue and diplomatic measures. He added that there was no issue over the freedom of navigation in the area and that US should not concern itself with that (XHNA, 11 July). Admiral Mullen met Vice President Xi Jinping on 11 July who reiterated the message about the promotion of defence ties with mutual respect. Admiral Mullen also met the Defence Minister Liang Guanglie, and Guo Boxiong, Vice Chairman of the Central military Commission (XHNA, 11 July). He had an unprecedented round of visits to military establishments, including the headquarters of the Second Artillery, an air force base in Shandong where SU-27s were based, a command post exercise in Zhejiang, and a submarine unit near Hangzhou (XHNA, 12 July). A *People's Daily* commentary after the visit noted the improvement in military relations. It approved, guardedly, his remarks at Renmin University to the effect that: "China today is a different country than it was ten years ago, and it certainly will continue to change over the next ten years. It is no longer a rising power. It has, in fact, arrived as a world power," although it claimed that behind these words lay hints of the "China responsibility theory" and it was essential that the US truly treated China as an equal. It criticized the United States' role in the South China Seas, where it continued to "flaunt its muscle and attempt to fish in troubled waters," and noted the "evil plot" brewing in Washington to sell F16C/D fighters to Taiwan. It warned that unless the Taiwan arms sales issue was resolved, China-US military relations could not have a stable foundation, and this would affect other fields. "We must not only listen to what the Americans say, we must see what they actually do. In respecting China, they should start off by respecting China's core interests (*People's Daily* website, 13 July).

The US Secretary of State Hillary Clinton had a bilateral meeting with Foreign Minister Yang Jiechi in the sidelines of the ASEAN meetings in Bali. They set out their mutual positions on the South China Sea, covered Taiwan and Tibet (according to the Chinese press Secretary Clinton said that the US understood the sensitivity of the Taiwan and Tibet issues, and reiterated that the US adheres to a one-China policy and respects China's sovereignty and territorial integrity. The US understood that the South China Sea issue was one of great complexity

and took no position on the issue. They also reached consensus on food security, urban search and rescue and disaster relief, and exchanged views on the East Asia Summit, Korea and South Asia (XHNA, 22 July). She later visited Hong Kong and then travelled to Shenzhen for a meeting with State Councillor Dai Bingguo on 25 July to exchange views on matters of common concern. Dai was reported to have told her that the US should respect Beijing's interests when dealing with Taiwan and Tibet (*SCMP* website, 26 July).

The Ministry of Defence spokesman said on 27 July that recent senior visits had been a concrete measure in establishing a co-operative partnership based on mutual respect and benefit. But difficulties still persisted, especially US arms sales to Taiwan, reconnaissance activities by US ships and aircraft, and discrimination in US laws restricting military exchanges between the two sides. He said that it was normal for there to be difficulties, and that both sides needed to look squarely at them and take effective measures to manage and control these differences, instead of doing things that harm the other side's interests (XHNA, 27 July).

The Chinese press covered the US debt crisis and the internal political wrangling in the US in some detail and one Xinhua article concluded: "The US debt crisis was appalling and gave us food for thought. Obviously it is unrealistic to pin our hope of averting risks on others. We must draw lessons from this, clearly recognize the risks, keep our house in order, plan ahead, and have the initiative in our hands. Only in this way will we be in an impregnable position" (XHNA, 3 Aug.).

US Vice President Joe Biden visited China from 17 to 22 August as part of a wider Asian tour which took in Japan and Mongolia. Much of the focus of the visit was on the developing financial crisis, and both sides made efforts to show a common purpose. In the words of Vice President Xi Jinping: "Under the new circumstances, China and the United States share even broader common interests and co-shoulder more common responsibilities. Enhancing China–US relationship fits not only the interests of the two nations, but also that of the world" (XHNA, 18 Aug.). The looming US decision on arms sales, specifically fighter aircraft, to Taiwan was also a large element. One of the other purposes of the visit was for the two Vice Presidents to get to know each other better at a personal level, especially since Xi Jinping is still very much the front runner for President at the Chinese leadership change. Xi was the official host of the visit and accompanied Vice President Biden on a trip to Sichuan. Some of the public edge was taken off the public goodwill by a brawl which broke out at a basketball match between a team from Georgetown University and the PLA. Biden had formal talks with Vice President Xi, and meetings with President Hu Jintao, Premier Wen Jiabao and Wu Bangguo, Chairman of the NPCSC. While in Beijing he also attended a Sino-US business dialogue, and in Sichuan he addressed university students and visited the areas devastated by the earthquake in 2009. After the talks with Vice President Xi, Vice President Biden was quoted by the Chinese press as saying that co-operation between China and the US played a vital role

in stabilizing the world economy. He also reiterated standard positions on Taiwan and Tibet saying that the US fully recognized that they were core interests for China. Xi said that as the world's two largest economies China and the US shared a responsibility to strengthen macroeconomic policy co-ordination and boost market confidence (XHNA, 18 Aug.). The talks ran an hour over schedule, and US officials were quoted as saying that the talks had been candid and open. The Chinese had been very interested to hear about US economic policy decisions but were far from anxious and confident in the ability of the US to adapt and recover. The talks also covered human rights, Taiwan, Pakistan, Iran, North Korea and other global issues (*SCMP* website, 19 Aug.). Vice President Xi gave an upbeat presentation to the China–US Business Dialogue. He said that China would import more than US\$8 trillion worth of goods from the US over the next five years, and there would be a massive expansion in China's domestic markets offering great opportunities for US business. He urged the US to take concrete early action to relax its restrictions on high-tech exports to China and to provide a fair investment environment in the US for Chinese companies (XHNA, 19 Aug.). President Hu told Vice President Biden that China was committed to building a relationship with the US founded on mutual respect and mutual trust. He said that the two countries needed to pull together as the world economic recovery was clouded by mounting instabilities and uncertainties. Sensitive issues between them should be handled properly for the sake of bilateral ties and to promote healthy and steady development of the relationship (XHNA, 19 Aug.). Xinhua commentary noted that:

The current Sino-US dialogue has sent an important message to the outside world: both countries will push forward their co-operative partnership of mutual respect and mutual benefit to bring about a win-win outcome to both countries; the US side understands the Chinese side's concern on the issues of core interests; and the United States has again made clear its commitment on the Taiwan issue and the issue related to Tibet. In the wake of the US debt crisis, which has spread to the entire globe, the Chinese side explained China's basic assessment of the growth capability and the trend of development of the US economy, whereas the US side has committed itself to safeguarding China's investment in the United States and the safety of the debt claims it held in US dollars (XHNA, 19 Aug.).

But while acknowledging that Vice President Biden had brought a reassuring message of confidence and co-operation, an article also pointed out that “the United States, the world's largest economy, has to realize that confidence cannot be established through mere rhetoric but only from responsible and tangible long-term practices.” It contrasted this with China's willingness to increase its investment in US treasuries despite the tumult in the world economy (XHNA, 21 Aug.). It counselled that:

To meet its promises, the United States must look inward and put its own economic growth back on track. It must end its excessive reliance on overseas borrowing, make substantial reforms and cuts to its bloated entitlement programs, reduce budget deficits and

restructure its economy. Seeking China's trust, the United States should also do more in facilitating its growing trade connections with China by lifting more of the obsolete high-tech export restrictions and levelling the playing field for Chinese investors.

The official Chinese press reacted with predictable anger to parts of the annual report on the Chinese military presented to the US Congress. It welcomed the report's recognition of the "modest, but incremental, improvements in the transparency of its military and security affairs," that China had made. But it complained that the "China threat" was exaggerated, when China only spent a small fraction of what the US did on defence. It also rejected implications that China's increasing defence capabilities were posing a threat to regional security. The Chinese Ministry of Defence lodged "solemn representations" with the US over the report (XHNA, 26 Aug.).

China objected in strong terms to the announcement by the United States that a new round of arms sales would take place worth US\$5.852 billion, including the refurbishment of Taiwan's F-16 A/B fighters. The US ambassador was summoned by Vice Foreign Minister Zhang Zhijun who said that this wrongdoing would inevitably undermine bilateral relations as well as exchanges and co-operation in military and security areas. He said that: "China strongly urges the United States to be fully aware of the high sensitivity and serious harm of the issue, seriously treat the solemn stance of China, honour its commitment and immediately cancel the wrong decision." Zhang said that the decision: "severely interferes in China's internal affairs, severely undermines China's national security, damages China's peaceful reunification and Sino-U.S. ties, runs counter to the momentum of peaceful development in cross-Strait relations, and runs counter to the principle of jointly building Sino-US co-operative partnership." He concluded that: "the US side should cherish the hard-won situation and work with China to constantly cement and push forward the positive momentum, rather than take actions once again to harm China's core interests and bilateral co-operation" (XHNA, 21 Sept.). The Foreign Ministry spokesman commented:

There is only one China in the world, and Taiwan is an integral part of the Chinese territory. The Taiwan issue is China's internal affairs. It concerns China's sovereignty and territory integrity, as well as China's core interests and the national feeling of 1.3 billion Chinese. The Chinese side firmly opposes any foreign governments to sell arms to Taiwan, and this position has been consistent and explicit ... the wrongdoing by the US side will inevitably cause damages to the relations between China and the United States and to the exchanges and co-operation in military and security areas. The responsibility rests entirely with the United States ... No one can shake the resolute determination of the Chinese government and people to defend their national sovereignty and territorial integrity and to oppose external intervention. We urge the US side to fully recognize the highly sensitive nature and grave harm of the issue of arms sale to Taiwan, earnestly respect China's sovereignty and territorial integrity, abide by the three Sino-US joint communiqués and the basic norms governing international relations, immediately take effective measures to correct the mistakes, withdraw the relevant arms sales program,

and stop arms sales to Taiwan and the military links between the United States and Taiwan to avoid further undermining the momentum of the steady development of Sino-US relations and the peaceful development of cross-strait relations (XHNA, 21 Sept.).

The Ministry of Defence spokesman announced on 28 September that “in light of the serious damage resulting from the US arms sale to Taiwan, planned China–US military exchanges, including high-level visits and joint exercises, will definitely be impacted” (XHNA, 28 Sept.).

d *Defence Diplomacy*

Chinese and Belorussian airborne troops trained together in Baranovichi in a ten-day exercise beginning on 5 July. Over 80 Chinese paratroopers took part in the first such exercise carried out in a foreign country. The exercises concentrated on anti-terrorism training (XHNA, 19 July).

Chen Bingde, Chief of the PLA General Staff, visited Russia for talks with his opposite number, Nikolay Makarov, and the Russian Defence Minister, Anatoli Serdyukov. In a joint statement issued on 8 August, the two sides agreed to further enhance military exchanges and keep up their strategic co-ordination so as to deal better with new regional and global security threats. They would continue joint exercises within the framework of the Shanghai Co-operation Organization, improve their top level strategic consultation, with the next round of their dialogue in Beijing at the end of the year, and strengthen joint efforts in military education and student training (XHNA, 8 Aug.). After his trip to Russia, Chen Bingde visited Ukraine and Israel in early August. It was the first visit at this level for ten years to Ukraine and he had talks with his opposite number Gregory Pedchenko (XHNA, 11 Aug.). In Israel, he said that China’s co-operation with Israel was contributing to regional stability. He had meetings with the Prime Minister and with the Defence Minister Ehud Barak, as well as with his host, the Chief of Staff (XHNA, 14 Aug.).

The Vietnamese Defence Minister, Nguyen Chi Vinh, visited China and had talks with Defence Minister Liang Guanglie on 29 August. Liang said that China was willing to work with Vietnam to protect their common strategic interests, as well as peace and stability in the South China Sea, by strengthening communication and consultation. He added that China was opposed to internationalization of the issue and insisted on solving disputes through consultations and negotiations (XHNA, 29 Aug.). The Swiss Head of the Federal Department of Defence, Civil Protection and Sport, Ueli Maurer, visited China in July. He had talks with the Defence Minister, Liang Guanglie, on 13 July and with Guo Boxiong, Vice Chairman of the Military Commission, the following day (XHNA, 13, 14 July).