

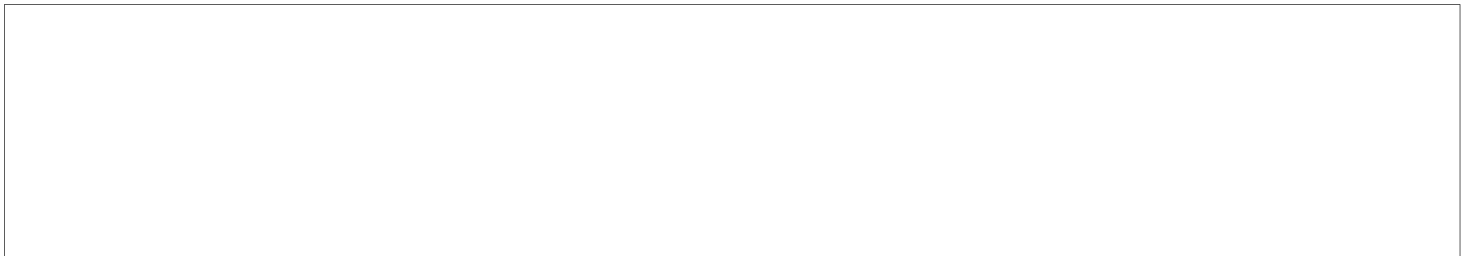
RELEASE IN PART
B5

From: Sullivan, Jacob J <SullivanJJ@state.gov>
Sent: Thursday, January 20, 2011 9:35 AM
To: H
Subject: FW: AFP picks up S comment on China-Iran from Good Morning America

FYI.

From: Einhorn, Robert J
Sent: Thursday, January 20, 2011 2:22 AM
To: Sullivan, Jacob J
Subject: Fw: AFP picks up S comment on China-Iran from Good Morning America

Jake,



Bob (on route to Istanbul)

From: Johnson, Richard C
Sent: Wednesday, January 19, 2011 05:42 PM
To: S-SANAC-DL
Subject: AFP picks up S comment on China-Iran from Good Morning America

US may punish China firms evading Iran sanctions: Clinton

(AFP) – 5 hours ago

WASHINGTON — US Secretary of State Hillary Clinton said Wednesday that some Chinese firms were still failing to comply fully with UN sanctions and suggested Washington could impose its own sanctions on them.

"We think that there are some entities within China that we have brought to the attention of the Chinese leadership that are still not as, shall we say, as in compliance as we would like them to be," Clinton told ABC television.

"And we are pushing very hard on that and we may be proposing more unilateral sanctions," the chief US diplomat said during the interview with the network during the state visit by Chinese President Hu Jintao.

"Now, the Chinese response is they are enforcing the sanctions they agreed to in the Security Council; they did not agree to either European, American, or Japanese sanctions that were imposed unilaterally," she said.

"Our response to that is, look, we share the same goal, we need to prevent Iran from becoming a nuclear weapons state; so therefore, even though technically you did not sign up to our unilateral sanctions, we expect you to help us implement them," Clinton said.

In October, Chinese foreign ministry spokesman Ma Zhaoxu insisted Beijing was implementing UN sanctions against Iran after Washington said it had asked Beijing to look into whether some Chinese firms were evading the restrictions.

China is Iran's closest trading partner and has major energy interests in the Islamic republic, which Western governments suspect of seeking to develop nuclear weapons capability.

Tehran strongly denies the allegations, but Beijing still voted for a fourth set of UN sanctions against Iran in June last year over its refusal to freeze uranium enrichment.

The Washington Post reported in October that the United States believes some Chinese firms are helping Iran to improve its missile technology and develop nuclear weapons, and has asked Beijing to prevent such activity.

Crowley confirmed at the time that Washington had provided information to Beijing about individual Chinese companies, "and the Chinese assured us that they will investigate."

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