

goods between our two nations has grown to \$285 billion a year, and U.S. exports to China grew nearly 21 percent in last year alone. Our trade relationship can become even stronger as China adopts policies that allow U.S. companies to compete in China with the same freedom that Chinese companies are able to compete here in the United States. So we welcome China's commitments to increase domestic demand, to reform its pension system, to expand market access for U.S. goods and services, to improve enforcement of intellectual property rights, and to move toward a flexible, market-based exchange rate for its currency. These policies will benefit the Chinese people and are consistent with being a responsible member of the international economic system and a leader in the World Trade Organization.

Prosperity depends on security, so the United States and China share a strategic interest in enhancing security for both our peoples. We intend to deepen our cooperation in addressing threats to global security, including the nuclear ambitions of Iran; the genocide in Darfur, Sudan; the violence unleashed by terrorists and extremists; and the proliferation of weapons of mass destruction. I appreciate China's role as host of the six-party talks, which will be successful only if North Korea makes the right strategic decision: to abandon all its nuclear weapons and existing nuclear programs as pledged to the other five parties. I will continue to seek President Hu's advice and cooperation and urge his nation to use its considerable influence with North Korea to make meaningful progress toward a Korean Peninsula that is free of nuclear weapons.

The natural world also generates threats to international security, and the United States and China share a strategic interest in meeting these challenges as well. We will continue to cooperate to fight avian flu and other pandemic diseases. We will continue to cooperate to respond to natural disasters. We will continue to cooperate to develop alternatives to fossil fuels. New technologies can drive economic growth on both sides of the Pacific and help us become better stewards of our natural resources.

As the relationship between our two nations grows and matures, we can be candid

about our disagreements. I'll continue to discuss with President Hu the importance of respecting human rights and freedoms of the Chinese people. China has become successful because the Chinese people are—experience the freedom to buy and to sell and to produce. And China can grow even more successful by allowing the Chinese people the freedom to assemble, to speak freely, and to worship.

The United States will also be candid about our policy toward Taiwan. The United States maintains our "one China" policy based on the three communiques and the Taiwan Relations Act. We oppose unilateral changes in the status quo in the Taiwan Strait by either side, and we urge all parties to avoid confrontational or provocative acts. And we believe the future of Taiwan should be resolved peacefully.

The United States and China will continue to build on our common interests; we will address our differences in a spirit of mutual respect. We have made progress in building a relationship that is candid and cooperative, and President Hu's visit will further that progress.

And so, Mr. President, welcome to the White House. We're really glad you're here. I'm looking forward to our meetings, and I'm so thrilled to welcome Madam Liu as well. Thank you for coming.

NOTE: The President spoke at 9:44 a.m. on the South Lawn at the White House, where President Hu was accorded a formal welcome with full military honors. In his remarks, President Bush referred to Liu Yongqing, wife of President Hu. The transcript released by the Office of the Press Secretary also included the remarks of President Hu.

Remarks Following a Meeting With President Hu Jintao of China and an Exchange With Reporters

April 20, 2006

President Bush. The President and I will make opening statements. We'll be glad to answer two questions from each side.

Mr. President, welcome. We've just had yet another constructive dialog. I enjoy my visits with President Hu. He tells me what

he thinks, and I tell him what I think, and we do so with respect.

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.

And, Mr. President, thank you for your frankness and for our discussions.

President Hu. To begin with, I would like to thank President Bush for his kind invitation and the generous hospitality accorded to me. And just now I had a pragmatic and constructive dialog with President Bush, and during that meeting, President Bush and I had in-depth exchange of views on the China-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, and to the promotion of the improvement and development of the cross-straits relations. We have the utmost sincerity, and we will do this to our utmost, with all sincerity, to strive for the prospect of peaceful reunification. This being said, we will by no means allow Taiwan independence.

President Bush gave us his understanding of the Chinese concerns. He reiterated the American positions and said that he does not hope that the moves taken by the Taiwan authorities to change the status quo will upset the China-U.S. relationship, which I highly appreciate.

We both agreed to work together to promote the development of the economic ties and trade between the two countries on basis of a mutual benefit in seeking win-win outcomes. As for the differences, or even frictions between the two countries in this regard, we both believe that they may be properly resolved through consultations on an equal footing. Both Mr. President and I spoke highly of the outcomes from the 17th JCCT meeting which was held not long ago.

President Bush and I also agreed that the two countries need to further increase their exchanges and cooperation in the military, law enforcement, science and technology, culture, education, and other fields. We also both agreed to further step up our dialog and cooperation in such fields as counterterrorism, nonproliferation, the prevention and control of the avian influenza, energy, environmental protection, disaster prevention and relief, and other major issues.

Both sides agreed to continue their efforts to facilitate the six-party talks to seek a proper solution to the Korean nuclear issue, and both sides agree to continue their efforts to seek a peaceful resolution of the Iranian nuclear issue.

I assured Mr. President that China is willing to work together with the United States and other countries in the world in a joint endeavor to build a harmonious world featuring enduring peace and shared prosperity.

President Bush. Jennifer [Jennifer Loven, Associated Press].

Chinese Currency/Democracy in China

Q. Thank you, sir. President Hu, when will China become a democracy with free elections? And President Bush, why have you not been able to persuade China to more quickly revalue its currency?

President Bush. Last July, the Chinese made a major decision on their currency. There's been some appreciation in the currency. We would hope there would be more appreciation in the currency.

Q. President Hu?

President Hu. I don't know—what do you mean by a democracy? What I can tell you is that we've always believed in China that if there is no democracy, there will be no modernization, which means that ever since China's reform and opening up in the late 1970s, China, on the one hand, has vigorously promoted economic reforms, and on the other, China has also been actively, properly, and appropriately moved forward the political restructuring process, and we have always been expanding the democracy and freedoms for the Chinese citizens.

In the future, we will, in the light of China's own national conditions and the will of the Chinese people, continue to move ahead the political restructuring and to develop a socialist democracy, and we will further expand the orderly participation of the Chinese citizens in political affairs so that the Chinese citizens will be in a better position to exercise their democratic rights in terms of democratic supervision, democratic management, and democratic decisionmaking.

President Bush. Do you want to call on somebody from the Chinese side?

China-U.S. Relations/Trade

Q. I have a question for President Hu Jintao. And how do you view the problems and disputes between China and the United States in the field of economic ties and trade? And in your view, what kind of measures shall we take to properly resolve these issues?

President Hu. The economic ties and trade between China and the United States are an important component—the China-U.S. relationship as a whole. And in this economic ties and trade, I think that mutually beneficial cooperation and win-win outcomes represent the mainstream.

Although the two countries do have different opinions or sometimes even frictions in this relationship, what has happened has proven that all these issues or differences can be properly resolved through consultations on a equal footing and further expansion of the mutually beneficial cooperation.

We understand the American concerns over the trade imbalances, the protection of the intellectual property rights, and market access. We have taken measures, and we'll continue to take steps to properly resolve the issues.

China pursues a policy of boosting domestic demand, which means that we'll mainly rely on domestic demand expansion to further promote the economic growth of the country. We do not pursue a excessively high trade surplus.

We have already launched the reform of the RMB Chinese currency exchange rate regime, which has paid off initially. And in the future, we'll continue to make efforts to improve the RMB exchange rate regime.

We'll continue to expand the market access and increase the import of American products. As a matter of fact, lately, a delegation composed of Chinese businesspeople have been to the United States, and during their trip, they have totally signed 107 commercial contracts or agreements with a total value of over 16.2 billion U.S. dollars.

The U.S. technology products export to China, particularly in the field of the export of high-tech products, are quite incompatible with the economic might of the United States. I hope that the United States Government will be able to relax or ease the restrictions imposed on its export, particularly high-tech export to China. And we also hope that the U.S. Government will be able to create a level playing field for Chinese businesses who want to enter the American market. And this will certainly help bring down the trade deficit of the United States. And this will also contribute to the further sound and stable growth of the trading ties and economic cooperation between the two countries.

President Bush. Let me say something on this. First of all, it was a very comprehensive answer, and I appreciate that, Mr. President. I am heartened by the President's answer because he recognizes that a trade deficit with

the United States as substantial as it is, is unsustainable.

I appreciate his statement very much, because the American people—all we want to do is be treated fairly in the international marketplace. He's used the word "win-win," and that's a very important concept when it comes to economics that are mutually beneficial. Market access is very important, and I appreciate your commitment to that, Mr. President.

What also is very much important is that for the—as the Chinese society evolves, that it becomes an economy that is not export-driven but consumer-driven. I appreciate the Government's commitment to that evolution, because as there's more consumers and market access, it will mean that U.S. small businesses and businesses and farmers will have a chance to be able to find new markets. Obviously, the Chinese Government takes the currency issue seriously, and so do I. And finally, I want to remind our citizens, as the President said earlier, exports to China are up by 21 percent. And that means jobs.

And so we're going to continue to work on this very important relationship to make sure the playing field is level.

Steve [Steve Holland, Reuters].

Iran/North Korea

Q. Thank you. President Bush, have you presented President Hu to go along with tougher actions against Iran, if necessary, such as sanctions? And President Hu, is there more you can do to influence North Korea to give up nuclear weapons?

President Bush. The first goal of any dialog with a partner with whom we're trying to create peace is to have a common objective, a stated goal. And we have a common goal, and that is that Iran should not have the nuclear weapon, the capacity to make a nuclear weapon, or the know-how to how to make a nuclear weapon.

And the second goal is to be in a position where we can work on tactics. And one of the tactics that I've been talking to the President about is the use of the United Nations Security Council Chapter VII to send a common message to the Iranians that China and the United States and EU-3 countries, all

deeply are concerned about the Iranian ambition.

China is an important voice in international affairs. And I will continue to work with the President to strategize as to how best to achieve our important goal, which is a—an Iran without the capacity, the know-how, or a nuclear weapon.

President Hu. As our friends may know, that the nuclear issue on the Korean Peninsula, China has always been persuading the parties for their reconciliation and promote the talks for peaceful solution. And we have always been making constructive efforts to denuclearize the Korean Peninsula.

It is exactly thanks to the concerted efforts of the parties involved that in September last year, the six parties had their fourth-round talks and successfully concluded a joint statement as a initial result, which has not come easily.

The six-party talks have run into some difficulties at the moment. I hope that the parties will be able to further display flexibility, work together, and create necessary conditions for the early resumption of the talks.

China-U.S. Cultural Exchanges

Q. Mr. President, good morning. I would like to know, what is on your mind and what kind of things you can do to facilitate the people-to-people and cultural exchanges between the two countries?

President Bush. I remember giving—well, the first graduation speech I ever gave as President was to Notre Dame. And I was—I distinctly remember the—a number of Chinese students that were there who had gotten advanced degrees. And it's a vivid reminder that one of the best ways for there to be exchange is for there to be exchange of students. I think the more U.S. students who study in China, and the more Chinese students who study in the United States will lead to lasting understanding, which is very important for future relations.

Obviously, there will be exchanges in the arts. There's a great interest in the United States about the Chinese arts and the history of Chinese arts. There's going to be sports exchanges. Yao Ming, I mean, he's a perpetual exchange. He's a great player, and he's here all the time. The Olympics will bring

a great opportunity for us to have interchange. There's all kinds of ways for the United States and Chinese people to get to know each other, and I look forward to encouraging those kind of avenues of dialog. Presidents can talk, but sometimes the best way to have lasting friendship is for there to be a lot of people-to-people exchanges.

Thank you very much.

NOTE: The President spoke at 11:16 a.m. in the Oval Office at the White House. In his remarks, he referred to Yao Ming, center, National Basketball Association's Houston Rockets. President Hu and two reporters spoke in Chinese, and their remarks were translated by an interpreter.

Remarks at a Luncheon Honoring President Hu Jintao of China

April 20, 2006

Mr. President, Madam Liu, Laura and I are honored to welcome you to the—and your delegation to the White House. It's a pleasure to have you here, along with our other distinguished guests.

China is home to an ancient civilization, and it is helping to shape the modern world. In a single generation, China's economy has moved from isolation and stagnation to engagement and expansion. As China has grown, our two peoples have come to know one another better.

Thirty-five years ago this month, the Chinese Government welcomed the United States ping-pong team to Beijing. *[Laughter]* It's an event that marked the beginning of renewal—renewed cultural exchanges between our two nations. Today, Chinese athletes compete professionally in the United States, and Americans appreciate the opportunity to see them play.

In 2008, China will welcome athletes from all over the world as your great nation hosts the summer Olympics. Beijing will showcase China's transformation and demonstrate China's commitment to the international institutions that make fair and peaceful competition possible for all nations.

Mr. President, I thank you for the constructive and candid conversations we had this morning. I appreciate the opportunity to expand the dialog between our two great na-

tions. And, Mr. President, I'm pleased to offer a toast to you and to your gracious wife and to the people of China.

NOTE: The President spoke at 1:20 p.m. in the East Room at the White House. In his remarks, he referred to Liu Yongqing, wife of President Hu. The transcript released by the Office of the Press Secretary also included the remarks of President Hu.

Remarks at the President's Environmental Youth Awards Ceremony

April 20, 2006

The President. Thank you. Please be seated. Thanks for coming. Welcome. Glad you're here. Sorry I'm a little late. I just finished having a lunch with President Hu Jintao of China, a very important lunch. I hope you forgive me for running a little late. But thanks for letting us come by to say hello. I'm proud to join Steve Johnson in honoring young Americans who have given time and energy to help make this country a better place. We're really glad you're here.

You're serving as young stewards of the environment, which means you're setting a good example for what it means to be a citizen. It's, like, what we call citizenship in action. And you're helping make America a wonderful place. And so we're really glad you're here. I'm glad to be a part of the award ceremony.

I want to thank all the Administrators from the EPA who are here, but I particularly want to thank Steve and Debbie for joining us as well. We're here to honor, Steve, in case you don't know it yet—*[laughter]*—49 young Americans who are helping to protect the natural heritage of our country. I appreciate the fact that you're setting good examples too, by the way, and doing what you're doing, you're showing people how to lead and how to be a responsible citizen.

I appreciate the rain gardens that were built in places like Massachusetts and Michigan to catch runoff and prevent it from polluting local rivers and streams. That's a smart idea; thanks for doing it. In New York, folks here have organized volunteers to stencil warnings near neighborhood sewers. That's