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Press Briefing on the President's Trip to Australia and the APEC Summit by Senior Administration Officials

James S. Brady Briefing Room

PARTICIPANTS:

Dennis Wilder, National Security Council Senior Director for Asian Affairs Dan Price, Deputy National Security Advisor for International Economic Affairs



2:49 P.M. EDT



MR. JOHNDROE: Good afternoon. I want to introduce Dennis Wilder, the National Security Council Senior Director for Asian Affairs, and Dan Price, the National Security Council Deputy National Security Advisor for International Economic Affairs. They are here to give an on-the-record, but off-camera briefing on the President's trip to Australia, his bilateral meetings, as well as the visit to and meetings of the APEC summit.

And with that, Dennis Wilder. Also Jim Connaughton, Chairman of the Council of Environmental Quality, is here to help deal with any climate change issues, since it's a major topic of discussion.

With that, Dennis.

MR. WILDER: Thank you. Good afternoon. On Monday, President Bush will leave Washington and travel to Sydney, Australia, to attend the Asia Pacific Economic Cooperation leaders meeting.

As you know, this is an annual gathering of the leaders of 21 member economies that make up the world's most dynamic economic region, comprising 56 percent of the world's gross domestic product and half of the world's trade. For the United States, this region is extremely important, as 66 percent of U.S. products go to that region.

The importance that the President attaches to APEC is demonstrated by the fact that he has not missed an APEC leaders meeting since taking office. And this will be the seventh that he has attended. You may remember the prior meetings during this administration have been in China, Mexico, Thailand, Chile, South Korea and Vietnam. This will also be the President's seventh trip to the Asia Pacific region, and his second trip to Australia. But it will be the first time that he will have the opportunity to enjoy the hospitality of Sydney-siders.

After refueling in Honolulu on Labor Day, the President will cross the dateline and arrive in Sydney Tuesday evening.

Wednesday will be a day of bilateral consultations and events with Prime Minister Howard. It will begin with a small meeting with Prime Minister Howard and the President and a few of their senior staff, and then be followed by an expanded meeting with wider participation by members of Mr. Howard's cabinet.

I think you can expect that key topics of that meeting are likely to be discussions of international hot spots, including Iran, Iraq and Afghanistan; and regional concerns such as the progress in the six-party talks on North Korean denuclearization, and the situation in Burma.

We also anticipate a discussion of our common approach to sustainable growth, energy security and climate issues, and the Doha Round of trade liberalization. I would note on that score that since the U.S.-Australia Free Trade Agreement came into effect in January of 2005, the U.S.-Australian trade has increased by an impressive

19 percent.

The President and the Prime Minister will host a press conference late that morning -- that is still on Wednesday morning -- and then they will travel to Garden Island Naval Installation on Sydney Harbor for a meeting and lunch with members of the Australian Defense Force.

The United States and Australia have a defense alliance that dates back to 1951, and Australians have fought side-by-side with Americans in every major combat operation since World War I. Today over 2,500 Australians are serving in peacekeeping operations in Iraq and Afghanistan, and the President is very much looking forward to the chance to thank them and their families for the contributions they're making to peace and security in this world.

On Wednesday evening, the President will travel across Sydney Harbor to meet with the Governor General of Australia, and then proceed to a private dinner with the Prime Minister and his wife at the official residence of the Prime Minister, which is called Kirribilli House.

Thursday morning, President Bush will have a chance to meet Kevin Rudd, the leader of the opposition Australian Labor Party, and a few members of his shadow cabinet. Later that morning, Mr. Bush will visit the Australian Maritime Museum, which holds a permanent exhibit to U.S.-Australian friendship.

In the afternoon, the President will greet the employees and families of the U.S. Mission in Australia, and have a bilateral meeting with President Hu Jintao of China. Key topics of discussion at that meeting are likely to be the U.S.-China economic dialogue, six-party talks, Darfur, Burma, Doha, and developments in Iraq, Afghanistan, and Iran.

Friday morning, the President will deliver remarks to the APEC Business Summit at the Sydney Opera House. I think you can expect that this will be a wide-ranging speech covering many topics, including a discussion of America's past and future commitment to the Asia Pacific region; and the war on terror, with a particular focus on what Southeast Asian and other nations in East Asia have done in the war on terror, the role that East Asians are playing in helping in places like Iraq, Afghanistan, Lebanon and other regional hot spots. And he will, of course, discuss some of the economic issues of the region. And I'll let Dan speak to those issues in a bit.

After that, he'll host a working lunch with the leaders of the seven Association of Southeast Asian Nation leaders that are members of APEC. This has become a tradition at APEC, that the President meet with those ASEAN leaders, and he's looking very much forward to that.

The President will be eager to hear from them about their views on the extremely disturbing situation in Burma, and on how Southeast Asia is coping with extremists and the successes that the Southeast Asians have had.

In the afternoon, he will hold a bilateral meeting with President Roh Moo-hyun of South Korea. Key topics of discussion at that meeting are likely to be, again, the six-party talks; the upcoming inter-Korean summit; economic ties; and particularly the issue of how we move forward to get both legislatures in the United States and South Korea to pass the free trade agreement that was concluded earlier this year.

On Saturday morning, the President will host a working breakfast with Prime Minister Howard and Prime Minister Shinzo Abe of Japan. They're planning to have a wide-ranging informal discussion of regional and global issues. This will include stock taking on the trilateral security dialogue between our three nations, and the way forward on regional architecture in Asia. The APEC leaders' summit begins mid-morning with the leaders' dialogue with the APEC Business Advisory Council.

The leaders will then proceed to an informal lunch, followed by the traditional official photograph with leaders donning clothing representative of the host nation. I believe that is still a secret on the Australian side.

The APEC leaders' retreat, number one, follows and will cover climate change, energy security, and sustainable development and support for the Doha Round. That evening, the President will participate in the APEC gala dinner at the Sydney Opera House, and then depart for the United States.

The United States Trade Representative, Ambassador Susan Schwab, will represent the United States at Sunday's APEC leadership retreat number two.

Before I turn it over to Dan to speak to key themes of the APEC leaders' meeting, let me just say a word on Burma. Let me just say that we strongly condemn the ongoing actions of the Burmese regime in arresting, harassing and assaulting pro-democracy activists for organizing or participating in peaceful demonstrations. The Burmese government should release these activists immediately, and stop its intimidation of those Burmese who are promoting democracy and human rights, including Nobel Prize winner Aung San Suu Kyi. I am sure this will be a major topic of discussion at the APEC leaders' meeting, but we wanted to come out on the record at this point, as well.

Mr. Price will now speak about APEC themes.

MR. PRICE: Thank you, Dennis. Good afternoon. My name is Dan Price. I've never done this before, so -- (laughter.)

Q We're not that bad.

MR. PRICE: Thank you, thank you. As Dennis indicated, the U.S. is committed to APEC and to continued engagement in the region. APEC really has a powerful sense of community and purpose, particularly on the economic front, to improve the lives of its inhabitants through economic growth and continued trade and investment liberalization, and through dealing responsibly with common problems such as climate change.

I'd like to discuss two broad areas that will receive considerable attention during this summit, and they are trade and investment liberalization, both through the Doha Round and through regional economic integration, and the second topic is climate.

As Dennis indicated, the statistics are really quite staggering -- 60 percent of global GDP, 50 percent of world trade, U.S. bilateral trade with the region last year stood at \$1.8 trillion. Doha -- a successful conclusion of the Doha Round is this administration's highest multilateral trade priority, and it will be the top economic priority at APEC. The President is committed to a successful conclusion of an ambitious round that creates new trade flows, and he will use this opportunity to urge his counterparts, both in bilateral meetings and in group settings, likewise to be ambitious and to bring the round to a successful close.

The President understands that this is difficult. This is a difficult negotiation. It's difficult for everyone, including the United States. But the administration is prepared to make the tough choices if others are likewise prepared to make those tough choices to create new trade flows.

The President will urge his counterparts to send their representatives to Geneva in the fall when negotiations resume prepared to negotiate on the basis of the texts in agriculture and so-called NAMA, non-agricultural market access or industrial tariffs, on the basis of the texts that were put out by the chairs of those negotiating groups, and he will urge them to come to Geneva with the requisite flexibility and political will to see these negotiations through to a successful conclusion.

Let me say a word or two about regional economic integration. As many of you know, the goal of advancing regional economic integration has really been there from the outset of APEC. After all, the E stands for economic. This is the premier regional economic organization.

The administration has called for APEC to work toward and consider a free-trade area of the Pacific, or sometimes referred to as FTAP. The goal, the concept, is a region of seamless trade and investment regimes across all of APEC. A report to leaders on progress on this initiative will be given. That the U.S. is committed to regional integration I think is evident by the fact that we already have in force five FTAs with APEC nations -- Singapore, Australia, Chile, Mexico, and Canada -- and two more have been signed with Korea and Peru and are awaiting congressional approval.

Some progress towards this regional vision has been made through agreement on model measures to be included in FTA chapters that many of the APEC countries are themselves negotiating bilaterally, with a view to

ensuring at least a degree of harmonization and transparency in the provisions of those FTAs that are being negotiated with a view to an eventual free trade area of the Asia Pacific.

Dennis mentioned that the President will be addressing the business leaders' summit, and he will carry that message of trade and investment liberalization to them in this speech, highlighting its importance, the U.S. commitment to Doha, the U.S. commitment to regional economic integration, and he will also be encouraging business leaders to partner with governments in educating their employees, their communities, their governments on the benefits of trade and investment liberalization.

As the President has often remarked, the greatest economic danger we face is a descent into protectionism and isolationism. And the remedy for that is the ambitious and steadfast negotiation of liberalizing trade and investment agreements, and on broad-based education of the benefits of those agreements.

Let me turn to climate. The U.S. is working closely with Australia and other APEC countries to address broadly the challenges posed by climate change. Among the topics for discussion will be energy efficiency, forestry, technology development, alternative energy, low-carbon energy, and importantly, continuing efforts to reduce barriers to trade in environmental goods and services.

We believe that the work that we do at APEC can create some momentum for the President's major economies conference that will be held in the United States on September 27th and 28th. I think I will stop there and invite questions for Dennis or for me, or if there are particular questions on climate and energy security Chairman Jim Connaughton is here to respond to those, as well.

Q A question on bilateral meetings. Will the President meet with the President of China, any of the other leaders?

MR. WILDER: Yes.

Q When?

MR. WILDER: I believe I noted that he will meet with the President of China on Thursday afternoon. He will meet with, of course, Prime Minister Howard separately, he will meet with Prime Minister Abe. We are in the process of arranging a meeting with Putin, but that -- the exact timing of that is not settled yet. He will probably have a private meeting with President Yudhoyono of Indonesia; again, we are still working a little bit on scheduling that.

I think those are the key bilaterals. And then, of course, he'll have a small meeting with the APEC ASEAN seven, and he'll meeting with all the other leaders in the retreat forum.

Q The schedule for the President's itinerary has been in flux, and as you know, he's leaving a day early, before the summit officially ends. And I'm just wondering if you're worried that that sends a signal to the region that he's not interested in their concerns, or that he's giving short shrift to their concerns?

MR. WILDER: Interestingly enough, with this sort of flipping of the schedule, we're actually in Sydney longer than we originally planned to be.

Q Right -- but there's no side trips to Singapore for the ASEAN meeting and there's no trip to Japan that maybe was talked about before.

MR. WILDER: As you know, before the President made the decision to change the schedule he did consult with Prime Minister Howard and we did consult with those other nations to let them know that there was a need -- a pressing need to be back in Washington early. They all were, I think it's fair to say, while a little disappointed that he wouldn't be able to make the side trips, understanding of how important the debate is that will occur in Washington that next week. And we have worked very hard to make sure he's able to have meetings with a lot of those leaders anyway.

The one event that we've had to postpone, as you may have alluded to there, is a celebration of the 30th anniversary of our relationship with ASEAN. We're working to reschedule that, and the President will talk about the ideas he has for rescheduling that event. So we're not going to forget about the fact that we owe the ASEAN

members a celebration of our relationship.

Q Some analysts, however, do say that the administration has been so focused on the Middle East, particularly Iraq, that it hasn't given Asia the attention that it deserves, and that this has created an opening for China to increase its clout. What do you think of that criticism?

MR. WILDER: You know, I've heard it. I am not sure that it is very valid. If you look at the President's commitments in this region, the fact that he's gone to every APEC summit, and even to Shanghai right after 9/11, you will remember, he made the trip to Asia -- the fact that he's going this year, even though this will be a very hot political season in Washington -- this President is committed to this region and he's committed to this region for very good reasons. Our economic future is tied to this region. Our security future is tied to this region.

We have great friendships, and he has great personal friendships. I can tell you that, having watched him with the leaders of East Asia, he has very close personal friendships with many of them, and he knows them well from these meetings. So when people say that there's inattention, he spends a great deal of time on Asia. He thinks about Asia a lot. He thinks about China and its future and the future direction of China. He thinks about our alliance structure in East Asia and how we can improve it. And we've done a lot over the last few years, with force transformation in Korea and in Japan and with the Australians, and we'll be doing more to build those alliance structures so that we can meet the challenges ahead on the political security side.

So I think -- I really don't find it a very credible argument when it comes to the President of the United States.

Q Did you say that climate change is going to be an issue in the bilateral discussions with the Chinese leader and the other bilaterals? Is it just going to be an issue for the Australian bilat, or will it come up in other areas?

MR. PRICE: No, it will come up in other discussions, as well.

Q In all the bilats?

MR. PRICE: I don't know if I can say in all the bilaterals, but certainly in many of them. Remember that nine of the APEC members are major economies who have been invited to the conference on September 27 and 28. And the President has made it very clear, both in Heilingendamm during the G8 meetings, that the problem of climate cannot be responsibly addressed unless all of the major economies are at the table, including those represented by the developing world. And nine of those are APEC members.

So working cooperatively with our APEC partners, as we've begun to do under the Asian Pacific Partnership, and carrying that plan forward through the bilateral leader meetings and through the summit discussions is very high on the agenda.

Q Can you tell me, during the course of your preparations for this APEC meeting -- of course, you had the blowout on the sub-prime market, which has caused reverberations in the entire international financial system, showing people the fragility of the system we're working with -- I was wondering, given that you have the greatest economic powers that are gathered there, has this affected your planning for the meeting, the talking points? And do you think that the nature of the discussion will be somewhat different than business as usual, as you may have envisioned one month or one-and-a-half months ago?

MR. PRICE: I think the answer to that question is, no, this is not going to figure prominently in the discussions. Of course, we're paying attention to the markets. There is some volatility out there as the markets work to reassess risk. But Secretary Paulson, Chairman Bernanke and others in the administration are keeping a watchful eye on it. The fundamentals of the U.S. and world economy are very strong. This may take some time to play itself out, but I think that policymakers are taking steps to ensure that we all stay on track.

This will not be a preoccupation of the leaders at the summit, at least as far as we can tell.

Q Sir, on the bilateral, you gave us a brief readout on the substance of the issues to be discussed. Even though you can't speak to the logistics of the bilateral with the Russian President -- can you tell us what they want to discuss?

MR. JOHNDROE: As you all know, Dan and Dennis don't cover that beat, but we can help you all with that later on. Thanks.

Q Okay. And I also wanted to ask about this international conference. Is Russia invited? What is the level of the representation expected at the conference?

MR. PRICE: Russia certainly is invited. It is a major economy, or one of the top 15 major economies. The letter sent by President Bush to President Putin asked President Putin to appoint a leader's representative, somebody who could speak for President Putin not only at this meeting, but for these issues moving forward. Different countries are sending different levels -- some are sending ministers, some are sending deputy ministers, some are sending special representatives.

Q Thank you. So you're doing this as a real -- (laughter) -- even though --

Q In the President's meeting with Hu Jintao, do you expect the issue of Taiwan to come up? Specifically, the issue of Taiwan President Chen Shui-bian's pushing for a national referendum on U.N. entry to Taiwan, and the reports that China might seek a resolution officially declaring Taiwan part of China in the U.N. eyes?

MR. WILDER: Well, I have almost never been in a meeting with Chinese officials that the subject of Taiwan didn't come up. So I think I can almost guarantee you that President Hu Jintao will certainly raise this topic with the President.

As you probably noted, earlier this week, Deputy Secretary Negroponte gave an interview in which he stated quite clearly the American position on the plans in Taiwan for a referendum, and Taiwan's interest in applying to the United Nations.

We are very supportive of Taiwan on many, many fronts. We have worked hard, for example, to make sure that they are treated appropriately in APEC as an organization, in the World Health Organization and many other international organizations. However, membership in the United Nations requires statehood. Taiwan, or the Republic of China, is not at this point a state in the international community. The position of the United States government is that the ROC -- Republic of China -- is an issue undecided, and it has been left undecided, as you know, for many, many years.

So we find the attempts by the DPP Party in Taiwan to call for a referendum of this subject a little bit perplexing as to why this would be useful, given the fact that Taiwan is not going to be able to join the United Nations under current circumstances and that it only adds a degree of tension to cross-straits relations that we deem unnecessary.

So the President will talk about this, I'm sure, with Hu Jintao. He'll explain the American position. Hu Jintao usually wants a recommitment by the United States to the three communiqu s and to our standing one China policy. I'm sure the President will be willing to give him that. But we also, I should stress, want the Chinese to do things to lower the tensions on the straits. There has been a large-scale, for example, Chinese military buildup opposite Taiwan, and that is worrisome. And we certainly do not want to see any situation in which Beijing would consider the use of force or the threat of force against Taiwan.

We also think that Beijing could do more to reach out to the duly elected leaders in Taiwan. We're hopeful, for example, that once elections take place in Taiwan that Beijing will do more to reach out to those leaders. So there are things that Beijing could be doing to ease the tensions as well, and I'm sure the President will be talking to President Hu about that.

Q Is the bilateral with Abe a trilat with Howard, or is it only with Abe?

MR. WILDER: There are likely to be two meetings. Again, I don't have an exact schedule for when President Bush and Prime Minister Abe will speak one on one. We do have the trilateral breakfast set, and that's on Saturday morning. But there will also be probably another event with Prime Minister Abe.

Q For those of us not steeped in the details of North Korea, can you just give us a lay of the land on the six-party

talks; what if any goals you have with respect to those talks at this meeting?

MR. WILDER: Sure. Ambassador Hill gave a rather detailed briefing at the State Department yesterday, so I would say that what he had to say is probably more authoritative than what I'm going to say, but I'll give you the brief version.

This weekend Ambassador Hill will travel to Geneva for the bilateral working group talks with the North Koreans. As you may know, there are a number of working groups in this process that was set up in September of 2005 as we try and move the North Koreans toward denuclearization of the peninsula. The hope is once all these bilateral -- all of these working groups have met -- and I understand the Japanese working group will meet soon after our bilateral working group with the North Koreans -- then we hope to hold the plenary meeting of the six-party talks. I think mid-September is probably the time frame that we are shooting for.

And at this meeting, the various working groups will report on the progress we've made, be it in the economic assistance area to North Korea, the denuclearization process, the various bilateral efforts to normalize relations with North Korea, and we'll try and produce a new document on sort of the way ahead.

We've made initial first steps of importance. Yongbyon is shut down, and Yongbyon will move toward disablement in the not too distant future. The next steps that the North Koreans have promised are a full declaration of their nuclear programs, be they the plutonium program, be they whatever they have done on the uranium side. And we are looking forward to the North coming forward with that declaration.

In addition, we have to work out now the next steps in disabling the Yongbyon facility and associated facilities, and look forward then to dismantlement at some stage in the future.

Q So with respect to this meeting, and what the President wants to do, does he have a particular goal that he wants to achieve when he meets directly with the other leaders of the six-party talks?

MR. WILDER: The goal is to continue to keep a solid, firm position on denuclearization with all of these leaders. What we need to do, and the President feels very strongly about this, is the progress we have made is because the five members of the six parties other than North Korea have had a firm position on denuclearization. They have pushed on the North Koreans to move forward. We want to continue to have that kind of united effort with the North Koreans, and it's very useful then for the President to talk to each of these leaders on how we continue to push this process forward.

Q Can I ask Jim for his thoughts on what you hope to accomplish on climate? Is that appropriate?

CHAIRMAN CONNAUGHTON: As you know, we had the big breakthrough in Heilingendamm this year, right after the President's speech on May 31st, and that's with sort of the G8 grouping. At that time we had the plus-5, but they were not part of the leaders declaration on this. This is our chance in the APEC region, which represents these 21 nations, and a good combination of developing and highly-developed nations, to really set the foundation in that region for a shared understanding on a way forward on the energy security and climate issues.

So we'll take what occurred in Europe and now try to advance that in terms of toward common consensus in Asia. We've been very encouraged because a lot of the thinking behind the President's proposal in May was a result -- you asked about Asia and how much time we're spending there. Well, I've spent a ton of time in Asia, talking with the leadership in China, Japan, South Korea. I was just in Indonesia. So there's a lot of interest in the Asia Pacific region taking on more of a proactive role in this area.

And I think you'll see that with Prime Minister Howard. He put this on the agenda for the first time in APEC since it was formed. So that's a big shift. And we're hearing from Indonesia, China, South Korea, these countries that didn't have obligations before -- you're hearing some very positive statements from their leadership on the importance of this integrated agenda on energy and clean air and climate. And that's because the region is growing so fast, too. They're struggling with these environmental challenges in a more consequential way now. And that, I think, paves the way for more constructive conversation.

Q Could I ask about the meeting with Kevin Rudd? Is that simply a courtesy, or a recognition of the fact that

there's likely, some would say, to be a change of government in Australia before the end of the year? And given that, how high is the issue of Australian troop numbers in Iraq and the way forward in Iraq going to be with the high-level meetings with John Howard and Mr. Rudd?

MR. WILDER: First of all, we often meet with opposition leaders in democratic countries. This is not an unusual event -- either here in Washington or abroad. I met with Mr. Rudd when he came to Washington not too long ago. The President didn't get a chance then, but he wants to have the chance now.

I think the President does want the opportunity with Mr. Rudd to explain why he believes that all coalition partners must stay the course in Iraq. You've heard from the President on many occasions on this issue; I won't try and go through his process. But I think he would be asking the question, why, at a point when there is progress being made, would a major partner of the United States, a partner who has believed in the struggle and who has sent their young men and women to join in this struggle, why we would make a decision without looking at the facts on the ground.

In other words, if there are going to be decisions to pull back forces by any of our coalition partners, the President hopes that they would really consider the situation and consider the progress that we have made in the surge, and how this may affect the calculations of nations as far as their troop deployments.

So I think they're going to have a lively discussion. I think the President is going to be up front about his views, and I would expect Mr. Rudd will be equally open with his views.

Q Will President Bush, in the bilateral meeting with South Korean President Roh, what particular issue does the President ask towards Roh Moo-hyun, regarding South and North summit meeting on October 2nd --

MR. WILDER: I think the key question about the inter-Korean summit, from our point of view, is how can it be used to advance the denuclearization process in North Korea. In other words, we have a lot of moving pieces on North Korea. We have a lot of working groups operating. We have a lot of attempts to incentivize the North Koreans to move forward. We have a plan that calls for performance, and performances-based approach to providing North Korea with aid.

What we want to ensure is that whatever is decided at the inter-Korean summit is part of that mosaic, builds on what has been done, and is positive incentives to the North Koreans to continue down the road that all people in East Asia want them to continue on, and that is the denuclearization of the Peninsula.

So I think it's going to be very important to hear from President Roh exactly what he hopes to accomplish in that summit, and how it will advance the six-party process.

MR. JOHNDROE: Thank you all.

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