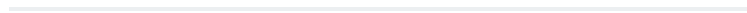


1 .





There are, therefore, two separate but closely



adjudicating these systemic frictions and



There is no easy solution for reconciling China's economic system with the norms of the existing international trading system. Refraining from policies such as those described above would be an ideal but highly unlikely remedy. Assuming such restraint is not forthcoming, any practical solution would likely need to include an explicit recognition by China that when its predatory practices inflict commercial harm on its trade partners, those partners would be within their rights to withdraw a commensurate level of commercial benefits accorded to China. China would then be free to determine if it was in its interests to maintain those policies or not.

If trade rules fail to adequately manage