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***Welcome!** The Center for US-China Policy Studies (CUSCPS) is a research unit based in the College of Behavioral and Social Sciences (BSS) at San Francisco State University. The Center seeks to advance knowledge of China and deepen understanding of US-China relations. It promotes research, teaching, training, and outreach on US-China domestic and international policy issues in all areas. It provides policy research, data collection, analysis, and consultation to interested government agencies, non-profit organizations, community groups and businesses. It facilitates academic exchange and serves as a bridge and a base for collaboration between the college and the university and any other institutions or organizations, particularly in China. Please contact us at [cuscps@sfsu.edu](mailto:cuscps@sfsu.edu) if you would like to make a connection with us.*

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**International/Regional Issues**

**Chinese FM Reiterates Backing for Asian Candidate, Position on UN Reform**

NEW YORK, Sept. 23 – China firmly supports an Asian candidate in the election of the next Secretary-General of the United Nations, said Chinese Foreign Minister Li Zhaoxing at the general debate of the 61st UN General Assembly Friday. On UN reform, the minister said the United Nations needs to take firm steps in carrying out reform as enhancing its role through reform is in the common interest of mankind. He said China welcomes progress in the UN reform and particularly progress in implementing the Outcome Document. The minister announced China's decision to pledge 3 million dollars to the UN Peacebuilding Fund, and reiterated the country's commitment to advancing UN reform to strengthen the unity and authority of the organization and enhance its efficiency and capacity. The UN reform, he said, should be comprehensive in coverage and progress should be made in security, development, human rights as well as other fields. The UN reform, Li stressed, should satisfy, as far as possible, the needs of its member states, particularly the developing world (Source: Xinhua).

## **US Reminds Taiwanese Leader Not to Break Commitments**

WASHINGTON, D.C., Sept. 25 – Taiwan's President Chen Shui-bian, under pressure to resign over corruption scandals, raised the issue of a new constitution at a seminar Sunday sponsored by his independence-leaning Democratic Progressive Party (DPP), a move likely to irk China which regards the island as its territory. Reacting to the move, the US State Department said it took "very seriously" Chen's "repeated commitments not to permit the constitutional reform process to touch on sovereignty issues, which includes territorial definition." State Department deputy spokesman Tom Casey said "we expect him to carry out those commitments." Chen told the seminar that Taiwan should overhaul its constitution which was enacted by the KMT, or nationalist, government in China in 1947 and has gone through seven amendments since 1991. Under the constitution, Taiwanese territory included all of China, but in reality only Taiwan and some offshore islands were ruled from Taipei, he said (Source: AFP).

## **China Blasts U.S. Congressional-Executive Report**

BEIJING, Sept. 26 – The Chinese government on Monday denounced a report from the U.S. Congressional-Executive Commission on China, saying the charges against it are "groundless." "China is strongly dissatisfied with and resolutely refutes the U.S. accusations about China's social and judicial system, ethnic and religious policies as well as human rights situation in its report," Foreign Ministry spokesman Qin Gang said. Qin's comments came in the wake of a report by the U.S. Congressional-Executive Commission on China. The annual report had ignored China's progress and achievements made in the fields of human rights and the legal system, said Qin. The Chinese government suggested the U.S. congress and other institutions pay more attention to their own problems, to stop interfering China's internal affairs and to focus on issues more conducive to Sino-U.S. relations. "The Chinese people have been enjoying unprecedented human rights and basic freedom," the spokesman said. The principles of "One Country, Two Systems" and "Hong Kong people governing Hong Kong" have been fully implemented in Hong Kong, Qin said (Source: Xinhua).

## **China Offers Proposal on Sino-US Space Cooperation**

BEIJING, Sept. 26 –Sun Laiyan, administrator of China National Space Administration, held formal talks with his U.S. counterpart Michael Griffin, administrator of National Aeronautics and Space Administration (NASA), in Beijing on Sunday. "The two sides expressed willingness to jointly promote Sino-American space cooperation," Sun said. China's advanced a 4 point proposal which called on the two countries: a) to strengthen exchanges and communication, increase mutual trust, foster friendship and promote cooperation; b) to hold meetings every year to exchange views and concerns on certain issues in an effort to cement the stable development of bilateral space cooperation; c) to jointly explore fields where the two sides could cooperate; d) to eliminate obstacles and boost mutual trust, Sun said. "Griffin's visit begins a new chapter in China-US space cooperation", Sun said. Griffin told a press conference on Monday afternoon that he was very impressed by what he saw during his visit to Beijing. "The United States has taken a first step forward for helping establish the space program with China, but it's our get-acquainted visit," Griffin told reporters, indicating that there is no concrete plan yet for future bilateral space cooperation. Griffin is the highest-ranking U.S. space official to visit China in the last 12 years (Source: Xinhua).

### **China Warns Taiwan on Perceived Independence Move**

BEIJING, Sept. 27 – China blasted Taiwan President Chen on Wednesday for a plan to change the constitution and rename the island. Chen's ruling DPP is studying constitutional changes to name the island the "Republic of Taiwan," instead of "Republic of China," and redefine its national territory. "We will never tolerate their seeking de jure independence by amending the constitution," said Li Weiwei, spokesman for China's policy-making Taiwan Affairs Office. "We will closely watch and be on high alert to new developments," he added, calling Chen's plan an act that would threaten peace and stability. "It once again demonstrates that...his political personality has completely gone bankrupt," Li said. Li said Chen's move was intended for personal gain amid mounting pressure in Taiwan (Source: Reuters).

### **Chinese Premier Sends Congratulatory Message to Japan's New Prime Minister**

BEIJING, Sept. 27 – Chinese Premier Wen Jiabao delivered congratulations to Shinzo Abe over his inauguration as Japan's new Prime Minister on Tuesday. Wen said China-Japan relations are in an "important historical period." "To continuously develop the China-Japan good-neighborly, friendly and cooperative relationship not only conforms with the common interests of the two countries and the two peoples, but also benefits peace, stability and prosperity in the Asia-Pacific region, as well as the world as a whole," he said. "I am willing to work together with you [Abe] to make unremitting efforts" to push forward the development of China-Japan relations, Wen added. After Abe's inauguration on Tuesday, Chinese Foreign Ministry spokesman Qin Gang said Japan knows very well the obstacles to the development of its relationship with China, urging Abe to meet his words with actions (Source: Xinhua).

### **China to Send Nuclear Talk Envoy to Seoul**

BEIJING, Sept. 28 – China's representative on six-party talks aimed at resolving a stand-off over North Korea's nuclear program will go to Seoul this week, the Chinese foreign ministry said. Vice foreign minister Wu Dawei will be in South Korea from Friday until Sunday, spokesman Qin Gang said. "He will exchange views with the South Korean side on promoting the resumption of the six-party talks and other issues of mutual concern," Qin told a regular news briefing. South Korea's Foreign Ministry confirmed the visit and added Wu would also discuss a planned summit meeting between the leaders of the two countries in October. The ministry also said Wu would meet South Korea's foreign minister and chief envoy to the six-party talks (Source: Reuters).

### **China, Russia to Stage Military Programs Next Year**

BEIJING, Sept. 29 - China's People's Liberation Army (PLA) announced that China and Russia will hold military cooperation programs next year, including a joint exercise. "There will be eight military cooperative items next year, the Chinese Year in Russia," said Zhang Qingsheng, Assistant to the Chief of the General Staff of the Chinese PLA. The two countries will hold a joint military war game in Russia under the framework of Shanghai Cooperation Organization, Zhang said in an interview. Next year Chinese Defense Minister Cao Gangchuan will visit Russia and PLA Navy Commander Zhang Dingfa will lead a naval fleet to Russia. Zhang said the programs scheduled for this year include Russian Deputy Prime Minister and Defense Minister Sergei Ivanov's visit to China and a Russian naval command visit to China (Source: Xinhua).

## Politics

### Trade unions growing in non-state sector in China

BEIJING, Sept. 24 - Since late July the Chinese media have been crowing over a grudging decision by Wal-Mart, one of the most prominent foreign firms in China, to allow members of its 31,000-strong Chinese workforce to form trade unions. The company says it bought \$19 billion-worth of goods from China in 2004, amounting to some 15% of China's total exports to America in that year according to China's statistics (10% by America's). Official figures suggest the party is making headway. By the end of 2004 there were 55m union members in non-state-owned enterprises, 35% more than a year earlier and a more than fourfold increase compared with the late 1990s. In foreign-invested enterprises, progress has been particularly striking. About one-third now have unions, official reports say. In some areas with large concentrations of such firms, unionization is even more widespread. Shanghai expects 60% of foreign-financed firms to have unions by the end of this year and 80% at the end of 2007. Neighboring Zhejiang province, a big export-manufacturing base, says 70% of foreign firms there are already unionized. Two-thirds of Wal-Mart's supermarkets now have unions. In August the company's first two openly declared Communist Party cells were set up in the north-eastern city of Shenyang (Source: chinanews.cn).

### Shanghai Party chief sacked for pension scandal

SHANGHAI, Sept. 25 - Chen Liangyu, secretary of the Shanghai Municipal Committee of Communist Party of China (CPC), was sacked for his involvement in a social security fund scandal. Chen was also suspended from the posts of member of the Political Bureau of the CPC Central Committee and member of the CPC Central Committee. The Political Bureau of the CPC Central Committee convened a meeting on Sunday and discussed a preliminary investigation report on Chen's relevant problems, which was tabled by the the CPC Central Commission for Discipline Inspection. Han Zheng has become Shanghai's acting Party chief (Source: Xinhua).

### Party sets the agenda for key meeting

BEIJING, Sept. 27 - Social harmony will be the headline topic when the Communist Party of China (CPC) Central Committee meets for its annual session next month. The decision to convene the Sixth Plenary Session of the 16th Central Committee of the CPC in Beijing from October 8 to 11 was made on Monday at a meeting of the Party's Political Bureau. The Political Bureau examined a report titled "Resolutions of the CPC Central Committee on major issues regarding the building of a harmonious socialist society." The meeting said, earnest efforts must be made to push coordinated development in all sectors and regions, and the party must play a leading role in building a "harmonious socialist society" (Source: China Daily).

### Hu hails breakthroughs of defense industry

Sept. 27 - President Hu Jintao hailed the "historic breakthroughs" of China's defense industry during the Tenth Five-Year Plan period (2001-2005) and pledged to push forward the development of the industry. Hu, chairman of the Central Military Commission (CMC), met with representatives attending the People's Liberation Army's working conference on military equipment on Tuesday. During the Tenth Five-Year Plan period, China entered a new stage in

the modernization of its military equipment. It features a notable improvement in military equipment, the use of a large number of new equipment by the Army, and a remarkable increase in the Army's fighting abilities, Hu said. (Source: Xinhua)

### **Wen vows all-round reform and opening up**

Beijing, Oct. 1 - Chinese Premier Wen Jiabao vowed here to press ahead with all-round reform and opening up on the eve of the 57th anniversary of the People's Republic of China on October 1. At the National Day reception in the Great Hall of the People in Beijing, Wen said China had created a historic miracle by achieving nearly three decades of rapid and sustainable economic growth and all-round social development. (Source: Xinhua)

## **Economy**

### **China's Top Advisor Calls for Boom of Central China**

BEIJING, Sept. 24 – China's top political advisor Jia Qinglin has called for more contribution of the non-Communist people in various social sectors to the rise of central China and the building of new countryside. The non-Communist people should also make constructive suggestions in building a harmonious society, said Jia, chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) during his visit to east China's Jiangxi Province on Friday and Saturday. Jia said that the change of economic growth pattern is a major task in promoting the rise of central China. In this sense, a new type of industrial path should be followed, the national macro-control policy should be implemented, economic restructuring should be stepped up, and resource and energy conservation should be given high attention (Source: Xinhua).

### **China Leads Next Generation Internet Development**

BEIJING, Sept. 25- China successfully built the core network of its next generation Internet, leading the world in developing a larger, faster and safer Internet that is to dominate the future. Chinese experts say the network, namely CNGI-CERNET2/6IX, will give China a bigger say in the field. China launched the building of the China Next Generation Internet in 2003 and completed in 2005 its first next generation Internet, the CNGI-CERNET2. In developing the CNGI, China built the world's first IPv6-only network, and for the first time used domestic IPv6 routers in its national backbone network. Experts called it a progress with strategic significance by ending reliance on foreign technologies in Internet construction. Recognized as the future direction of the Internet development and a weapon in keeping economic, political and military advantages, the next generation Internet has been a strategic task for major developed countries like Japan and the United States. China has written the development of the next generation Internet into its national economic and social development plan for the 2006-2010 period, and made it a key project in building an information-based country (Source: Xinhua).

### **Intel Invests US\$40m in Neusoft**

SHANGHAI, Sept. 27 - Neusoft Group Ltd, a leading Chinese software and solutions provider, announced yesterday that Intel Corp has agreed to invest US\$40 million in the company to help

it strengthen its presence in the health care and financing software market. The investment is the largest yet by the US\$200 million Intel Capital China Technology Fund, launched by Intel last year to invest in Chinese technology companies developing innovative hardware, software and services. The two companies also signed a business co-operation agreement to further their strategic ties in software and hardware integration, education and training. Liu Jiren, chairman and CEO of Neusoft Group, yesterday said: "The co-operation with Intel will help Neusoft enhance its self innovation capability and enable Neusoft to provide better products and solutions in line with international norms for customers, as well as driving the development of China's software industry." Neusoft, founded in 1991, is one of the China's largest suppliers of software solutions for the health care market. "I believe our efforts will help improve health care and make breakthroughs in the field," said Liu. Market analysts said Neusoft's marriage to Intel Corp highlighted its tactic of expanding in the domestic and global markets through forging partnerships with multinational IT companies (Source: China Daily).

### **China encourages 10,000 companies to settle in central region**

CHANGSHA, Sept. 28 – In order to develop the central region, the Ministry of Commerce kicked off a large project that aims to encourage 10,000 foreign companies and big Chinese companies in east China to make investment in the central region within the next three years. As a beginning part of this large project, the first China Central Region Investment and Trade Fair was held in Changsha, Hunan province, between September 25 and 28, and it attracted more than 20,000 domestic and foreign businessmen to attend the fair. During the Hunan investment environment recommendation fair, 185 projects were signed attracting 5.57 billion US dollars worth of foreign investment. The central region covers one-tenth of the national territory and one-third of the total population in China. In the central region, the rich natural resources, convenient geographical location, high-qualified human resources, and relatively cheap production cost all appeal to investors (Source: Chinanews).

### **Foreign companies hunt for local Chinese managers**

SHANGHAI, Sept. 29 – With the gradual opening of China's economy, more and more outstanding local Chinese professional managers have begun to dominate high-level positions in foreign enterprises in China. On September 28, Fudan University released the report of a first ever research on the "Management of the Leading Foreign Enterprises in China", showing that more and more foreign enterprises in China plan to or have started to recruit local Chinese managers, with the proportion exceeding 70 percent. The research involved more than 40 well-known foreign companies, such as the Citibank of New York, General Electric Co., and Ford Motor Co., in Shanghai, Beijing, Guangdong, Zhejiang, and other major business areas in China (Source: Chinanews).

## **Society**

### **Nation's one-child policy 'will not change'**

BEIJING, Sept. 30 - Beijing will not ease restrictions on the birth of a second child for people with higher educational qualifications, and the second-child policy is still mainly open to rural residents and couples from one-child families. "Beijing's current family planning policy will not change," Li Yunli, deputy head of the Beijing Municipal Population and Family Planning

Committee, said during a live chat on Beijing Official Website International on Thursday. The remarks were in response to heated discussions in recent years over whether the city would allow couples with college degrees to have a second child (Source: China Daily).

### **More than 140,000 foreign students in China**

BEIJING, Sept. 29 – More than 140 thousand students from 179 countries and regions are currently studying in 464 colleges, universities and other institutions of higher education in 31 provinces, central-governed municipalities and autonomous regions in China , and taking all the subjects available in the country. Since 2001, the number of foreign students in China has kept increasing at an annual rate of 20%. Besides, China has signed contracts with 26 countries on mutual authentication of diplomas, which will be an extra attractive point of Chinese higher education (Source: Chinanews).

### **Chinese new business factions**

BEIJING, Sept. 30 – Amid the new economic boom taking place in China, people in different regions have adopted different modes of doing business. They are emerging as the new business factions in China and their ideas of running business reflect their efforts to explore a better way of seeking fortunes. In terms of geographic location, the new business factions are classified as Zhejiang faction, Shandong faction, southern Jiangsu faction, southern Fujian faction, and Pearl River Delta faction. The fact that the new business factions are concentrated in the coastal region indicates that this is the most prosperous region in China (Source: Chinanews).

### **Other**

*The Editors have prepared this newsletter using publicly-released media and research accounts that are believed to be reliable. The Editors, the CUSCPS, and San Francisco State University do not guarantee their accuracy and any such information should be checked independently by the reader.*

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