

OPRF MARINT Monthly Report

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What is meant by Beijing Leaders' Round of Visits to Foreign Countries

This monthly report is edited/ summarized by publisher and staff writers based on published news resources.

Each resource is referenced with bracket below each title and is displayed as link USL on the last page of this report.

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Introduction

Law and order : On April 3, at the handing over of Offshore Patrol Vessels (OPV) from PSC-ND Sdn Bhd to the Royal Malaysian Navy (TLDM), Malaysian Deputy Prime Minister Najib Razak again assured that the Malacca Straits is safe and there is no basis to be declared as war risk areas. The three littoral states of Indonesia, Malaysia and Singapore signed an agreement on April 21 to set up a Joint Coordinating Committee (JCC) with an aim to oversee air and sea patrols. The Malacca Strait Sea Patrol (MSSP) and Eyes in the Sky (EiS) will be operated under one umbrella. The Terms of Reference (TOR) and the Standard Operating Procedures (SOP) were also signed.

Meanwhile, a UAE-registered tanker and a South Korean fishing boat were hijacked by armed pirates off the coast of Somalia this month.

South Korea, India and Sri Lanka signed a “Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia” (ReCAAP) on April 7. Currently 11 countries have signed the agreement, of which eight have fully ratified the agreement. The pact will come into effect 90 days after the tenth country submits its ratification instrument.

Military security : The Bush administration unveiled its first major plan to restructure the U.S. nuclear infrastructure since the end of the Cold War, including restoration of a bomb manufacturing capacity. On April 17, the U.S. Ambassador J. Thomas Schieffer and Japanese Foreign Minister Taro Aso held talks about the deployment of the U.S. nuclear-aircraft carrier. The U.S. Government has drawn up a Fact Sheet on U.S. Nuclear Powered Warship Safety.

Diplomacy and International Relations : Round of visits by Chinese leaders to the U.S., Southeast Asia and South Pacific nations, Saudi Arabia and African nations has focused attention this month. Chinese Premier Wen Jiabao attended the first Ministerial meeting of the China-Pacific Island Countries Economic Development and Cooperation Forum held in Fiji on April 5. Meantime, President Hu Jintao held a summit meeting with the U.S. President George W. Bush on April 20. Following the U.S. visit, he conducted Saudi Arabia and three-nation Africa tour. Beijing’s aims of this time’s visits are included in Chapter 2 “Intelligence Assessment” as a featured article this month.

Around the same time as the U.S.-China summit, Taiwan President Chen Shui-bian spoke in an interview with the Wall Street Journal Asia on April 20, noting that it is China – not Taiwan government – that is determined to alter the status quo in the Taiwan Strait and Northeast Asia.

Resources, Environment and Others : China’s largest carrier of crude oil, China Shipping Development announced its plan to build four 298,000 deadweight tonnes very large crude carriers (VLCCs) and four 42,000 deadweight tons tankers. On April 3, Australia and China signed an agreement on permitting Beijing to buy Australian uranium for nuclear power stations

use. On April 18, the China National Offshore Oil Corporation (CNOOC) announced to invest 100 billion yuan (US\$12.5 billion dollars) in gas and oil exploration over the next five years.

Panama Government announced its ambitious plan on April 25 to widen the Panama Canal with US\$5.3 billion funds. Later this year, this plan will be put to a referendum.

1. Intelligence Bulletin

1.1 Law and order

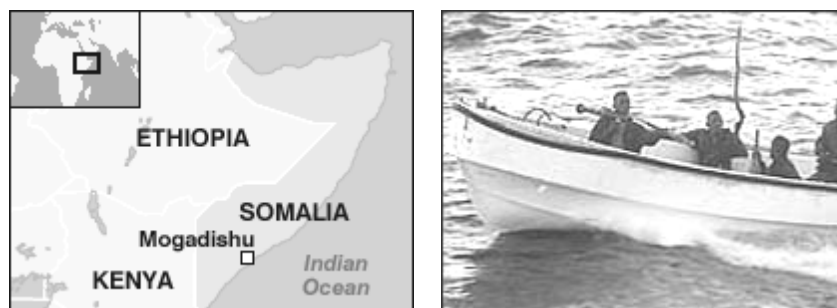
April 3 "Malaysian waters are safe, says Najib" (Bernama, April 3, 2006)

On April 3, at the handing over of Offshore Patrol Vessels (OPV) from PSC-ND Sdn Bhd to the Royal Malaysian Navy (TLDM), Malaysian Deputy Prime Minister Najib Razak assured that the Malacca Straits are safe and there is no basis to be declared as war risk areas. Furthermore, he said the threat in the waters is low and therefore the OPV received by the TLDM are not equipped with the up-to-date weaponry, but the handing over of the six ships will conductive to further enhance the country's maritime defense capability. Of six OPVs, two will be delivered by the mid 2006 and the construction of the remaining four will be complete by 2008, said Najib.

April 3 "IMB announces pirates hijack UAE tanker with Filipino crew off Somalia" (MarEx Newsletter, April 7, 2006)

The International Maritime Bureau (IMB) announced on April 3 that a UAE-registered tanker was hijacked by armed pirates off the coast of Somalia. On March 29, the tanker was attacked by the 12 assailants armed with machine guns, AK47 rifles and side arms in the daytime, after discharging its cargo at Mogadishu port and leaving the port. The tanker with 19 Filipino crew members on board is seized off the coast. The pirates are purportedly demanding a large amount of ransom for its release. There have been 40 reported cases of pirate attacks off the Somalia coast in the part three weeks, but the IBM notes actually more attacks go unreported. The IMB warns ships to stay at least 125 miles off Somalia's coast to prevent further attacks. The waters off the Somalia coast are viewed as the most dangerous zone in the world, with heavily armed pirates having intention and ability to conduct attacks far offshore.

The maritime gangs generally use speedboat to approach ships



Source: BBC, April 19, 2006

April 4 "U.S. Homeland Security chief wraps up Asia visit" (United Press International, April 4, 2006)

U.S. Homeland Security Secretary Michael Chertoff held talk with Chinese officials in Beijing

from April 3-4 after visiting Japan, Singapore and Hong Kong. He spoke to reporters that they agreed in principle on shared common interests between the two countries, saying China is a huge trading and travel partner with the U.S. and a significant amount of the container traffic coming into the U.S. is out of Chinese ports. Accordingly, "It is critical for us to have a relationship with China that elevates the security of the movement of those containers but in a way that doesn't interfere with the process of rapidly moving cargo into the U.S.," he said. He added the U.S. and China agreed to conduct the Container Security Initiative (CSI) at several ports in China. Chertoff also said his department is in negotiation with China about the Megaports Initiative. Both sides have started carrying out research on "the use of radiation detection equipment to ferret out radioactive material if should it occur in a shipment."

April 5 "Pirates have seized a S. Korean fishing vessel off the Somalia coast" (BBC News, April 5, 2006)

On April 4, a South Korean fishing boat was attacked by two speed boats pirates onboard 100 km off the Somali coast when it was fishing in international waters with two other South Korean boats. The U.S. and Dutch naval ships chased the pirate boats, but they stopped after seeing the crew threatened with guns. South Korea's Foreign Ministry said eight attackers hold the crew off the Somali coast. All the crew members – nine Indonesians, eight South Koreans, five Vietnamese and three Chinese are reported safe. It has yet to know whether any ransom demand has been made.

April 7 "S. Korea, India and Sri Lanka sign cooperation agreement to combat piracy" (Channel News Asia, April 7, 2006)

South Korea, India and Sri Lanka signed a "Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia" (ReCAAP) on April 7 in Singapore. Singapore is the depository of the agreement and will set up the Information Sharing Center in the country. The ReCAAP was concluded in Tokyo in November 2004 at the initiative of Japan. Currently 11 countries have signed the agreement. Of these 11 countries, seven have fully ratified the agreement, namely Japan, Laos, Singapore, Thailand, the Philippines, Myanmar and South Korea. The agreement will come into effect 90 days after the tenth country submits its ratification instrument.

April 18 "U.S. denies deal with Somalia transitional government on anti-piracy measures" (BBC News, April 19, 2006)

On April 18, the U.S. State Department spokesman denied media reports about the statement made by Somalia's Prime Minister Ali Mohammed Ghedi that the Somalia's transitional government permitted the U.S. Navy to patrol Somali waters for combating piracy. The media reports say Ghedi and the U.S. ambassador to Kenya agreed the deal. In response to this, the State Department spokesman said in a statement that the U.S. has held diplomatic discussions with the representatives from the transitional government about areas of possible cooperation

including counter piracy efforts, but both sides have yet to reach such agreement. The spokesman said the U.S. Navy has been conducting anti-terrorism operations and chasing pirates in the waters, however, the Navy is not allowed to pursue them beyond Somalia's territorial waters. Pirates who seized a South Korean fishing boat with 25 crew members on April 4 escaped from U.S. and Dutch naval pursuit by entering Somali waters. The vessel and crew members are still being held. Despite the fact Somalia's transitional government signed a two-year contract with U.S. firm Topcat Marine Security to counter piracy for US\$50 million in November 2005, there has been no evidence of patrols or intercept operations made by the firm so far. (See the feature article of the November 2005 edition of the OPRF monthly report)

April 20 "China offers to help secure the Malacca Straits" (AFP, April 20, 2006)

Malaysian Transport Minister Chan Kong Choy said in a report on April 20 that China has offered to help support safety activities in the Malacca Straits. Chan said the Malacca Straits security is one of the main agenda during his recent visit to China, because 85 percent of China's oil supply passes through the Straits. The assistance by China will be in the form of information exchanges and dispatching experts to train Malaysian maritime personnel. He added China has also proposed a Memorandum of Understanding (MOU) on maritime cooperation between Malaysia and China. Malaysia has agreed it. In preparation for the MOU, an expert team will be sent to Malaysia in April.

April 20 "ReCAAP Information Network System signing ceremony is held" (Ministry of Transport, Singapore, April 20, 2006)

A signing ceremony of Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP) Information Network System (IFN) was held on April 20 in Singapore. At the ceremony, Singapore's Transport Minister Yeo Cheow Tong delivered his speech about the value of the ReCAAP as follows:

- (1) The ReCAAP was initiated by Japanese Prime Minister Junichiro Koizumi in 2001 and concluded in 2004. Japan's well-timed and clear-sighted initiative aims at accelerating multilateral anti-piracy cooperation among 16 countries, namely the ASEAN 10, plus Japan, China, South Korea, India, Bangladesh and Sri Lanka. The ReCAAP would not have been realized without the leadership and patience of Japan.
- (2) An important element of the ReCAAP Agreement is to establish the ReCAAP Information Sharing Center (ISC) as an independent international organization. The ISC is the first of institutionalized organization in the form of a standing body with permanent member of staff (13-15 members including representatives from each country) to cooperate in combating piracy among each government of the region.
- (3) The ReCAAP Agreement makes provisions for the establishment of an Information Network System (IFN) as the backbone of the information-sharing arrangements. The IFN is a secure web-based system aiming at facilitating communications and information sharing among participating nations on threats or reported incidents of piracy and armed robbery. The first prototype of the Information Network System will be rolled out by June 2006.

A fact sheet released by Singapore's Ministry Transport says as of April 20 2006, 11 countries have signed the ReCAAP Agreement, namely Brunei, Cambodia, India, Japan, South Korea, Laos, Myanmar, the Philippines, Singapore, Sri Lanka, and Thailand. Of these, eight have ratified the Agreement, namely Japan, Laos, Singapore, Thailand, the Philippines, Myanmar, South Korea, and Cambodia. India and Sri Lanka have completed their domestic procedures for ratification and will ratify the Agreement soon. Brunei is implementing its domestic procedures. The ReCAAP Agreement will enter into force 90 days after the tenth country submits its ratification instrument with the depository in Singapore. Malaysia and Indonesia have expressed their intention to cooperate with the ReCAAP ISC in August 2005.

April 21 "Three littoral states agree to set up a Joint Coordinating Committee" (Business Times Singapore, April 22, 2006)

The three littoral states of Indonesia, Malaysia and Singapore signed an agreement on April 21 to set up a Joint Coordinating Committee (JCC) with an aim to oversee air and sea patrols. The Malacca Strait Sea Patrol (MSSP) and Eyes in the Sky (EiS) will be operated under one umbrella, the JCC. The Terms of Reference (TOR) and the Standard Operating Procedures (SOP) were also signed. Although there will be no big changes to the ongoing air and sea patrols, the JCC will be empowered as a channel of communication, information exchange and coordination for all operations to secure the Malacca Straits.

With regard to the hot pursuit, which allows one country to pursue criminal suspects into the territorial waters of another country, bilateral agreements have been concluded between Indonesia and Singapore, and Indonesia and Malaysia to enable such cross-border pursuit. However, Singapore and Malaysia do not have such agreement and need to get permission before entering each other's waters. Malaysia's Chief of Defense Force, Admiral Sri Mohammed Anwar said at the moment the littoral states deal with the hot pursuit issues by a bilateral approach.

An Indonesian naval ship patrolling the Malacca Strait in 2005



Source: Channel News Asia, April 21, 2006

April 22 "US offers early warning system to secure the Malacca Strait" (Xinhua, April 22, 2006)

According to Indonesian Military (TNI) Chief Air Marshal Djoko Suyanto, the United States agreed to provide technical assistance required by the three littoral states (Indonesia, Malaysia and Singapore) to help secure the Malacca Straits. Indonesia will soon be provided an early warning system which will be installed at several points along its territory on the waterway and on maritime patrol aircraft (MPA). Furthermore, the U.S. also agreed to exchange information with the three littoral states on various matters relating to the Malacca Straits.

April 25 "Suicide bomber attacks Sri Lanka army headquarters" (BBC News, April 25, 2006)

There was a suicide bomb attack at Sri Lanka's army headquarters on April 25, killed at least eight people. The head of Sri Lanka's military, Lt. General Sarath Fonseka was seriously injured in the attack. Military officials blamed the Tamil Tigers for the blast and launched retaliatory air strikes against the insurgent's bases in the east. The suicide bomber is believed to be a woman who made herself pregnant to hide the explosives.

1.2 Military security

April 3 "Pakistan to purchase planes from China" (The News International, April 3, 2006)

Pakistan announced on April 3 that it will purchase the state-of-the-art F-10 (Jian-10) multi-role fighter-bomber from China. Although the exact number of aircraft has yet to be announced, enough aircraft will be purchased to accommodate two squadrons, according to some analysts. While the F-10 is a Chinese-made aircraft modeling after the Russian-built Sukoy-30 multi-role fighter-bomber, its avionics and weapon systems are believed to be based on French and Israeli technology. Sukoy-30 aircraft is thought to be Russia's countermeasures to the U.S. built F-16. Pakistan is expected to decide whether to buy the F-16 from the U.S. in July.

April 4 "France to deploy aircraft carrier off Pakistan for military support in Afghanistan" (The Dawn, April 4, 2006)

France will deploy a nuclear-powered aircraft carrier, Charles de Gaulle off Pakistan to support military operations in Afghanistan from May 5-25. The French Chief of the Defense Staff General Henri Bentegeat said the country decided to deploy the aircraft carrier due to an expected increase in militant attacks as the melting snow of this season on high mountain makes them easier to conduct any attacks. From the Charles de Gaulle carrier, about 20 reconnaissance and combat aircraft will operate in Afghanistan via Pakistani airspace. (The Charles De Gaulle participated in Indo-French joint naval exercise from March to mid-April.)

April 4 "Bangladesh procures Chinese-made fighter aircraft" (Xinhua, April 4, 2006)

On April 4, Bangladeshi Prime Minister Khaleda Zia presented at a ceremony to inaugurate eight of Chinese-made F-7 BG fighter aircraft into the Bangladesh Air Force. Bangladesh has bought from China 16 F-7 BG fighter aircraft with maximum speed of more than 2,000 km per hour. The remaining eight are yet to be delivered. At the ceremony, Zia expressed her appreciation to China for its cooperation in strengthening Bangladesh Armed Forces and the country's economic development.

April 5 "U.S. reveals its nuclear plan" (Los Angeles Times, April 6, 2006)

The Bush administration unveiled its first major plan to restructure the U.S. nuclear infrastructure since the end of the Cold War, including restoration of a bomb manufacturing capacity. The Los Angeles Times of April 6 reports as below:

- (1) The plan was revealed by Thomas D'Agostino, head of nuclear weapons programs at the National Nuclear Security Administration, a part of the Energy Department, at the House Armed Services Committee held on April 5. Under the plan, all the U.S. plutonium will be consolidated into a single facility and the capability to manufacture nuclear bombs will be 125 per year by 2022 from the current zero. The United States built its last nuclear weapon in 1989 and last carried out underground nuclear test in 1992.
- (2) The plan aims at securing the U.S. nuclear infrastructure from terrorist attacks at a lower cost as well as replacing its aging stockpiling of nuclear weapons.
- (3) There have been arguments for and against among the U.S. Congressional members. Some point out that the bomb production schedule will be not enough to replace the aging nuclear arsenal, while others say the program is not necessary because it may set off a global arms race and further undermine the Nuclear Non-Proliferation Treaty (NPT).

Statement of Thomas P. D'Agostin on April 5:

[http://www.nnsa.doe.gov/docs/congressional/2006/2006-04-05_HASC_Transformation_Hearing_Statement_\(D'Agostino\).pdf](http://www.nnsa.doe.gov/docs/congressional/2006/2006-04-05_HASC_Transformation_Hearing_Statement_(D'Agostino).pdf)

April 6 "Multinational military exercise starts off Australian northern waters" (Xinhua, April 6, 2006)

A three-day multilateral exercise named "Pacific Protector 06" started on April 6 off Darwin, Australia's north coast. Six countries participated in the exercise and another 20 countries sent delegates or observers. The exercise is part of the US-led Proliferation Security Initiative (PSI) and is designed to promote interoperability in interdiction operations. The PSI aims to prevent smuggling of narcotics, weapons of mass destruction, or any other illegal materials by air or sea. The PSI has sparked debate in many Asian countries, viewed as a potential threat to national sovereignty.

April 17 "U.S. Ambassador J. Thomas Schieffer discusses safety of nuclear warship with Japanese Foreign Minister Taro Aso" (Embassy of the United States, Japan, April 17, 2006)

On April 17, Japanese Foreign Minister Taro Aso and the U.S. Ambassador J. Thomas Schieffer held talk about the deployment of the U.S. nuclear-aircraft carrier.

Remarks by both sides are as follows:

1. Statement by Ambassador Schieffer

- (1) To replace the USS Kitty Hawk with the USS George Washington greatly improves the ability of the U.S. to contribute to the defense of Japan and to protect security interests of the U.S. and its allies in the region. The U.S. Government appreciates the Government of Japan's support in decisions of forward deployment of the USS George Washington to the Western Pacific, which is scheduled to arrive in Yokosuka in 2008.
- (2) As the U.S. Government explained in October 2005, after serious consideration of the request from the local community to replace the USS Kitty Hawk with a conventionally powered aircraft carrier, it reached a conclusion that the existing conventionally powered aircraft carriers are unsuitable for carry out the mission of the forward deployed naval force carrier in 2008 and beyond. The U.S. budget for fiscal year 2006 includes US\$14 million for the preparation of the USS George Washington to be forward-deployed to the Western Pacific to replace the USS Kitty Hawk.
- (3) The U.S. Government understands well the concerns expressed by Japanese citizen, especially local host community about the safety of Nuclear-Powered Warships (NPWs). The U.S. Government is committed to cooperate together with the Government of Japan to address these concerns. For this reason, the U.S. Government has drawn up a Fact Sheet on U.S. Nuclear Powered Warship Safety to get better understand about the outstanding performance record and the safety features of the U.S. NPWs. (* See p.8)

2. Statement by Taro Aso

- (1) The Government of Japan appreciates the commitment by the U.S. Government to the defense of Japan and the maintenance of peace and stability of the region, as well as the efforts made by the U.S. Government to respond to the concerns of Japanese citizen, especially people in the local host community.
- (2) The Government of Japan considers the fact sheet on the U.S. nuclear-powered warships is quite effective in promoting the local host community's understanding. The Government of Japan would also like to ask for the U.S. Government's continuing cooperation.
- (3) The Government of Japan supports the decision of the U.S. Government to replace the USS Kitty Hawk with the USS George Washington which will be forward-deployed to the Western Pacific. The Government of Japan sees the U.S. Navy's presence including its aircraft carrier contributes to Japan's security. Therefore the security of Japan must not be undermined by replacing the USS Kitty Hawk with an aircraft carrier which does not meet the criteria of operational readiness and capability required of the U.S. Navy's forward-deployed aircraft carrier.

<http://tokyo.usembassy.gov/e/p/tp-20060417-73.html>

April 20 "India to station MiG-29 fighter-bombers at base in Tajikistan" (Hindustan Times, April 20, 2006)

India's first overseas military facility in Tajikistan will start its operation by the end of 2006. The India Air Force (IAF) will deploy a fleet of MiG-29 fighter-bombers at the airbase at Aini, which is 15 km from Dushanbe, capital of Tajikistan. This is a part of India's efforts to expand its influence to oil-rich Central Asia to handle its increasing energy demands. Currently three hangers are under construction at Aini, two of which will accommodate 12 of the MiG-29 that the IAF will deploy for varying periods. The IAF trains the Tajikistan Air Force's personnel under a defense cooperation agreement concluded in April 2002. The Tajikistan Air Force will use the third hanger. The IAF also plans to deploy trainer aircraft at Aini. The Indian defense ministry declined to comment on the matter, however, planners of the defense ministry said the base would provide India with a "longer strategic reach" in Central Asia and help secure its oil resources. India's energy demands are estimated to double by 2010 from the current 1.9 million barrels to around four million barrels per day. Accordingly, India has sought alternative fuel resources in Central Asia. India's diplomatic thrust into central Asia has also been triggered by the region's security realignments. The conflict of interest in the area between Russia (India's Cold War ally), the U.S. (India's new "strategic partner") and China is serving as driving forces in India's "forward" Central Asian policy.

April 21 "Defending territorial waters with warm heart" (PLA Daily, April 21, 2006)

There are pictures of the PLA Force defending Yong Shu Reef in the Spratly Islands.



April 24 "Pakistani Admiral takes command of Combined Task Force" (American Forces Information Service, April 24, 2006)

Pakistani Rear Admiral Shahid Iqbal received command of Combined Task Force 150 (CTF150) from Dutch Commodore on April 24. The CTF150 is organized of warships from the U.S., France, Germany, the U.K., Netherlands, Australia, New Zealand, Canada, Spain, Italia, Turkey and Portugal. Japan has provided logistical support activities since 2001, in accordance

with the Antiterrorism Special Measures Law. The CTF150 patrols the waterways of the Middle East from the Gulf of Oman to the southern border of Kenya, including the Red Sea as part of efforts in the war on terrorism. It extends out to Pakistan's border with India. Pakistan is the first regional country to command the CTF150 and will command the force for the next six months.

April 27 "China, Vietnam kick off joint navy patrol in South China Sea" (Xinhua, April 27, 2006)

The navies of China and Vietnam started their joint patrol in the Beibu Gulf in the South Chian Sea on April 27. The implementation of the joint patrol is based on the agreement signed by Defense Ministers from the two countries in October 26, 2005. It is the first time for the Chinese navy to patrol jointly with a foreign navy.

April 28 "U.S. signed agreement on military bases in Bulgaria" (The Dawn, April 28, 2006)

The United States signed an agreement on April 28 to set up three military bases in Bulgaria. Under the agreement, the U.S. will station 2,500 soldiers on short rotations to Bulgaria. The 10-year deal includes the Bezmer airfield and Novo Selo firing range, both of which are near the border between Bulgaria and Turkey, and the Graf Ignatievo airfield in central Bulgaria. The U.S. forces are also allowed to have access to a storage facility near the Bourgas port. The total number of soldiers can double on short notice during rotations every six-month. The first troops are likely to arrive next year. Under the deal, the U.S. may launch attacks to third countries from the Bulgaria bases after consulting Bulgarian authorities.

***Fact Sheet on U.S. Nuclear Powered Warship Safety**

The fact sheet released by the U.S. Government is a document composed of the following 11 chapter:

1. Commitments of the U.S. Government about the Safety of U.S. NPWs
2. Naval Reactor Plant Design
3. Naval Reactor Operation
4. Radiation Exposure to U.S. Personnel Associated with NPWs
5. Waste Disposal and Maintenance
6. Impact on the Environment
7. Environmental Monitoring
8. Emergency Preparedness - Defense in Depth
9. Potential for Release of Radioactivity during a Highly Unlikely Accident Scenario
10. Emergency Planning
11. Indemnity

The below is the full excerpt of chapter 1. Commitments of the U.S. Government about the Safety of U.S. NPWs:

1. Commitments of the U.S. Government about the Safety of U.S. NPWs

U.S. Nuclear Powered Warships (NPWs) have safely operated for more than 50 years without experiencing any reactor accident or any release of radioactivity that hurt human health or had an adverse effect on marine life. Naval reactors have an outstanding record of over 134 million miles safely steamed on nuclear power, and they have amassed over 5700 reactor-years of safe operation. Currently, the U.S. has 83 nuclear-powered ships: 72 submarines, 10 aircraft carriers and one research vessel. These NPWs make up about forty percent of major U.S. naval combatants, and they visit over 150 ports in over 50 countries, including approximately 70 ports in the U.S. and three in Japan.

Regarding the safety of NPWs visiting Japanese ports, the U.S. Government has made firm commitments including those in the Aide-Memoire of 1964; the Statement by the U.S. Government on Operation of Nuclear Powered Warships in Foreign Ports of 1964; the Aide-Memoire of 1967; and the Memorandum of Conversation of 1968. Since 1964 U.S. NPWs have visited Japanese ports (i.e., Yokosuka, Sasebo and White Beach) more than 1200 times. The results of monitoring in these ports conducted by the Government of Japan and the U.S. Government, respectively, demonstrate that the operation of U.S. NPWs does not result in any increase in the general background radioactivity of the environment. The U.S. Government states that every single aspect of these commitments continues to be firmly in place.

Particularly, the U.S. Government confirms that all safety precautions and procedures followed in connection with operations in U.S. ports will be strictly observed in foreign ports, including Japanese ports. Also, the U.S. Government notes here that its commitments are supported by concrete measures that ensure the safety of U.S. NPWs and that are continuously being updated and strengthened.

<http://toyo.usembassy.gov/e/p/tp-20060417-72.html>

🌀 From the Overseas Arguments 🌀

The United States, an Extensive Buildup of Military Forces in Asia

The Washington Times of April 20 runs an article titled “U.S. builds up military forces, with eye on China” written by Bill Gertz. It reveals the result of three-month investigation conducted by the Washington Times, including interviews with senior Bush administration officials, with regard to the Pentagon’s plan to extensively build up its military forces in Asia as part of a covert strategy, aiming at hedging (or defeating) China. The article illustrates as follows:

- (1) The key architect of the “hedge” strategy is Defense Secretary Donald H. Rumsfeld. The State Department's key person on the strategy is Deputy Secretary of State Robert B. Zoellick, who has taken charge of three rounds of strategic talks with China. U.S. President George W. Bush has approved elements of the first phase of the strategy in recent months. According to a senior defense official involved in Asia policy, the rapid force transformation approved by Bush and Rumsfeld will take place in three to five years. The U.S. military buildup includes increase in deployments of aircraft-carrier battle groups, the conversion of Nuclear Ballistic Missile Submarine (SSBN) and the regular dispatch of bombing planes to areas near targets in China. Other U.S. activities called a “hedge” strategy against China include major-scale military exercises, strengthening of military alliances and training with Asian allies, relocation of Special Operation Force (SOF) to Asia and response to new needs for military personnel to learn Chinese.
- (2) Officials said the objective of the strategy in

Asia is to discourage China becoming a hostile power as well as to maintain military capability to defeat China rapidly in any conflicts by using military forces, which are forward-deployed in Asia, or military forces capable of moving on short notice from Alaska, Hawaii, California and other places. A key base in the Asia-Pacific region plan is the island of Guam because strategic bomber deployments in the island are capable of reaching targets across Asia within three hours. A total of US\$5 billion has been injected to upgrade the U.S. base at Guam for vessels, submarines and bombers.

- (3) Naval force enhancement is the main focus in the plan of the U.S. military buildup. The navy, for example, is reorganizing operating methods of aircraft-carrier battle groups in a manner that will double their ability to project power. Once transformed in the next two to three years, deployment of four carrier battle groups at one time in Asia is expected to be possible. At the moment, only two carriers are deployable on short notice. Other planned naval enhancement in Asia include the deployment to Guam of attack submarines and the addition of two SSBNs that will be converted to be equipped with up to 150 cruise missiles. The SSBN will also play a role in moving SOF personnel covertly to conflict areas in Asia. In addition, the Pentagon is considering the deployment of the 1st Special Operations Group to Japan.
- (4) Planned air force buildup in Asia includes such projects as upgrading Anderson Air Force Base in Guam, which will be the base

for rapid deployment of strategic bombers including B-2 and B-1 bombers. The Pentagon officials said that the bomber forces outfitted with precision-guided bombs such as cruise missiles are “creating a capability that is exponentially more powerful in a new location.” The bomber forces are already within the range of North Korea. Moreover, the Pentagon plans to build a new long-range strategic bomber in the next 15 years, which will have the capability to carry out deep attacks in inland Asia.

- (5) The U.S. ground forces’ role in the Asia strategy is to include a realignment of forces in the Western United States, Japan and Guam. The Pentagon plans to relocate the headquarters of the Army’s I Corps from the current Fort Lewis, Washington, to Japan. Some Marines stationed in Okinawa including the headquarters element are also expected to move to Guam as a force realignment of the U.S. forces in Japan. Relocation of the headquarters personnel to Guam will also have the benefit of protecting the headquarters against a fatal missile attack from China or North Korea.

1.3 Diplomacy and International Relations

April 5 "Rice refers to the U.S.-India Civilian Nuclear Cooperation Agreement" (U.S. Department of State, April 5, 2006)

At the House International Relations Committee on April 5, U.S. Secretary of State Condoleezza Rice called for the support to amend the Atomic Energy Act of 1954 to realize the U.S.-India Civil Nuclear Cooperation Initiative that had been agreed at a top-level meeting in March. At the opening remarks of the Committee, she illustrated the following merits to promote the U.S.-India cooperation by amending the legislation:

- (1) The amendment will deepen the U.S.-India strategic partnership.
- (2) The U.S.-India initiative strengthens energy security.
- (3) Clean nuclear energy is environmentally-friendly. Moreover, the U.S.-India initiative will produce about 3,000 to 5,000 new direct jobs and about 10,000 to 15,000 indirect jobs within the U.S.
- (4) The initiative strengthens the international nuclear nonproliferation regime in general. This agreement brings India into the nonproliferation framework.

Meanwhile, Rice tried to convince critics of the agreement by stressing the differences between Iran, North Korea and India as follows:

- (1) The U.S.-India initiative does not complicate U.S. policies towards nations such as North Korea or Iran.
- (2) Iran and North Korea violate their IAEA obligations, whereas India allows IAEA inspections and seeks peaceful international cooperation.
- (3) While Iran and North Korea are closed non-democratic societies, India is an open democratic society.

She called for the members of the Committee to support the U.S.-India Initiative, saying the U.S.-India civil nuclear cooperation initiative is a strategic achievement. "It's good for America, it's good for India and it's good for the international community."

(<http://www.state.gov/secretary/rm/2006/64136.htm>)

April 5 "China to enhance cooperation with the Pacific island countries" (Xinhua, April 5, 2006)

Chinese Premier Wen Jiabao attended the first Ministerial meeting of the China-Pacific Island Countries Economic Development and Cooperation Forum held in Fiji on April 5. He said the forum is a landmark event in the relationships between China and Pacific island countries and will be a model for South-South cooperation, stressing that it is not a diplomatic favor, but a strategic decision for China to promote friendship and cooperation with the Pacific island countries. He said that China will take measures for the economic development of Pacific island countries such as financing 3 billion yuan of preferential loans over the next three years and abolition of tariffs on exports to China from the least developed countries in the region that have

diplomatic ties with China. At the forum, 17 cooperation agreements and documents were signed. The participant countries are the Cook Islands, Fiji, Micronesia, Niue, Papua New Guinea, Samoa, Tonga and Vanuatu. Representatives from Australia and New Zealand also attended the forum.

(Note: Pacific island countries having diplomatic ties with Taiwan, namely Palau, Kiribati, Tuvalu, Nauru, Solomon Island and Marshall Islands did not participate in the meeting.)

April 10 "Myanmar to resume its diplomatic ties with North Korea" (The International Herald Tribune, April 11, 2006)

An official from Myanmar's Foreign Ministry said on April 10 that the country has decided to reopen diplomatic ties with North Korea after more than 20 years rupture since North Korea staged a bomb attack in Yangon in 1983. An official announcement will be made after its ambassador to Pyongyang is named. Analysts said Myanmar expects aims supplies to circumvent Western sanctions, while North Korea looks for Myanmar's offshore natural gas reserves.

April 11 "SAARC may be a potential playground for power games among big powers" (PINR, April 17, 2006)

The member countries of the South Asian Association for Regional Cooperation (SAARC) agreed in principle to admit the U.S. and South Korea as observers. This was made at the Standing Committee held in Dhaka from April 10-11. This move comes against the background of the earlier decision taken during the summit meeting in November 2005 to bestow a similar status to China and Japan. It is said that the European Union has also expressed interest in a similar status.

The SAARC is made up of seven South Asian countries: India, Pakistan, Bangladesh, Sri Lanka, Nepal, Bhutan and Maldives. The progress of regional cooperation has been slow partly due to India-Pakistan conflicts. Besides, currently the SAARC accounts for less than five percent of global trade compared to the 22 percent share by ASEAN. Why does the SAARC attract extra-regional powers under these circumstances? It seems the incentives are not economic, but the political considerations. They seek to expand their overall influence across South Asia by being a part of the organization. They chose an observer status because they can not become an official member for geographical reasons. It won't be surprising if Russia also shows interest in the future. After all, The SAARC has emerged as the new ground for all big powers to play their power game. While all of them are big economic powers, each of their political considerations are different and they often become competitive. Especially, the presence of China makes the SAARC a potential field for playing power politics games. While the involvement of these extra-regional powers may contribute to the economic development to the each country of the region, it will also entail a new conflict in South Asia.

(This is the essential points of "S.A.A.R.C.: A Potential Playground for Power Politics" by Dr. Sreeradha Datta, the Institute for Defense Studies and Analyses, India)

April 20 "U.S., China leaders hold talks in Washington" (The White House HP, April 20, 2006)

At the White House on April 20, the U.S. President George W. Bush had talk with Chinese President Hu Jintao who had been on a visit to the U.S. After the meeting, both leaders stated as follows:

PRESIDENT BUSH: We've just had yet another constructive dialogue.

China has important relations with the United States. We obviously have commercial relations that are important. We're working on issues like Iran and Sudan. We've got a mutual interest in seeing that the Korean Peninsula is nuclear weapons-free. We spent time talking about Taiwan, and I assured the President my position has not changed. I do not support independence for Taiwan.

We don't agree on everything, but we're able to discuss our disagreements in a spirit of friendship and cooperation. So it's a very important relationship.

PRESIDENT HU: (As translated.) President Bush and I had an in-depth exchange of views on the Chinese-U.S. relationship and major, regional, as well as international issues of mutual interest.

We have reached important agreement at the meeting. We both agreed that under the new circumstances, given the international situation here, that China and the United States share extensive, common strategic interests and there is a broad prospect for the mutually beneficial cooperation between the two countries. A good China-U.S. relationship is of strategic significance to the maintenance and promotion of peace, stability and development in the Asia Pacific region and in the world at large.

We both agreed to view and address the bilateral relationship from a strategic and long-term perspective, and we both agreed to comprehensively move forward the constructive and cooperative China-U.S. relationship in the 21st century, to the benefits of the Chinese and American peoples, and peoples around the world.

And during the meeting I stressed the importance of the Taiwan question to Mr. President. Taiwan is an inalienable part of Chinese territory, and we maintain consistently that under the basis of the one China principle, we are committed to safeguard peace and stability in the Taiwan Straits. This being said, we will by no means allow Taiwan independence.

(<http://www.whitehouse.gov/news/releases/2006/04/20060420-1.html>)

April 20 " Wall Street Journal interviews with Taiwan President Chen" (The Wall Street Journal Asia, April 20, 2006)

Taiwan President Chen Shui-bian spoke in an interview with the Wall Street Journal on April 20, noting as follows:

“In the military dimension, China has deployed more than 800 missiles targeting Taiwan, and that arsenal is still increasing by 100 to 125 per year.

China's growing influence in all of the above-mentioned areas underscores the complexities confronting Taiwan and others in Northeast Asia. For Taiwan, the situation has become antagonistic and has created an incremental change of the status quo in the Taiwan Strait that my government can not afford to ignore.

While we may not be able to curb this trend completely, we still strive to maintain a peaceful status quo in the Taiwan Strait. As the president of Taiwan, it is my responsibility to find viable ways to prevent this trend from tilting further to the detriment of the interests of Taiwan's people. Taiwan also has an interest in helping to maintain a strategic balance in northeast Asia and safeguarding the cross-Strait status quo, thus ensuring our democracy, freedom, human rights and economic prosperity.

I must point out that it is China -- not my government -- that is determined to alter the status quo in the Taiwan Strait and Northeast Asia. Since regional security responsibility is shared by all involved, Taiwan is willing to cooperate with Japan, the U.S. and even China to seek a peaceful solution.

Taiwan is prepared to be a "responsible stakeholder" and "a defender for democracy, freedom and peace" in the international system and supports U.S. efforts that encourage China to rise to these standards as well.”

April 27 "India and Uzbekistan sign seven agreements" (Khaleej Times, April 27, 2006)

Indian Prime Minister Manmohan Singh signed seven accords with his Uzbekistan counterpart on April 27. This came to realization during Singh's visit to Uzbekistan. The agreements include the fields of energy, education, business and mineral prospecting. This is a significant stride for Indian's energy diplomacy. Uzbek President Karimov said he would offer India joint oil exploration blocks on a 50-50 basis.

1.4 Resources, Environment and Others

April 3 "China is to build huge tankers" (The Standard, April 3, 2006)

China's largest carrier of crude oil, China Shipping Development has ordered eight new tankers to handle increasing energy demand in China. A shipbuilder Dalian Shipyard will build four 298,000 deadweight tonnes very large crude carriers (VLCCs), which will be used for the

transportation of crude oil. The first VLCCs will be delivered in June 2009. Another shipbuilder Guangzhou Shipyard will build the rest of four 42,000 deadweight tonnes tankers, which will carry crude oil and product oil. The first of the tanker will be delivered in October 2007 and the remaining three will be delivered between December 2008 and November 2009. The orders are part of China's plan to increase its fleet of VLCCs to 12 by 2010 from two at the end of 2005.

April 3 "China is to buy uranium from Australia" (The International Herald Tribune, April 4, 2006)

On April 3, Australia and China signed an agreement on permitting Beijing to buy Australian uranium for nuclear power stations use. The agreement signed by both foreign ministers ensures that Beijing does not divert Australian uranium into its nuclear weapons program.

April 4 "Australia sells uranium to not only China, but Taiwan" (Financial Times, April 4, 2006)

Two Australian mining firms have signed contracts to sell uranium to Taiwan via the U.S. in 2005, which was for atomic power plant use. While the news revealed the following day after China and Australia signed a similar agreement, there have been no complaints from Chinese side yet.

April 18 "CNOOC is to make a big investment in gas, oil exploration" (Xinhua, April 19, 2006)

On April 18, the China National Offshore Oil Corporation (CNOOC) announced to invest 100 billion yuan (US\$12.5 billion dollars) in gas and oil exploration over the next five years. CNOOC will have a capacity to produce more than 50 new gas and oil fields by 2010, 24 of which are now under construction and 13 are under development assessment. The new fields are mainly situated in East China's Bohai Sea, the Pearl River estuary and the Beibu Gulf in the South China Sea. CNOOC aims to increase its production capacity of 50 million tons of oil equivalent, including 38 million tons of crude oil and 12.6 billion cubic meters gas by 2010.

April 19 "Taiwan plans to develop its first offshore field" (OIL&GAS JOURNAL, April 19, 2006)

Taiwan's state-owned Chinese Petroleum Corp. (CPC) plans to launch production from its first offshore field in the Taiwan Strait west of Kaohsiung in 2009-10. The gas field in the Taiwan trough 100 km offshore in 120 meter depth of water is estimated to contain 240 bcf of gas. The gas field was discovered few years ago but gas prices were too low to go ahead for development. A platform will be connected by undersea pipeline to processing at Yungan facilities and will expect commercial production for up to 10 years.

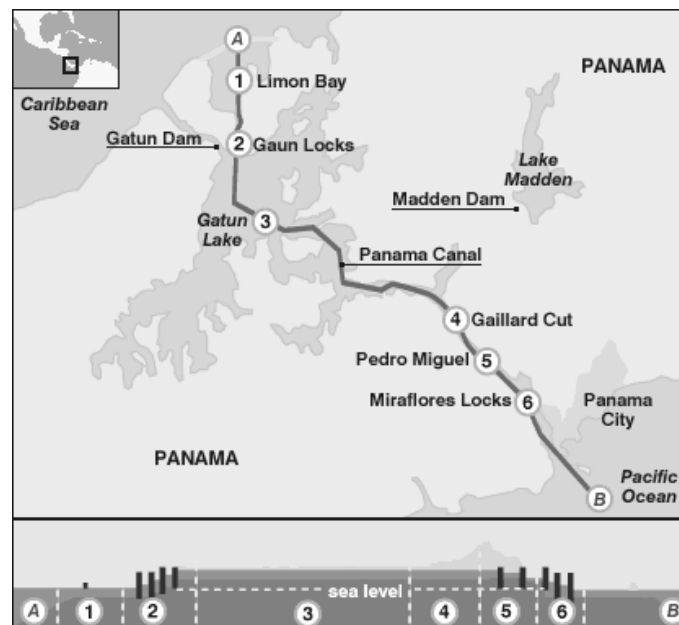
April 25 "Panama plans to widen Panama Canal" (BBC News, April 25, 2006)

Panama announced its ambitious plan to widen the Panama Canal with US\$5.3 billion funds.

Panamanian President Martin Torrijos said the plan was “the most important decision about the canal and its role in the 21st century,” describing the project as a “formidable challenge” but necessary in order to keep the canal as a key route for global cargo. Later this year, this plan is to be put to a referendum.

(Note: Current state of the Panama Canal)

- (1) The canal handles an estimated five percent of global trade.
- (2) The main shipped goods are oil products, grains and container cargo.
- (3) In 2005, the canal handled 14,000 transits and shipping 200 million tons of cargo.
- (4) More than 40 percent of shipping from Asia to the east coast of the U.S. passes through the canal.



Source: BBC News, April 25, 2006

April 26 "China, Nigeria reached oil agreement" (BBC News, April 26, 2006)

China and Nigeria agreed on oil deal during President Hu Juntao’s visit to the African nation. China got four oil exploration licenses, two of which are located in the Niger Delta and the others are located near the border with Chad where no oil has been produced. In return, China will invest US\$4 billion to develop infrastructure in Nigeria, including the construction of oil refinery, railroad and power stations.

April 28 "China signs oil exploration agreement with Kenya" (The Dawn, April 28, 2006)

Chinese President Hu Jintao wrapped up his five-nation tour in Kenya. He signed an agreement with Kenya on acquiring offshore oil producer exploration rights in the country. No further details were released on the agreement.

2. Intelligence Assessment

What is meant by Beijing Leaders' Round of Visits to Foreign Countries

On the diplomatic and international relations front, Chinese government leaders' round of visits to the U.S., Asian, South Pacific and African countries are the notable events this month. Chinese President Hu Jintao visited five countries, namely the U.S., Saudi Arabia, Morocco, Nigeria and Kenya from April 18 to 29. Hu and his American counterpart, George W. Bush, held a summit meeting on April 20 during Hu's U.S. visit. Then, Hu flew to call on Saudi Arabia and three African countries. In the meantime, Chinese Premier Wen Jiabao made a tour of New Zealand, Australia and Cambodia, following participation in the first Ministerial meeting of the China-Pacific Island Countries Economic Development and Cooperation Forum held in Fiji on April 5. Chinese Defense Minister Cao Gangchuan visited the five countries of North Korea, Malaysia, Singapore Vietnam and South Korea from April 5 to 19. Three Chinese leaders visited a total of 14 countries this month.

The recent round of visits by Chinese government leaders is of great importance from three view-points: first, China-U.S. relations; second, China-Taiwan relations; and third, Chinese energy diplomacy. All the countries they visited this time are highly relevant to these three points. Based on these three standpoints, China's purpose of the round of visits by the three leaders is studied in depth here.

1. China-U.S. relations – Result of the Summit Lack of Concrete Achievements

(1) Contents of the Bush-Hu summit

U.S. President George W. Bush and Chinese President Hu Jintao, on a visit to Washington, had talks on April 20, following a welcoming ceremony held on the White House South Lawn. The website of the White House introduces their statements as follows:

At the ceremony, Bush welcomed “the emergence of a China that is peaceful and prosperous, and that supports international institutions,” saying the two countries share many strategic interests as stakeholders in the international system. Bush said he and Hu would discuss how the two countries could cooperate to handle common threats as well as how to advance such common interests.

In response, President Hu said he has come to “promote the all-around growth of constructive and cooperative China-U.S. relations in the 21st century.” (Here his speech was interrupted for about three minutes by a Chinese woman. This will be described in detail later) Immediately after the interruption, Hu resumed his speech. He reviewed Beijing-Washington historic ties, citing the

common struggle against fascist aggression over 60 years ago. However, he did not touch on the Korean War, in which both countries fought against each other. He said the two countries shared important common strategic interests in a broad range of issues and emphasized that the win-win China-U.S. economic cooperation has served as an important foundation of the relations between the two countries. He added that his country was prepared to cooperate with the U.S. to yield mutual benefits.

(<http://www.whitehouse.gov/news/release/2006/04/20060420.htm>)

In a joint press briefing after their meeting, the presidents stated as below:

At the opening of the briefing, Bush said that they had had constructive dialogue, stating “We’re working on issues like Iran and Sudan. We’ve got a mutual interest in seeing that the Korean Peninsula is nuclear weapons-free.” As for the Taiwan issue, Bush reaffirmed his stance that he does not support Taiwan independence. Also, Bush commented that while the two sides do not agree on everything, they can discuss their disagreements in a spirit of friendship and cooperation.

Hu said that the two countries had had an in-depth exchange of views on China-U.S. relationship and major regional and global issues of mutual interests. He said both sides had agreed that, under the current international circumstances, they share extensive, common strategic interests and there is a bright prospect for mutually beneficial cooperation. He stated that they had also reached agreement on viewing and addressing the bilateral relations from a strategic and long-term viewpoint, and on developing the constructive and cooperative China-U.S. relationship in the 21st century. Concerning the Taiwan issue, Hu reaffirmed his stance that he by no means allows Taiwan independence, as Taiwan is an inalienable part of Chinese territory and China is committed to safeguard peace and stability in the Taiwan Straits under the basis of the one China principle. On the economic front, Hu said they had agreed to work together to foster the development of Beijing-Washington economic ties and trade on the basis of seeking win-win outcomes. He also said that the two sides had agreed to make continuous efforts to resume the six-party talks for the North Korea issue and to seek a peaceful resolution for Iranian nuclear issue.

(2) Feature of the China-U.S. meeting

- ① This is the sixth China-U.S. summit meeting since November 2005. This time, however, no joint statement was released and no outstanding concrete results were achieved, either, such as the March case when the U.S.-India Civil Nuclear Cooperation Initiative was agreed. Rather, what caught attention this time were the discussions on how the visit of the Chinese President should be treated – as a state visit or an official visit, along with occurrences and diplomatic gaffes made by the U.S side at the welcoming ceremony.
- ② Ahead of Hu’s trip to the U.S., the Chinese side had asked for state-guest treatment. In fact, Hu was not treated as a state guest by the U.S. side, although he achieved a guest-of-honor

treatment, such as being given the twenty-one gun salute, a formal White House luncheon (although he didn't get a state dinner), and lodging at Blair House, the president's official guest house. It is said that Bush is no fan of formal occasions. In fact, over the past five years, he has been host to only five countries – India, Mexico, the Philippines, Poland and Kenya. As it turned out, in diplomatic relations with the U.S., China lags behind India's Prime Minister Shingh, who had visited Washington as a state guest in July 2005. On the other hand, former U.S. President Clinton treated then Chinese President Jiang Zemin as a state guest during his visit to Washington in 1997. According to Michael Green, a professor at Georgetown University and a former Director for Asian Affairs of US National Security Council (NSC), in many ways the most important matter for the visit of the president of China to the U.S. is protocol. He assessed 80 percent of the negotiations in advance of a Chinese leader's trip to be about protocol largely due to Chinese concerns over its domestic TV audience. He said "The Chinese public, especially out in the provinces, needs and wants to see their leader being shown the fullest respect." While a White House spokesman called Hu's trip a mere "visit" without using the term "state," a Chinese spokesman insisted, "President Hu's visit is at the invitation of President Bush. And it is a state visit." (The New York Times, April 10, 2006)

- ③ There were some incidents during the welcoming ceremony: about a three-minute interruption of Hu's speech and diplomatic gaffes made by Washington. When introducing the national anthems at the ceremony, White House MC referred to China as "the Republic of China", which is the formal name of Taiwan, instead of Chinese official name "the People's Republic of China". On top of that, an ethnic Chinese woman, Dr Wang Wenyi, who is accredited as a journalist for a sect-run, Falun Gong publication "The Epoch Times," yelled at the Chinese President as he begun to deliver his speech. She shouted in both English and Chinese, "Stop the persecution of Falun Gong," disrupting Hu's address. Chinese TV stations did not broadcast this moment. White House officials said Bush later apologized to Hu for the mishap as a contingency. It is not clear whether the three-minute interruption was accomplished by design or accident, but Chinese Foreign Minister Li Zhaoxing who was accompanying Hu's U.S. tour, canceled an afternoon briefing. According to a delegation member speaking on condition of anonymity, the Chinese leaders were infuriated by the incidents. Furthermore, another gaffe was made before the close of the ceremony. Bush was shown on television as he grabbed Hu by his jacket when Hu was leaving the podium. (The New York Times, April 21, 2006)
- ④ Apart from economic fields, as a whole, no special progress has been made in the summit concerning several issues involving both China and the U.S., according to the U.S. side's general assessment of the outcomes of the Bush-Hu summit.
- ⑤ The New York Time of April 21 says the session "underscored the intractable nature of a long list of grievances between the world's richest country and its fastest rising rival." The Washington Post of the same day describes it as a "summit of symbols." The Post says while Hu had stressed the equality of the two countries during his visit, Bush had tried to get across to Hu that China is not all that equal to the U.S.

- ⑥ On the Chinese side, the outcome of Hu's recent U.S. tour was highly appreciated. Foreign Minister Li Zhaoxing told reporters aboard a plane on the way from the U.S. to Saudi Arabia that the China-U.S. summit was fruitful and of milestone importance to the China-U.S. relations. He pointed out the following:
- The United States appreciated Hu's remarks that Beijing-Washington relations have progressed beyond a bilateral relationship and have had more global influence and strategic significance than ever, that both nations were facing threats in the traditional and non-traditional security fields, and that both nations shared common strategic interests in promoting world peace.
 - Bush said that China was a key partner of the U.S. in safeguarding world peace and that the cooperation between the two countries was expanding and had gained more global significance.
 - China and the U.S. agreed to take joint measures to safeguard peace and stability across the Taiwan Straits. President Hu appreciated the U.S. for reaffirming their one-China policy and the three communiqués. Hu said fighting and containing "Taiwan independence" would help China and the U.S. share mutual strategic interests. President Bush said that he understood Beijing's concern about the Taiwan issue and that there was no change in the U.S. policy toward Taiwan.
 - On the economic front, Hu stressed that win-win economic and trade cooperation between the two countries would promote mutual interest. (During this U.S. visit, Hu often used the expression, "win-win relationship" as the keyword for China-U.S. economic relations) Li concluded that Hu's U.S. visit has achieved the goal of promoting dialogue, improving mutual-trust, strengthening cooperation and establishing the constructive and cooperative relations between the two countries.
(http://news.xinhuanet.com/english/2006-04/22/content_4462090.htm)
- ⑦ Taiwan President Chen Shui-bian spoke in an interview with the Wall Street Journal Asia on April 27. The following are his comments on the recent Bush-Hu summit in which the Taiwan issue had been discussed:
- Bush did not let China score points against Taiwan on the Taiwan issue during the summit meeting. Bush did not say anything to surprise Taiwan.
 - The Falun Gong issue reflects China's suppression of not only religious freedom but also human rights.
 - The gaffe of the White House MC identifying the People's Republic of China for the Republic of China is not a simple flub but a mistake being made because the "one China" concept confuses the international community.
 - There are big differences between China and the U.S. in their stance toward the Taiwan issue. While China "strongly opposes" Taiwan independence, the U.S. "does not support" its independence. (The Taipei Times, April 28, 2006)

2. China-Taiwan Relations – A Linchpin into Taiwan’s diplomatic sphere –

From the point of view of the China-Taiwan relations, it is noted that Chinese Premier Wen Jiabao made a visit to Fiji. On April 5, China chaired and Premier Wen Jiabao attended the First Ministerial Meeting of the China-Pacific Island Countries Economic Development and Cooperation Forum in Fiji, which is regarded as central among the Pacific island countries. The visit of the Chinese Premier to the area is the first case. The participant countries are the Cook Islands, Fiji, Micronesia, Niue, Papua New Guinea, Samoa, Tonga and Vanuatu, besides Australia and New Zealand, which both sent representatives. But Palau, Kiribati, Tuvalu, Nauru, Solomon and Marshall Islands, having diplomatic ties with Taiwan, did not attend.

Premier Wen Jiabao stressed at the Forum that to promote friendship and cooperation with the Pacific island countries was not a merely diplomatic favor, but a strategic decision of China, and at the same time he evaluated the Forum saying that the Forum was a landmark event in the relationships between China and the Pacific island countries and would be a new model for South-South cooperation. He announced China would take measures for the economic development of the Pacific island countries including ways to actualize the finance of 3 billion yuan of preferential loans over the next three years and to totally abolish tariffs on exporting goods to China from the least developed countries in the region. At the Forum, up to 17 cooperation agreements and documents were signed between China and the participant countries.

(http://news.xinhuanet.com/english/2006-04/05/content_4389316.htm)

At the summit between the United States and China, no substantial change in the Taiwan issue was observed, as Taiwan President Chen Shui-bian pointed out. China, prior to the summit, had made a move to garner a stake by means of long-term economic assistance into the South Pacific where there was an important diplomatic sphere for Taiwan. The South Pacific region has become a sphere of economic aid rivalry between China and Taiwan which are competing in seeking diplomatic relations. There are countries like Kiribati and Nauru, which alter their diplomatic relations depending on the aid they are offered. The recent Forum presided by China is seen as a strategic action of China in this respect. After the Forum, Premier Wen Jiabao called on Australia and New Zealand for the first time in eighteen years. These visits imply the Chinese aim to renew ties with both countries, which have a great influence over the South Pacific region.

Moreover, in late April, a riot occurred over the voting for the prime minister after the general election in the Solomons which has diplomatic relations with Taiwan. It is observed that there was a discord between China and Taiwan behind the disturbance in the Solomons. China dispatched chartered airplanes to evacuate about 500 ethnic Chinese inhabitants. Diplomats dispatched there were reproachful, saying that Taipei having diplomatic relations had done nothing for the local Chinese people, but only played such games as harmed them and put them in danger only for Taiwan’s own benefits. Taiwan’s ambassador to the Solomons rejected their

reproach, objecting that most of the local refugees were from Mainland China and did not want to go to Taiwan. The Solomons as well becomes a stage for the diplomatic influence of China and Taiwan. It is heard that there is a widespread rumor among ethnic Solomon Islanders that a bidding war between China and Taiwan has corrupted their government, although both Beijing and Taipei deny it. (The China Post, April 24, 2006)

3. Development of Energy Diplomacy – Increased U.S. Wariness –

(1) Destination of Three Chinese Leaders' Round of Calls and Energy Diplomacy

China is building up an enterprising energy diplomacy campaign. The three leaders' recent travel destinations were those countries essentially related to ensuring the supply of sources of energy and securing the transport routes.

First, Premier Wen Jiabao had a meeting with Australian Prime Minister John Howard on April 3, and reached an agreement on strengthening the two countries' economic relations including Australian's export of uranium to China.

After visiting the United States, Chinese President Hu, Jintao made state visits to the four countries of Saudi Arabia, Morocco, Nigeria and Kenya. Foreign Minister Li Zhaoxing, who accompanied the President, spoke at a press conference on April 29 about the significance of the President's tour to Arab-African nations.

- The President's tour achieved the desired goal of consolidating traditional friendship between China and the four nations, enhancing mutual trust and expanding mutually beneficial cooperation.
- President Hu emphasized during the four-nation visits that efforts should be made to push forward in all aspects a new type of strategic partnership between China and Arab-African nations featuring political mutual trust, economic mutual benefits, and mutual support in world affairs.
- China signed 28 accords among them covering a variety of fields such as politics, security, and energy.

(http://news.xinhuanet.com/english/2006-04/30/content_4492702.htm)

Saudi King Abdullah bin Abdul Aziz visited Beijing in January 2006 and the two countries signed an energy pact. Saudi is China's biggest oil supplier. The fact that the two countries' leaders made mutual visits within a few months indicates that China attaches a great deal of importance to Saudi Arabia. Sino-Saudi relations are extending beyond the energy sphere. China sells Saudi Arabia CSS-2 intermediate ballistic missiles. Trade between China and Saudi Arabia amounted to over US\$14 billion in 2005 making Saudi the biggest trading partner in the Middle East for China. (PINR, March 10, 2006*)

Chinese leaders' visits to African nations show that China is expanding energy diplomacy by

placing a priority on Africa. Besides such leaders' recent visits to the Middle East countries, in Africa as well China practices investment and provision of grants for exploiting energy and mineral resources in such countries as Algeria, Angola, Gabon, Sudan and Zambia. President Hu Jintao visited even in February 2004, Algeria, Gabon and Nigeria, the three African oil giants, and it is supposed that he now has a plan to visit them again this summer. In addition, in November 2006, a summit meeting of the China-Africa Co-operation Forum is to be held in Beijing. In Africa, six countries maintain official diplomatic relations with Taiwan: Swaziland, Malawi, Burkina Faso, Gambia, Sao Tome and Principe and Chad. China's diplomacy in Africa like the case of the South Pacific is suspect because China might intend to narrow Taiwan's diplomatic sphere.

On the other hand, Chinese Defense Minister General Cao Gangchun made a round of visits to the five countries of North Korea, Malaysia, Singapore Vietnam and the Republic of Korea from April 5 through 19. From perspectives of this monthly bulletin, Malaysia, Singapore and Vietnam, in addition to Cambodia, which Premier Wen had visited, are the countries along the transport routes for energy toward China. Although the defense minister's visits did not necessarily produce any particular fruit, strengthening of cooperative relations including the military aspect with these countries will have a significant meaning with regard to the "China's string of pearls strategy" to secure the transport routes. (See March 2006 Edition of the Monthly Bulletin)

(2) U.S. Wariness

The recent development of China's energy diplomacy is heightening the wariness of the United States. According to the Annual Report to Congress, "The Military Power of the People's Republic of China 2005" published by the U.S. Defense Department on July 19, 2005, China's dependence on the energy resources overseas is highly reflective of its strategy and policy formulation. The Pentagon urges China to accelerate expansion of its procurement of natural resources from Angola, Central Asia, Indonesia, and the Middle East including Iran, Russia, Sudan, and Venezuela as well as to increase investment of both the military presence overseas and ocean going naval forces to defend China's sea-lane for the transport of resources. Moreover, the "National Security Strategy of the United States of America" on March 16, 2006 describes China: (1) China keeps increasing its military power in a nontransparent manner. (2) China takes action as if it aims at seizing energy supplies around the world. (3) China supports resource-rich countries without considering the bad government or misbehavior of those regimes. The report points out that China holds some old ways of thinking. Saying so, the report states that the U.S. "strategy seeks to encourage China to make the right strategic choices for its people, while we will hedge against other possibilities." The United States hopes China to act as a responsible stakeholder as it becomes a global player.

Actually, China is actively making diplomatic efforts to secure exclusive access to the source of energy supply through aggressive aid and diplomatic campaign including military assistance.

Among the countries, anti-U.S. or tyrant countries like Sudan, Iran and Venezuela are included. At the last U.S.-China summit, the issues on Sudan and Iran were taken up, but no substantial agreement was reached. China is supplied 7% of its total oil by Sudan (that amounts to 60% of Sudan's total of exports). In return, China has provided Sudan military assistance with small firearms, helicopters, and tanks. The United States, the European Union, Japan and other western democracies have sought to impose United Nations sanctions on the Sudanese regime over its genocide against non-Muslim populations in Darfur region. However, China has opposed the move.

With Iran, with which antagonism against the United States is deepening over the issue of nuclear development, China is promoting relations as its needs for energy grow. Sino-Iranian relations: China has signed a US\$100 billion deal with Iran to import 10 million tons of liquefied natural gas over a 25-year period in exchange for a Chinese stake of 50 percent in development of Iran's southwestern Yadavaran oil field. China is said to show an interest in direct pipeline access to Iran via Kazakhstan. Iran, in July 2005, was approved to have an observer status together with India and Pakistan at the Shanghai Cooperation Organization. In spite of having made a commitment to prevent the proliferation of weapons of mass destruction, China has exported ballistic missile technology to Iran, and since the middle of 1980s, it has sold Iran cruise missiles called Silkworm (HY-2), C-180, and C-802. (PINR, March 10, 2006*)

Together with Russia, China has showed disapproval of the U.N. sanctions against Iran. Such Chinese relations with Iran have emerged as a cause of latent friction between the United States and China.

The relationship between China and the United States contains fundamentally both aspects of antagonism and cooperation. The development of the above mentioned energy diplomacy of China, with its "string of pearls" strategy to secure the sea-lanes coupled with the U.S. "hedge" strategy (See 1. 2 "From the Overseas Arguments" in the category of Military and security), inclines to gradually enhance the antagonism between the United States and China. It is necessary to continue to keep an eye on the way of China's energy diplomacy amidst surging oil prices as a key element to prognosticate whether China could become a responsible stakeholder in an international system.

* : PINR, March 10,2006

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