



Bush: U.S. didn't cause plane crash

BY BARRY SCHWEID
ASSOCIATED PRESS

WASHINGTON — Navy crew members returning Thursday from 11 days of detention disputed China's account of the collision that brought down their surveillance plane. President Bush said "tough questions" would be put to China at an inquiry next week.

His tone stern, Bush said at the White House, "The kind of incident we have just been through does not advance a constructive relationship between our countries."

With clearly different emotions, Bush also spoke by telephone to Lt. Shane Osborn, the mission commander. The rest of the crew listened to the conversation via speakerphone.

"Y'all there?" Bush asked. "We're all here, sir. Thank you for getting us here," Osborn replied.

"Welcome home. We appreciate you. You did your duty. You represent the best of America," the president said. "As an old F-102 pilot, let me tell you, Shane, you did a heckuva job bringing that aircraft down. You made your country proud."

Through most of the protracted negotiations that freed the crew but not their aircraft, Bush had approached

Beijing with diplomatic care, insisting the surveillance was legal but also approving expressions of sorrow the Chinese pilot was lost and the American plane did not seek approval for its emergency landing after the April 1 collision.

But after crew members told debriefers they were on a "fixed course" and had not swerved into the Chinese jet fighter, as Beijing contended, Bush stood in the Rose Garden and let loose, castigating not only the detention of the 21 men and three women, but China's record on human rights, religious freedom and stability in the Asia-Pacific region.

"The United States and China will no doubt again face difficult issues and fundamental disagreements. We disagree on important, basic issues," he said.

Referring to a scheduled joint meeting next Wednesday on the collision, the disposition of the Navy plane and related issues, Bush said: "I will ask our United States representative to ask the tough questions about China's recent practice of challenging United States aircraft operating legally in international airspace."

Reconnaissance flights, he said, "are a part of a comprehensive national security strategy that helps maintain peace

and stability in our world."

In diplomatic exchanges over the incident, Bush said, "The United States and China have confronted strong emotions, deeply held and often conflicting convictions and profoundly different points of view."

A senior Pentagon official told The Associated Press that the Americans were flying level and were on a fixed course at fixed altitude when the Chinese plane struck the U.S. aircraft.

With the crew safely back on American soil in Hawaii, Bush said, "China's decision to prevent the return of our crew for 11 days is inconsistent with the kind of relations we have both said we want to have."

"From all the evidence we have seen, the United States aircraft was operating in international airspace, in full accordance with all laws, procedures and regulations and did nothing to cause the accident," he said.

Bush, who spoke with crew members before making his statement, said they "did their duty with honor and great professionalism."

Only a few hours earlier, the White House spokesman Ari Fleischer had said the U.S. relationship with China was on a productive course.

But China's Deputy U.N. ambassador, Shen Guofang, told the AP in New York, "We have to make further investigations on the plane and also to have consultation on their further activities along our coastal areas."

He said investigations of U.S. flights "will take some time," and he described the April 18 meeting as one of experts, thereby suggesting it would not be conclusive.

"We have to convince the Americans that if they have further activities like this along our coastal areas, it is not in the interests of both countries and it is very dangerous for them, because maybe in the future, I'm not sure whether this kind of collision will happen again if they still will carry out spy activities like this," Shen said.

Meanwhile, the crew landed in Hawaii to cheers and to face two long days of debriefing before weekend reunions with families and friends.

"We're definitely glad to be back," said Osborn, the mission commander, in a statement to officials and military families.

"I'm very pleased they are back on American soil," Secretary of State Colin Powell said Thursday in Paris.

Bush was having lunch at the White

House with Vice President Dick Cheney when the plane carrying the crew arrived in Hawaii. The president looked up at television reports of the arrival and told Cheney, "Good news. Welcome home."

For Bush, still enmeshed in his first major overseas squabble, handling of the diplomacy with China was testing his support at home among political conservatives.

The dispute was giving impetus to a bill to overturn last year's law paving the way for China to gain permanent normal trade relations with the United States.

"This incident calls into question our current policy of sending American trade dollars to a nation that has displayed signs of hostility toward the United States," said Rep. Duncan Hunter, R-Calif., who proposed the measure to overturn the trade law.

Condoleezza Rice, Bush's national security adviser, indicated that Bush would not yield. "I think we all believe that trade with China, the effort to try and build an entrepreneurial class in China, to try to bring some freedom to that society through freer economics, is an important goal," she said on CBS' "The Early Show."

WORLD BRIEFS

American crew returns to U.S. soil

HAGATNA, Guam (AP) — Leaving their crippled spy plane on a Chinese island, 24 U.S. crew members headed for Hawaii on Thursday with plans for a weekend reunion with families and friends on the U.S. mainland. Their long flight home ended a 12-day diplomatic standoff after a collision with a Chinese fighter jet over the South China Sea. Weeks of compromise had led American officials from expressions of "regret" to the word "sorry" during the weekend. Finally, a letter delivered to Chinese officials on Wednesday said the United States was "very sorry" for the pilot's death and for the U.S. plane's landing in China without permission. U.S. and Chinese officials warned the incident had not been settled. The U.S. plane, filled with high-tech, secret surveillance equipment, remained on Chinese soil, where experts have likely been taking it apart.

Ashcroft says McVeigh execution may be televised

WASHINGTON (AP) — Attorney General John Ashcroft has decided to allow a closed-circuit telecast of Timothy McVeigh's execution to be broadcast to Oklahoma City bombing survivors and victims' families, a government official says. Survivors and families will be able to watch the telecast in Oklahoma City, said the official, who spoke on condition of anonymity Wednesday. The decision fulfills the wishes of some 250 victims and family members who want to see McVeigh die. There are only eight spots available for victims' witnesses at the federal penitentiary in Terre Haute, Ind., where McVeigh, 32, is scheduled to receive a lethal injection on May 16.

Crowded field waits in the wings to succeed Mori

TOKYO (AP) — When Ryutaro Hashimoto was prime minister three years ago, he was widely blamed for squelching a budding recovery from Japan's worst economic slowdown in decades and forced to resign in disgrace. With an apology for past mistakes and a vow to turn the still sputtering economy around, Hashimoto announced Thursday he wants another chance. He is widely seen as the front-runner to replace the hugely unpopular Prime Minister Yoshiro Mori in elections later this month. But the race is surprisingly heated. Hashimoto and three other senior politicians formally filed their candidacies before the deadline closed Thursday to replace Mori as president of the ruling Liberal Democratic Party. It was the first time so many candidates had run for the post since 1982.

Mideast security talks unsuccessful

TEL AVIV, Israel (AP) — U.S.-sponsored cease-fire talks between Israelis and Palestinians ended without result Thursday, and Prime Minister Ariel Sharon warned he would send troops into Palestinian areas again if attacks on Israelis persist. In new violence, a Palestinian farmer was killed and three Israeli soldiers wounded in shootings in the West Bank and Gaza Strip. The meeting between Israeli and Palestinian security officials came a day after Israeli tanks and bulldozers razed a neighborhood in the Palestinian refugee camp of Khan Yunis in a Palestinian-controlled area of the Gaza Strip. Two Palestinians were killed, two dozen wounded and hundreds left homeless in the assault which Israel says came in response to persistent Palestinian mortar attacks on Jewish settlements.

Rig spills oil into Atlantic

BY PETER MUELLO
ASSOCIATED PRESS

RIO DE JANEIRO, Brazil — A blowout at an offshore oil rig on Thursday forced the evacuation of workers and dumped more than 3,400 gallons of crude oil into the sea. The spill was near the site where another platform caught fire and sank last month, oil giant Petrobras and union leaders said.

No one was injured in the accident at the P-7 rig, located in the Biciudo oil field 75 miles off Brazil's southeastern coast, Petrobras said. A blowout is an uncontrolled gush of gas and oil. Production was immediately stopped.

Petrobras said that oil came from a pipe Thursday morning during tests of a well in about 700 feet of water. Most of the 143 workers aboard were

evacuated to nearby platforms, but 37 members of emergency and firefighting teams remained on the rig.

"There was no explosion, and the structure of the rig was not compromised," said Irani Varela, head of the department of safety and the environment at Petrobras.

Varela described the spill as relatively small — "about half a tanker truck." He said two ships were at the site with 2,000 feet of floating oil-contention barriers to keep the spill in check.

However, the oil workers' union Sindipetro said the spill was six miles long. Technicians from the government's Environmental Protection Agency, Ibama, were heading to the site but did not immediately have an estimate of the size of the spill.

Petrobras said the P-7 rig was

producing 15,000 barrels a day and had been in operation since the 1980s in the offshore Campos Basin, which accounts for most of the 1.5 million barrels of oil Brazil produces daily.

The latest accident comes barely three weeks after fire and explosions killed 11 workers aboard the world's biggest floating oil rig, which sank in nearly one mile of water in Campos Basin.

At least some of the 312,000 gallons of diesel fuel aboard leaked into the ocean, but winds and tides carried it away from the coast out to open sea. The rig also had 78,000 gallons of crude oil, most of it in hoses between the wells and the rig, but it was unclear whether that also had leaked.

Pubs, patrons fear for supply of Guinness beer

BY SHAWN POGATCHNIK
ASSOCIATED PRESS

DUBLIN, Ireland — Brian Cloyne lifted a pint of smoldering black stout to his eye, contemplated its murky mystery against the light, then took a dramatic gulp.

"In these dark days, you have to savor every pint of Guinness like it's your last," the painter told laughing workmates during a lunch break.

Things aren't got quite that dire yet, but Thursday's strike by workers at Guinness breweries throughout Ireland had pub owners and patrons alike wondering when the stocks of the country's most famous drink might run dry. The guess is sometime next week.

More than 1,000 workers shut down plants in Dublin, Waterford, Kilkenny and Dundalk, a border town to the north where Guinness plans to shut a packaging plant later this month. The strikers are demanding that the Dundalk plant remain open, saving 150 jobs.

Guinness executives suggested the closure might be delayed — but also warned that if the strike goes on for long, the strikers' own jobs might be in danger.

Pat Barry, the company's chief spokesman, said Guinness could lose up to \$18 million in sales per week if the strike lasts more than a week.

Such losses, he said, would "call

into question the need for certain operations in Ireland, because if we don't have the business to put into those breweries, then we have to question our position."

A Guinness-less Ireland seems hard to imagine for those who most love the drink, a sweet brew based on roasted barley and Wicklow Mountains water. The company founded by Arthur Guinness in 1759 today runs breweries in more than 50 countries, and sells some 20 variants of the stout in 150 countries.

But those closest to the tastes of modern Dublin pub-goers predict that Guinness stands to lose more than the fickle public. Some pubs have stockpiled extra kegs to last them several days without fresh supply, but after that?

"They'll find something else to drink," said Kevin Dooley, a barman at Fagan's, a favored haunt of Prime Minister Bertie Ahern on Dublin's north side, where the Guinness is served in both its traditional lukewarm and modern ice-filtered variants alongside a half-dozen other draft beers.

Dooley said the pub had prepared as best it could, ordering about 30 extra kegs of Guinness, as well as extra kegs of the breweries' other products: Harp lager, Smithwick ale, locally made Budweiser, and others.

Gas prices might soar again

Low oil inventories, OPEC production cuts might cause increase

BY BRUCE STANLEY
ASSOCIATED PRESS

LONDON — Crude oil inventories are so low that major importing countries could face tight gasoline supplies and volatile prices at the pump during the peak summer driving season, a respected study said Thursday.

This month's cuts in production by the Organization of the Petroleum Exporting Countries are likely to exacerbate the problem, causing uncertainty for refiners who must buy crude to process gasoline and other refined products, the International Energy Agency said in its monthly energy report.

"It is widely expected that the U.S. gasoline markets will be tight again this summer. ... Consequently, price spikes through the peak demand season are a possibility to contend with," the IEA said.

The Paris-based IEA is an agency of the Organization for Economic Cooperation and Development, a club of the world's wealthiest nations.

Its forecast comes as somber news for North American motorists, who endured a sharp increase in prices at the pump only last summer. The U.S. is the world's largest consumer of petroleum products.

"We foresee not total shortages of gasoline but the possibility once again of regional supply imbalances and a lot of volatility in the market," said the report's editor, Klaus Rehaag.

"Ultimately, we'll have enough supply but it could end up in the wrong place at the wrong time, especially if there are unforeseen circumstances"

such as problems with pipelines or refineries, he said from Paris.

Lawrence Eagles, head of commodity research at London brokerage GNI Ltd., said the agency's prediction of potential trouble in gasoline markets was no surprise.

"It's a valid point," he said, noting that many refineries have temporarily curtailed production due to the need for seasonal maintenance.

"There's not enough capacity producing gasoline at the moment," he said from his office in Northern Ireland.

Last spring, U.S. refineries were so busy making heating oil that they were slow to shift to producing gasoline. Regional shortages of gasoline were the result, causing retail prices to spike in several parts of the United States. However, Peter Gignoux of Salomon Smith Barney said fears of a gasoline shortage this time around were not yet justified.

"There are some legitimate worries, but I think some advocates of higher gasoline price are a little overzealous," he said.

Gignoux, head of SSB's petroleum desk in London, argued that refineries were enjoying "terrific" profit margins. "This should make refiners buy crude and make gasoline."

Analysts said it would take a few more weeks before the prospects for gasoline prices this summer became clear.

Major importers drew down on their existing oil inventories for the third consecutive month in March, the IEA said, and this contributed to a firming up of crude prices during the second half of the month.

Overall, prices fell sharply from their levels in February due to deepening fears about the American and world economies and the strength of future oil demand.

The report said contracts of light, sweet crude fell by \$2.44 per barrel in the United States, while contracts of North Sea Brent crude dropped by \$3.13 per barrel in Europe.

In trading Thursday, West Texas Intermediate crude oil for May delivery was up 7 cents to close at \$28.28 at the close of trading on the New York Mercantile Exchange. May unleaded gasoline was down .10 cent to close at \$1.0231. On London's International Petroleum Exchange, June Brent crude rose 41 cents to settle at \$27.37.

Prices for gasoline and other refined products fell also, but by smaller amounts, the IEA said.

Signs of economic weakness led the agency to revise its expectations for annual oil demand. It forecast this year's growth in demand to equal 1.33 million barrels per day — 6 percent less than it had predicted last month.

Oil supplies increased in March by 1 percent to 78.2 billion barrels a day. The biggest factor in the increase was Iraq, which boosted output by 530,000 barrels a day.

The United States, Mexico and Britain also made substantial increases in production. Supplies are likely to decrease this spring, with the 10 OPEC nations other than Iraq agreeing to trim their official output by 1 million barrels effective April 1.

The IEA noted that OPEC produced 650,000 barrels a day above its March target, and it suggested that this quota busting helped keep crude prices lower than they would have been otherwise.

The IEA estimated the average world demand for oil at 77.3 billion barrels a day during the first three months of the year. It said demand would decline during the second quarter by 2.4 billion barrels, then rebound during the second half of the year.

U.S. hostage rescued

Captive freed in Philippine jungle

BY PAUL ALEXANDER
ASSOCIATED PRESS

MANILA, Philippines — Troops and police stormed a jungle hide-out on Thursday to free a U.S. hostage from Muslim rebels who had threatened to behead him as a grisly "birthday present" to the Philippine president.

The hostage, 25-year-old Jeffrey Schilling of Oakland, Calif., was in good health Thursday after the raid on Jolo island, 580 miles south of Manila. Marine commandos and police killed some Abu Sayyaf rebels and wounded others, said Brig. Gen. Diomedio Villanueva.

After the rebels threatened to behead Schilling last week, President Gloria Macapagal-Arroyo responded by declaring "all-out war" against the group, pouring 3,000 troops into the island's steamy jungles, then sending in

another 1,800 reinforcements early Thursday.

She vowed to destroy the rebel movement.

"They must surrender if they value their lives," she told DZMM radio in Manila. "This is a fight to the finish."

Schilling's relieved mother, Carol Schilling, said she was told by the U.S. embassy that her son would return home this weekend.

"I'm going to tell him I love him and I'm going to give him a great big hug and then I'm going to revoke his passport," she said from California.

Schilling, a Muslim convert, was taken by the rebels after he visited their camp in Jolo on Aug. 31. He was accompanied by his wife, Ivy Osani, the cousin of a rebel leader, Abu Sabaya. Osani was freed after the rebels seized Schilling.

The strange circumstances of his kidnapping led some local military officials to speculate that Schilling might have been cooperating with the rebels.