

U.S.-China Relations:

## A Familiar Pattern: Cooperation with a Dash of Friction

Bonnie S. Glaser  
Consultant on Asian Affairs

U.S. and Chinese diplomats shuttled to each other's capitals for consultations this quarter on a rich agenda of bilateral issues and regional and international security matters, including North Korea, Iraq, Libya, Iran, Taiwan, and curbing proliferation of weapons of mass destruction. The pace of China-U.S. military exchanges accelerated with visits to Beijing by the Chairman of the Joint Chiefs of Staff Gen. Richard Meyers, the holding of the Defense Consultative Talks, and a U.S. port call to Shanghai. At the same time, friction mounted on trade and human rights as the U.S. filed the first case against China at the World Trade Organization (WTO) and introduced a resolution condemning Chinese human rights practices for the first time in three years at the UN Commission on Human Rights in Geneva. The disputed presidential election in Taiwan captured attention and elicited concern in both Beijing and Washington, although their responses diverged considerably.

### **Active consultations on security issues**

There were several opportunities for Beijing and Washington to continue their high-level consultations on security matters of mutual interest this quarter. In January, Deputy Secretary of State Richard Armitage stopped in China on an Asian tour, where he held discussions with Chinese counterparts on Taiwan, international security, U.S.-Chinese military relations, North Korea, and the reconstruction of Iraq. In addition, Armitage briefed Chinese Defense Minister Cao Gangchuan on the possible impact on Asia and Europe of changes in U.S. force deployments as the U.S. reshapes its military to become more agile and better positioned to respond to possible 21<sup>st</sup> century contingencies.

Under Secretary of State John Bolton traveled to China in mid-February for the third round of China-U.S. consultations on strategic security, multilateral disarmament, and proliferation prevention. He and his MFA counterpart, Zhang Yesui, discussed the Proliferation Security Initiative (PSI) and Bush administration proposals to strengthen international nonproliferation networks, as well as regional security questions such as North Korea, Iran, Libya, and Pakistan. Bolton sought China's support in the expansion of PSI activities, including sharing intelligence and engaging in law enforcement on a global basis to interdict trafficking in weapons of mass destruction, related materials, and their delivery systems.

Not wanting to be viewed as thwarting global efforts to curb proliferation, the Chinese agreed to strengthen cooperation in information exchanges and emphasized their resolute opposition to proliferation of WMD, but demurred from endorsing the PSI. China's Foreign Ministry spokesman noted that although China understands the concerns of the PSI participant states regarding the proliferation of WMD and the means of delivering them and agrees with their anti-proliferation principles and goals, Beijing is skeptical about the legal basis for PSI interdiction and worried about the consequences that may ensue. Instead, China emphasized reliance on political and diplomatic means to resolve proliferation problems.

Bolton put a positive spin on China's lukewarm response and held out the possibility that U.S.-Chinese differences on PSI might be narrowed in the future. In a press conference he noted that the U.S. and China had cooperated in some interdiction efforts and expressed his expectation that such cooperation would continue in the future. In addition, Bolton said that the two sides had agreed to continue their dialogue on PSI. During the talks, the Chinese proposed that future rounds of their bilateral dialogue focus less on the immediate issues of proliferation and more on the bilateral strategic relationship. Bolton indicated U.S. willingness to broaden the agenda for the talks in the future and specifically agreed to include more discussion on U.S. missile defense plans.

The U.S. won China's support for a United Nations resolution banning proliferation of weapons of mass destruction by dropping a call for interdiction of ships at sea suspected of carrying such arms. China's UN Ambassador Wang Guangya had threatened to use the PRC's veto in the Security Council to block any U.S. draft resolution that included interdiction, arguing that stopping ships at sea violated international laws. "That nasty word, interdiction, has been taken out," Wang said at the UN in New York. "Now there is just a reference to prevention. So this is now okay with the permanent members."

Beijing and Washington coordinated closely in preparation for the second round of the six-party talks to address North Korea's nuclear weapons programs, which were held Feb. 25-28 in the Chinese capital. China's provision of about \$50 million in aid to North Korea, including heavy fuel oil and the promise of a glass factory, played an important role in inducing Pyongyang to attend. In advance of the talks, China pressed both Washington and Pyongyang to show greater flexibility and expended great effort to lay the diplomatic groundwork for the issuance of a joint statement at the close of the second round.

North Korea's last-minute demand that a statement include language asserting the existence of significant differences between Washington and Pyongyang that the other members of the six-party process would work to narrow undoubtedly frustrated Beijing, which was forced to abandon its plan to forge a joint statement and instead issued a chairman's statement. But the Chinese were equally perturbed by U.S. unwillingness to provide specifics about what it would offer in exchange for a North Korean commitment to completely, irreversibly, and verifiably dismantle its nuclear weapons programs. In a press conference following the close of the talks, Vice Minister Wang Yi, head of the Chinese delegation, pronounced the talks a success. He summed up progress achieved in

five areas: 1) promotion of the discussion on substantive issues; 2) making clear that coordinated steps would be taken to address the issues; 3) release of the first paper on the process of the six-party talks; 4) fixing the date and venue for the third round of the six-party talks; and 5) and agreement to set up a working group to better institutionalize the mechanism of the six-party talks.

### **U.S. files first WTO case against China**

United States Trade Representative Robert B. Zoellick stopped in Beijing in mid-February as part of a multi-nation tour intended to promote strategic dialogue on trade liberalization and global development. Zoellick exchanged views with the Chinese on global trade topics, leaving China-U.S. bilateral economic issues for the planned late April meeting of the U.S.-China Joint Commission on Commerce and Trade (JCCT). How to move ahead with the Doha Development Agenda of the World Trade Organization was at the top of Zoellick's agenda. In addition, there were discussions on trade facilitation, one of the four "Singapore Issues" that also include investment, transparency in government procurement, and competition policy.

In a press conference following his discussions with Vice Premier Wu Yi and Executive Vice Minister Yu Guangzhou of China's Ministry of Commerce, Zoellick highlighted China's strong commitment to the Doha agenda. He cited agriculture, manufactured goods, and services as areas in which the interests of China and the United States "overlap quite closely." Asked how China has performed in meeting the obligations it assumed upon accession to the WTO, Zoellick said that Beijing has demonstrated tremendous accomplishments with the reforms it has undertaken, but "still has important work to do." Areas in which the U.S. has persisting concerns about China's WTO compliance, according to Zoellick, include intellectual property protection, the use of value-added taxes in ways that are inconsistent with WTO rules, and the application of quotas and sanitary standards for agricultural imports.

In mid-March, under pressure from U.S. chip makers and Democrats who accused the Bush administration of not doing enough to protect American workers, the U.S. filed the first case against China at the World Trade Organization (WTO). The complaint alleges that China's tax policies violate global trade rules by penalizing foreign semiconductor producers. "The bottom line is that China is discriminating against key U.S. technology products, it's wrong, and it's time to pursue a remedy through the WTO," Zoellick said in a statement. U.S. exports of semiconductors to China are subject to a 17 percent value-added tax (VAT). China refunds part of that tax to firms producing semiconductors in China, effectively dropping the VAT rate on domestic products to as low as 3 percent. U.S. semiconductor exports to China were \$2.45 billion last year, according to the Commerce Department. They are the second-biggest U.S. export to China after soybeans. Filing a case at the WTO starts a 60-day consultation period. If the sides do not negotiate a settlement, the case goes to a dispute settlement panel for resolution. The process can take at least 18 months. China said it was puzzled by the U.S. complaint and agreed to hold discussions on the issue of drawing back the semiconductor value-added tax.

## **U.S. tables human rights resolution in Geneva**

Beijing and Washington censured each other's human rights practices this quarter in what has become an almost ritualistic release of their respective annual reports on the human rights situation in the United States and China. *The Country Reports on Human Rights Practices 2003* issued by the U.S. Department of State on Feb. 25 concluded that "although legal reforms continued, there was backsliding on key human rights issues during the year, including arrests of individuals discussing sensitive subjects on the Internet, health activists, labor protesters, defense lawyers, journalists, house church members, and others seeking to take advantage of the space created by reforms." Responding to U.S. criticism five days later, Beijing issued its report entitled *Human Rights Record of the United States in 2003*, which blasted the U.S. for its government crimes, racism at home and its "military aggression around the world."

To signal its displeasure with the setback in China's human rights behavior in the past year, Washington announced that it would introduce a resolution on China's human rights practices at the U.N. Commission on Human Rights (UNHRC) meeting in Geneva from March 15 to April 23. In the announcement of its plan to table a resolution, the U.S. claimed that the Chinese failed to meet their commitments made at the U.S.-China Human Rights Dialogue in December 2002 to allow the International Committee of the Red Cross to open a permanent office in China, permit regular visits by UN rapporteurs, conduct parole reviews for some political prisoners, and declare that minors are entitled to religious instruction. In addition, the U.S. charged that Beijing had not followed through on its stated intention to expand cooperation on human rights in 2003. By sponsoring the resolution, the U.S. said it hoped "to encourage China to take positive concrete steps to meet its international obligations to protect human rights and fundamental freedoms of the Chinese people."

Chinese officials had lobbied hard to dissuade Washington from seeking a resolution critical of Chinese human rights and reacted with indignation. China's Assistant Foreign Minister Shen Guofang summoned U.S. Ambassador Clark Randt to the Foreign Ministry to protest the U.S. decision. He insisted that China had made 'remarkable progress' in promoting human rights, citing as evidence the amendment of China's constitution a few weeks earlier at the 10<sup>th</sup> National People Congress session to include the protection of lawful private property rights and the respect and protection of human rights. In retaliation, Shen informed Randt that Beijing would immediately suspend the bilateral dialogue on human rights with the United States, declaring that the U.S. side would be "held responsible for any consequences." At the UNHRC meeting in Geneva, Chinese Ambassador Sha Zukang alleged that the U.S. submission of an anti-China resolution was motivated by "the need of general elections and has nothing to do with China's human rights."

Washington leaned hard on the European Union and its members this quarter to persuade the organization not to lift the 14-year arms embargo that was imposed on China following the June 1989 Tiananmen incident in which Chinese troops killed pro-democracy protestors. In response to appeals from Beijing, the EU agreed to consider a

review of the embargo, with France and Germany strongly arguing in favor of lifting the ban. The U.S. opposes an end to the embargo on three grounds: 1) it would send the wrong signal to a government that continues to resist democratic reform and violate its citizens' human rights; 2) it would enable China to boost its military capabilities and thereby further erode the military balance across the Taiwan Strait; and 3) it would increase the risk of the proliferation of sensitive technologies.

EU diplomats maintain that the consequences of lifting the embargo would be primarily symbolic since arms sales to China would still be barred under a separate code of conduct aimed at preventing weapons transfers to repressive regimes or unstable areas. This is a questionable assertion, however. Unlike the embargo, the code is not legally binding, and its political restraints might be insufficient to prevent some defense companies from proceeding with weapons sales.

### **Taiwan elections capture attention**

Beijing was elated after Chinese Premier Wen Jiabao's visit to the U.S. last December, during which President Bush publicly rebuked Taiwan President Chen Shui-bian for comments and actions that implied an intent to change the status quo, which the U.S. would oppose. The Chinese were convinced that Bush shared their assessment that Taiwan's leader was a troublemaker and his plan to hold a referendum was destabilizing and should be blocked. China's disappointment ran deep when statements by senior U.S. officials this quarter proved otherwise. When Taiwan released the wording of the referendum in mid-January, which was somewhat more judicious than had been expected, Secretary of State Colin Powell said that Chen had shown flexibility with the new questions and a White House spokesman said the United States neither supported nor opposed the new ballot issue. The following month, Powell told a U.S. Congressional committee that although the U.S. doesn't "really see a need for these referenda ... Taiwan is a democratic place, and if they choose to have a referenda, they can have a referenda."

In early February, Director of China's Taiwan Affairs Office Chen Yunlin visited Washington and urged U.S. officials to do more to rein in Chen. He complained about the inconsistency between President Bush's sharp rebuke of Chen's behavior and the more forbearing positions subsequently articulated by senior U.S. officials, including Deputy Secretary of State Armitage, with whom he had met in Beijing only a few days earlier. The following week, the Chinese again pressed Under Secretary of Defense Douglas Feith to use U.S. influence to compel Chen to back down and not hold the referendum. Noting that the matter was being handled through diplomatic, not military, channels, Feith focused instead on the destabilizing impact of China's missile buildup against Taiwan.

A similar theme was emphasized by Deputy Assistant Secretary of State Randall Schriver and his Pentagon counterpart, Deputy Assistant Secretary of Defense Richard Lawless, in testimony at a hearing held by the U.S.-China Economic and Security Review Commission. Lawless asserted that "[China's] ambitious military modernization casts a cloud over Beijing's declared preference for resolving differences with Taiwan through

peaceful means.” After explaining U.S. obligations to Taiwan under the 1979 Taiwan Relations Act to the Commissioners, Lawless maintained that “the preservation of Taiwan’s democracy depends on ... providing Taipei the support it needs to deter [Chinese] coercion.” Echoing Powell’s earlier statements, Schriver praised referenda as valuable “tools of democracy.”

On March 20, Chen Shui-bian won a razor-thin victory in an election that was mired in controversy due to invalid ballots that amounted to 11 times the almost 30,000 vote margin and to an assassination attempt on Chen and Vice President Annette Lu on the day before ballots that likely provided a sympathy boost in votes for the incumbent. The opposition presidential and vice presidential candidates, Lien Chan and James Soong, charged that the election was unfair and demanded an annulment, then a recount, and then supported legislation that would essentially force a new election. Chinese Foreign Minister Li Zhaoxing phoned Secretary Powell to confer and to urge Washington to not congratulate Chen as the winner and to avoid taking steps that might embolden him to press for independence, especially arms sales. *Xinhua* reported the phone conversation, noting that Li had called on the U.S. to abide by the “one China” principle and do more to help peace and stability in the Taiwan Strait and the development of cross-Strait relations.

Despite China’s objections, following the certification of the election results by Taiwan’s Central Election Commission as required by law, Washington issued a statement congratulating Chen on his victory. The statement noted that legal challenges to the results were pending and lauded the people of Taiwan for resolving their differences through established legal mechanisms. Beijing did not acknowledge the certification of Chen’s win and Lien’s defeat, but instead warned that China would not sit idly by if Taiwan devolved into social turmoil. It also denounced the U.S. congratulatory message as a “mistaken move” which violates the principles of the three China-U.S. joint communiqués and interferes in China’s internal affairs.

### **U.S.-Chinese military ties advance**

The pace of China-U.S. military exchanges picked up this quarter with visits to Beijing by the Chairman of the Joint Chiefs of Staff Gen. Richard Meyers, the holding of the Defense Consultative Talks, a visit to China by a U.S. National Defense University Capstone delegation, and a U.S. ship visit to Shanghai. The January visit by Gen. Meyers marked the highest-ranking U.S. military official to visit China since 1997. Meyers met with CMC Chairman Jiang Zemin and his counterpart Liang Guanglie, chief of the PLA General Staff, to whom he extended an invitation to visit the U.S. later this year. The discussion agenda centered on regional and international security issues, especially North Korea and Taiwan, and bilateral military ties.

Meyers provided a cautiously optimistic appraisal of the visit, noting that the two sides are making “some good progress in our military-to-military relationship.” He proposed expanding military education exchanges, conducting additional visits by warships to ports in each country, and holding joint search-and-rescue exercises. His Chinese

interlocutors welcomed the positive developments in the ties between the two militaries and the two countries in recent years and endorsed the pursuit of a “forward looking, healthy, and stable military relationship” with the U.S.

Media accounts suggest that there was a blunt exchange on Taiwan in which Chinese military leaders warned that China would not tolerate Taiwan independence. In a press conference following his two days of talks Meyers underscored the commitment of the Bush administration to maintaining Taiwan’s ability to defend itself and noted that the PLA “very clearly” understands that the U.S. “will resist any attempt to use coercion” to resolve the status of Taiwan. In addition to exchanging views with senior PLA leaders, Myers and his entourage became the first foreign delegation allowed to tour the mission control center of China’s space program, which last October successfully launched China’s first manned space flight, the *Shenzhou V*.

Less than a month after Gen. Meyers’ visit, Deputy Under Secretary of Defense Douglas Feith led a delegation to Beijing for the Defense Consultative Talks (DCT). This year’s meeting was the sixth installment in an annual series first held in 1997 under an agreement signed by then-Presidents Bill Clinton and Jiang Zemin. The last gathering took place in Washington in December 2002. In addition to the formal talks with his Chinese counterpart Deputy Chief of Staff Lt. Gen. Xiong Guangkai, Feith met with CMC Chairman and Minister of Defense Cao Gangchuan. Cao praised the DCT as “positive and constructive” and said they had enhance mutual understanding and trust.

Following Feith’s visit, the *USS Blue Ridge*, the command ship of the U.S. Seventh Fleet, steamed into Shanghai for a four-day port call visit at the end of February. At the same time, a delegation from the U.S. National Defense University’s Capstone Program arrived in Beijing for discussions with Chinese military researchers after touring Urumchi, capital of China’s Xinjiang Uighur Autonomous Region.

In March, the U.S. and Chinese militaries held the fourth round of the China-U.S. Military Maritime and Air Safety Working Group under the Military Maritime Consultative Agreement Mechanism (MMCA). China’s *Xinhua News Agency* reported that the two sides held “frank and constructive consultations” on issues concerning China-U.S. military safety at sea. The Chinese agreed to consider a proposal by the U.S. to conduct joint search and rescue exercises within the coming year, realizing this objective is now more feasible than in the past (since the PLA has abandoned its past policy of not holding joint exercises with foreign armies). In the past year, the Chinese military has held joint exercises with India, Pakistan, Russia, Kazakhstan, and Kyrgyzstan. In addition, two Chinese naval warships and two French warships held a one-day joint maritime drill this quarter that included fleet formation changes, shipboard helicopter flying and landing at sea, replenishment exercises at sea, communications, and search-and rescue exercises.

## **Cooperation trumps discord**

In sum, the already familiar pattern of cooperation intermingled with a modicum of friction characterized U.S.-Chinese relations in the first quarter of 2004. U.S. strategic preoccupation with Iraq and the war on terrorism continue to increase Washington's need to partner with Beijing and limit the degree of discord in the overall bilateral relationship. At the same time, China's focus on internal matters and its need to avoid serious confrontation with the U.S. work in favor of continued bilateral collaboration. Managing Taiwan's aspirations under Chen Shui-bian's rule, assuming that his victory is affirmed, will pose difficult challenges to Chinese and U.S. leaders, but the prospects for success are enhanced by the broader context of a positive and cooperative bilateral relationship. High-level consultations continue next quarter as Vice President Dick Cheney visits China and Vice Premier Wu Yi travels to the United States.

## **Chronology of U.S.-China Relations January-March 2004**

**Jan. 2-3, 2004:** Vice Chairman of the NPC Standing Committee Sheng Huaren meets with Ted Stevens, President Pro Tempore of the Senate and Sen. Daniel Inouye in Hawaii and signs a MOU to establish an NPC-Senate Parliamentary Group.

**Jan. 12, 2004:** During a three-day visit to China by Secretary of Energy Spencer Abraham, he and his counterpart Zhang Huazhu, chairman of the China Atomic Energy Authority, sign a Statement of Intent that establishes a process to coordinate joint efforts on nuclear non-proliferation with the International Atomic Energy Agency.

**Jan. 12, 2004:** Secretary Abraham with Science and Technology Minister Xu and Beijing's Vice Mayor Fan sign the Green Olympic Protocol for Beijing's 2008 Olympic Games.

**Jan. 13, 2004:** U.S. Department of Agriculture announces the opening of a new agricultural trade office in Beijing.

**Jan. 13, 2004:** Fu Ying, director of the Asian Affairs Department of the Foreign Ministry, and Ning Fukui, newly appointed special ambassador in charge of Korean peninsula affairs, visit Washington D.C. to discuss the Korean Peninsula nuclear issue.

**Jan. 14-15, 2004:** Chairman of the Joint Chiefs of Staff Gen. Richard Myers visits China. Delegation meets senior Chinese military leaders and visits the Beijing Aerospace Control Center.

**Jan. 29-30, 2004:** Deputy Secretary of State Richard Armitage visits Beijing and meets with Premier Wen Jiabao, Defense Minister Cao Gangchuan, Taiwan Affairs Office Director Chen Yunlin, and counterparts in the Chinese Foreign Ministry.

**Feb. 3, 2004:** TAO Director Chen arrives in Washington for talks with U.S. officials and experts about Taiwan's March 20 presidential election and the planned referendum.

**Feb. 10, 2004:** The sixth round of bilateral Defense Consultative talks are held in Beijing with the U.S. delegation headed by Under Secretary of Defense Douglas Feith and the Chinese delegation headed by PLA Deputy Chief of the General Staff Xiong Guangkai.

**Feb. 12, 2003:** USTR Robert B. Zoellick stops in Beijing as part of a multi-nation tour to promote strategic dialogue on trade liberalization and global development.

**Feb. 16-17, 2004:** Under Secretary of State for International Security Affairs John Bolton visits China for the third round of China-U.S. consultations on strategic security, multilateral disarmament, and proliferation prevention.

**Feb. 21, 2004:** Vice FM Wang Yi meets in Beijing with Joseph R. DeTrani, a U.S. State Department special envoy for Korean affairs, to discuss the upcoming six-party talks.

**Feb. 23, 2004:** FM Li Zhaoxing and Secretary of State Powell talk on the phone on how to secure smooth progress in the second round of six-party talks to be held in Beijing.

**Feb. 24-28, 2004:** The *USS Blue Ridge*, command ship of the Seventh Fleet, berths at Shanghai's Huangpu River for the third time on a five-day visit to the municipality.

**Feb. 25, 2003:** State Department issues annual report on human rights. It concludes that although legal reforms in China continued in 2003, "there was backsliding on key human rights issues during the year, including arrests of individuals discussing sensitive subjects on the Internet, health activists, labor protesters, defense lawyers, journalists, house church members, and others seeking to take advantage of the space created by reforms."

**Feb. 26, 2004:** Deputy Chief of General Staff of the Chinese PLA Xiong Guangkai meets a delegation from the U.S. National Defense University Capstone Program, headed by ret. Gen. Robert Sennewald. The delegation also visited Urumchi, capital of northwest China's Xinjiang Uighur Autonomous Region.

**Feb. 26, 2004:** China grants one-year sentence reduction and releases Phuntsog Nyidron, a Tibetan Buddhist nun and longest-serving female political prisoner in China. She was imprisoned for campaigning for Tibetan independence and served nearly 15 years.

**Feb. 27, 2004:** FM Li calls Secretary Powell to exchange views on the second round of six-party talks.

**Feb. 28, 2004:** U.S. and China celebrate 32<sup>nd</sup> anniversary of the Shanghai Communiqué.

**March 1, 2004:** China releases its annual report on the human rights in the United States.

**March 2, 2004:** China and the U.S. launch a joint project to fight AIDS. The Global AIDS Program, initiated by the Center for Disease Control and Prevention, promises \$15-million U.S. investment.

**March 5, 2004:** China's National People's Congress opens for a 10-day session.

**March 5, 2004:** China releases from prison Wang Youcai, sentenced to 11 years behind bars for subversion after he and two other dissidents founded the China Democracy Party.

**March 6, 2004:** *USS Kitty Hawk* strike group makes a ship visit in Hong Kong, revisiting the city more than 15 months since its last visit in November 2002.

**March 9-10, 2004:** Vice FM Dai Bingguo visits Washington for consultations on Taiwan and North Korea. He delivers a letter from President Hu Jintao to President George Bush.

**March 9-11, 2004:** Fourth China-U.S. Military Maritime and Air Safety Working Group meeting in Shanghai under the Military Maritime Consultative Agreement mechanism.

**March 12, 2004:** FM Li talks on the phone with Secretary Powell and National Security Adviser Condoleezza Rice.

**March 18, 2004:** U.S. files case against China at the WTO, charging Beijing with pursuing a discriminatory tax rebate policy for integrated circuits.

**March 20, 2004:** Taiwan President Chen Shui-bian is re-elected by less than 30,000 votes and the results are disputed by the opposition pan-blue coalition.

**March 21, 2004:** FM Li phones Secretary Powell and the two discuss Taiwan's presidential election, among other issues.

**March 22, 2004:** The U.S. announces its intention to introduce a resolution on China's human rights practices at the 2004 U.N. Commission on Human Rights in Geneva.

**March 23, 2004:** Chinese Foreign Ministry summons U.S. Ambassador Randt to protest U.S. decision to make a human rights motion on China to the UN Human Rights Commission and suspends bilateral dialogue with the U.S. on human rights in retaliation.

**March 26, 2004:** Zhou Xiaochuan, governor of the People's Bank of China, meets with U.S. Treasury Secretary Snow in Washington, DC.

**March 26, 2004:** U.S. delegation holds discussions with Vice Minister of Commerce Ma Xiuhong and Minister of Commerce Bo Xilai to prepare agenda of the 15th meeting of the China-U.S. Joint Commission on Commerce and Trade planned for April.

**March 30, 2004:** *Agence France-Presse* reports that China will retaliate against U.S. decision to fingerprint PRC citizens applying for non-immigrant visas by ending the policy of “visa on arrival” for U.S. citizens and by tightening rules for U.S. citizens visiting China.

**March 31, 2004:** FM Li meets with Secretary Powell in Berlin on the sidelines of the International Conference on Afghanistan to discuss bilateral and international issues.