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Vol 23

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---CHINA-USA RELATIONS

FOLLOWING IS ARTICLE ON SCOWCROFT VISIT BY NIEN CHENG,

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CHINA - USA RELATIONS

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Washington Post

Dec. 15, 1989

Nien Cheng

## A Distasteful but Necessary Mission

*Only assurances not to support Taiwan independence could calm the Chinese.*

The news that President Bush sent national security adviser Brent Scowcroft and Deputy Secretary of State Lawrence Eagleburger to Beijing shocked me. Are we to forgive and forget only six months after the massacre? Such a high-level mission directly contravenes the ban the president imposed. I could not understand it, but I believed then as I do now that there must be a good reason, perhaps even an urgent one, for the president to take such a step and risk being misunderstood by the American people, who I know have been on the side of the Chinese students from the very beginning.

As the president has explained, high-level contact is important with China. This is especially so at the present moment when the hard-liners in the leadership are trying to take China back to the days of secretiveness and isolation. Before Rich and Nixon's trip to China in 1972, there were many missed opportunities for the United States to influence events, because there was no meaningful official contact. For years, the Chinese Communist Party, always suspicious of foreign powers, had no real understanding of American policy, and the leadership assumed the worst. Fear accentuated paranoia. The Chinese people suffered.

Right now, high level contact is the only way to get an important message to the ears of Deng Xiaoping, who remains the person to make decisions, though officially retired. Isolated in the seclusion of Chung-nanhai and handicapped by failing health, Deng cannot be reached otherwise. I can't help remembering the final years of Mao Zedong, when he depended so much on his wife for information, with disastrous results. To explain American policy, to exercise persuasion or to get Deng's agreement, we needed to send a high level delegation. This is even more so, if the president wanted Deng to make a concession. America must give him a lot of face, not only to win him to our point of view, but also to enable him to convince the other octogenarian leaders.

It is too early to judge whether the president was right to break his own ban of high-level contact. If Scowcroft's mission succeeded in resolving some of the thorny problems facing the two governments, then the trip was worthwhile. The Chinese proverb says: "If you want to get the tiger cub, you must go into the tiger's cave." To achieve an objective, it is worthwhile to take a risk.

There is the problem of Fang Lihl, the astrophysicist, and his wife, Li Shudan, who took refuge in the U.S. Embassy at the time of the massacre. A warrant was issued for their arrest, and they were accused of being "counterrevolutionary instigators." That the Fangs are out of reach of the Chinese government and under the protection of the U.S. Embassy is intolerable to the Chinese leaders. Their inability to carry out the arrest made them lose face and encourages other Chinese to turn to foreign embassies for protection. In anger and frustration, they accused the United States of "interfering in the internal affairs of China." To the Communist leaders this situation is more of an insult than economic sanctions.

Handing the Fangs over to the Chinese government to be put in prison or shot is, of course, not a question. But their con-

tinued residence in the embassy is an embarrassment and a stumbling block to the normal function of diplomacy. A way out of the impasse must be found. Any solution must be agreed upon by Deng personally. No lesser Chinese leader could decide such a delicate issue. To get Deng to compromise, a delegation representing the president had to be sent.

Taiwan has just carried out its first democratic election with full participation by opposition parties. Although the Kuomintang remains in control, the Democratic Progressive Party, which advocates Taiwan independence, made impressive gains, displacing the Kuomintang in many

important local and municipal administrations. This unexpected development greatly alarmed the Beijing leadership. Communist Party-backed newspapers in Hong Kong and elsewhere have published many articles either accusing the Kuomintang of condoning the Taiwan independence movement or encouraging the Democratic Progressive Party. Some even hinted at a possible coup attempt by the Democratic Progressive Party to seize control of Taiwan.

U.S. congressmen and senators are alleged to be sympathetic to Taiwan independence. Recent escapees from China with government connections talked of military preparations for an invasion of Taiwan, a pre-emptive strike to keep Taiwan a part of China.

Military action would strengthen the power of the man who directs the campaign. China's punish-Vietnam campaign of 1979 consolidated Deng's position at

the moment he resumed power. A military campaign would greatly benefit hard-liners with a strong military background. But they cannot give the order to attack without Deng's approval. A military campaign would also unite the people and divert their attention from economic difficulties. To the leaders in their 80s, taking Taiwan by force would realize a dream they have cherished for over 40 years. And they believe they can do it, too, because they have carefully built up a submarine fleet and a large air force precisely for such a purpose.

Only a timely warning by the U.S. government could prevent bloodshed and preserve peace in the Taiwan strait. Only an assurance by the United States government not to support the Taiwan independence movement could calm the Communist leaders and convince them the status quo is the best for all concerned.

There are other reasons for high-level contact. For instance, China is a nuclear power with a sizable arsenal of weapons. It cannot be left out of an effective arms control agreement.

The American people and their representatives in Congress have a keen sense of justice and have compassion for the Chinese people. They were deeply saddened and revolted by the massacre of innocent students and civilians in Beijing and elsewhere in China. They would rather not have anything to do with a government that butchered its young. But there are many practical reasons why the president must keep in contact with the present Chinese leadership no matter how distasteful such contact is for himself and the American people. There is simply no other alternative if we want to get things done. By maintaining contact, the president cannot right the wrong that has already been done, but he may be able to prevent that gang of power-mad old men in Beijing from inflicting more madness on the Chinese people and the civilized world.

*The writer is author of "Life and Death in Shanghai," a memoir.*



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---USA-CHINA RELATIONS

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China-USA Relations

2/6

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Dec. 14, 1989

Lally Weymouth

## China's Satellite Coup

The Chinese have won two important concessions from the United States without giving anything in return. Not only has the Bush administration sent high-level emissaries to Beijing, but it has also indicated that it is willing to allow China to earn the hard currency it so badly needs by going into the business of launching U.S. satellites.

President Bush's attempt to justify sending Brent Scowcroft and Lawrence Eagleburger to China met with the skepticism it deserved. The president implied that the trip had produced new results for the United States—assurances from the Chinese that they would not sell the intermediate range M-9 missile to Syria. (These missiles, a substitute for the SS-23s that the Soviets have refused to sell to Syria, have a range of 375 miles, which means they could hit not only Tel Aviv but other Middle Eastern capitals.) Sen. Dan Claitor (D-N.Y.) correctly points out that the president's announcement represents nothing more than "a veiled commitment," the same assurance was given in February for the second time when Bush visited Beijing.

Indeed, the Chinese first uttered the same promise to former secretary of defense Frank Carlucci in September 1988 in what American

diplomats claim was a major breakthrough. After Carlucci received what a U.S. diplomat calls "positive indications" that the Chinese would not sell "intermediate-range missiles to volatile areas," he immediately set out to reward the Chinese by warmly endorsing the idea that China should be allowed to enter the missile launch industry.

This sparked a controversy, rarely discussed publicly, that has been fought out in Washington for more than 12 months. Some members of Congress don't share Carlucci's enthusiasm, for security-related reasons as well as because of domestic economic concerns. Nor did the Tiananmen Square massacre help Beijing's cause.

Key industrial firms such as General Dynamics, Martin Marietta and McDonnell Douglas, encouraged to go into the launch business by the U.S. government, understandably opposed the idea of having to compete against a nonmarket economy like China's. As one General Dynamics spokesman put it: "We went out on a hook and undertook to build a series of launch vehicles. We are fledglings in this business." The Chinese, he pointed out, with their

cheap labor costs and subsidies can easily undercut the U.S. firms.

White House spokesman Martin Fitzwater has said that the administration will probably agree to let China go forward in this realm and launch three U.S.-made satellites. (General Dynamics bid on these launches but was undercut by the Chinese.) Attempting to slough off this major policy decision as nothing more than an "administrative matter," Fitzwater failed to acknowledge that Lorne Craner of the State Department had assured a suspicious congressional committee before Congress recessed that he knew of no administration plan to grant the export licenses necessary to facilitate the launch during the recess.

Sens. Connie Mack (R-Fla.) and Paul Simon (D-Ill.) wrote a letter to Secretary of State James Baker on Nov. 17 to underline their concern about what they believed to be the upcoming launch decision. The senators told the secretary they had accepted Craner's word at face value and felt "confident that no licenses for satellite exports will be issued during the congressional recess." The two senators noted that approval of the licenses during the recess would deny Congress "the chance to determine the validity of the new reports regarding Chinese missile sales and evaluate the extent to which the launches of U.S. satellites would aid or abet such sales."

The senators had reason to be wary. They knew that Chinese promises on nuclear sales proved meaningless before—even during the period when U.S.-Chinese relations were at their best. In 1984, the Chinese gave assurances that they would take into account U.S. concerns about nuclear proliferation. Shortly thereafter it was revealed that China had transferred nuclear secrets and materials to Pakistan, some say including the plan for the nuclear bomb.

It is very hard to imagine why it is in our national interest to put the Chinese into the satellite launch business. There is the question of technology transfer. The Chinese have been told not to look inside the satellite, and the U.S. government has found that the Chinese at pro-

sent, unlike the Soviets, do not have the equipment to do so. The result of the launches will be to undermine U.S. firms and above all to fill the coffers of the PLA, because China doesn't have a civilian launch agency.

Solarz aptly summed up the situation: "The president is rewarding those who pulled the trigger on the students in Tiananmen Square." To make matters worse, the Chinese can take the proceeds from the launch and use the money to develop the next generation of Chinese missiles.

Bush said that those who failed to understand the wisdom of his conciliatory move toward China were simply ignorant. Well, maybe. But maybe the real outcome is that the old men who rule China, living in their homes in the Forbidden City, have had the last laugh on the former envoy to China. They probably suspected it would only be a matter of time before our moral principles would fade and the geopolitical thinkers would come to the fore and preserve the celebrated Sino-U.S. relationship they worked so hard to create.

*Lally Weymouth writes on foreign affairs for The Post.*



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William F. Buckley Jr.

# The Osculation Reservation

Henry Kissinger made it clear, some time after the event, that he was not responsible for the "atmospherics" of President Nixon's visit to China in 1972. For those whose memory is so beneficent as to have forgotten what happened, at the first evening's banquet, Nixon, carried away by the *Gemutlichkeit*, went around his host's table and treated every one of the beasts at the table. This happened while the Cultural Revolution was at full fury and when the current strongman in China, Deng Xiaoping, was in one of Mao's jails.

And now we see, in the very first shots of President Bush's overture to China, a picture of Gen. Brent Scowcroft, accompanied by Deputy Secretary of State Lawrence Eagleburger, raising his champagne glass in a toast to the Chinese leaders who triumphed over the best instincts of their young students, shooting them down and executing the students' leaders as the hard-liners initiated a great seizure of economic and intellectual rectitude, uprooting the free farmers and doing away with every trace of intellectual freedom.

This is not an argument against the Scowcroft mission. Cool thought approved retrospectively the fact of Nixon's going to China, though not his conduct while in China, even as cool thought approves the notion that we should have a solid, working relationship with China. The question has always been: how to do this, without relenting on our moral evaluation of what happened on June 4 in Tiananmen Square. If Scowcroft had gone to China, made his concessions in formal circumstances and had kept at bay any photographers if he felt it necessary to exchange toasts, we'd have come closer to communicating the duality of our position on the China we need to consort with and the China that shoots young freedom-seeking men and women.

It was not surprising, under the circumstances, that Rep. Stephen Solarz (D-N.Y.), who is chairman of the subcommittee of the House Foreign Affairs Committee, which deals with Asia, should have criticized the Scowcroft mission. But the impression conveyed by television—of two old pals greeting each other as they might at a college reunion—fortifies criticism that is not earned.

The American public is correctly confused by such conduct. References crop up about Jimmy Carter having been the first American president to put human rights into our foreign policy (by the way, incorrect). Yet it was Carter who visited in Poland and spoke effusively about the Communist leadership there, not entirely the fault of his translator. And it was Carter who greeted Ceausescu of Romania, the one remaining totalitarian dictator in East Europe, as though he were running the Vatican. Bush ought to know what a difference it can make. He had a tough time of it when, during the campaign, he was reminded of his effusiveness when he visited Manila as the guest of Ferdinand Marcos.

Well, the step is taken, China is back in our orbit, and it is left primarily to Chinese students studying in America, not to American officials, to criticize the leadership of China. But it is time to resubmit to the Republican Party a plank proposed in 1984 in this space, "No American president should physically embrace any world leader responsible for the death and torture and/or imprisonment of more than .01 percent of his people." For a short, the Osculation Reservation.

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# Kissinger Says He Had No Role in China Mission

## Critics 'Trying to Blacken My Reputation'

By Walter Pincus  
Washington Post Staff Writer

Former secretary of state Henry A. Kissinger said yesterday that he would not have advised President Bush to send two former employees of Kissinger Associates, his consulting firm, on a secret mission to China to initiate a change of policy "with which I'm partly identified."

National security adviser Brent Scowcroft and Deputy Secretary of State Lawrence S. Eagleburger made the trip to China last weekend to conduct the first extensive high-level meetings with Chinese officials since the massacre of student protesters in Tiananmen Square last June. Before they joined the Bush administration, Eagleburger was president and Scowcroft Washington representative of Kissinger Associates, a successful consulting firm whose clients include companies that have extensive economic ties to China.

Kissinger has been a critic of the sanctions the United States imposed in response to the Tiananmen massacre, and has repeatedly called for preserving a special Sino-American relationship despite differences between the two countries.

Kissinger said yesterday in a telephone interview that he was "wise enough" in the ways of Washington to realize that adding Eagleburger to a mission led by Scowcroft would permit critics to question whether the former secretary of state and his business interests had too much influence over the Bush administration's controversial China initiative.

"I was astonished that [Eagleburger] was sent," Kissinger said.

He expressed approval of Bush's decision to send a high-level mission to Beijing, but added that he had not recommended such a mission and did not know it was under consideration until Scowcroft called "about two hours before his airplane was ready to go." Kissinger was in Europe at the time and said he looked on Scowcroft's call "as a courtesy" as he would not be taken by surprise if a reporter asked him about it later.

"Because two former associates went to China, critics of [the Bush policy] are trying to blacken my reputation," he said. He expressed particular anger at an article published by The Wall Street Journal in September which first laid out Kiss-



HENRY A. KISSINGER  
... opposed U.S. sanctions on China

inger's extensive business ties to China and raised questions about whether his commercial interests colored his policy views.

Kissinger yesterday described as "McCarthyism" any linking of his views on China to his business interests.

Several Kissinger acquaintances said yesterday that such accusations were unfair. Winston Lord, a former Kissinger deputy and U.S. ambassador to China during the Reagan administration, said that although he and others disagree with Kissinger's current views on China, "no one can question his motives."

"[Kissinger] would not need a cent to take the same positions," Lord said. He pointed out that Kissinger believes strongly in maintaining U.S.-China relations, which he helped open up in 1972. "He believes in standing by old friends," Lord added, pointing out Kissinger's earlier defense of the late Shah of Iran, Philippine President Ferdinand Marcos and his Chinese friends led by Deng Xiaoping, the former head of its government.

Kissinger is involved in a variety of ventures that have business ties to China and that inevitably benefit from Kissinger's unique, highly publicized activities on the international scene.

Kissinger Associates has clients in the United States and abroad that currently have or would like to have business activities in China. The client list is kept secret, but some company names were made public

See KISSINGER, A53, Col. 1



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# Kissinger Denies Link To China Trip

KISSINGER, From A52

when Eagleburger was up for confirmation by the Senate. Clients such as Coca-Cola Co. and the H.J. Heinz Co. do business with China and, according to one competitive consultant, an official of one of those companies told him that Kissinger is retained "for his help in China."

On his frequent trips to China, Kissinger often is accompanied by persons with whom he has a business relationship.

In early November, when he traveled to Beijing for four days of meetings with China's top officials, Kissinger brought along Judith Hope, a Washington lawyer with whom he serves on the Union Pacific Corp. board of directors. Also part of the Kissinger group was Maurice R. (Hank) Greenburg, chairman of the board of American International Group (AIG), a large international insurance corporation which has been doing business in China since 1919. Kissinger is chairman of AIG's international advisory board.

Kissinger said this trip, which came at the invitation of the Chinese government, was like others he regularly takes to all parts of the world as "someone interested in foreign policy."

"It is the way I keep myself informed, stay in touch with old acquaintances. I don't need an ulterior motive," he said.

He said yesterday Kissinger asked her before she went if she had any business interests or clients in China. When she said there were none, he replied, "That's good." Greenburg has a joint venture in China, the Chinese America Insurance Co. and several other investments.

Greenburg yesterday said it was "an unfair allegation" that Kissinger used the trip to promote business ventures. "There were no business discussions," he said of the meetings he attended but, "when economic questions were raised," he and Kissinger did promote the idea that U.S. investments needed an open door policy to come into China and continued economic reform.

Greenburg also said that when he met Deng at the small luncheon given Kissinger and his guests Nov. 10, it was the first time he had met the Chinese leader.

Kissinger was supposed to come to Beijing in October as guest of the Chinese government's chief investment bank, the China International Trust & Investment Corp. (CITIC). He was to speak at CITIC's commercial conference designed "to stimulate foreign investment," Kissinger said. But Kissinger canceled that visit as his response to Tiananmen Square and the U.S. reaction to it, he said yesterday.

CITIC and Kissinger are involved in a business activity called China Ventures, a Delaware-registered limited partnership to make investments in China. Its existence was disclosed in The Wall Street Journal article in September. The Journal described Kissinger as chairman of the board and chief executive officer of the general partnership which was to make investments in China with CITIC.

Kissinger said yesterday that China Ventures was started in December 1988, just as Scowcroft and Eagleburger were leaving the firm to join the Bush administration. It would have been publicly unveiled last June, but the announcement was canceled and no investments made after the Tiananmen Square incidents, Kissinger said.

"Our board next meets in late February or early March," he said, "and we will see" whether the partnership goes forward.

In 1988, Kissinger made two trips to China that had business implications. He went once as a member of Chase Manhattan Bank's international advisory board which was holding its meeting in Beijing. Kissinger and Chase's board chairman, David Rockefeller, then met with Deng Xiaoping.

That same year Kissinger led a group of top U.S. executives to Beijing for meetings with Chinese officials where both sides exchanged complaints about their economic relations, according to Kissinger and Lord, who was then ambassador.

On the last day of his latest visit, Nov. 10, Kissinger met with Deng Xiaoping, who had just resigned his last official position, the chairmanship of military commission.

After some banter about retirement, Deng said, "You are no longer U.S. secretary of state, but you are still busy with international affairs."

"Also as a private citizen," Kissinger said he replied.

On Nov. 12, soon after his return to this country, Kissinger went to the White House for dinner with Bush, Vice President Quayle, Secretary of State James A. Baker III, chief of staff John H. Sununu and Scowcroft. On this occasion, Kissinger said yesterday, he reported on what the Chinese leaders had told him, and made recommendations about U.S. sanctions against China, which he declined to describe.

6/6

# China to Let VOA Correspondent Return

By Don Oberdorfer  
Washington Post Staff Writer

The Chinese government, in a move that may be linked to the recent visit by two senior U.S. officials, informed the Voice of America yesterday that VOA will be permitted to send a new correspondent to Beijing after a five-month hiatus.

VOA Director Richard W. Carlson said the Chinese decision was conveyed to the VOA office in Beijing by an official of the Chinese

Foreign Ministry. Accompanying the decision was a formal statement asking VOA to "do its best in its reporting to be factual and objective so as to contribute to the enhancement of understanding between the two peoples of China and the United States and the improvement of the development of relations between the two countries."

The ministry statement asserted that VOA reporting on China had caused "strong discontent among the Chinese public" in the past.

Carlson said there was no reference in the Foreign Ministry's verbal or written comments to the visit to Beijing last weekend by national security adviser Brent Scowcroft and Deputy Secretary of State Lawrence S. Eagleburger. A U.S. official said, however, that admission of a new VOA correspondent as well as a cessation of Chinese jamming of VOA broadcasts were among the items brought up by the U.S. side in last weekend's high-level discussions.



THE OTTAWA  
**Citizen**

DEC 15 1989

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20-CHINA-1-3-USA	

# U.S. pushes China to mend relations

The Washington Post

(C-9)  
**WASHINGTON** — National security adviser Brent Scowcroft warned China's leaders to repair relations with Washington.

Scowcroft cautioned that President George Bush may be powerless to stop a new wave of nearly unanimous votes for sanctions after Congress returns Jan. 23, administration sources said Thursday.

The Chinese promised to respond to Scowcroft's appeal through diplomatic channels, according to a U.S. account of the Beijing meetings.

But there is agreement among senior officials that no commitments were made by either side.

The Scowcroft mission, undertaken at the personal initiative of Bush, was intended to explore a way to stop the erosion of Sino-American relations, which were rocked by the Tiananmen Square massacres last June. But at the same time, administration officials conceded in a series of interviews, the furor that the Scowcroft trip touched off in the United States this week could bring a new crisis for Bush's China policy.

Thus the mission that began in darkness at Andrews Air Force Base at 2:15 a.m. last Friday could be a precipitating event toward either substantial improvement or dramatic new deterioration in Sino-American

relations. For this reason the Scowcroft trip ranks as among the boldest — and riskiest — initiatives that Bush has taken in the first year of his presidency.

In conversations with Richard Nixon and Henry Kissinger, sources say Bush learned that the Chinese leaders seemed uncomfortable with their intransigent positions and interested in exploring new directions. Abundant reports also reached Bush from the Central Intelligence Agency and elsewhere of power struggles inside the secretive Chinese leadership. Administration sources said it seemed to Bush that it was not helpful for China to be isolated at this time.

# Bush sends mixed message in his China policy

FRESH from his success at Malta two weeks ago, George Bush has blundered badly by sending a secret, high-level delegation to China. Bush claimed he did not want China to feel "totally isolated" after last June's Tiananmen Square massacre of pro-democracy demonstrators. Declared the President: "We have contacts with countries that have egregious records on human rights."

Yet what Bush authorized was not just "contact." Last weekend, he approved a surprise visit to China by national security adviser Gen. Brent Scowcroft and Deputy Secretary of State Lawrence Eagleburger. In so doing, Bush admitted he was responding to no particular positive signal from China. Instead, he said, he was reacting to events in "the rest of the world."

But freedom in Eastern Europe means nothing to a China where an unknown number of students remain jailed, random police sweeps continue under martial law and radio broadcasts by Voice of America and British Broadcasting Corp. are routinely jammed.

The Bush-inspired visit had another unusual, even furtive, element. At the request of

ROD McQUEEN is *The Financial Post's* Washington bureau chief.



**DATeline  
WASHINGTON**

**ROD  
McQUEEN**

the Chinese government, the visit was not announced until the last moment. In the Bush administration, where every foreign foray is trumpeted by a host of satraps, acolytes and spearcarriers, this altered media strategy was a bizarre departure from usual practices.

Further, the trip marks an inexplicable switch in the recent public stance Bush himself has taken toward China. He had gamely tried to ally himself with the students, citing in particular the protester who stood alone in front of the advancing tanks: "All I can say to him, wherever he might be, or to people around the world is — we are and we must stand with him. And that's the way it is. And that's the way it going to be."

Well, that may have been the way Bush

wanted things to appear, but the reality is different. It now turns out the various sanctions invoked by Bush against China to protest the massacre were quickly and quietly lifted not long after they began. Delivery of three Boeing 757 jetliners, thought to have been indefinitely stalled, was only delayed a month. Two more aircraft have followed.

Work is also continuing on three communications satellites from Hughes Aircraft to be launched by China so it can obtain the hard currency it so badly needs. Further, Chinese military officers, engineers and technicians involved in a US\$500 million (C\$580 million) project meant to upgrade F-8 fighter planes are back in the U.S. as if nothing had ever happened.

## Oppressive regime

In sharp contrast, Bush recently vetoed legislation that would have permitted thousands of Chinese students to remain in the U.S., safe from the oppressive regime at home. So much for his solidarity with that lone student. For its part, all China has so far offered as a result of the visit is the assurance it will not supply missiles to Syria, something it promised a year ago.

The whole business smacks of Bush listening to himself, rather than heeding the sound advice of most everyone else. After all, Bush was envoy to China for little more than a year in the mid-1970s, and has regarded himself ever since as something of an old China hand.

In the end, this old hand looks more like a footstool for Chinese leaders trying to regain global credibility at the expense of the Americans. In a toast with his hosts, for example, Eagleburger timidly mentioned "negative forces" in the U.S., a diplomatic euphemism for the repugnance people feel about what Eagleburger called "the events" (read murder) at Tiananmen Square.

It was George Bernard Shaw who commented: "Newspapers are unable to discriminate between a bicycle accident and the collapse of civilization." Well, the Bush move toward China, misguided though it was, does not spell the end of civilization.

Yet it was only with the Malta summit that Bush had finally managed to clamber onto the wobbly two-wheeler that has been his foreign policy. Now, he has taken a sudden tumble. It will be a while before he can remount, clatter down the road once more and instill some small measure of confidence in a world waiting for leadership.

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---SCOWCROFT VISIT TO PEKIN: KOREAN VIEWS

PERHAPS NOT/NOT SURPRISINGLY, KOREA MFA VIEWS SCOWCROFT VISIT TO PEKIN WITH EQUANIMITY. DURING CALL ON DIRECTOR OF NORTH EAST ASIS DIVISION AT MFA ON ANOTHER MATTER, WE ASKED KOREAN VIEWS ON SCOWCROFT VISIT.

2.INTERLOCUTOR STATED THAT VISIT WAS WELCOME MOVE TO END ISOLATION OF CHINA. WHILE KOREA RECOGNIZED IMPORTANCE OF HUMAN RIGHTS, OF FAR GREATER IMPORTANCE WAS NEED TO ENSURE CHINA WAS NOT/NOT ISOLATED. KOREA WELL KNEW THAT CHINESE ISOLATION WOULD RESULT IN INSTABILITY IN REGION WITH CONSEQUENT NEGATIVE EFFECTS ON CHINAS NEIGHBOURS. NOTHING WOULD BE GAINED BY BACKING CHINA INTO A CORNER.

2.COMMENT: KOREAN POSITION IS NOT/NOT SURPRISING GIVEN RELATIVE LACK OF IMPORTANCE OF HUMAN RIGHTS VERSUS STRATEGIC CONSIDERATIONS IN THIS PART OF WORLD, ADDED TO FACT THAT ROK IS NOT/NOT ABOUT TO CRITICIZE A STRATEGIC INITIATIVE COMING FROM ITS US ALLIES.

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HOUSE OF COMMONS BOOK — BRIEFING NOTE

LIVRE DE LA CHAMBRE DES COMMUNES — NOTES D'INFORMATION

Section  
North Asia Relations

Subject Highlights Sujet Points saillants

**BEIJING VISIT OF US NATIONAL SECURITY ADVISOR** - On December 9-10, 1989, USA National Security Adviser Brent Scowcroft and USA Deputy Secretary of State Lawrence Eagleburger visited Beijing, where they held talks with Deng Xiaoping, General Secretary Jiang Zemin, Premier Li Peng, and Foreign Secretary Qian Qichen. The meeting was the first visit by high-level US officials since the Tiananmen crackdown last June, although both Richard Nixon and Henry Kissinger have recently made "private" visits.

Source  
Press Reports; Pekin Telegram WJGR 3850 11 Dec 89

Assessment Évaluation

Classification

CONFIDENTIAL

- Along with Canada and its other allies, the US imposed a ban on high-level contacts with the PRC following the crackdown in June. Sanctions similar to ours were imposed, and the US led the move by the World Bank to suspend lending to China.
  - During his visit, Mr. Scowcroft said the USA and China should not "exhaust themselves in placing blame for problems", but rather "should seek to solve common problems, remove irritants, seek new areas of agreement, and work to bring new impetus and vigour into the bilateral relationship". Chinese leaders, clearly pleased with the visit, echoed his remarks.
  - The Bush Administration differs with various elements in Congress on the China issue. President Bush, mindful of long-term geo-strategic interests, favours a "realpolitik" approach, as evidenced by the Scowcroft visit. In Congress, however, there is strong sentiment against the PRC leadership. Legislation due to come up before both the House and Senate in January provides for increased sanctions against China.
- EXPECTED QUESTION:** Now that the US has ended its ban on high-level contacts, will Canada do the same?

Suggested Reply Réponse suggérée

- When Canada's response to the June events in China was announced on June 30th, we advised that measures expressing our shock over the brutal crackdown would be taken in coordination with our allies. At the Paris Economic Summit, G-7 leaders agreed on a common response, as reflected in the Summit's Final Communiqué.
- Since that time, Western nations, including Japan, have followed policies similar to those announced by Canada in the June 30th statement. This has included a ban on high-level contacts with the PRC.
- On December 9 and 10, USA National Security Advisor Scowcroft and Deputy Secretary of State Eagleburger visited China. They met with Deng Xiaoping, General Secretary Jiang Zemin, Premier Li Peng, and Foreign Minister Qian Qichen, we understand the Chinese leaders were briefed on the recent US-Soviet Malta Summit, and that bilateral USA-China relations were also discussed.
- The effective end of the USA ban on high-level contacts with China is a reflection of the geo-strategic considerations which the USA has brought to bear with respect to China. The USA-China relationship differs from the Canada-China relationship in certain respects. China is a great power. There are issues of international concern, such as Cambodia, which necessarily involve high-level contacts with the Chinese. As you are aware, I met with the Chinese Foreign Minister on the Cambodia issue at the Paris Conference on Cambodia last summer.
- As noted in our June 30th policy statement on China, we continue to monitor events in China, and will adjust our policy as events warrant.

Prepared by Préparé par  
Andrew Halper

Division Direction  
PNR

Date  
Dec. 11, 1989

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PUBLICATION

USA-CHINA RELATIONS

DATE

WASHINGTON POST (EDITORIAL)

DEC. 12, 1989

## Explaining the China Mission

**W**AS THERE, we wondered yesterday, a better explanation for the extraordinary acquiescence to Chinese demands constituted by the Scowcroft-Eagleburger mission—an acquiescence made in the absence of any visible evidence of a post-Tiananmen let-up on the persecution of those who had demonstrated for democratic reforms? A day of official American briefings compels the conclusion that nothing like such evidence has been produced. On the contrary, the briefings by, among others, President Bush, compound the sense that something wrong was done. It is clearer now that the American delegation did not simply conduct talks in a businesslike way. By the large public gesture of going to China, by the delegation's high profile, by acceptance of China's terms for the secret planning and travel, by the banquet and the toasts and the publicity uses made of them; by all this fandango of manipulation, the Americans let themselves be used by a Chinese government that is still holding uncounted Chinese in detention, still rounding up others, still maintaining an unrepentant attitude to the atrocities it committed in Beijing.

Was there, we wondered, something else the United States got for giving this boon of respectability to Beijing? The suggestion emerged yesterday that there was a quid pro quo—an alleged new Chinese readiness not to provide any more long-distance missiles in the Middle East. Mr. Bush, pronouncing himself "pleased," made and

underlined a link between the mission to Beijing and a Chinese foreign ministry statement promising missile restraint.

Well, missile restraint is a good thing. The United States has been after the Chinese to choke off this dangerous form of military proliferation. The subject needs to be kept on the agenda. But assuming the very most, which is that the Chinese actually have changed their missile export policy and that they did it, if not at Mr. Bush's bidding then to ease their relationship with Washington, there is still something wrong with proceeding in this way. Is not the implication that we somehow were compelled to stop protesting one damaging, reckless act on the part of the Chinese government in order to prevent it from perpetrating another? Couldn't this have been dealt with—*shouldn't* it have been dealt with?—within the normal context of diplomatic business that was, after all, still being conducted between the United States and China via our ambassador there and others?

Mr. Bush insisted yesterday that the United States remains "positioned in the forefront of human rights concerns" as, simultaneously, it seeks to draw China out of isolation. How much better if he had said the United States condemns the Beijing repression and its consequences and regrets it cannot resume its good relations with China until the regime ends its self-imposed isolation by letting up on those it is persecuting whose offense was a demonstration for freedom.

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SUBJECT/SUJET

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PUBLICATION

WASHINGTON POST

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DEC. 12, 1989

I AM LOOKING FOR COMMON GROUND  
— Bush on China



DEC. 12, 1989

WASHINGTON POST

MARY McGRORY

## Patting the Dragon

**M**urderous and unrepentant China is the Willie Horton of nations, and George Bush has just given it a furlough. No one knows why. He got where he is today by insisting that laxity towards lawbreakers is the mark of someone bearing the dread L-word.

Not since Ronald Reagan's erstwhile national security adviser, Robert C. McFarlane, in the company of former White House aide Oliver L. North, set out in search of "moderates" in another unlikely country, Iran, has there been such an inexplicable and indefensible foreign mission. President Bush's team, national security adviser Brent Scowcroft and Deputy Secretary of State Lawrence S. Eagleburger, had no Bible or cake in their luggage nor any purpose that could qualify as rational.

At least the McFarlane-North expedition had in mind some sort of a quid pro quo for the quid of arms they brought. But Bush seems to have hoped only to be forgiven for having criticized the mass murder in Tiananmen Square. The Chinese, who have been alternately bullying and breathing fire since the United States imposed sanctions and canceled high-level meetings, agreed to be mollified. The dragon let itself be patted by suitably lofty emissaries.

The world opened its Sunday newspaper to see Scowcroft toasting the Chinese foreign minister and urging that bygones be bygones.

It seemed as if we were apologizing to the Chinese not just for having taken formal exception to the bloody suppression of the pro-democracy movement but also because Congress recently passed a law to permit Chinese students an indefinite stay here. Bush vetoed the bill, and promised an executive order to accomplish the same end. Strenuous efforts to override the veto are being made by House Majority Leader Richard A. Gephardt (D-Mo.).

The idea that China's freedom fighters will feel they have lost their last friend does not seem to have occurred to Bush. He is sentimental about China.

Generations of American missionaries have produced vast sympathy for the Chinese, contrasting them favorably with the sneaky, acquisitive Japanese. Pearl Buck and Henry Luce, among others, convinced us they were a noble, enduring heathen in need of Western teaching.

Their heartless emperors were succeeded by bloodthirsty commissars, but as a country we are dazzled by its size and numbers. White House Press Secretary Merlin Fitzwater said with a

that we need to be friends with China because it is a world power with a billion people, an argument that was fiercely rejected by the Republicans for 25 years.

Bush, on the basis of 13 months as chief of the liaison office in Beijing, regards himself as an old China hand.

Others look to the country and see slaughterers; he sees old friends. When he visited them last spring, and sought to see human rights activist Fang Lihai, they laughed in his face. He didn't mind. He knows the dragon is moody.

Some blame Richard Nixon, who wants to preserve his opening to China as the diplomatic event of the century, for Bush's weird and daffy move. But Roger Morris, Nixon's biographer, says the former president was much more straightforward when he first visited Beijing and "had, and this is a strange word to use in connection with him, an integrity."

Morris, who worked at the Nixon White House with Scowcroft and Eagleburger, two of Henry A. Kissinger's acolytes, calls the trip "shameful."

There is, of course, the chilling possibility that something was cooked up at Malta between Bush and Mikhail Gorbachev about the future of Cambodia. It is the Chinese who are insisting on a Khmer Rouge role in the government. Bush may have wanted to be the first with the good news.

The only possible beneficiary is Gorbachev, who may not have to listen to Bush's lectures on human rights anymore. Gorbachev, who has turned himself inside out trying to please—rewriting history, apologizing for past crimes—can't even get restrictive trade legislation amended, while the Chinese, who angrily told us to mind our own business when Bush's mild reproaches were first received, are being told by Scowcroft that China and the United States must "seek new areas of agreement—economic, political and strategic."

After 11 months in office, we have finally learned what Bush really cares about. His stated passion for education, the environment and the routing-out of drugs have paled as he tears about the country and the world. But China is the country of his heart. For China, he will risk everything: his reputation for "prudence," his popularity in the polls—Americans disapprove of his being shot in public squares—his relations with Congress.

Prudent? Timid? Forget it. This, it seems, is one wild and crazy guy.

**ACTION**  
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JUTZI RAISED FANG SITUATION WITH USA EMB DCM PASCOE DURING SCOWCROFT VISIT DEBRIEF. PASCOE SAID HE WAS UNABLE TO COMMENT ON DISCUSSIONS DURING SCOWCROFT VISIT BUT ADDED THAT FANG AND HIS SPOUSE WERE WELL AND THAT HE (PASCOE) WAS PERSONALLY OPTIMISTIC MATTER COULD BE RESOLVED. HE REFUSED TO BE DRAWN ON HOW SOON.

2. PASCOE REPEATED EARLIER COMMENTS (OUR REFTEL WJGR3755 08NOV) THAT NOW AS NOT/NOT TIME FOR CDN ACADEMICS TO DRAW PUBLIC ATTENTION TO THEIR INVITATION FOR FANG AND WIFE TO VISIT CDA.

3. PASCOE CERTAINLY GIVES IMPRESSION THAT SOME PROGRESS IS BEING MADE ON THIS THORNY ISSUE BUT WE ARE LEFT TO GUESS WHEN AND HOW IT WILL BE RESOLVED.

4. IN VIEW OF FACT THAT BALL IS NOW IN CHINESE COURT FOLLOWING DRAMATIC SCOWCROFT INITIATIVE, RESOLUTION OF FANG ISSUE MUST BE HIGH ON LIST OF POSSIBLE CHINESE RESPONSES; PERHAPS ON EVEN OF CONGRESS RECONVENING LATE JAN??

5. GIVEN ACUTE SENSITIVITY OF ISSUE WITH CHINESE AND PROBABLE HIGH PRIORITY OF IT IN CURRENT USA-PRC EXCHANGE, WE FULLY AGREE WITH PASCOE THAT CDN ACADEMICS SHOULD REMAIN SILENT.

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---SCOWCROFT VISIT TO PEKIN

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USA NATL SECURITY ADVISER BRENT SCOWCROFT AND DEPUTY SECRETARY OF STATE LARRY EAGLEBURGER MADE 25 HOUR VISIT TO PEKIN 09-10DEC FOR OSTENSIBLE PURPOSE OF BRIEFING CHINESE LEADERS ON OUTCOME OF MALTA SUMMIT.THEY MET DENG XIAOPING,PREMIER LI PENG, PARTY GENSEC JIANG ZEMIN AND FM QIAN QICHEN.

2.CHINESE CLEARLY WELCOMED VISIT WITH PROMINENT COVERAGE IN PRINT AND ELECTRONIC MEDIA STRESSING FACT THAT VISIT SHOULD SERVE AS NEW START TO IMPROVING SINO-US RELNS.DENG GAVE HIS OWN BLESSING QUOTE I THINK WE SHOULD SAY IT IS COMMON DESIRE OF OUR TWO SIDES TO PUT AN END,AS SOON AS POSSIBLE,TO THE DISPUTE BETWEEN CHINA AND THE UNITED STATES - WHICH BEGAN LAST JUNE - AND TO SEE THE BEGINNING OF NEW DEVELOPMENTS IN OUR RELNS UNQUOTE.

3.DIRECTOR OF NORTH AMERICA AND OCEANIA DEPT ZHANG YIJUN WAS QUICK TO TELL US CHINESE VIEWED VISIT AS QUOTE POSITIVE AND USEFUL UNQUOTE AND QUOTE BREAK-THROUGH UNQUOTE IN HIGH

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PAGE TWO WJGR3850 CONF

LEVEL CONTACTS. HE PUT VISIT IN CONTEXT OF ONGOING COMMUNICATIONS AT HIGHEST LEVEL WHICH INCLUDED LETTER FROM PRESIDENT LAST JUNE ALREADY AND VISITS BY NIXON AND KISSINGER, WHILE OSTENSIBLY PRIVATE HAD RESULTED IN MSGS BEING PASSED BETWEEN SENIOR LEADERS. HE SAID DISCUSSION COVERED WIDE RANGE OF BILATERAL ISSUES AND WAS QUOTE PRACTICAL UNQUOTE WITH NO/NO BLAME ASSESSED BY EITHER SIDE. DOMESTIC DIFFICULTIES FACED BY EACH SIDE IN RESTORING NORMAL RELNS WERE SET OUT. CHINESE SIDE WANTED TO CLOSE CURRENT UNFORTUNATE CHAPTER IN SINO-US RELNS AND OPEN NEW HAPPIER ONE.

4. USA DCM PASCOE CONFIRMED THAT CHINESE HAD BEEN VERY RECEPTIVE TO VISIT. DEBRIEF ON MALTA SUMMIT WAS SEEN AS OPPORTUNITY TO ENGAGE CHINSE IN BIG POWER EXCHANGE OF VIEWS WHICH USA CONSIDERED IMPORTANT AND CHINESE VERY BADLY WANTED. DISCUSSIONS ON BILATERAL RELNS HAD BEEN NON-CONTENTIOUS BUT PASCOE WAS UNWILLING TO SPECULATE ON WHAT NEXT STEPS MIGHT BE IN RESTORING NORMAL RELNS. HE SAID ADMIN. HAD RESPITE UNTIL CONGRESS RECONVENED MID-JANUARY AND RETURNED TO CHARGE ON CHINA. HE EXPECTED THERE WOULD BE CRITICISM OF HIGH LEVEL CONTACT BAN BEING BROKEN BUT CONSIDERED INITIAL AMERICAN REPORTING OUT OF PEKIN TO BE BALANCED.

5. COMMENTS: CHINESE REACTION CAN LEAVE NO DOUBT THAT LEADERSHIP ...3

PAGE THREE WJGR3850 CONFD

BADLY WANTS TO BE ACCEPTED BACK INTO GOOD GRACES OF WORLD COMMUNITY. AT SAME TIME WE SEE NO SIGNS THAT POLITICAL HARD LINE NOW PREVAILING DOMESTICALLY WILL EASE IN NEAR-TERM. USA INITIATIVE WAS VERY WELL TIMED TO FLATTER CHINESE AT TIME OF INCREASING SENSE OF ISOLATION AND PUT PRESSURE ON THEM TO RESPOND WITH SIMILAR CONCRETE GESTURE. WE ARE CERTAIN MORE SPECIFICS WERE DISCUSSED ON NEXT STEPS THAN WHAT EITHER CHINESE OR USA EMB WLD REVEAL TO US HERE. WLD SUGGEST THAT WSHDC CLD USEFULLY PURSUE THIS OVER COMING DAYS WITH NSC AND STATE DEPT.

6. DIRECTOR ZHANG OBSERVED TO US THAT HE BELIEVED SIMILAR HIGH LEVEL COMMUNICATION WOULD BE USEFUL IN CDA-PRC RELATIONSHIP. WHILE IMPERATIVES FOR CDA ARE CLEARLY DIFFERENT THAN FOR USA (OR JAPAN, WHO HAVE ALSO KEPT HIGH LEVEL CHANNELS OPEN), WE ARE INCREASINGLY OF VIEW THAT WE SHOULD SEEK EARLY OPPORTUNITY FOR DISCRETE REOPENING OF OUR OWN CHANNELS AT HIGH LEVELS. WE WILL ADDRESS THIS IN SEPARATE MSG.

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-----SCOWCROFT VISIT TO PEKIN

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CHINA - USA RELATIONS

PUBLICATION

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WASHINGTON POST

DEC. 11, 1989

## The China Mission

PERHAPS THE Bush administration has a better explanation of its surprise bow to the Chinese government that just a few months back massacred hundreds of demonstrators in Beijing than that which it was offering yesterday. We truly hope it does. For what it was offering yesterday were mainly perfunctory and unconvincing statements that it of course takes human rights violations seriously—statements put in such a way as absolutely to signal their relatively low priority in the administration's hierarchy of concerns—and an utterly misleading suggestion that the only choice for the American government lay between yielding abjectly to an unrepentant Beijing and going back to a sort of pre-recognition breakdown of all relations. This of course is not the choice.

So the questions that cry out to be answered are these: Did the Chinese give something in return for what they got, which was a breach of the administration's pledge that no high-level visits would be undertaken (and presumably that no high-level professions of admiration and solidarity would be made) until the Chinese take steps to undo the damage they did in June? Or will it be a limited "show" reciprocation, such as, for example, China's relenting in its torment of a couple of famous victims, while proceeding with its remorseless search for and persecution of those who dared to demonstrate in the name of democratic freedoms?

On its face, the announcement made it look as if Mr. Bush had merely sent his emissaries to China to indicate to the people responsible for the crime that the United States is getting ready to let bygones be bygones. He appeared, in fact, to be all but apologizing to the Chinese government for the American sanctions still in place, and has surely undermined our ability to argue to friends and allies that they should keep the pressure on China. Last summer this country said that any improvement in relations would have to depend on a demonstration of greater respect for human rights in China. That is why it is so crucial to find out what if anything the Chinese did to demonstrate such respect. The alternative is to concede that after six months the administration is backing down and explaining to the Chinese that it was only kidding.

What a message this would be to send at this moment to the Soviets, and to those Communist hard-liners in Eastern Europe who still command armies and police forces and must be toying with the

option of violently repressing the pro-democracy uprisings there. Until now the United States has given valuable support to the democratic movements in Eastern Europe by letting the world know that armed repression would immediately be answered by broad and exceedingly costly economic sanctions. Does the mission to China add, "but on the other hand, after a few months, maybe not?"

Incredibly, Mr. Bush's emissary, National Security Adviser Brent Scowcroft, is reported to have said to his Chinese hosts in a formal toast at a state dinner in Beijing, "In both our societies there are voices of those who seek to redirect or frustrate our cooperation. We both must take bold measures to overcome these negative forces." Just what does that mean? That the Chinese who massacred the students and the U.S. government that imposed sanctions were merely victims of a misunderstanding and of malevolent prodding from troublemakers in each of their realms? That the Bush administration and the Beijing government that perpetrated the massacre are on the same side in this matter, both having been pushed into their apparent conflict by these "negative forces" at home? In fact the statement sounded exactly like the kind of specious reasoning Gen. Scowcroft and others have rightly rejected over the years when it came to giving in to the Soviets in pressure politics and negotiations on grounds that the differences at issue were merely the handiwork of "cold warriors" on both sides.

There haven't been many massacres here, by the way, raising Chinese protests. The negative forces in China are Communist officials, bitterly anti-American and prepared to shed any amount of blood to preserve the party's power and their own families' interests.

Mr. Bush appears to be bending his policy to meet Chinese demands because the Chinese refuse to bend. The government there remains adamant in its insistence that, first of all, nothing except a politically inspired outbreak of street hooliganism happened in Beijing last June and beyond that, the way it treats its people is nobody's business but its own. The Chinese official position is accurately conveyed in a communication from Chen Dufu of the Chinese Embassy, printed on the opposite page.

The president should not be making placatory concessions to a repressive and bloodstained Chinese government. Is there a better explanation than the one the public has been given so far?

MESSAGE

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-----SCOWCROFT VISIT TO PEKIN-----

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## The China Mission

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option of violently repressing the pro-democracy uprisings there. Until now the United States has given valuable support to the democratic movements in Eastern Europe by letting the world know that armed repression would immediately be answered by broad and exceedingly costly economic sanctions. Does the mission to China add, "but on the other hand, after a few months, maybe not?"

Incredibly, Mr. Bush's emissary, National Security Adviser Brent Scowcroft, is reported to have said to his Chinese hosts in a formal toast at a state dinner in Beijing, "In both our societies there are voices of those who seek to redirect or frustrate our cooperation. We both must take bold measures to overcome these negative forces." Just what does that mean? That the Chinese who massacred the students and the U.S. government that imposed sanctions were merely victims of a misunderstanding and of malevolent prodding from troublemakers in each of their realms? That the Bush administration and the Beijing government that perpetrated the massacre are on the same side in this matter, both having been pushed into their apparent conflict by these "negative forces" at home? In fact the statement sounded exactly like the kind of specious reasoning Gen. Scowcroft and others have rightly rejected over the years when it came to giving in to the Soviets in pressure politics and negotiations on grounds that the differences at issue were merely the handiwork of "cold warriors" on both sides.

There haven't been many massacres here, by the way, raising Chinese protests. The negative forces in China are Communist officials, bitterly anti-American and prepared to shed any amount of blood to preserve the party's power and their own families' interests.

Mr. Bush appears to be bending his policy to meet Chinese demands because the Chinese refuse to bend. The government there remains adamant in its insistence that, first of all, nothing except a politically inspired outbreak of street hooliganism happened in Beijing last June and beyond that, the way it treats its people is nobody's business but its own. The Chinese official position is accurately conveyed in a communication from Chen Defu of the Chinese Embassy, printed on the opposite page.

The president should not be making placatory concessions to a repressive and bloodstained Chinese government. Is there a better explanation than the one the public has been given so far?



External Affairs  
Canada

Affaires extérieures  
Canada

MGTC/DARV/CIRC/FILE  
MGTC/JOURNAL/CIRC/DOSSIER

Accession/Référence
624 269/89/12/15
File/Dossier
20-CHINA-1-3-USA
20-1-2-CHINA-1
12 DEC 89 00 34

MESSAGE

Align first character of Security Classification under this arrow  
Alignez le premier caractère de la Sécurité sous cette flèche

SECURITY SÉCURITÉ	C O N F I D E N T I A L	CDN EYES ONLY	12	10
FM/DE	FM EXTOTT PNR3963 11DEC89			
TO/À	TO PEKIN DELIVER BY 121100			
INFO	INFO WSHDC DELIVER BY 120900			
DISTR	TOKYO HKONG SEOUL PARIS LDN BNATO PMO/HEINBECKER PCOOTT/DOYLE			
REF	CIDA HULL/BSC			
SUBJ/SUJ	BAG SHNGI DE PEK			
	DISTR MINA USS DMC PGB PND PGP PNC CPD CPP INP CMG			
	REF YOURTEL WJGR3850 11DEC89			
	---SCOWCROFT VISIT TO PEKIN			
	YOUR TIMELY REPORT ON SCOWCROFT VISIT WAS READ WITH INTEREST			
	HERE.WE ARE AWARE THAT RE-OPENING OF HIGH-LEVEL CONTACTS BY USA HAS			
	IMMEDIATE IMPLICATIONS FOR OUR OWN RELATIONS WITH PRC.WE LOOK FWD TO			
	RECEIVING YOUR VIEWS ON SUBJECT.(SEVERAL OPTIONS EXIST,WHEN WE			
	CHOOSE TO RE-OPEN HIGH-LEVEL CONTACTS WITH CHINESE,FM GRADUAL			
	APPROACH BEGINNING AT LEVEL OF SENIOR OFFICIALS TO MORE DRAMATIC			
	METHOD CHOSEN BY USA.)			
	3.WE NOTED THAT FOLLOWING DEBRIEFING ON VISIT PROVIDED BY SCOWCROFT			
	TO PM KAIFU,JPNSE SPOKESWOMAN MORIYAMA WAS REPORTED AS HAVING CALLED			
	SCOWCROFT VISIT QUOTE EXCEPTION UNQUOTE,AND THAT JPN WOULD QUOTE			
	ABIDE BY G7 AGREEMENT TO REFRAIN FM CONTACTS WITH SENIOR CHINESE			
	LEADERS UNQUOTE.			
	3.FOR WSHDC:GRATEFUL IF YOU COULD SEEK DEBRIEFING ON VISIT.			

DRAFTER/RÉDACTEUR	DIVISION/DIRECTION	TELEPHONE	APPROVED/APPROUVÉ
GORDON HOULDEN	PNR	995-8663	HOWARD BALLOCH
SIG			SIG



**ACTION**  
**SUITE A DONNER**

RETURN TO RENNVOYER AU		FOR FILING POUR - ETRE POULE AU DOSSIER	
ACC	REF	DATE	
624	320	89/12/15	
FILE	DOSSIER		
20-CHINA-13-USA			

C O N F I D E N T I A L

FM WSHDC UNGR2393 11DEC89

TO EXTOTT (PNR DELIVER BVY 120900

INFO PEKIN HKONG TOKYO SEOUL PARIS LDN BNATO PMOTT/HEINBVECKER

PCOOTT/DOYLE CIDA HULL/BSO

BAG SHNGI DE PEK

DISTR MINA MINP USS PGB PND PNC PGP CPD CPP INP

---SCOWCROFT VISIT TO PEKIN

SUMMARY: PRES BUSH HAS DEFENDED SCOWCROFT VISIT TO PEKIN AS PROVIDING JUSTIFIABLE BASIS FOR EXPLORING FUTURE RELNS WITH COUNTRY THAT USA CANNOT/NOT AFFORD TO IGNORE. VISIT WAS DESIGNED AS QUOTE ICEBREAKING VENTURE UNQUOTE, BUT ADMIN SAYS IT HAS MADE CLEAR NEXT STEPS ARE UP TO CHINESE. VISIT IN ITSELF DOES NOT/NOT MEAN QUOTE BUSINESS AS USUAL UNQUOTE. ONE DIVIDEND APPEARS TO BE CHINESE ASSURANCES ON SUPPLY OF M-9 MISSILES TO MIDDLE EAST. THUS FAR COMMENTARY IN MEDIA AND FROM CONGRESSIONAL FIGURES HAS BEEN ANGATIVE, BUT ADMIN SEEMS PREPARED TO PAY THIS PRICE. WE HAVE REGISTERED CONCERN THAT WE HAD NOT/NOT BEEN GIVEN QUOTE HEADS UP UNQUOTE ON VISIT.

2. REPORT: PRES BUSH HAS STOUTLY DEFENDED HIS DECISION TO SEND NATL SECURITY ADVISER SCOWCROFT AND DEPTY SECTY OF STATE EAGLEBURGER ON SURPRISE VISIT TO PEKIN. IN TELEVISED SESSION WITH PRESS 11 NOV (IN WHICH WIDE RANGE OF ISSUES WERE COVERED, BUT WITH PROMINENCE TO CHINA VISIT), PRES SAID CHINESE HAD BEEN PROMISED BRIEFING ON MALTA SUMMIT, AND THIS WAS ORIGINAL REASON FOR VISIT. HOWEVER,

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PAGE TWO UNGR2392 CONF D

HE ADDED THAT VISIT WAS INTENDED TO EXPLORE POSSIBLE BASIS FOR IMPROVEMENT IN RELNS. HE NOTED THAT ONE OF ISSUES ON AGENDA WAS QUESTION OF CHINESE SUPPLY OF M-9 MISSILES TO SYRIA, AND THAT STATEMENT ISSUED BY PRC FOREIGN MINISTRY SAYING RUMOURS OF SUCH ACTIVITY WERE GROUNDLESS WAS GRATIFYING.

3. AT SAME TIME, PRES STATED THAT VISIT DID NOT/NOT IN ITSELF SIGNAL RETURN TO QUOTE BUSINESS AS USUAL UNQUOTE. HE NOTED THAT SANCTIONS BROUGHT BY ADMIN REMAINED IN PLACE (IGNORING THAT VISIT ITSELF COULD BE SEEN TO VIOLATE RESTRICTION ON HIGH LEVEL EXCHANGES) AND THAT REASONS FOR THEM BEING THERE HAS NOT/NOT CHANGED. (YOU WILL RECALL, HOWEVER, THAT SANCTIONS PROPOSED BY CONGRESS HAVE NOT/NOT PASSED INTO LAW.) PRES NOTED THAT FOR BILATERAL RELNS TO DEVELOP FURTHER, CHINESE LEADERSHIP WILL HAVE TO MAKE NEXT MOVE. HOWEVER, VISIT WAS A FIRST STEP WHICH PRES HOPES ULTIMATELY WILL LEAD TO RETURN TO REGULAR RELNS.

4. SURPRISE VISIT WAS DARING MOVE FOR WHICH ADMIN HAS BEGUN TO PAY PRICE. COMMENTATORS RUNNING GAMUT OF POLITICAL ORIENTATION (ONE EXAMPLE BEING SAM DONALDSON, GEORGE WILL AND HODDING CARTER ON QUOTE THIS WEEK WITH DAVID BRINKLEY UNQUOTE ON 10 DEC) HAVE STRONGLY CRITICIZED VISIT AT TIME WHEN HUMAN RIGHTS/POLITICAL SITU REMAINS DIFFICULT IN CHINA. 11 DEC WSHDC POST EDITORIAL CONCLUDED THAT QUOTE THE PRESIDENT SHOULD NOT/NOT BE MAKING PLACATORY CONCESSIONS TO A REPRESSIVE AND BLOODSTAINED CHINESE

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PAGE THREE UNGR2392 CONF

GOVERNMENT. IS THERE A BETTER EXPLANATION THAN THE ONE THE PUBLIC HAS BEEN GIVEN SO FAR? UNQUOTE. FROM CONGRESS, REACTION HAS COME MAINLY FROM DEMOCRATS (SENATORS CRANSTON, MITCHELL, REPS SOLARZ, TORRICELLI) AND HAS BEEN HIGHLY CRITICAL AS WELL, AS MIGHT BE EXPECTED GIVEN RECENT EFFORTS IN HOUSE AND SENATE TO STIFFEN SANCTIONS.

5. OUR CONTACTS IN STATE DEPT (WHO DO NOT/NOT YET HAVE READING ON RESULTS OF VISIT) TOLD US THAT TRIP WAS INDEED PLANNED WITH CARE AND IN GREAT SECRECY. IT WAS CONCEIVED AS QUOTE ICEBREAKING UNQUOTE VENTURE, WITH CLEAR SIGNALS TO CHINESE THAT THEY WOULD HAVE TO ADDRESS USA CONCERNS IF FURTHER STEPS WERE TO FOLLOW. AGENDA INCLUDED FULL RANGE OF INNA TL AND BILAT ISSUES, INCLUDING M-9 MISSILES, HUMAN RIGHTS, POLITICAL PRISONERS ETC. WE HAVE BEEN PROMISED FULL DEBRIEFING WHEN REPORTS FROM DEL ARE IN.

6. WE, OF COURSE, HAD BEEN GIVEN NO/NO INKLING OF VISIT, ALTHOUGH, AS REPORTED OURTEL UNGR2361 30 NOV, THERE WAS THINKING GOING ON IN ADMIN ON HOW RELNS WITH CHINA SHOULD PROCEED AFTER 01 JAN. WE TOLD STATE DEPT OF OUR CONCERN THAT WE HAD NOT/NOT BEEN GIVEN QUOTE HEADS UP UNQUOTE, GIVEN CLOSENESS OF CDN AND USA APPROACHES ON CHINA. THIS WAS NOTED, AND CONTACTS SAID IT WOULD BE REGISTERED. WE ARE FOLLOWING UP AT SENIOR LEVEL IN STATE TO ENSURE USA HAS NO/NO FURTHER QUOTE SURPRISES UNQUOTE IN STORE.

7. COMMENT/SECRECY AND TIMING IN OUR VIEW RELATE IN LARGE MEASURE TO CONGRESSIONAL SCENE. CONGRESS IS IN RECESS AND WILL

...4

PAGE FOUR UNGR2392 CONFD

NOT/NOT MEET AGAIN UNTIL LATE JAN. THUS, ADMIN WILL HAVE SOME  
BREATHING SPACE BEFORE IT FACES COMMITTEES IN HOUSE AND SENATE.  
SECRECY ALSO PREVENTED OUTCRY AND COMMENT ON VISIT BEFORE IT  
WAS A DONE DEAL.

CCC/143 112247Z UNGR2392

MESSAGE

Align first character of Security Classification under this arrow  
 Aligner le premier caractère de la Sécurité sous cette flèche

SECURITY UNCLASSIFIED FACSIMILE  
 SECURITE

12

**CORRECTED COPY  
 EXEMPLAIRE CORRIGE**

FM/DE FM WSHDC POL570 11DEC89  
 TO/A TO EXTOTT/ PNR (DELBY 120900)  
 INFO INFO PMO/HEINBECKER PCOOTT/DOYLE CIDA HULL/ BSD  
 DISTR DISTR MINA MINP USS PGB PND PNC PGP CPD CPP INP  
 REF  
 SUBJ/SUJ REF OURTEL UNGR2392 11DEC

-----SCOWCROFT VISIT TO PEKIN

FOLLOWING IS TEXT OF 11 DEC WSHDC POST EDITORIAL ON ABOVE VISIT

RETURN TO RENNVOYER AU	<b>D100</b>	FOR FILING POUR ETRE POSEE AU DOSSIER
ACC	REF	DATE
FILE	DOSSIER	
<i>20 - China - 1-3 - USA</i>		

(NUMBER OF PAGES 2 INCLUDING COVER PAGE)

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 SUBJECT TO CORRECTION  
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DRAFTER/RÉDACTEUR	DIVISION/DIRECTION	TELEPHONE	APPROVED/APProuvé
SIG R. SNYDER	POL	7783	SIG <i>R. SNYDER</i>

SUBJECT/SUJET

CHINA - USA RELATIONS

PUBLICATION

DATE

WASHINGTON POST

DEC. 11, 1989

## The China Mission

PERHAPS THE Bush administration has a better explanation of its surprise bow to the Chinese government that just a few months back massacred hundreds of demonstrators in Beijing than that which it was offering yesterday. We truly hope it does. For what it was offering yesterday were mainly perfunctory and unconvincing statements that it of course takes human rights violations seriously—statements put in such a way as absolutely to signal their relatively low priority in the administration's hierarchy of concerns—and an utterly misleading suggestion that the only choice for the American government lay between yielding abjectly to an unrepentant Beijing and going back to a sort of pre-recognition breakdown of all relations. This of course is not the choice.

So the questions that cry out to be answered are these: Did the Chinese give something in return for what they got, which was a breach of the administration's pledge that no high-level visits would be undertaken (and presumably that no high-level professions of admiration and solidarity would be made) until the Chinese take steps to undo the damage they did in June? Or will it be a limited "show" reciprocation, such as, for example, China's relenting in its torment of a couple of famous victims, while proceeding with its remorseless search for and persecution of those who dared to demonstrate in the name of democratic freedoms?

On its face, the announcement made it look as if Mr. Bush had merely sent his emissaries to China to indicate to the people responsible for the crime that the United States is getting ready to let bygones be bygones. He appeared, in fact, to be all but apologizing to the Chinese government for the American sanctions still in place, and has surely undermined our ability to argue to friends and allies that they should keep the pressure on China. Last summer this country said that any improvement in relations would have to depend on a demonstration of greater respect for human rights in China. That is why it is so crucial to find out what if anything the Chinese did to demonstrate such respect. The alternative is to concede that after six months the administration is backing down and explaining to the Chinese that it was only kidding.

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2900187

FBIS 071NOV28  
UNCLAS 1C

PRC: LIAOWANG VIEWS SANCTIONS BILL (TAKE 1 OF 2)

HK2811125089 HONG KONG LIAOWANG OVERSEAS EDITION IN CHINESE NO.  
48, 27 NOV 89, P 27

[ARTICLE BY WEI GUOQIANG (7614 0948 1730): "ANOTHER SERIOUS  
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CERTAIN U.S. CONGRESSMEN ALSO CLAMORED TO IMPOSE "ALL-OUT SANCTIONS"  
IN AN ATTEMPT TO EXERT POLITICAL AND ECONOMIC PRESSURE ON CHINA AND  
TO CAUSE DIFFICULTIES TO CHINA, THUS FORCING THE CHINESE GOVERNMENT  
TO YIELD. MEANWHILE, THE UNITED STATES, IN DISREGARD OF THE GUIDING  
PRINCIPLES OF INTERNATIONAL LAW, GAVE SHELTER THROUGH ITS EMBASSY IN  
BEIJING TO FANG LIZHI, WHO IS ON THE CHINESE GOVERNMENT'S WANTED  
LIST FOR INSTIGATING THE COUNTERREVOLUTIONARY REBELLION; IT THEN  
PERMITTED SUCH PEOPLE AS YAN JIAQI AND WUER KAIXI TO CARRY OUT ANTI-  
CHINA ACTIVITIES IN THE UNITED STATES.

(MORE)

28 NOV 1325Z PM

NNNN



FBIS 071NOV28  
UNCLAS 1C

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CERTAIN U.S. CONGRESSMEN ALSO CLAMORED TO IMPOSE "ALL-OUT SANCTIONS"  
IN AN ATTEMPT TO EXERT POLITICAL AND ECONOMIC PRESSURE ON CHINA AND  
TO CAUSE DIFFICULTIES TO CHINA, THUS FORCING THE CHINESE GOVERNMENT  
TO YIELD. MEANWHILE, THE UNITED STATES, IN DISREGARD OF THE GUIDING  
PRINCIPLES OF INTERNATIONAL LAW, GAVE SHELTER THROUGH ITS EMBASSY IN  
BEIJING TO FANG LIZHI, WHO IS ON THE CHINESE GOVERNMENT'S WANTED  
LIST FOR INSTIGATING THE COUNTERREVOLUTIONARY REBELLION; IT THEN  
PERMITTED SUCH PEOPLE AS YAN JIAQI AND WUER KAIXI TO CARRY OUT ANTI-  
CHINA ACTIVITIES IN THE UNITED STATES.

(MORE)

28 NOV 1325Z PM

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FBIS 072NOV28  
UNCLAS 1C

PRC: LIAOWANG VIEWS SANCTIONS BILL (TAKE 2 OF 2--071NOV28)

///THE UNITED STATES.

HK2811125289

[TEXT] ON MORE THAN ONE OCCASION, SOME U.S. CONGRESSMEN ALSO "DEMONSTRATED AND PROTESTED" IN FRONT OF THE CHINESE EMBASSY IN THE UNITED STATES. THE U.S. PROPAGANDA APPARATUS HAS ALSO SPARED NO EFFORT TO DISTORT FACTS, ATTACK AND SLING MUD AT THE CHINESE GOVERNMENT AND CHINESE LEADERS, AND MALIGN CHINA'S IMAGE. FOR SOME TIME AN ANTI-CHINA UPSURGE WAS WHIPPED UP IN THE UNITED STATES.

THE ABOVE-MENTIONED FACTS SHOWED THAT IN SINO-U.S. RELATIONS, IT WAS THE UNITED STATES THAT RUDELY INTERFERED IN CHINA'S INTERNAL AFFAIRS AND WORSENERED RELATIONS BETWEEN THE TWO COUNTRIES. THE CHINESE LEADERS POINTED OUT MORE THAN ONCE THAT THE CHINESE GOVERNMENT'S ACTION OF QUELLING THE COUNTERREVOLUTIONARY REBELLION WAS PURELY AN INTERNAL AFFAIR OF CHINA, AND NO OTHER COUNTRY HAS THE RIGHT TO INTERFERE IN THIS MATTER; AND THAT THE U.S. SIDE TOOK THIS EVENT AS AN EXCUSE FOR DISRUPTING THE NORMAL DEVELOPMENT OF SINO-U.S. RELATIONS, AND CHINA WAS A DIRECT VICTIM. THEREFORE, THE U.S. SIDE SHOULD BE THE FIRST TO TAKE POSITIVE STEPS TO CHANGE THE CURRENT SITUATION AND TO MAKE RELATIONS BETWEEN THE TWO COUNTRIES CONTINUE TO DEVELOP IN THE DIRECTION THAT COMES INTO LINE WITH THE INTERESTS OF BOTH PEOPLES.

HOWEVER, SO FAR, THE U.S. SIDE HAS NOT TAKEN ANY POSITIVE STEPS YET; ON THE CONTRARY, U.S. CONGRESS EVEN WENT FARTHER TO PASS THE AMENDMENT ON EXPANDING THE SCOPE OF THE "SANCTIONS" AGAINST CHINA AND IS ATTEMPTING TO CODIFY THE "SANCTIONS" INTO A LAW. THIS CANNOT BUT BE CONSIDERED AS A SERIOUS STEP TO DELIBERATELY WORSEN RELATIONS BETWEEN THE TWO COUNTRIES.

THE CONDUCT OF U.S. CONGRESS, WHICH HAS CAUSED THE FURTHER DETERIORATION OF SINO-U.S. RELATIONS, SERVES NO OTHER PURPOSE THAN TRYING TO FORCE THE CHINESE GOVERNMENT AND THE CHINESE PEOPLE TO YIELD UNDER THE CURRENT INTERNATIONAL CLIMATE. HOWEVER, FACTS WILL PROVE THAT THIS IS SHEER WISHFUL THINKING. OVER THE LAST 40 YEARS, THE CHINESE PEOPLE, UNDER THE LEADERSHIP OF THE CPC AND RELYING ON THEIR OWN EFFORTS, HAVE CRUSHED THE "ISOLATION POLICY" THAT CERTAIN WESTERN COUNTRIES HAVE ADOPTED TOWARD CHINA AS WELL AS THEIR "ECONOMIC BLOCKADES." HAVING SURMOUNTED ALL KINDS OF DIFFICULTIES OTHER INTERNATIONAL FORCES HAVE IMPOSED ON CHINA, SOCIALIST NEW CHINA NOW STANDS TALL AMONG ALL THE OTHER NATIONS IN THE WORLD. ON THEIR WAY TO BUILD A SOCIALIST SOCIETY TODAY, THE CHINESE PEOPLE WILL NEVER YIELD TO ANY FOREIGN PRESSURE, NOR WILL THEY RENOUNCE THE SOCIALIST COURSE OR THEIR NATIONAL INDEPENDENCE AND DIGNITY. THE U.S. "SANCTIONS" WILL NOT SHAKE THE CHINESE PEOPLE'S DETERMINATION TO BUILD A STRONGER COUNTRY THROUGH HARD WORK BY RELYING ON THEIR EFFORTS; MOREOVER, THE "SANCTIONS" WILL MAKE THE CHINESE PEOPLE MORE AWARE OF THE IMPORTANCE OF RELYING ON THEIR OWN EFFORTS TO BUILD THEIR COUNTRY. THE UNITED STATES WILL JUST EAT ITS OWN BITTER FRUIT OF IMPOSING "SANCTIONS" ON CHINA.

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CONSIDER LIFTING THE ECONOMIC SANCTIONS AGAINST CHINA. SOME FORMER SENIOR GOVERNMENT OFFICIALS IN THE UNITED STATES ALSO HOLD THAT THE U.S. INFLUENCE ON CHINA'S POLICIES ARE "LIMITED" AND THE NEW "SANCTIONS" IMPOSED BY THE UNITED STATES WILL UNDOUBTEDLY "CAUSE RELATIONS BETWEEN THE TWO COUNTRIES TO FURTHER DETERIORATE," THUS JEOPARDIZING THE LONG-TERM INTERESTS OF THE UNITED STATES.

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(ENDALL)

28 NOV 1330Z AMF

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FBIS 072NOV28  
UNCLAS 1C

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(ENDALL)

28 NOV 1330Z AMF

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28 NOV 1330Z AMF

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ACC	REF	DATE			
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20-CHINA-1-3-USA					

C O N F I D E N T I A L

FM WSHDC UNGR2346 22NOV89

TO EXTOTT PNR DELIVER BY 230900

INFO PEKIN HKONG TOKYO BNATO PARIS LDN BONN MOSCO/MINDEL/JUDD

PMOOTT/HEINBECKER PCOOTT/DOYLE

BAG SHANGI DE PEKIN

DISTR MINA USS DMC PGB PND PNC PGP CPP TNP URR

---USA-CHINA RELATIONS

DURING AMB S 21NOV CALL ON SOLOMON,ASST SECRETARY FOR EAST ASIAN AND  
PACIFIC AFFAIRS,LATTER PORTRAYED BLEAK PERIOD AHEAD FOR CHINA.SOLOMON  
SAW TIME OF UNSTABLE LEADERSHIP WITH SERIOUS DIVISIONS AND NO/NO  
FIGURE BEING ABLE TO ASSERT CONTROL.ECONOMIC DIFFICULTIES WILL  
CONTINUE AS WILL MARTIAL LAW.WITHOUT BEING PRECISE ON HOW LONG  
EACH OF THESE AREAS OF INSTABILITY WILL PERSIST,SOLOMON BELIEVES  
THAT IN GENERAL SENSE,THINGS ARE UNLIKELY TO QUOTE QUIET DOWN UNQUOTE  
FOR SOME TWO YEARS.

2.THIS WILL MAKE LIFE DIFFICULT FOR POLICY-MAKERS IN ADMIN.ADMIN  
DOES HAVE PROGRAMS IT WISHES TO MOVE WITH AND THERE IS A NECESSITY  
TO HAVE CONTACT WITH CHINESE ON CAMBODIA.HOWEVER,CHINESE WILL  
NOT/NOT BE ABLE TO RECIPROCATATE WITH IMPROVEMENTS ON DOMESTIC  
FRONT.AND,AS CONGRESSIONAL SANCTIONS ON CHINA DEMONSTRATE,JUNE  
EVENTS HAVE DESTROYED DOMESTIC COALITION SUPPORTING RELATIONSHIP  
WITH CHINA,COALITION WHICH HAS BEEN BUILT UP WITH SOME DIFFICULTY.  
IN INTERIM,ADMIN OF NECESSITY WILL HAVE TO IMPROVISE AND BE  
PREPARED TO BE ATTACKED BY CONGRESS FOR DOING SO.HE CONFIRMED THAT  
...2

PAGE TWO UNGR2346 CONF

ADMIN CAN LIVE WITH SANCTIONS(WHICH WE UNDERSTAND WILL NOW PASS INTO LAW,ADMIN AND CONGRESS APPARENTLY HAVING RESOLVED THEIR DIFFERENCES OVER OTHER PARTS OF STATE DEPT AUTHORIZATION BILL).

3.ONE BRIGHT SPOT,IN SOLOMON S VIEW,IS DEGREE OF QUOTE UNORCHESTRATED COORDINATION UNQUOTE THAT HAS TAKEN PLACE AMONG WESTERN COUNTRIES,INCLUDING JAPAN,ON RELATIONS WITH CHINA.HE NOTED THAT NOTWITHSTANDING EARLY IMPRESSIONS,JPNSE GOVT AS WELL AS JPNSE BUSINESS ARE ANXIOUS NOT/NOT TO BE SEEN TO BE TOO FAR IN FRONT.

CCC/120 222301Z UNGR2346

**ACTION**  
**SUITE A DONNER**

C O N F I D E N T I A L

FM PEKIN WJGR4027 21NOV89

TO EXTOTT PNR

INFO WSHDC TOKYO HKONG LDN PARIS BNGKK MOSCO CNBRA BONN

DISTR MINA PGB PND PNC PGP URR CPP INP

---PRC REACTION TO USA CONGRESS SANCTIONS

19NOV CHINA EXPRESSED STRONG IROTEST TO USA AMB HERE WITH REGARD  
TO SANCTIONS AGAINST CHINA ADOPTED BY USA CONGRESS LAST WEEK.

PROTEST WAS LODGED BY PRC VICE FOREIGN MIN LIU HUAQIU ON EVE OF  
AMB LILLEYS DEPARTURE FOR LEAVE IN USA. MAIN POINTS OF PRC PROTEST  
FOLLOWED FAMILIAR THEMES: (A) QUELLING OF DEMOCRATIC MOVEMENT. LAST  
JUNE IS QUOTE STRICTLY INTERNAL UNQUOTE SINCE IT WAS DONE ACCORDING  
TO CHINESE CONSTITUTION; (B) SINCE LAST JUNE, ACTIONS TAKEN BY USA  
CONGRESS AGAINST PRC ARE BASED ON FALSE REPORTS AND RUMOURS;  
(C) QUOTE SOME MEMBERS OF USA CONGRESS STILL STICK TO THEIR POSITION  
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SINCE MATTERS RELATED TO SOVEREIGNTY, INDEPENDENCE AND DIGNITY ARE  
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DESIRE TO RESUME NORMALIZATION WITH CHINA BUT QUOTE WHAT IS NEEDED  
NOW IS CONCRETE ACTION BY USA GOVT IN THIS REGARD UNQUOTE; (F) PRC  
HOPES USA GOV WILL TAKE CLEAR-CUT STAND AGAINST AMENDMENTS VOTED  
BY USA CONGRESS.

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20- <i>China</i> -1-3-USA	
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PAGE TWO WJGR4027 CONF'D

2.COMMENTS: WHILE TONE OF PUBLIC STATEMENT WAS HARSH AND TIMING (SUNDAY AFTERNOON) DRAMATIC,USA EMB HERE INFORMED US THAT PROTEST WAS ALMOST PRO FORMA AND WAS CAREFULLY DIFFERENTIATED (BETWEEN ADMIN AND CONGRESS) IN ATTEMPT TO SEEK ADMINS SUPPORT IN MITIGATING CONGRESSIONAL STANCE. LIU DID NOT/NOT PRESS FOR PRESIDENTIAL VETO BUT SIMPLY THAT WHITE HOUSE MAKE SOME PUBLIC GESTURE DISTANCING ITSELF FROM CONGRESSIONAL ACTION.WHILE USA EMB HAS NOT/NOT YET BEEN SUBJECT OF CHARM CAMPAIGN REPORTED IN OURTEL,LIU DID COMMENT TO LILLEY THAT INSTEAD OF DIFFICULT MTGS SUCH AS CURRENT ONE,HE WLD MUCH RATHER BE QUOTE EATING, DRINKING, AND SINGING UNQUOTE WITH HIS AMERICAN FRIENDS. (PLS PROTECT.)

3.NORTH AMERICAN AND OCEANIAN DIRECTOR ZHANG YIJUN AGREED CHINESE RESPONSE WAS TOUGH SAYING USA CONGRESS HAD GONE TOO FAR.QUOTE AS THE BIBLE SAYS,AN EYE FOR AN EYE AND A TOOTH FOR A TOOTH UNQUOTE. AT SAME TIME HE SAID RESPONSE SHOULD NOT/NOT BE TAKEN TO REPRESENT A FURTHER SETBACK IN PRC-USA RELNS.ADMINS RESPONSE TO CONGRESSIONAL REACTION WOULD BE VERY IMPORTANT.

CCC/059 210800Z WJGR4027

C O N F I D E N T I A L

FM PEKIN WJGR4027 21NOV89

TO EXTOTT PNR

INFO WSHDC TOKYO HKONG LDN PARIS BNGKK MOSCO CNBRA BONN

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CCC/059 210800Z WJGR4027

*File*

**ACTION  
SUITE A DONNER**

C O N F I D E N T I A L

FM WSHDC UNGR2334 20NOV89

TO EXTOTT PNR

INFO PEKIN HKONG WIBRD TOKYO BNATO CIDA HULL/BSC PC90TT/BRADLEY

TT NDHQOTT/DIPOL/CIS/ DE CAF

BAG SHANGHI DE PEKIN

DISTR DMC PGB PND PGP PNC EEA INP INE IDR ~~URG URD URR~~

REF OURTELS UNGR2285,13OCT;UNGR2857,15NOV

---CHINA:CONGRESSIONAL SANCTIONS

SUMMARY:STATE DEPT AUTHORIZATION BILL WHICH HAS BEEN SENT TO PRES BUSH CONTAINS CHINA SANCTIONS,BUT IN FORM MILD ENOUGH THAT ADMIN CAN LIVE WITH THEM.CRITERIA FOR PRESIDENTIAL WAIVER OF SANCTIONS INCLUDE ONE BASED ON QUOTE NATIONAL INTEREST UNQUOTE RATHER THAN MORE NARROW QUOTE NATIONAL SECURITY INTEREST UNQUOTE IN EARLIER HOUSE VERSION OF BILL.HOWEVER,BILL IS LIKELY TO BE VETOED FOR OTHER REASONS,AND FATE OF SANCTIONS MAY NOT/NOT BE SETTLED UNTIL NEW YEAR.

2.REPORT:AFTER CONSIDERABLE DEBATE BETWEEN HOUSE AND SENATE CONFERREES, CONFERENCE REPORT ON STATE DEPT AUTHORIZATION BILL HAS BEEN ISSUED, APPROVED BY BOTH CHAMBERS AND SENT TO PRES.AMONG ITEMS INCLUDED IS COMPROMISE VERSION OF SANCTIONS TO BE ENACTED AGAINST PRC.DESPITE ARDUOUS EFFORT PUT INTO BILL,HOWEVER,FUTURE FATE OF BILL,AND HENCE SANCTIONS,IS IN DOUBT.(REASONS HAVE NOTHING TO DO WITH CHINA,BUT RATHER WITH AMENDMENT ON QUITE SEPARATE ISSUE WHICH WILL ALMOST CERTAINLY TRIGGER PRESIDENTIAL VETO,SEE OURTEL UNGR2857.)FINAL OUTCOME MAY NOT/ NOT BE CLEAR UNTIL NEW YEAR.

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PAGE TWO UNGR2334 CONF D

3. AREAS SUBJECT TO SANCTIONS ARE THOSE OUTLINED OUR REFTTEL. DEAL WORKED OUT AMONG HOUSE, SENATE AND ADMIN SAW SOMEWHAT TOUGHER VERSION OF RESTRICTIONS ON ACTIVITIES OF OVERSEAS PRIVATE INVESTMENT CORP (OPIC) AND TRADE AND DEVELOPMENT PROGRAM (TDP). SOFTER VERSION OF BILL HAD BUILT IN SIX-MONTH SUNSET CLAUSE FOR THESE RESTRICTIONS, BUT THIS HAS NOW BEEN REMOVED AND RESTRICTIONS SUBJECT TO SAME WAIVER PROVISIONS AS MOST OTHER PARTS OF SANCTIONS. AS TRADE-OFF, AMONG CRITERIA FOR PRESIDENTIAL WAIVER OF SANCTIONS IS DETERMINATION BY PRESIDENT THAT TO DO SO IS IN QUOTE NATIONAL INTEREST UNQUOTE OF USA. YOU WILL RECALL THAT HOUSE VERSION LANGUAGE REFERRED TO MORE NARROW QUOTE NATIONAL SECURITY INTEREST UNQUOTE.

4. ADMINISTRATION IS REASONABLY CONTENT WITH OUTCOME, ESPECIALLY GIVEN POSSIBLE ALTERNATIVES. HOWEVER, EVEN THOUGH MANY OF SANCTIONS NOW PROPOSED TO BE WRITTEN INTO LAW REFLECT EXISTING ADMIN POLICY, VERY PROSPECT OF HAVING THEM ENSHRINED IN LEGISLATION REDUCES ADMIN S CAPACITY FOR MAKING AND/OR ALTERING POLICY. NATIONAL INTEREST WAIVER PROVIDES CONSIDERABLE SCOPE IN THEORY FOR PRESIDENTIAL ACTION, BUT STATE DEPT CONTACTS ACKNOWLEDGE THAT DECISION TO EXERCISE OPTION WILL INVOLVE CAREFUL POLITICAL CALCULATION AND CANNOT/NOT BE USED INDISCRIMINATELY.

5. IN SOME MEASURE, DECISION TO KEEP CHINA SANCTIONS IN STATE DEPT BILL (ONE OF A VERY FEW AMENDMENTS RETAINED FROM LARGE NUMBER

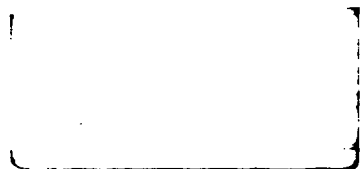
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ORIGINALLY PROPOSED) REFLECTS FRUSTRATION AMONG NUMBER IN CONGRESS THAT ADMIN IS NOT/NOT TAKING INITIATIVE TO SET OUT NEW POLICY FRAMEWORK FOR CHINA. THIS AT TIME WHEN, AS SEEN BY SOME IN CONGRESS, HUMAN RTS SITUATION IS NOT/NOT IMPROVING. THIS CAME OUT EXPLICITLY DURING 15NOV SENATE SUB-COMTEE (EAST ASIAN AND PACIFIC AFFAIRS) HEARING ON USA POLICY TOWARD CHINA, INCLUDING STATEMENTS FROM CHAIRMAN CRANSTON AND SENATOR HELMS. SUB-COMTEE MEMBERS WERE PARTICULARLY UNHAPPY THAT AFTER SEVERAL RESCHEDULINGS TO FIT TIMETABLE OF ASST SECRETARY OF EAST ASIAN AND PACIFIC AFFAIRS (R. SOLOMON) ADMIN IN END DECIDED NOT/NOT TO OFFER SENIOR OFFICIAL TO TESTIFY. SUB-COMTEE REJECTED PROPOSAL OF OFFICIAL AT DIRECTOR LEVEL.

6. FAXING SECTION OF BILL CONTAINING SANCTIONS TO PNR ONLY.

CCC/120 202237Z UNGR2334





External Affairs  
Canada

Affaires extérieures  
Canada

MESSAGE

Align first character of Security Classification under this arrow  
 Aligner le premier caractère de la Sécurité sous cette flèche

Accession/Référence
File/Dossier
20- <i>China-1-3 USA</i>

SECURITY SÉCURITÉ	<i>C O N F I D E N T I A L</i>	12	10
FM/DE	FM EXTOTT PNR3582 10NOV89	10 NOV 89 16 14z	
TO/A	TO PEKIN		
INFO	INFO WSHDC		
DISTR	DISTR MINA PGB PND PNC PGP BMM		
REF	REF YOURTEL 3755 08NOV89		
SUBJ/SUJ	---NIXON VISIT:FANG LIZHI  UDDATE ON FANG LIZHI APPRECIATED.WE CONCUR THAT WITH DELICATE NEGOTIATIONS UNDER WAY BETWEEN USA AND PRC REGARDING FANG,PUBLICITY CONCERNING CDN ACADEMIC OFFER TO FANG WOULD BE UNHELPFUL.  2.POTENTIAL CDN SPONSORS HAVE NOT/NOT CONTACTED US IN RECENT MONTHS.ON BALANCE WE BELIEVE IT IS BEST NOT/NOT TO DRAW FURTHER ATTN TO ISSUE BY CONTACTING POTENTIAL CDN HOSTS AT THIS TIME.GRATEFUL YOU KEEP US INFORMED OF ANY DEVELOPMENTS REGARDING FANG THAT MIGHT BECOME PUBLIC,IN WHICH CASE WE WOULD BE IN POSITION TO QUICKLY COUNSEL CDN ACADEMICS.		

DRAFTER/RÉDACTEUR	DIVISION/DIRECTION	TELEPHONE	APPROVED/APPROUVÉ
GORDON HOULDEN	PNR	995-8663	GORDON HOULDEN
SIG			SIG <i>[Signature]</i>

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**ACTION  
SUITE A DONNER**

C O N F I D E N T I A L

FM PEKIN WJGR3755 08NOV89

TO PEKIN PNR

INFO WSHDC

DISTR MINA PGB PND PNC PGP BMM

REF OURTELS WJGR3679 04OCT WJGR4015

---NIXON VISIT:FANG LIZHI

INTERLOCUTOR ON FANG LIZHI AT USA EMB(DCM PASCOE) WAS UNUSUALLY  
TIGHT LIPPED ON POSSIBLE DISCUSSION OF FANG PROBLEM DURING  
NIXON VISIT. WE HAVE SENSE FROM VERY LIMITED COMMENTS, HOWEVER,  
THAT SOME MOVEMENT MAY OCCUR IN COMING WEEKS. FOR WHAT ITS  
WORTH, EAST EUROPEAN(GDR) COLLEAGUE DOES NOT/NOT BELIEVE THAT  
FANG WOULD BE GIVEN CRIMINAL TRIAL AT THIS STAGE. ALSO, IT  
HAS JUST BEEN CONFIRMED THAT FANGS SON, WHO LEFT COMPOUND IN  
AUGUST ALREADY, IS LIVING AT FANG RESIDENCE AND ATTENDING PEKIN  
NORMAL U.

2. PASCOE EMPHASIZED AGAIN THAT NOW IS NOT/NOT TIME FOR CDN  
ACADEMICS TO DRAW PUBLIC ATTENTION TO THEIR INVITATION TO FANG  
AND WIFE TO VISIT CDA.

CCC/099 090156Z WJGR3755

RETURN TO RENYOYER AU	B100	FOR FILING POUR - ETRE PORTE AU DOSSIER
ACC	626294	REF DATE 190 01 10
FILE	20- China -3- USA	

*H012*  
*HH*  
*5 sent*  
*short reply in kind*  
*that 9 weeks*  
*not contact started*  
*CDR hosts it*  
*this time, but*  
*asking for*  
*up-to-date*  
*info re*  
*public development*  
*MM-*

**ACTION  
SUITE A DONNER**

*File*

C O N F I D E N T I A L

FM PEKIN WJGR3727 31OCT89

TO EXTOTT/ PNR DELIVER BY 310900

INFO HKONG TOKYO CNBRA LDN WSHDC MOSCO

TT NDHQOTT/DIPOL/CIS ADM/ DE CAF PCOOTT/IAC

BAG SHNGI DE PEK

DISTR PGB PND PNC PGP INP CPP

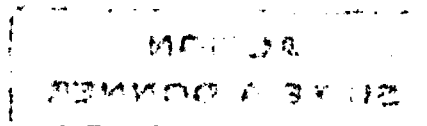
---CHANGES TO MARTIAL LAW IN BEIJING

PEKIN MUNICIPAL GOVT AND MARTIAL LAW HQ ANNOUNCED 30OCT THAT:(1)  
TROOPS WERE BEING WITHDRAWN FROM ALL INTERSECTIONS AND OVERPASSES;  
(2)FROM 01NOV,PEOPLES ARMED POLICE(PAP)WOULD REPLACE SOLDIERS  
GUARDING TIANANMEN SQUARE;AND(3)IN ORDER TO MAINTAIN SOCIAL  
ORDER IN CAPITAL TROOPS STATIONED IN AND AROUND BEIJING WOULD  
CONTINUE TO PERFORM THEIR ENFORCEMENT DUTIES ALONG WITH PAP  
AND OTHER POLICE UNITS.

2.ABOVE MODIFICATIONS WILL IN FACT CHANGE VERY LITTLE.WITH  
ONSET OF COLDER WEATHER,CITIZENS WILL NOT BE TEMPTED TO LOITER  
ON WINDY OVERPASSES AND RESTRICTED ACCESS TO TIANANMEN SQUARE  
REMAINS.FACT THAT PARA-MILITARY PAP WILL REPLACE ARMY GUARDS  
IS OF LITTLE CONSEQUENCE - AUTOMATIC RIFLES AND HELMETS ARE  
STANDARD ISSUE.IN ANY CASE MOST PAP ARE EX-ARMY,PART OF  
DENG'S SLEIGHT OF HAND WHEN HE REDUCED PLA BY ONE MILLION.

...2

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MOST IMPORTANT OF ALL, MARTIAL LAW IS STILL IN PLACE. CAUTIOUS MANNER IN WHICH ITS VISIBLE MANIFESTATIONS ARE BEING WITHDRAWN INDICATES CONTINUING LEADERSHIP CONCERN OVER SECURITY IN CAPITAL. 3. AS FOOTNOTE, SHOULD ADD THAT NIXON'S VISIT TO BEIJING APPEARS TO HAVE PROMPTED EXTRAORDINARY SECURITY AROUND US AMBASSADOR'S RESIDENCE WHERE IT IS BELIEVED DISSIDENT FANG LIZHI AND HIS WIFE ARE LIVING. SINCE NIXON'S ARRIVAL, REGULAR CONTINGENT OF HELMETED PAP AND ONE UNMARKED CAR HAS BEEN BEEFED UP TO EIGHT UNLICENSED MERCEDEZ WITH FULL COMPLEMENT OF PLAINCLOTHESMEN. PRESUMABLY, CHINESE ARE NOT TAKING ANY CHANCES IN COMINGS AND GOINGS BETWEEN EMBASSY AND NIXON ENTOURAGE.

CCC/099 310918Z WJGR3727

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(OCPF PLEASE PASS TO PDB STAFF)

TAKE 2 OF 2 AA P00 KFBIS TRENDS/CHINA)

//PAST THREE YEARS.

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ACCORDING TO RENMIN RIBAO ON THE 10TH, FOR EXAMPLE, DENG XIROPING GREETED HIM WARMLY AS AN "OLD FRIEND" OF CHINA WHO HAS "WARM-HEARTED FEELINGS" ABOUT THE DEVELOPMENT OF SINO-U.S. RELATIONS, TERMS THE CHINESE RESERVE FOR FOREIGN OFFICIALS WITH WHOM THEY HAVE ESTABLISHED A RELATIONSHIP OF TRUST. DENG CHARACTERIZED THE STATE OF SINO-U.S. RELATIONS AS "GOOD" OVERALL AND EXPRESSED HIS APPRECIATION FOR THE SECRETARY'S EFFORTS TO PROMOTE TIES, "PARTICULARLY TO EXPAND THE RELATIONS BETWEEN THE TWO ARMED FORCES."

SIMILARLY, PREMIER ZHAO'S MEETING WITH THE SECRETARY WAS DESCRIBED IN UPBEAT TERMS. AS REPORTED IN RENMIN RIBAO ON THE 10TH, DURING HIS "FRIENDLY" TALK WITH MR. WEINBERGER, ZHAO EXPRESSED "SATISFACTION" WITH THE GENERALLY "STABLE" STATE OF BILATERAL RELATIONS AND THE "PROGRESS" MADE IN RECENT YEARS. MUTING BEIJING'S RECENT WARNINGS REGARDING THE "ADVERSE" IMPACT ON BILATERAL TRADE OF "RESTRICTIVE" U.S. TRADE LAWS (XINHUA, 1 SEPTEMBER), ZHAO DECLARED THAT HE WAS ALSO "VERY PLEASED" WITH THE "FAIRLY SMOOTH DEVELOPMENT" OF BILATERAL ECONOMIC RELATIONS, AND HE URGED BOTH SIDES TO "JOINTLY PROMOTE" ECONOMIC TIES AND TECHNOLOGY TRANSFER. IN CONTRAST, BOTH ZHAO'S AND DENG'S DISCUSSIONS WITH THE SECRETARY IN 1983 WERE DEPICTED IN MORE SUBDUED TERMS. AND ON THE ISSUE OF TECHNOLOGY TRANSFER, ZHAO WAS QUOTED IN PRC MEDIA JUST LAST MAY AS REITERATING HIS DISPLEASURE OVER THE ADMINISTRATION'S "RESTRICTIONS" ON TECHNOLOGY TRANSFER TO CHINA (XINHUA, OR MAY).

BEIJING'S TREATMENT OF THE SECRETARY'S TALKS WITH HIS COUNTERPART ZHANG AIPING ON THE 8TH, AS WELL AS OF THE WELCOME BANQUET THAT EVENING, SEEMED AIMED AT CONFIRMING THE POSITIVE DEVELOPMENTS IN BILATERAL MILITARY COOPERATION SINCE 1983 WHILE ALSO ACKNOWLEDGING DIFFERENCES OVER CERTAIN UNSPECIFIED INTERNATIONAL QUESTIONS. XINHUA'S REPORT ON THE TWO SIDES' EXCHANGE OF VIEWS ON A "WIDE RANGE OF INTERNATIONAL ISSUES" CHARACTERIZED THE ATMOSPHERE AS "FRIENDLY AND FRANK" BUT OFFERED NO DETAILS ON THE SUBSTANCE OF THE DISCUSSION. BOTH SIDES WERE ALSO CITED AS EXPRESSING "SATISFACTION" WITH RECENT PROGRESS IN BILATERAL TIES AND AS OPTIMISTIC REGARDING FURTHER PROGRESS. THE NEWS AGENCY'S REPORT OF ZHANG'S BANQUET TOAST ON THE 8TH INCLUDED HIS GENERAL ASSESSMENT OF THE TALKS AS HAVING ACHIEVED "POSITIVE" RESULTS THAT WOULD BE "BENEFICIAL" TO THE "INCREASE" OF COOPERATION BETWEEN THE TWO SIDES' MILITARY ESTABLISHMENTS.

TYPICALLY, THE PRC-CONTROLLED HONG KONG PRESS WAS SOMEWHAT MORE FORTHCOMING IN ELABORATING THE SIGNIFICANCE OF ZHANG'S REMARKS: AN ARTICLE IN TA KUNG PAO ON THE 10TH, UNDER THE BYLINE OF ITS WELL-INFORMED COLUMNIST SHIH CHUN-YU, OBSERVED THAT, ASIDE FROM THE LONG-AWAITED AGREEMENT ON PORT CALLS, THE TWO SIDES "AGREED TO TAKE A NEW STEP" IN THE TRANSFER OF MILITARY TECHNOLOGY. OFFERING BACKGROUND ON THIS SUBJECT, SHIH NOTED THAT BEIJING'S ATTEMPTS TO IMPORT SOME ADVANCED U.S. MILITARY TECHNOLOGY HAD SUFFERED "SETBACKS" IN THE PAST BECAUSE OF OPPOSITION FROM A "HANDFUL" OF "CONSERVATIVES" IN AMERICA. SHIH CREDITED PRESIDENT REAGAN'S ATTITUDE, WHICH "RECOGNIZES THAT A POWERFUL CHINA CONSTITUTES AN IMPORTANT FACTOR FOR PEACE IN ASIA," FOR THIS UNSPECIFIED "NEW STEP" IN THE AREA OF TECHNOLOGY TRANSFER. ANOTHER PRO-PRC HONG KONG PAPER, HSIN WAN PAO, SUGGESTED ON THE 9TH THAT ZHANG'S REFERENCE TO "POSITIVE RESULTS" MAY SIGNIFY AGREEMENT TO PURCHASE ADVANCED U.S. WEAPONS SYSTEMS, AN INTENTION CHINESE LEADERS HAVE BROACHED EXPLICITLY IN THEIR OWN MEDIA SINCE 1983.

#### TAIWAN ISSUE

DENG WAS NOT REPORTED TO HAVE REFERRED TO THE TAIWAN QUESTION DURING THE SECRETARY'S RECENT VISIT, IN CONTRAST TO HIS POINTED REMARKS TO MR. WEINBERGER IN 1983 THAT WHILE "IT IS IMPORTANT TO ENHANCE CONTACTS AND INCREASE MUTUAL UNDERSTANDING" BETWEEN THE TWO COUNTRIES, IT IS "MORE IMPORTANT TO REMOVE FUNDAMENTAL OBSTACLES" OF WHICH TAIWAN IS THE "CRUX OF THE MATTER" (XINHUA, 11 SEPTEMBER 1983).

TYPICALLY, THE PRC-CONTROLLED HONG KONG PRESS WAS SOMEWHAT MORE FORTHCOMING IN ELABORATING THE SIGNIFICANCE OF ZHANG'S REMARKS. AN ARTICLE IN TA KUNG PAO ON THE 10TH, UNDER THE BYLINE OF ITS WELL-INFORMED COLUMNIST SHIH CHUN-YU, OBSERVED THAT, ASIDE FROM THE LONG-AWAITED AGREEMENT ON PORT CALLS, THE TWO SIDES "AGREED TO TAKE A NEW STEP" IN THE TRANSFER OF MILITARY TECHNOLOGY. OFFERING BACKGROUND ON THIS SUBJECT, SHIH NOTED THAT BEIJING'S ATTEMPTS TO IMPORT SOME ADVANCED U.S. MILITARY TECHNOLOGY HAD SUFFERED "SETBACKS" IN THE PAST BECAUSE OF OPPOSITION FROM A "HANDFUL" OF "CONSERVATIVES" IN AMERICA. SHIH CREDITED PRESIDENT REAGAN'S ATTITUDE, WHICH "RECOGNIZES THAT A POWERFUL CHINA CONSTITUTES AN IMPORTANT FACTOR FOR PEACE IN ASIA," FOR THIS UNSPECIFIED "NEW STEP" IN THE AREA OF TECHNOLOGY TRANSFER. ANOTHER PRO-PRC HONG KONG PAPER, HSIN WAN PAO, SUGGESTED ON THE 9TH THAT ZHANG'S REFERENCE TO "POSITIVE RESULTS" MAY SIGNIFY AGREEMENT TO PURCHASE ADVANCED U.S. WEAPONS SYSTEMS, AN INTENTION CHINESE LEADERS HAVE BROACHED EXPLICITLY IN THEIR OWN MEDIA SINCE 1983.

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ALTHOUGH TAIWAN WAS RAISED DURING THE SECRETARY'S MEETING WITH ZHAO ON THE 9TH, IT WAS BROACHED IN THE SAME NONPOLEMICAL MANNER THAT HAS TYPIFIED BEIJING'S APPROACH TO THIS QUESTION DURING THE PAST TWO YEARS. ZHAO OBSERVED THAT THE TAIWAN QUESTION CONSTITUTES AN "OBSTACLE" WHOSE REMOVAL WOULD PAVE THE WAY FOR FURTHER "GREAT PROGRESS" IN SINO-U.S. RELATIONS. AT THE SAME TIME, HIS REMARK WAS FLANKED BY EXPRESSIONS OF "SATISFACTION" WITH THE GENERAL STATE OF SINO-U.S. RELATIONS AND THE "SMOOTH" DEVELOPMENT OF ECONOMIC TIES. LIKE DENG, ZHAO HAD USED MUCH SHARPER LANGUAGE IN ADDRESSING THE TAIWAN ISSUE DURING MR. WEINBERGER'S PREVIOUS VISIT.

(ENDALL)

17 OCT 0641Z JLB

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FBIS TRENDS 16 OCT CHINA-U.S

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17 Oct 1989

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NA170508 FOREIGN BROADCAST INFORMATION SERVICE MEDIA ANALYSIS

BEIJING WELCOMES SECRETARY WEINBERGER, SETS U.S. PORT CALL

## SUMMARY

BEIJING PORTRAYED DEFENSE SECRETARY WEINBERGER'S VISIT TO CHINA AS A FRIENDLY, PRODUCTIVE AND BUSINESSLIKE EXCHANGE ON BILATERAL AND INTERNATIONAL ISSUES. UNLIKE THE SECRETARY'S PREVIOUS VISIT THREE YEARS AGO, CHINESE LEADERS THIS TIME STRESSED THE POSITIVE ASPECTS OF SINO-U.S. RELATIONS IN THEIR TALKS WITH HIM AND TONED DOWN THEIR RHETORIC ON THE TAIWAN QUESTION.

SECRETARY WEINBERGER'S 7 TO 11 OCTOBER VISIT TO CHINA CONTINUED THE HIGH-LEVEL EXCHANGES BETWEEN DEFENSE OFFICIALS OF THE TWO COUNTRIES THAT HAVE BECOME A REGULAR FEATURE OF BILATERAL RELATIONS OVER THE PAST THREE YEARS. THESE EXCHANGES HAVE INCLUDED THE SECRETARY'S VISIT IN SEPTEMBER 1983 AND DEFENSE MINISTER ZHANG AIPING'S RETURN VISIT THE FOLLOWING JUNE, AS WELL AS VISITS BY NAVY SECRETARY LEHMAN (AUGUST 1984), JCS CHIEF VESSEY (JANUARY 1985), AND PLA CHIEF YANG DEZHI (MAY 1986).

PRC MEDIA ACCORDED EXTENSIVE COVERAGE TO THE SECRETARY'S TALKS WITH ZHANG ON THE 8TH, HIS MEETINGS WITH DENG XIAOPING AND PREMIER ZHAO ZIYANG ON THE 9TH, AND HIS MEETINGS WITH CENTRAL MILITARY COMMISSION VICE CHAIRMAN YANG SHANGKUN AND FOREIGN MINISTER WU XUEQIAN, ON THE 7TH AND 9TH, RESPECTIVELY. THE SECRETARY'S ADDRESS TO THE PRC NATIONAL DEFENSE UNIVERSITY ON THE 9TH AND HIS VISIT TO THE KUNMING SATELLITE LAUNCH CENTER ON THE 10TH WERE ALSO FULLY REPORTED.

## PORT CALL ACCORD

THE MOST DRAMATIC RESULT OF THE VISIT WAS THE ANNOUNCEMENT--MADE SEPARATELY ON THE 9TH BY BOTH THE SECRETARY AND A "CHINESE DEPARTMENT CONCERNED"--OF A 5 TO 11 NOVEMBER PORT CALL TO QINGDAO BY THREE U.S. NAVY VESSELS, THE FIRST SUCH VISIT TO THE PRC. FOREIGN NEWS AGENCIES HAD EARLIER REPORTED UNOFFICIAL REMARKS BY THE CHINESE DEFENSE AND FOREIGN MINISTERS THAT AGREEMENT HAD BEEN REACHED ON THE U.S. PORT CALL ISSUE. ON THE 9TH, XINHUA CITED SECRETARY WEINBERGER'S PRESS CONFERENCE REMARKS THAT DAY ON THE UPCOMING U.S. NAVY VISIT, INCLUDING HIS EXPRESSED HOPE THAT THE PRC NAVY WOULD RECIPROCATATE THE VISIT, AND HIS VIEWS THAT THESE DEVELOPMENTS REPRESENT "CLEAR EVIDENCE" OF THE DEVELOPMENT OF BILATERAL MILITARY COOPERATION.

THE CHINESE ANNOUNCEMENT, HOWEVER, SEEMED TO PLAY DOWN THE MILITARY COOPERATION ASPECT OF THE ACCORD. ACCORDING TO THE XINHUA ACCOUNT, IT CHARACTERIZED THE UPCOMING U.S. NAVAL VISIT AS A "FRIENDLY, COURTESY CALL"--AN APPROACH ALSO USED IN COMMENT ON THE "FRIENDSHIP" VISIT BY BRITISH NAVAL VESSELS IN JULY. ON THE SENSITIVE NUCLEAR ARMS ISSUE, XINHUA'S REPORT CITED THE RESPONSE OF A "RESPONSIBLE" CHINESE OFFICIAL TO A REPORTER'S QUESTION REGARDING THE EXISTENCE OF NUCLEAR WEAPONS ABOARD THE U.S. VESSELS SCHEDULED TO CALL, NOTING WITHOUT ELABORATION CHINA'S "CONSISTENT POLICY...NOT TO ALLOW" PORT CALLS BY NUCLEAR-ARMED SHIPS.

THE QUESTION OF U.S. NAVY CALLS AT CHINESE PORTS HAD BEEN PENDING SINCE NAVY SECRETARY LEHMAN'S VISIT TO BEIJING IN AUGUST 1984. LAST YEAR, PARTY GENERAL SECRETARY HU YAOBANG AND VICE FOREIGN MINISTER ZHU QIZHEN CLAIMED THAT AGREEMENT HAD BEEN REACHED WITH WASHINGTON THAT SUCH CALLS WOULD INCLUDE ONLY VESSELS THAT "DO NOT CARRY ANY NUCLEAR WEAPONS" (ZHONGGUO XINWEN SHE, QP APRIL 1985). AFTER WASHINGTON RESPONDED TO THESE STATEMENTS BY REAFFIRMING PUBLICLY THE STANDARD U.S. POLICY OF NOT DECLARING THE NATURE OF WEAPONS CARRIED BY U.S. NAVY SHIPS, BEIJING CLARIFIED ITS POSITION IN A MANNER THAT SEEMED DESIGNED TO ACCOMMODATE THE U.S. STANCE WHILE PERMITTING BOTH SIDES TO RESOLVE THE QUESTION QUIETLY. THE CHINESE ISSUED A

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WEINBERGER'S PRESS CONFERENCE REMARKS THAT DAY ON THE U.S. NAVY VISIT, INCLUDING HIS EXPRESSED HOPE THAT THE PRC NAVY WOULD RECIPROCATE THE VISIT, AND HIS VIEWS THAT THESE DEVELOPMENTS REPRESENT "CLEAR EVIDENCE" OF THE DEVELOPMENT OF BILATERAL MILITARY COOPERATION.

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#### BILATERAL RELATIONS

CHINESE MEDIA CHARACTERIZATIONS OF THE ATMOSPHERE PREVAILING DURING SECRETARY WEINBERGER'S TALKS WITH CHINESE LEADERS WERE NOTABLY WARMER THAN DURING HIS PREVIOUS VISIT; A CONTRAST THE REFLECTS THE STEADY PROGRESS EVIDENT IN THE DEVELOPMENT OF SINO-U.S. RELATIONS DURING THE PAST THREE YEARS.

(MORE)

17 OCT 0608Z JLB



DATE

14 Oct 89

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PRC: NEW AMBASSADOR TO U.S. PRESIDENT'S VIEWS ON BILATERAL TIES

HK1710132089 BEIJING ZHONGGUO XINWEN SHE IN CHINESE 0809 GMT  
OCT 89

[REPORT BY STAFF REPORTER LI WEI (2621 0251): "I AM OPTIMISTIC  
ABOUT THE FUTURE OF SINO-U.S. RELATIONS --AN INTERVIEW WITH THE  
NEWLY-APPOINTED CHINESE AMBASSADOR TO THE UNITED STATES, ZHU  
QIZHEN"--ZHONGGUO XINWEN SHE HEADLINE]

[TEXT] BEIJING, 14 OCT (ZHONGGUO XINWEN SHE)--"I AM OPTIMISTIC  
ABOUT THE FUTURE OF SINO-U.S. RELATIONS. I HOPE THAT SINO-U.S.  
RELATIONS WILL RIDE OVER THE PRESENT DIFFICULTY ON THE BASIS OF THE  
THREE SINO-U.S. JOINT COMMUNIQUE, THAT RELATIONS WILL GRADUALLY BE  
RESUMED, AND WILL CONTINUE TO DEVELOP."

"THE AMERICAN PEOPLE ARE A GREAT PEOPLE, FOR WHOM THE CHINESE  
PEOPLE HAVE ALWAYS HAD A GOOD FEELING. THE PEOPLES OF THE TWO  
COUNTRIES HAVE ALWAYS BEEN FRIENDLY TO EACH OTHER."

"CHINA AND THE UNITED STATES ARE RESPECTIVELY THE LARGEST  
DEVELOPING AND DEVELOPED COUNTRIES. MAINTAINING AND CONTINUOUSLY  
DEVELOPING THE FRIENDLY RELATIONS BETWEEN THE TWO COUNTRIES CONFORMS  
WITH THE INTERESTS OF THE PEOPLES OF BOTH COUNTRIES, AND WILL HELP  
THE WORLD'S PEACE AND STABILITY."

IN A ROUGHLY 10 SQ M, SUNLIT OFFICE ON THE THIRD FLOOR OF THE  
CHINESE FOREIGN MINISTRY'S BUILDING, THE NEWLY-APPOINTED AMBASSADOR  
TO THE UNITED STATES ZHU QIZHEN, WHO WILL SHORTLY BE LEAVING FOR  
WASHINGTON, WAS ELABORATING TO THIS REPORTER HIS VIEW ON THE FUTURE  
OF SINO-U.S. RELATIONS.

ZHU QIZHEN POINTED OUT THAT THERE ARE SOME PEOPLE IN THE UNITED  
STATES WHO WILL ALWAYS WANT TO PUT PRESSURE ON CHINA AND INTERFERE  
IN CHINA'S INTERNAL AFFAIRS. THE UNITED STATES-LED SANCTIONS AGAINST  
CHINA IN RESPONSE TO CHINA PUTTING DOWN THE COUNTERREVOLUTIONARY  
REBELLION IS ONE INSTANCE AT HAND. ZHU QIZHEN ASSERTED THAT THIS  
MOVE WILL NOT ACHIEVE ANY RESULT, FOR CHINA VALUES ITS SOVEREIGNTY  
AND NATIONAL DIGNITY VERY MUCH. HISTORICALLY CHINA HAS GONE THROUGH  
PRESSURES OF VARIOUS SORTS, FROM BLOCKADES AND ENCIRCLEMENT,  
WITHDRAWAL OF EXPERTS TO TEARING UP HUNDREDS OF CONTRACTS OR  
AGREEMENTS. NONE OF THESE PRESSURES SUCCEEDED IN MAKING CHINA  
ABANDON ITS NATIONAL DIGNITY AND ITS SOVEREIGNTY. CHINA HAS NEVER  
BOWED TO ANY EXTERNAL PRESSURE.

ASKED ABOUT HIS FEELING AND PLANS DURING HIS TENURE OF OFFICE,  
THE FOURTH CHINESE AMBASSADOR TO THE UNITED STATES ANSWERED WITH A  
SMILE: "I AM HAPPY BEING APPOINTED BY THE GOVERNMENT TO THIS  
IMPORTANT POST, AND I KNOW THE GREAT RESPONSIBILITY IT CARRIES. I  
HOPE THAT DURING MY TERM OF OFFICE I CAN SUCCEED IN PROMOTING  
FURTHER UNDERSTANDING AND A DEEPER FRIENDSHIP BETWEEN THE PEOPLE OF  
THE TWO COUNTRIES, AND DO SOME POSITIVE WORK IN ADVANCING SINO-U.S.  
RELATIONS."

SIXTY-ONE-YEAR OLD ZHU QIZHEN HAS WORKED IN THE FOREIGN MINISTRY  
FOR A FULL 40 YEARS. DURING THIS PERIOD ONE OF THE MOST IMPORTANT  
ASPECTS OF HIS JOB WAS DEALING WITH THE UNITED STATES. HE  
PARTICIPATED IN THE NEGOTIATIONS THAT LED TO THE ESTABLISHMENT OF  
DIPLOMATIC RELATIONS BETWEEN CHINA AND THE UNITED STATES. SINCE THEN  
HE HAS MADE NO LESS THAN 10 VISITS TO THE UNITED STATES ON DIFFERENT

OCCASIONS, INCLUDING THE ANNUAL SINO-U.S. VICE-MINISTERIAL  
CONSULTATION TALKS AND ACCOMPANYING LEADING CHINESE OFFICIALS ON  
THEIR VISITS TO THE COUNTRY. ON EVERY U.S. VISIT BY HIGH-RANKING  
CHINESE LEADERS, FROM DENG XIAOPING'S FIRST U.S. TOUR IN JANUARY  
1979 AS THE CHINESE LEADER, THROUGH CHAIRMAN WAN LI'S TRIP TO  
WASHINGTON IN MAY THIS YEAR, ZHU QIZHEN HAS BEEN AN IMPORTANT MEMBER  
OF THE DELEGATIONS. IT IS NO EXAGGERATION TO CALL HIM A CHINESE  
EXPERT ON THE UNITED STATES.

IN ZHU QIZHEN'S OPINION, SINO-U.S. RELATIONS CAN ONLY BE  
ESTABLISHED ON THE BASIS OF THE FIVE PRINCIPLES OF PEACEFUL  
COEXISTENCE. A REVIEW OF THE DECADE-LONG SINO-U.S. RELATIONS TURNS  
UP TWO LESSONS WORTH SPECIAL MENTION. ONE, WHEN BOTH COUNTRIES  
OBSERVED TRUTHFULLY THE PRINCIPLES LAID DOWN BY THE THREE JOINT  
COMMUNIQUE BY CHINA AND THE UNITED STATES, IN PARTICULAR THE  
PRINCIPLES OF MUTUAL RESPECT OF SOVEREIGNTY AND TERRITORIAL  
INTEGRITY, AND NON-INTERFERENCE IN INTERNAL AFFAIRS, SINO-U.S.  
RELATIONS WERE ABLE TO DEVELOP STEADILY. WHEN THE PRINCIPLES WERE  
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WHEN ASKED ABOUT HIS EXPECTATIONS OF AMERICAN CHINESE, ZHU QIZHEN  
SAID THE MILLION OR MORE AMERICAN CHINESE, WHETHER OF OLD OR YOUNG  
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BUSINESS PROSPER, TO SEE THEM LIVE PEACEFULLY WITH THE AMERICAN  
PEOPLE, OBSERVE AMERICAN LAW, AND BECOME A BRIDGE IN DEEPENING THE  
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FLUENT IN ENGLISH, STURDY AND GENTLE IN HIS GENERAL DEMEANOR, ZHU  
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WHOSE PARENTS WORKED IN THE FIELD OF RAILWAY ENGINEERING TECHNOLOGY.

OCCASIONS, INCLUDING THE ANNUAL SINO-U.S. VICE-MINISTERIAL CONSULTATION TALKS AND ACCOMPANYING LEADING CHINESE OFFICIALS ON THEIR VISITS TO THE COUNTRY. ON EVERY U.S. VISIT BY HIGH-RANKING CHINESE LEADERS, FROM DENG XIAOPING'S FIRST U.S. TOUR IN JANUARY 1979 AS THE CHINESE LEADER, THROUGH CHAIRMAN WAN LI'S TRIP TO WASHINGTON IN MAY THIS YEAR, ZHU QIZHEN HAS BEEN AN IMPORTANT MEMBER OF THE DELEGATIONS. IT IS NO EXAGGERATION TO CALL HIM A CHINESE EXPERT ON THE UNITED STATES.

IN ZHU QIZHEN'S OPINION, SINO-U.S. RELATIONS CAN ONLY BE ESTABLISHED ON THE BASIS OF THE FIVE PRINCIPLES OF PEACEFUL COEXISTENCE. A REVIEW OF THE DECADE-LONG SINO-U.S. RELATIONS TURNS UP TWO LESSONS WORTH SPECIAL MENTION. ONE, WHEN BOTH COUNTRIES OBSERVED TRUTHFULLY THE PRINCIPLES LAID DOWN BY THE THREE JOINT COMMUNIQUEES BY CHINA AND THE UNITED STATES, IN PARTICULAR THE PRINCIPLES OF MUTUAL RESPECT OF SOVEREIGNTY AND TERRITORIAL INTEGRITY, AND NON-INTERFERENCE IN INTERNAL AFFAIRS, SINO-U.S. RELATIONS WERE ABLE TO DEVELOP STEADILY. WHEN THE PRINCIPLES WERE VIOLATED, RELATIONS SUFFERED. TWO, THERE ARE ENORMOUS HISTORICAL, CULTURAL, SOCIAL, AND POLITICAL DIFFERENCES BETWEEN CHINA AND THE UNITED STATES. TO MAINTAIN AND TO DEVELOP NORMAL RELATIONS BETWEEN THESE TWO GREAT COUNTRIES, IT IS NECESSARY THAT NEITHER ONE ATTEMPTS TO FORCE ITS OWN CONCEPTS OF VALUE ON ITS COUNTERPART.

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FLUENT IN ENGLISH, STURDY AND GENTLE IN HIS GENERAL DEMEANOR, ZHU QIZHEN WAS BORN INTO A HIGH INTELLECTUAL FAMILY IN YIXING, JIANGSU, WHOSE PARENTS WORKED IN THE FIELD OF RAILWAY ENGINEERING TECHNOLOGY. IN 1948 HE GRADUATED FROM SHANGHAI ST. JOHN'S UNIVERSITY. IT IS SAID ZHU QIZHEN HAS A STRONG ABILITY IN ORGANIZATIONAL MATTERS, A TENDER BUT RESOLUTE CHARACTER, AND IS DECISIVE AND ACCURATE IN JUDGMENTS. BEFORE HE WAS APPOINTED AMBASSADOR TO THE UNITED STATES, HE WAS FROM AUGUST 1984 ONWARD VICE FOREIGN MINISTER IN CHARGE OF THE AFFAIRS OF THE AMERICAS AND OCEANIA.

THE CONVERSATION TURNED FROM HIS WORK TO PERSONAL LIFE. ZHU QIZHEN'S WIFE, WANG YUDE, HAD ALSO WORKED IN THE FOREIGN MINISTRY. IN 1983 SHE LEFT THE MINISTRY TO LAUNCH THE MAGAZINE WORLD KNOWLEDGE PICTORIAL, AND LATER BECAME ITS EDITOR-IN-CHIEF. SHE SPEAKS ENGLISH AND FRENCH. AS FOR LEISURE ACTIVITIES, ZHU QIZHEN NAMED BRIDGE AS HIS HOBBY. THE WORD IS THAT HE IS FAIRLY GOOD AT IT. EARLY THIS MONTH, IN A BRIDGE CONTEST ORGANIZED BY DIAOYUTAI STATE GUEST HOUSE CLUB, HE AND HIS BRIDGE PARTNER QI HUAIYUAN WON THE EAST-WEST FIRST PRIZE. THE NORTH-SOUTH FIRST PRIZE WENT TO AN EXPERIENCED BRIDGE PLAYER, CHAIRMAN WAN LI AND HIS PARTNER RONG LEDI, SON OF RONG GAOTANG.

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PRC: LI PENG VISITS USSR EMBASSY IN BEIJING

LD1010224289 MOSCOW TELEVISION SERVICE IN RUSSIAN 1400 GMT  
10 OCT 89

[FROM THE "NOVOSTI" NEWSCAST]

[EXCERPTS] IT IS THE 40TH ANNIVERSARY OF THE ESTABLISHMENT OF  
DIPLOMATIC RELATIONS BETWEEN THE USSR AND THE PRC.

COMRADE LI PENG, MEMBER OF THE STANDING COMMITTEE OF THE CPC  
CENTRAL COMMITTEE POLITBURO AND PREMIER OF THE STATE COUNCIL,  
VISITED THE SOVIET EMBASSY IN CHINA. A FRIENDLY CONVERSATION AND  
RECEPTION TOOK PLACE. PROSPECTS FOR THE FURTHER DEVELOPMENT OF OUR  
RELATIONS OPENED BY THE SUMMIT MEETING IN BEIJING LAST SUMMER WERE  
DISCUSSED.

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	<p>---USA CHINA POLICY</p> <p>GRATEFUL FOR UPDATE ON USA CHINA POLICY.</p> <p>2.OF PARTICULAR INTEREST ARE QUESTIONS RELATED TO HIGH-LEVEL CONTACTS, INCLUDING USA INTERPRETATION (LEVEL AND EXPECTED DURATION) OF BAN ON HIGH-LEVEL CONTACTS CONTAINED IN PARIS SUMMIT DECLARATION ON CHINA; PRC REACTION TO DISSIDENT ACTIVITY IN USA (SUCH AS RECENT CONF OF CHINESE EXILES IN CHICAGO); LONGER-TERM USA ADMIN INTENTIONS REGARDING WORLD BANK AND ADB LENDING; AND FUTURE OF USA-CHINA MILITARY COOP (WE UNDERSTAND COLLECTION OF USA-PRC COLLECTION OF INTELLIGENCE ON USSR ALONG SINO-SOVIET FRONTIER HAS CONTINUED WITHOUT INTERRUPTION SINCE JUN.</p>		

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## MESSAGE PREPARATION

- 1) Use OCR element and set typewriter for 10 pitch. Observe right margin marked "10". If typewriter capable of 12 pitch only, ensure that right margin, marked "12", is observed.
- 2) Use full capitals and double line feed at all times.
- 3) Security Classification: "UNCLASSIFIED" is to be typed without spacing between letters. All other classifications are to have one space between the letters, e.g. C O N F I D E N T I A L
- 4) Use only one space between words in the address portion of the message, e.g.  
TO LDN PARIS IMMED WSHDC  
DISTR ACB APS ABD MFD
- 5) Subject line is indicated by three dashes in front of the subject, e.g. --- REVISED FSDS
- 6) First paragraph is neither numbered nor indented. All subsequent paragraphs are numbered. Do not use space between the paragraph number and the first letter of the text, e.g. 3. THE POST ...
- 7) Do not use space before or after punctuation marks, e.g. WILL ARRIVE BERNE, 15 JUN. THE etc.
- 8) Use only the following punctuation: period, comma, semi-colon, colon, dash, oblique stroke, brackets and question mark.
- 9) Following signs must be spelled out: \$ (DOLLARS), % (PERCENT), # (NUMBER), "(QUOTE), and " (UNQUOTE). In English the apostrophe is omitted to form a single word, while in french the apostrophe is replaced by a space.
- 10) Always repeat negatives NO and NOT as NO/NO and NOT/NOT (in french negatives are not repeated). DO NOT/NOT underline.
- 11) End of page of multi-page messages is identified on a separate line, at left margin with only three periods and the number of the following page, e.g.  
...2
- 12) Do not use punctuation at the end of the message when there is a signature.

## PRÉPARATION DES MESSAGES

- 1) Employer le LOC et régler la machine au pas "10". Placer la marge droite à "10". Si vous avez une machine de pas "12", placer la marge droite à "12".
- 2) Toujours utiliser les majuscules et le double interligne.
- 3) La cote de sécurité "NONCLASSIFIÉ" doit être dactylographiée sans espace entre les lettres. Toutes les autres doivent l'être avec un espace, par exemple:  
C O N F I D E N T I E L
- 4) Pour l'adresse, utiliser seulement un espace entre chaque mot, par exemple:  
A LDN PARIS IMMED WSHDC  
DISTR ACB APS ABD MFD
- 5) Faire précéder le sujet de trois tirets, par exemple:  
--- DSE REVISÉES
- 6) Le premier paragraphe n'est jamais numéroté et commence à la marge. Tous les paragraphes suivants sont numérotés. Ne pas laisser d'espace entre le numéro du paragraphe et la première lettre du texte, par exemple:  
3. LA MISSION...
- 7) Ne pas laisser d'espace avant ou après les signes de ponctuation, par exemple: ARRIVERAI À BERNE, 15 JUN. LE etc.
- 8) Utiliser seulement les signes de ponctuation suivants: point, virgule, point virgule, deux points, tiret, barre oblique, parenthèses et point d'interrogation.
- 9) Les signes suivants doivent être dactylographiés en toutes lettres: \$ (DOLLARS), % (POUR CENT), # (NUMÉRO), "(CITATION) et " (FIN DE CITATION). En anglais, omettre l'apostrophe et ajouter la terminaison au mot pour en faire un seul mot. En français remplacer l'apostrophe par un espace.
- 10) Répéter toujours les négatifs NO et NOT comme ceci: NO/NO NOT/NOT (en français les négatifs ne sont pas répétés). Ne pas souligner.
- 11) Sur les messages comportant plus d'une page, indiquer sur une ligne séparée, à la marge à gauche, le numéro de la page suivante en le faisant précéder de trois points seulement, par exemple:  
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- 12) Ne pas mettre de ponctuation à la fin du message quand il comporte une signature.

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## South Africa: Politics by the Prisoner

By Sanford J. Ungar

WASHINGTON

**I** imagine the privileged status of an opposition politician who has been protected from making mistakes for more than a quarter of a century, who suddenly finds himself in the middle of discussions about his nation's future.

The government begs him to enter into dialogue; he holds back. When he finally issues a statement, everyone quarrels over what he really means.

That is precisely Nelson Mandela's situation today. The one-time head of the African National Congress is the most widely accepted black leader in South Africa, increasingly being treated as if he holds the fate of South Africa in his hands.

There is one major problem, of course: Mandela is in prison—and has been for 27 years. No one can figure out how to release him on the right terms.

"It is quite remarkable," the Rev. Desmond Tutu, archbishop of Cape Town, said recently, on the occasion of Mandela's 71st birthday. "Young blacks believe that the day Mandela is released, everything will be all right."

Amazingly, key members of the white government that once convicted Mandela of treason and sentenced him to life in prison now appear to feel the same way. They suddenly realize that any attempt at peaceful transition from apartheid must have Mandela's blessing. That is presumably why P.W. Botha, the lame-duck president, astonished South African countrymen by inviting Mandela to tea at his official residence a few weeks ago.

In a cautious statement released after the meeting (and cleared by the government), Mandela said he "would like to contribute to the creation of a climate which would promote peace in South Africa," reiterating his longstanding position that "dialogue with the mass democratic movement and, in particular, the (ANC), is the only way of ending violence and bringing peace to our country."

Ever since, white politicians and exiled ANC officials (including military commanders based in Zambia) have been debating what Mandela was really saying. Was he urging blacks to fight on until the ANC, originally founded in 1912, is finally recognized by the regime, or was he giving his tentative (and long-sought) pledge that ANC violence will stop if

Please see PRISONER, Page 6

Sanford J. Ungar, dean of the School of Communication at American University, is the author of "Africa: The People and Politics of an Emerging Continent" (Touchstone/Simon and Schuster).

## China: Push for Reform, Not Rupture

NEW YORK

**B**oth houses of Congress, after extraordinarily cursory debate, have voted overwhelmingly to impose sanctions against China, well beyond measures already taken by President Bush. Such a vote in direct opposition to a popular President with considerable experience in Chinese affairs is remarkable.

It was also unprecedented. I cannot recall U.S. sanctions invoked against a major world power in reaction to events entirely within its domestic jurisdiction. The only comparable precedent—the Jackson-Vanik Amendment designed to spur Jewish emigration from the Soviet Union—backfired and only withheld additional benefits; it did not withdraw existing benefits as do congressional sanctions against China.

To avoid any misunderstanding, let me summarize my own response to the events in Beijing. No government in the world would have tolerated having the main square of its capital occupied for eight weeks by tens of thousands of demonstrators who blocked the area in front of the main government building. In China a demonstration of impotence in the capital would unleash the lurking regionalism and warlordism in the provinces. A crackdown was therefore inevitable. But its brutality was shocking—even more so were the trials and Stalin-style propaganda that followed.

Still, China remains too important to U.S. national security to risk the relationship on emotions of the moment. The United States needs China as a possible counterweight to Soviet aspirations in Asia, and needs China to remain relevant in Japanese eyes as a key shaper of Asian events. China needs the United States as a counterweight to perceived ambitions from the Soviets and Japan. In return China will exercise a moderating influence in Asia and not challenge America in other areas of the world. These realities have not been altered by events.

Anyone familiar with the history and attitudes of China will therefore share the reluctance of Bush—a humane and compassionate man—to launch the United States on a course both dangerous and indefinable. At least two questions need to be addressed.

Why should Congress challenge a relationship that has enjoyed bipartisan support for nearly two decades?

What is to be achieved by Congress?

Current passions result in part from television coverage. The media described events accurately enough but TV could not—by its nature—supply the historical or political context (Ted Koppel's ABC special being an important exception).

What happened in Beijing was not a simple morality play. What began as a student protest for greater popular participation in government fused with an intraparty struggle about the pace of reform—factions headed by deposed General Secretary Zhao Ziyang versus groups

Please see CHINA, Page 3

This is one of a series of articles for The Times by former Secretary of State Henry A. Kissinger.



# China

Continued from Page 1

Continuing under leader Deng Xiaoping, I have seen China for nearly a decade. He is a dedicated reformer who developed a framework for price reform, indispensable as a move to market economics but politically risky because it was bound to raise prices. But I also know Deng as a reformer and a good friend of the United States. I remember seeing him in Beijing in 1975, when he stood up against the Gang of Four on behalf of ties to America—a warning to those who now claim China has no place to go regardless of sanctions.

The caricature of Deng as a brutal tyrant thus seems unfair to me. For 15 years, he has been reform's driving force. He introduced aspects of market economics and sought to institute a more predictable judicial system. His tragedy is that he has been too successful economically, too hesitant politically. He has been too committed to communism to recognize that free-market economics cannot be instituted by a totalitarian Communist Party, but he was also too committed to progress to abandon a course bound to undermine one-party rule.

Soviet President Mikhail S. Gorbachev has sought to construct a power base outside the Communist hierarchy, specifically in the Supreme Soviet. By contrast, Deng, survivor of the Long March, sought to forestall the decline of Communist power by reforming it. He first tried to subject every party member to review, then he restricted the hierarchy to essentially conceptual tasks.

Both efforts failed. Weeding out members aborted because it had to be administered by the very people that had to be removed. Reducing the role of the party created a vacuum, especially after Deng moved Zhao from prime minister to the office of general secretary.

As a result, Zhao's reform program, difficult in the best of circumstances, foundered. Trapped between a government he no longer controlled and a party indifferent to his policies, Zhao appealed to groups beyond his normal reform constituency. In early May, two weeks into the student upheaval, Zhao contradicted Deng before the Asian Development Bank, insisting that the student protest was a serious matter. Two weeks later, welcoming Gorbachev, Zhao stressed that Deng was making all key decisions. This was generally seen as an attempt to place blame.

By then the protesters had support beyond the capacity of student groups. Tens of thousands would not have survived day after day without food, basic sanitation, communications equipment and medical care. Access to Tien An Men Square was no longer controlled by government.

While most of the grievances were real, no government is likely to provide supinely over its own demise. For two centuries China's overwhelming domestic problem has been national unity. In the Chinese perception, ever since the 19th-Century Opium Wars, foreigners have systematically nurtured disunity to despoil China. At my first meeting with Prime Minister Chou En-lai on a secret trip to China in 1971, he expressed—to my amazement—a

conviction that Japan, the United States and the Soviet Union each harbored desires to divide China.

No doubt Deng and his associates remembered that during the Cultural Revolution the student Red Guards created by Mao Tse-tung spawned so many competing groups under one banner that the army had to rescue coherence from these autonomous satrapies.

I support the appeals for moderation from the recent Western summit meeting and the measures Bush has already taken to express concern. But what would be the goal of going further in a situation of such complexity? To punish Beijing for past actions now irrevocable? To promote what the United States might regard as the reform faction? Does the United States really want to commit to overthrowing the government of China?

To go further than steps Bush has already taken would only court a show of impotence. One day punitive sanctions will fall, if only because China cannot undo past actions, and geopolitical realities will dictate a U.S.-China rapprochement. By then, however, an essential element of U.S. policy could be in tatters.

Some observers argue that pressure must be brought on the Beijing government lest we antagonize the emerging forces in China. But does the United States know enough to identify these forces or understand how to help them? Would student success in Beijing have brought democracy or civil war? France's 1989 anniversary is a reminder that the course of revolution cannot be deduced from the proclamations of its creators.

U.S.-Chinese relations have lately prospered because America stayed aloof from the impenetrable thicket of Chinese domestic politics. The United States has been perceived as committed to eternal Chinese goals: territorial integrity and the people's well-being.

Such an attitude is all the more important now because Chinese change did not end with events in Beijing. I believe Deng's statement that he remains committed to economic reform; reform is the theme of his long life and the cause of his personal suffering. The hesitation eight weeks before the crackdown—including meetings with student leaders—demonstrates the leadership's reluctance to take measures likely to undermine China's recent international prestige.

Chinese leaders must realize, or their successors will learn, that economic reform is impossible without support from educated groups that supplied some of the upheaval's fervor and from workers who furnished much of the muscle. Thus, as so often in Chinese history, the rhythm of life and of common sense is likely to produce some practical solution. It would be extraordinarily unwise for the United States to disengage at such a moment or to adopt policies interpreted by Beijing as attempts to overthrow the government.

Advocates of additional sanctions claim that China's need for U.S. help is so great no sanction would jeopardize the relationship. That could be a dangerous illusion. Chinese leadership might conclude that American intervention was intolerable, producing a new Chinese xenophobia.

The challenge goes beyond Tien An Men Square. The President's refusal to be stampeded will in the long run serve American national security as well as the values America cherishes.

## Help (Uniti

By Brian Cahill

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Brian Cahill, pr- drea's Service dem-irect of th Roundtable.



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Mr. Jonathan T. Fried  
First Secretary  
Embassy of Canada  
1746 Massachusetts Avenue, N.W.  
Washington, D.C. 20036

Dear Jonathan:

This is just to send along the enclosed memoranda  
regarding Congressional sanctions against China.

Please don't hesitate to call if you have any  
questions.

With best regards.

Sincerely,

Shorman A. Katz

Enclosures  
SEK:hc

2/13

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July 12, 1989

### House Sanctions Against China

Sherman E. Katz

3/16

This memorandum will bring you up to date on actions in the House arising from events in Tiananmen Square on June 4, 1989.

#### I. House China Amendment to Foreign Aid Authorization Bill

As you know, on June 29, the House overwhelmingly approved an en bloc amendment<sup>1</sup> to the foreign aid authorization bill (H.R. 2655) by a vote of 418 to 0 to impose certain economic sanctions against the People's Republic of China ("P.R.C.") (see copy, Attachment 1 hereto). The House also approved the foreign aid bill later the same day by a vote of 314 to 101.

<sup>1</sup> An en bloc amendment is a group of amendments related to different parts of a bill which are brought together into a single package and usually voted on as a group. In practice, controversial elements of an en bloc amendment are negotiated and agreed to by a bipartisan group of members before it is brought to the House floor. In the interest of expediting consideration of H.R. 2655, the House foreign aid authorization bill, House Foreign Affairs Committee Chairman Dante B. Fascell (D-FL) requested that the Rules Committee permit him and Representative William S. Broomfield (R-MI), the Ranking Minority member, to offer en bloc amendments at any time. The Rules Committee granted Fascell this authority, but at the same time ordered that, as the individual provisions of the China amendment are divisible and amendable, members could request that portions of the en bloc amendment be considered and voted separately. In practice, no such objections were offered as Fascell and Broomfield and other Committee members were able to privately agree on the entire en bloc amendment before it was offered on the House floor.

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It is important to note, however, that no foreign aid authorization bill has passed both houses of Congress since 1985. Rather, Congress typically appropriates foreign aid funds without any authorization bill. Thus, there is significant doubt that the House-proposed sanctions would ever take effect, at least as part of the foreign aid authorization bill. Of course, even if Congress passes a foreign aid authorization bill this year, the President would have to sign it before it becomes law.

Against the possibility of passage into law of a foreign aid authorization bill, the Administration negotiated two waivers into the on bloc amendment. The sanctions would be lifted if: (1) the President reports to Congress that the P.R.C. has made progress in a program of political reform, or (2) it is determined to be in the national security interest of the United States to terminate the suspensions.

Should the foreign aid bill become law, the amendment would impose the following binding sanctions and actions:

1. suspension of guarantees and other financial support for the P.R.C. from the Overseas Private Investment Corporation ("OPIC") (§ 910(c)(1) of H.R. 2655);
2. suspension of the use of foreign assistance funds for the P.R.C. through the U.S. Trade and Development Program (§ 910(c)(2));
3. suspension of all export licenses for items on the U.S. munitions list (§ 910(c)(3));
4. suspension of the issuance of export licenses for crime control and detection equipment (§ 910(c)(4));
5. suspension of export licenses for satellites for launch on P.R.C.-owned launch vehicles (§ 910(c)(5));
6. suspension of nuclear cooperation agreement with the P.R.C (§ 910(c)(6));
7. opposition to further liberalization of COCOM export controls guidelines relating to trade with the P.R.C. (§ 910(c)(7)); and
8. review of status and needs of Chinese citizens currently in the U.S. under non-immigrant visas (§ 910(f)(2)(A)).

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In addition, the House amendment contains a non-binding sense of Congress resolution set forth in § 910(b). This involves, among other things, (1) commendation of the President's actions thus far, (2) suggestion that the President continue to emphasize to the Chinese government that normalized relations will depend directly on its halting of killings of prodemocracy demonstrators, and (3) request that P.R.C. nationals who are threatened as a result of their participation in the prodemocracy movement be offered admission to the U.S.

The Administration had acted two weeks earlier in several of the areas covered by the House sanctions. On June 5 (see White House press release of June 5, 1989, Attachment 2 hereto), President Bush announced that he had ordered (1) the suspension of government sales and commercial exports of weapons; (2) suspension of military visits; (3) review of requests by Chinese students in the United States to extend their visas; (4) the offer of humanitarian and medical assistance to the injured in the P.R.C. through the Red Cross; and (5) review of "other aspects of [the] bilateral relationship as events in China continue to unfold."

As a result of the Administration's June 5 suspension of weapons sales, [see (1) above], the State Department advises that the suspension of nuclear cooperation, satellite exports and liberalization of COCOM export controls have all been suspended as a matter of policy. In State's view, this essentially carries out the proposed weapons, satellite and COCOM sanctions in the House bill, but without accepting any legislative mandatory requirements. The distinction is important to the Administration because it preserves future flexibility.

With regard to the suspension of guarantees by OPIC, internal OPIC guidelines dictate that a country determined by the State Department to be in violation of human rights is not eligible for OPIC financial support. Therefore, once again, the Administration states that it has already taken the action proposed by the House, but as a matter of policy and not pursuant to legislative mandate.

On June 20 (see White House press release of June 5, 1989, Attachment 2 hereto), President Bush had directed the suspension of high-level government-to-government contact between the U.S. and the P.R.C. and instructed U.S. representatives to international financial institutions to seek to delay consideration of new loans to China (see Attachment 3).

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II. Views of Leading House Proponents for Sanctions

We have attached a copy of the June 29 House debate regarding the amendment (see Attachment 4), which was introduced by Fawcett and Broomfield. Broomfield spoke about the situation in China on five separate occasions prior to introducing the on bloc amendment. Each time, he emphasized the absolute necessity of the U.S. government speaking with one voice. He also expressed his strong support for the President's action. His role in the process was to attempt to reconcile the Administration's position with that of his colleagues in a manner that would ultimately be acceptable to President Bush.

Fawcett, as Chairman of the Foreign Affairs Committee, was instrumental in coordinating the entire process and in bringing the two sides of the aisle to agreement. The views of other leading House proponents for economic sanctions against China are as follows:

Representative Stephen J. Solarz (D-NY), as Chairman of the Foreign Affairs Subcommittee on Asian and Pacific Affairs, was a key player in preparing the comprehensive draft of the amendment. On June 22, Solarz brought a resolution to the House floor supporting the President in his call for clemency for the pro-democratic demonstrators arrested in China and calling on the Chinese government to stop further killings of its citizens (see excerpt from Congressional Record of June 22, 1989, Attachment 5 hereto). On June 29th, Solarz pointed out that:

This amendment . . . steers a course between those who, on the one hand would like us to entirely sever our diplomatic and commercial relationship with China and those who, on the other hand, do not want us to take any action whatsoever with respect to China lest we . . . drive the Chinese into the arms of the Soviet Union. (Attachment 4, H3463)

In a conversation with a representative from Solarz' office, we learned that Solarz looks at the China situation from a comparative perspective. With the understanding that the U.S. treats the various communist countries differently depending in part on their economic and political systems, and that the P.R.C. receives the best relative treatment from the U.S. among these nations, Solarz believes that, given the atrocities committed by the Chinese government, the U.S. should at least consider removing the P.R.C. from its current position as the Communist country receiving the most favorable treatment from the U.S.



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Representative Richard A. Gephardt (D-MO), House Majority Leader, also took a leading role in the process. Fascell commended Gephardt's decision to use his new position as Majority leader to push the China amendment. Gephardt said that while he respects the Administration's reluctance to take further action against China, he believes that the House "has to speak clearly on behalf of the American people and take more forceful action" than the Administration has taken to date. (Id., H3464) 7/16

It is worth noting that on June 20, Gephardt participated in a march by 15 Representatives (12 Democrats, 3 Republicans) to the Chinese Embassy to meet with China's ambassador to the U.S. Feeling angry and frustrated after the meeting because of a lack of any meaningful response from the Embassy, these Congressmen subsequently called on the House to take concrete action in the form of sanctions against China to express American outrage over the Chinese government's massacre.

Representative Gus Yatron (D-PA), Chairman of the House Foreign Affairs Human Rights and International Organizations Subcommittee, stated that the U.S. must clearly indicate to Beijing that its disrespect for human rights will result in "the loss of private capital, skills, and technological know-how." (Id., H3460)

Representative Sam Gejdenson (D-CT), who, with the assistance of Representative Mel Levine (D-CA), successfully sought inclusion of a provision to freeze for six months any further liberalization of technology exports to the P.R.C. by the U.S. and all other COCOM members, stated that commercial involvement should never be seen as more important than American values. He called on the President to "take leadership from the Congress and run with it." (Id., H3461) Levine felt strongly that additional steps should be taken if conditions in China do not improve. (Id., H3462) In line with Levine's view, Representative Jim Leach (R-IA) stressed that the amendment was the least that Americans could do in response to the events in China. (Id., H3460)

Urging more restrained action, however, Representative Robert H. Michel (R-IL), House Minority Leader, applauded the President for his action to date and stated that he was "rather reluctant to go beyond that . . . ." Nevertheless, Michel commended the Democrats for putting together a bill that the entire House could accept. (Id., H3459)

Representative Robert J. Lagomarsino (R-CA), while calling for unanimous support of the amendment, asked that the

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Congress not go so far as to hurt the Chinese people or U.S. strategic interests. As did other Republicans, Lagomarsino stressed the importance of the U.S. "speaking loudly with one voice" and of supporting the President's action. (Id., H3459)

Our conversations with representatives from several key members' offices revealed that in addition to the need to respond to a perceived lack of Administration action and to public outrage, for a number of Congressmen the amendment was an opportunity to revisit U.S.-China issues that were not resolved to their satisfaction prior to the tumultuous events of recent months. In particular, the dangers of nuclear cooperation have been a concern of Representative Ed Markey (D-MA). The export of satellite technology has troubled Representative Gerald B. H. Solomon (R-NY). Representatives Gjdansen and Lovino have sought to maintain tight export controls for China. Representative Benjamin A. Gilman (R-NY) has been seeking restrictions on weapons sales.

### III. Administration Response to House China Amendment

The State Department's China Office advised that the Administration is opposed to the an hles amendment because (1) it duplicates actions President Bush has already taken, and (2) the additional proposed sanctions are inappropriate. Furthermore, in the interest of maintaining maximum flexibility to deal with this sensitive issue, the Administration prefers to handle this situation through policy rather than legislation. We have attached for your information the text of the State Department's "press guidance" on the House China amendment which was provided to us in a telephone conversation with the State Department East Asia Public Affairs Office (see Attachment 6).

### IV. Prospects for Sanctions Resolving Law

The mainstream opinion in the House is that some form of sanctions against China will be approved by Congress. Several vehicles for the sanctions exist. As noted above, the likelihood of a foreign aid authorization bill being approved by Congress is limited. Among many other obstacles to its passage, a conflict over the China sanctions between Senator Jesse Helms (R-NC) and his supporters and the more moderate senators of the Foreign Relations Committee could bring the entire foreign aid authorization process to a halt. Despite the foreign aid authorization bill's dim prospects for passage, we will monitor the Senate's consideration of the bill which is expected to begin later this week or early next week.

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member of the Foreign Relations Committee, will be two of the more important Senators on this issue. Should neither the foreign aid nor the State Department authorization bills pass, it is possible that sanctions will be included in the Defense Department authorization bill. According to Solarz' aide, the least likely scenario is free-standing legislation on China.

While it seems unlikely that the President will approve any legislation that contains sanctions against China, the situation remains fluid, particularly as long as the prospects for stability in China remain uncertain. As noted above, the Administration has already indicated its opposition to the current language of the House on bloc amendment. (see Attachment 6).

V. Upcoming Hearing on China

A joint hearing on China of the House Foreign Affairs Subcommittees on Asian and Pacific Affairs Human Rights and International Organizations and International Economic Policy and Trade is scheduled for Thursday, July 13 and Wednesday, July 19. Several witnesses from the Administration, including the Presidents of OPIC and the EXIM Bank, are scheduled to testify on Thursday. Next Wednesday's hearing will consist of private sector witnesses.

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July 13, 1989

**Joint Subcommittee Hearing  
on U.S.-China Relations**

Shorman E. Katz

Today, the House Foreign Affairs Subcommittee on Human Rights and International Organizations, Asian and Pacific Affairs, and International Economic Policy and Trade held a hearing to examine whether additional steps should be taken in response to the atrocities of June 4 in Tiananmen Square in the People's Republic of China ("PRC"). This hearing was well attended by both sides of the aisle. The hearing consisted of two panels. The first was made up of Richard Williams, Director of China and Mongolian Affairs of the Department of State; Joan McEntoo, Acting Under Secretary for Export Administration of the Commerce Department; and Carl W. Ford, Jr., Principal Deputy Assistant Secretary for International Security Affairs of the Defense Department. The second panel consisted of Nancy Freme, Deputy Director of the U.S. Trade and Development Program ("TDP"); William F. Ryan, President and Chairman of the Export-Import Bank ("EXIM"); and Fred M. Zador, President and CEO of the Overseas Private Investment Corporation ("OPIC"). We have attached copies of the witnesses' testimony for your information.

**I. Opening Remarks by Members**

Representative Stephen J. Solars (D-NY), Chairman of the Foreign Affairs Subcommittee on Asian and Pacific Affairs, explained that the purpose of today's hearing was not to determine whether the U.S. should continue to do business as usual with the PRC as that question had already been decided, but rather, to examine the advisability of imposing additional sanctions against the PRC. For example, Solars said that the hearing would address the question of whether the U.S. should revoke China's Most-Favored-Nation ("MFN") status. In addition, the issue of whether the U.S. should impose new economic sanctions that its allies were unwilling to impose would be discussed. Also, the question of whether the U.S. should impose new economic sanctions that could hurt U.S.

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COUDERT BROTHERS

economic and strategic interests more than the government of the PRC would be covered. 1/5

Sam Gajdenson (D-CT), Chairman of the Foreign Affairs Subcommittee on International Economic Policy and Trade, announced that he has drafted a bill for discussion that would suspend the PRC's MFN status, EXIM loans, and loans from international financial institutions. In addition, his bill would require the re-negotiation of the bilateral multi-fiber arrangement ("MFA") between the U.S. and the PRC, and would significantly tighten U.S. and COCOM export controls with regard to the PRC.

Representative Jim Leach (R-IA), Ranking Minority Member of the House Foreign Affairs Subcommittee on Asian and Pacific Affairs, urged Congress to remain supportive of the President and recognize the limits to the ability of the U.S. to influence policy in the PRC.

## II. Views of the Administration Witnesses

None of the Administration witnesses presented written testimony that contained information that we have not already reported in our memorandum to you of July 12. In fact, after the three Administration witnesses finished testifying, Solarz expressed his deep disappointment with the Administration's testimony as it did not "even touch on 70% of the questions" that the subcommittees had requested be addressed in the written testimony. Solarz urged that the only way to maintain cooperation between the executive and legislative branches is for the Administration to be cooperative and open with Congress.

### A. Presidential Flexibility

Williams, the State Department official, stated that one of the reasons the Administration opposes the House en bloc amendment is that it would limit the Administration's flexibility. Solarz then asked Williams to explain exactly how the House amendment would limit Presidential flexibility. Williams said that the legislation would set up criteria which the President would have to meet before he could take actions, and this could impose delays in a situation where the President would have to act quickly. In response, Solarz reminded Williams that the legislation contains two waivers by which the President could terminate the sanctions (i.e., sanctions could be lifted if the President reports to Congress that China has made progress in a program of political reform, or if it is deemed in the U.S. national security interest of the U.S. to terminate the sanctions). He asked Williams if he could envision any other circumstances besides the waivers

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COUDERT BROTHER 12/15

provided for in the legislation under which the President would lift the sanctions. Lacking an answer, Williams said that the President may want to take additional steps quickly. Solarz retorted that the legislation does not limit the President's flexibility to take additional action; it only limits his ability to suspend existing sanctions.

#### B. China's MFN Status

Solarz asked Williams what the effect would be of a revocation of China's MFN status. Williams said that such action would seriously damage U.S. - PRC economic relations, and it could reduce contact that the U.S. currently has with elements in China that are most inclined to undertake meaningful reforms. In addition, it could lead to retaliation by the PRC that could hurt U.S. economic interests.

#### C. OPIC Guarantees

In response to a question from Representative Toby Roth (R-WI) about the Administration's position with respect to suspending OPIC guarantees, Williams said that at this stage the question of suspending OPIC guarantees is "under review." The meaning of the phrase "under review" as used by Administration witnesses during today's hearing is that activities currently "under review" are suspended until further notice as a matter of Administration policy.

#### D. U.S. - PRC Bilateral Textile Agreement

Williams was unable to answer a question from Goldenson as to whether there was any way to reduce China's textile quota (as proposed in his draft legislation) without violating the existing U.S. textile agreement with China. However, it was later revealed that the PRC likely would be unable to fulfill its textile quota if its MFN status were revoked. Therefore, by revoking China's MFN status, it might be possible to reduce China's imports of textiles into the U.S. without violating the U.S.' textile agreement with the PRC.

#### E. Export Controls on Military Goods

In response to a question from Solarz, Joan McEntee of the Commerce Department said that, as a matter of policy, the Administration is not approving any licenses for any items destined for the military or the police of the PRC. She said that this includes weapons, crime control and detection equipment. In response to a question as to whether U.S. allies are also suspending exports of military goods to the PRC, Williams said that all U.S. allies have suspended

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COUDERT BROTHERS

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military sales and exports to the PRC, but that he did not know how long this solidarity would last.

### III. Views of OPIC, EXIM and TDP Representatives

Fred M. Zeder of OPIC advised that his organization is currently party to 29 investment insurance contracts in the PRC that will be honored. However, he said that OPIC also has 15 pending contracts that have been suspended until a full State Department review of human rights conditions in China has been completed. Zeder added that if OPIC were to pull out of the PRC, the void created would quickly be filled by others. Zeder said that Canada, in particular, has already announced that its sister agency will continue to do business in China.

William F. Ryan of EXIM said that his agency continues to process loan applications, but that it does not make a final decision on them unless the U.S. company involved would otherwise lose its opportunity to bid on a project. In any case, EXIM must await State Department clearance for all loan applications for the PRC pending a human rights review. Ryan said that the consequences of curtailing or stopping EXIM assistance in the PRC would be very small if such action were unilateral (i.e., not honored by U.S. allies). He said that the effect would be a commercial loss to the U.S. and a benefit to U.S. competitors in Europe and Japan.

Nancy D. Frame of TDP advised that her agency has "temporarily suspended all new obligations and the implementation of three obligated projects for which there are not yet contracts in place" as a result of the June 4 massacre. However, TDP has not abrogated any existed TDP-funded contracts. She also said that if the TDP program in China were suspended other nations undoubtedly would provide support for projects that TDP would otherwise have funded.

### IV. Where Do We Go From Here?

It was clear from today's hearing that at least the members in attendance are frustrated with a lack of Administration action to date. In addition, they are disappointed with a lack of Administration response to the overwhelming call as evidenced by the 418-0 vote on the House en bloc amendment for additional sanctions against China. Even Toby Roth, a senior minority member of the Foreign Affairs Committee, warned the Administration witnesses that Congress would be forced to take legislative action if it did not have Presidential leadership to follow. Mel Levine (D-CA) suggested that the House should consider separating out the en bloc amendment from the foreign aid authorization bill in

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COUDERT BROTHERS

12/15

order to expedite its passage. As we have already discussed in our memorandum of July 12, passage of free-standing legislation that would impose sanctions against China is unlikely.

Yesterday, by voice vote, the Senate Foreign Relations Committee reported out the foreign aid authorization bill without a China sanctions amendment. However, we have learned from a representative of Senator Jesse Helms' (R-NC) office that he will introduce an amendment "along the lines of" the House on bloc amendment to the foreign aid bill on the Senate floor. Later, he is expected to introduce additional economic sanctions to be included in the State Department authorization bill. (See attached speech by Helms of July 1 regarding his views on sanctions against China.) A representative in Senator Alan Cranston's (D-CA) office advised that a group of Majority Foreign Relations Committee members are working on a substitute to Helms' amendment. Full Senate consideration of the foreign aid bill likely will take place in the next two weeks.

S.E.K.



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July 17, 1989

### Senate China Sanctions Amendment

Sherman E. Katz

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On Friday, July 14, the Senate approved 81 to 10 a measure that would impose bin sanctions against China similar to those passed (see copy of Senate amendment attached hereto) was jointly offered by Majority Leader G (D-NE) and Minority Leader Robert J. D amendment to the State Department author Senate is expected to approve the Authorization bill sometime this week already passed a State Department author Senate conference will be held to work agreeable to both houses of Congress

The Senate amendment is that was incorporated into the f The binding provisions in the those of the House (see our m difference between the two

- 3 -

COUDERT BROTHE.

- (b) all bilateral trade agreements between the U.S. and the PRC; 16/10

The Senate amendment also contains a provision similar to that of the House providing for termination of the suspensions if the PRC government makes progress on a program of political reform or if the President reports to Congress that it is in the U.S. national interest to lift the sanctions. Note that the Senate's reference to "national interest" is broader than the House's reference to "national security interest."

We have learned from Senator Helms' office that Helms is satisfied with the measure passed by the Senate last Friday, and he does not intend to introduce any additional sanctions against China.

Given the votes by which the China measure passed the House and Senate, it appears likely that Congress will pass legislation mandating economic sanctions against China. As concerns the Administration's position, Dole told the Senate that "the administration - while it is not exactly jumping up and down with glee that we might pass this legislation - believes it can live with this Senate action." (See excerpt from Congressional Record of July 14, 1989, attached hereto.) We made numerous calls to Administration officials to confirm that the President would sign a bill containing the Senate amendment, but they declined to comment at this time.

S.E.K.



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Attached for information and comments of distribution addressees is a short background paper on the question of U.S. sanctions against China. This paper is based on a variety of sources, including telexes from our embassy in Washington, the Wireless File of the State Department, and articles from the American press. It is intended to provide a summary of current U.S. sanctions and a sense of where the American government may be going concerning future measures against China. The document will be updated as appropriate.

2. Time permitting, we propose to prepare a number of similar papers on evolving U.S. foreign policy positions. Questions which we plan to address in the coming months include the peace process in Central America, the Israeli-Arab conflict, and U.S. policy towards South Africa. Other issues we hope to address include U.S. policy towards the Pacific Rim, Europe 1992, as well as evolving U.S. security policy.

  
Kenneth Cook  
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## U.S. MEASURES AGAINST CHINA

### INTRODUCTION

In response to the Chinese government's repression of the pro-democracy student movement, the American government has adopted a number of measures and sanctions against China. The U.S. response reflects the diversity of power and influence centres in the American government and is still evolving. Initial executive measures were announced by President Bush on June 5, 1989 following the Tiananmen Square assault against protesters by the Chinese army. In response to public pressures for more severe sanctions against the abuse of human rights, the House of Representatives adopted its own package of measures on June 29, 1989 and the Senate voted in favour of additional sanctions on July 14. Both congressional packages contain similar measures, but have yet to be reconciled in a common legislative proposal that can be presented to the President. It is possible that a common bill will be achieved before the end of August. Although the Administration is opposed to many of the measures proposed by the House and Senate, it has signalled that it can live with them and will not veto the legislation, no doubt because tighter sanctions enjoy broad-based support by Senators and Representatives from both parties.

### THE ADMINISTRATION'S APPROACH

To date President Bush and the Administration's spokes-persons have promoted a "measured approach" in dealing with China, refusing to pursue or condone severe diplomatic and economic sanctions which in their view would run the risk of possibly cutting all links with China. Having served as U.S. envoy to China, President Bush is a dominant voice for a moderate and careful approach (this attitude was reflected at the Paris Economic Summit where President Bush promoted a moderate language in the seven leaders' communique condemning China's repression of pro-democracy demonstrators). The Administration has emphasized the need for flexibility and has argued that respect for human rights cannot be the only criteria used to determine the extent and scope of the U.S. response to events in China.

The package of sanctions applied by the Administration since June 5 includes:

- the suspension of all sales of U.S. military equipment to China;

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- the suspension of American participation in military exchanges and in high-level exchanges of government officials;
- a ban on the export of satellites intended for launch in China; and,
- the cessation of nuclear cooperation.

In addition, the U.S. Department of Commerce is closely reviewing all export license applications for China and has prevented sales of equipment intended for law-enforcement use by Chinese police forces.

Evidence of "flexibility" can be seen in the Administration's decision to permit the sale of four Boeing jetliners to China, in spite of the fact that their navigational system has military applications.

#### **PROPOSED CONGRESSIONAL SANCTIONS**

While the Administration's initiatives against China have been well received by Congress, several members in both houses have responded to mounting public pressures for more severe sanctions by introducing their own legislative proposals. The sanction package unanimously voted (418 to 0) by the House of Representatives on June 29, 1989 is a bi-partisan compromise that leaves out harsher measures. Similarly, the Senate's package which closely parallels the House's measures, was adopted with an overwhelming majority (81 to 10 ) on July 14.

The House's sanction package, developed under the leadership of Representative Stephen J. Solarz (D-NY), takes the form of an amendment to the Foreign Aid Bill. It includes the sanctions already proposed by the Administration, plus broader and tougher economic sanctions, such as the suspension of the trade-related assistance provided to China by the Overseas Private Investment Corporation (OPIC) and by the Trade and Development Agency. It also asks the Administration to oppose for six months any liberalization on exports of goods and technology to China by the Coordinating Committee on Exports Control (COCOM). It calls for the creation of a task force of Chinese nationals in the United States to assess the needs and status of Chinese citizens admitted under non-immigrant visas to the United States.

The House's package also specifically links removal of sanctions to the setting in place of a programme of political reform in China, including Tibet, providing for the removal of martial law, the end of executions and reprisals for non-violent expression of political beliefs, increased respect for human rights and a freer flow of information.

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The Senate's sanction package was drafted jointly by Majority Leader George Mitchell (D-Maine) and Minority Leader Robert J. Dole (R-Kan.). The sanctions were included in an amendment to the fiscal 1990 State Department authorization bill. The package, similar to the House bill, provides for the enactment of President Bush's sanctions and a set of broader trade and economic sanctions. Some Senate measures are equivalent to House measures but there are some notable differences. The Senate proposal goes further than the House by:

- giving the President the authority to waive sanctions if it is judged to be in the U.S. "national interest", not just the "national security interest" to do so;
- urging postponement of Export-Import Bank financing of U.S. exports to China;
- asking the Administration to oppose loans to China by international financial institutions;
- asking the President to conduct a review of existing U.S./China trade and commercial relations, including all bilateral trade agreements and whether to maintain most-favoured-nation status for China; and,
- asking the President to consult with the G-7 group of nations on a collective response to repression, and with trading partners on further easing of export controls, favourable treatment for high-technology exports and China's participation in trade negotiations.

## CONCLUSION

Given the extent of support for additional sanctions requested by both houses of the U.S. Congress, the Administration, in spite of its opposition to broader trade-related sanctions against China, is expected to accept them as official policy if adopted as legislation in a joint House-Senate package sometimes in August (a veto, it is thought, would only delay the unavoidable and go against President Bush's efforts to achieve bi-partisan support for the Administration's foreign policy). In any event, the Administration does not appear overly concerned that the measures proposed by Congress would significantly alter the U.S. stance on China. (Indeed several of the measures proposed by Congress are already in a back-up list held in reserve by the Administration.) Moreover, Congressional measures are presented as an expression of the "sense of Congress" and do not bind the Administration which also feels that the waivers provided for in the draft legislative proposals are sufficiently broad to ensure flexibility.

URR/July 26, 1989

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---FURTHER CHINA MEASURES-CONGRESSIONAL PRESSURE

SUMMARY:SENATE PASSED CHINA AMENDMENT TO FOREIGN RELS AUTHORIZATION

BILL BY VOTE OF 81-10 14JUL89.THIS IS SISTER PIECE TO HOUSE

AMENDMENT TO FOREIGN AID BILL THAT PASSED 480-2 29JUN.AMENDMENTS

OVERLAP BUT ALSO CONTAIN DIFFERENCES,WHICH WILL HAVE TO BE

RECONCILED IF MEASURES ARE TO GO FORWARD.THAT COULD HAPPEN THIS WEEK.

2.MAJORITY OF PROPOSALS IN BOTH VERSIONS ARE SENSE OF THE CONGRESS

ITEMS BACKED UP WITH CALLS FOR SUSPENSION OF OVERSEAS PRIVATE

INVESTMENT FINANCING,TRADE DEVELOPMENT AND ODA FUNDS,DENIAL OF

EXPORT LICENSES FOR MUNITIONS AND CRIME CONTROL EQUIPMENT,

SATELLITES FOR LAUNCH BY PRC AND NUCLEAR COOPERATION.SENATE VERSION

CONTAINED CALLS TO REVIEW CHINESE MFN STATUS AND,WITH OTHER

SIGNATORIES,TO REVIEW PRC OBSERVER STATUS AT GATT MTGS AND CHINAS

RIGHT TO ACCEDE TO GATT.

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3. EXECUTIVE BRANCH WILL LIKELY OPPOSE PROPOSED LEGISLATION. IT ALSO FEELS THAT BETWEEN MEASURES ALREADY TAKEN, THOSE ON APPROVED OPTIONS LIST BUT NOT/NOT YET INVOKED, AND QUOTE WIGGLE ROOM UNQUOTE PROVIDED BY WAIVER PROVISIONS AND CURRENT REALITIES, THE PRESIDENT CAN CONTROL BOTH SUBSTANCE AND PACE, PARTICULARLY IF EMERGENCE OF BILLS FM CONF CTTEE IS SLOWED TIL AFTER CONGRESSIONAL RECESS 25AUG.

REPORT:

4. SENATE SUPPORTED BY 81 VOTES TO 10 AMENDMENT TO FOREIGN RELS AUTHORIZATION BILL SPECIFYING FURTHER MEASURES TO BE TAKEN AGAINST CHINA SHOULD CURRENT PATTERN OF HUMAN AND CIVIL RIGHTS ABUSES CONTINUE. SENATE VERSION GOES SOMEWHAT FURTHER THAN HOUSE VERSION THAT PASSED BY 480-2 29JUN. WHILE NEITHER VERSION DIFFERS RADICALLY FM COURSE ALREADY EMBARKED UPON BY THE ADMIN, THEY DO DEMAND SOME ADDITIONAL MEASURES, MOST OF WHICH ARE ALREADY CONTAINED IN THE EXECUTIVE BRANCH LIST OF OPTIONS BEING HELD IN RESERVE.

5. NEW AREAS EXPOUNDED IN BOTH HOUSE AND SENATE AMENDMENTS AND NOT/NOT ON PRESIDENTS LIST FEATURE:

A) EXPLICIT LINKING OF USA POLICY TOWARD CHINA WITH THE HUMAN RIGHTS SITU IN TIBET (BOTH VERSIONS);

B) SUSPENSION OF EXPORT PERMITS FOR CRIME CONTROL AND DETECTION INSTRUMENTS AND EQUIPMENT (BOTH VERSIONS);

C) SUSPENSION OF NUCLEAR COOPERATION WITH CHINA (BOTH VERSIONS);

D) ESTABLISHMENT OF A TASK FORCE COMPOSED OF CHINESE STUDENTS RESIDENT

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IN THE USA TO ASSESS THE NEEDS AND STATUS OF THEIR PEERS IN LIGHT OF DEVELOPMENTS IN CHINA(HOUSE VERSION);

3)REVIEW OF MFN TREATMENT FOR CHINA(SENATE VERSION);

F)SUSPEND USE OF FUNDS MADE AVAILABLE FOR TRADE AND DEVELOPMENT PROMOTION UNDER THE FOREIGN ASSISTANCE ACT OF 1961(BOTH VERSIONS);

6.VIEW OF STATE DEPT DIRECTOR FOR CHINESE AND MONGOLIAN AFFAIRS IS THAT WHILE ADMIN IS OPPOSED TO BOTH SETS OF PROPOSED LEGISLATION,IT IS NOT/NOT UNDULY CONCERNED.BOTH AMENDMENTS CONVEY SENSE OF THE CONGRESS AND HENCE LACK COMPULSORY ASPECTS THAT COULD PROVOKE REAL BATTLE BETWEEN LEGISLATIVE AND EXEC BRANCHES.FOR EXAMPLE PRESIDENT IS ASKED IN SEANTE AMENDMENT TO REVIEW,NOT/NOT SUSPEND,MEN STATUS.IN AREAS CALLING FOR FORMAL SUSPENSIONS,PRESIDENT HAS ALREADY ANNOUNCED MEASURES WITH SAME EFFECT.CODIFICATION OF THESE WOULD MAKE THEM MORE DIFFICULT TO DISMANTLE SHOULD ADMIN DECIDE TO DO SO FURTHER DOWN THE ROAD I.E.EACH WOULD HENCEFORTH REQUIRE A SEPARATE PRESIDENTIAL FINDING.

7.RUNDOWN OF SUSPENSIONS DEMANDED,SET AGAINST CURRENT REALITIES, HELPS TO EXPLAIN EXECUTIVE BRANCH EQUANIMITY.

A)ON MUNITIONS CONTROL-EFFECT PICAYUNE-PRC HAS PURCHASED FM USA ONLY ON ISOLATED OCCASIONS;

B)COORDINATION OF COCOM TO SUSPEND LIBERALIZATION TOWARD CHINA-THERE IS NOTHING TO SUSPEND-COCOM HAS SIMPLY NOT/NOT MOVED ON LIBERALIZATION ISSUE AND IS UNLIKELY TO IN CURRENT CIRCUMSTANCES;

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C)CRIME CONTROL AND DETECTION EQUIPMENT-IRRELEVANT,ONE SALE OVER  
PASE 4 YRS;

D)NUCLEAR COOPERATION-ALREADY FROZEN FOR PAST 4 YRS DUE TO  
CERTIFICATION PROBLEMS;

E)TRADE DEVELOPMENT UNDER 1961 FOREIGN ASSISTANCE ACT-NOTHING DONE  
SINCE 03JUN AND NOTHING PLANNED;NEVER A FORWARD-LOOKING AREA.

8.IT IS POSSIBLE AMENDED BILLS COULD EMERGE FM CONF CTTEE PRIOR TO  
05AUG RECESS.EXECUTIVE BRANCH IS COUNTING ON CONGRESSIONAL  
REPUBLICANS TO INSURE THEY DO NOT/NOT.

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---ARREST OF US BUSINESSMAN IN SHANGHAI

PERHAPS AS REFLECTION OF TIGHTENING OF SOCIAL CLIMATE, LOCAL BUSINESSMAN WHO IS US CITIZEN WAS APPREHENDED BY PLAIN CLOTHES SECURITY OFFICERS ON EVENING OF 29JUN AND HELD INCOMMUNICADO FOR QUESTIONNING FOR 24 HOURS BEFORE BEING RELEASED. SUBJECT IS MICHAEL HALL, WHO OPERATES MOVING BUSINESS IN SHANGHAI SINCE 1986 AND HAD UP TO THEN NOT/NOT ENCOUNTERED ANY DIFFICULTIES WITH SECURITY AUTHORITIES. SERVICES OF HIS REMOVAL COMPANY HAVE BEEN WIDELY USED BY WESTERN CONSULATES IN SHANGHAI INCLUDING THE CDN CONSULATE GENERAL. WHILE DRIVING HIS CAR EVENING OF 29JUN, HALL WAS BOXED IN FRONT AND REAR BY TWO PUBLIC SECURITY VEHICLES AND FORCED TO STOP. HE WAS THEN TAKEN INTO CUSTODY AND QUESTIONED ABOUT HIS ACTIVITIES. HE WAS TOLD THAT HE WAS BEING DETAINED UNDER QUOTE LAW 4 UNQUOTE GOVERNING HOOLIGANISM AND ILLEGAL ACTIVITIES. HE WAS ALSO FORCED TO WRITE FULL ACCOUNT OF ALL HIS ACTIVITIES IN SHANGHAI SINCE 1986 AND WAS ASKED NUMEROUS QUESTIONS ABOUT SOME OF HIS WESTERN CONSULATE CLIENTS, SPECIFICALLY, THE CDN, US, FRG, UK AND AUSTRALIAN CONSULATES. AUTHORITIES WERE INTERESTED IN KNOWING WHAT HE HAD PACKED FOR CONSULATES BUT IT IS UNCLEAR WHAT INFORMATION THEY WERE AFTER WHETHER ILLEGAL EXPORT OF CULTURAL RELICS OR DOCUMENTS.

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IN ANY EVENT, DURING HALLS DETENTION WHEN HE WAS PROVIDED NO/NO FOOD AND NOT/NOT ALLOWED TO SLEEP, HIS OFFICE WAS VISITED BY SECURITY AUTHORITIES AND HALL TAKES FOR GRANTED THAT ALL HIS FILES HAVE BEEN GONE THROUGH. HALL WAS ULTIMATELY FORCED TO SIGN CONFESSION ABOUT HIS QUOTE HOOLIGAN ACTIVITIES UNQUOTE AND EVENTUALLY RELEASED.

2. CIRCUMSTANCES OF HALLS RELEASE ARE ALSO UNORTHODOX. AFTER HALLS DISAPPEARANCE, HIS WIFE CONTACTED US CONSULATE AND CONSULAR OFFICER CALLED ON PUBLIC SECURITY OFFICE TO DEMAND CONSULAR ACCESS. AT FIRST AUTHORITIES (WHICH ARE BELIEVED BY OBSERVERS HERE TO BE AN QUAN JI - STATE SECURITY AND NOT/NOT GONG AN JU - PUBLIC SECURITY) INSISTED THEY WERE NOT/NOT DETAINING ANY US NATIONAL. US CONSULAR OFFICER WAS UNCONVINCED AND DEBATE RAGED ON FOR SOME TIME WHILE HALL WAS RELEASED THROUGH BACK DOOR OF BUILDING. SECURITY AUTHORITIES CLAIMED DEFENSIVELY THAT THEY HAD FULLY COMPLIED WITH ALL ASPECTS OF GENEVA CONSULAR CONVENTION SINCE US CITIZEN HAD BEEN HELD FOR LESS THAN FULL 24 HOURS.

3. IT IS AS YET TOO EARLY TO SPECULATE ON SIGNIFICANCE OF HALLS INCARCERATION. SOME OF OUR COLLEAGUES ARE INCLINED TO BELIEVE THAT HALL WAS PICKED UP BECAUSE HE OFTEN OPERATED OUTSIDE PRESCRIBED CHANNELS. FOR INSTANCE HE WOULD EMPLOY WORKERS DIRECTLY RATHER THAN THROUGH THE FOREIGN SERVICE COMPANY ASSIGNED BY THE AUTHORITIES FOR THE PROVISION OF LABOUR TO FOREIGN COMPANIES IN SHANGHAI. IN THIS WAS HE OBTAINED MORE EFFICIENT WORKERS WHOM HE WOULD PAY ACCORDING TO THEIR PERFORMANCE. HALL IS ALSO SAID TO HAVE EXCHANGED MONEY ON

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BLACK MARKET WHICH IS FLUORISHING IN SHANGHAI AS ALL FOREIGNERS ARE REGULARLY PESTERED BY LOCAL CHINESE TO EXCHANGE HARD CURRENCIES AT CLOSE TO TWICE THE OFFICIAL RATE. THIS EXPLANATION HOWEVER DOES NOT/ NOT PROVIDE RATIONALE FOR WHY AUTHORITIES ACTED AT THIS TIME ON HALLS QUOTE ECONOMIC UNQUOTE TRANSGRESSIONS AND WHY THEY CHARGED HIM UNDER REGULATIONS GOVERNING HOOLIGANISM. AUTHORITIES MAY HAVE HAD OTHER MOTIVE SUCH AS PERHAPS OF SENDING SIGNAL TO FOREIGN COMMUNITY THAT CLIMATE HAS CHANGED AND ALL SHOULD BE MINDFUL OF THEIR ACTIVITIES ESPECIALLY IN RELATION TO LOCAL CHINESE. CHINESE FRIENDS OF HALL HAVE BEEN TOLD BY SECURITY GUARDS AT HOTEL WHERE HALL LIVES TO STAY AWAY FROM FOREIGNERS. IT IS ALSO NOTEWORTHY THAT TWO LOCAL CHINESE WHO WERE IN HALLS CAR AT TIME OF HIS ARREST WERE ALSO SEIZED AND HAVE NOT/NOT BEEN SEEN SINCE. THERE IS GENERAL AGREEMENT AMONG COLLEAGUES THAT HALL WAS IDEAL TARGET OF SECURITY AUTHORITIES IN THAT HIS COMPANY IS SMALL AND DOES NOT/NOT INVOLVE LARGE INVESTMENT AND IS NOT/NOT BACKED BY LARGE CORPORATE RESOURCES IN US. US CONGEN IN SHANGHAI IS CONSIDERING THIS ISOLATED INCIDENT HAVING MORE TO DO WITH QUESTIONABLE BUSINESS PRACTICES THAN WITH POL MOTIVATION. IN CURRENT CLIMATE ALL FOREIGNERS IN SHANGHAI ARE WELL ADVISED TO PAY SPECIAL ATTENTION TO THEIR PATTERN OF BEHAVIOUR.

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---SITUATION IN PRC-CONGRESSIONAL UPDATE

SUMMARY:HOUSE DEMOCRATIC LEADERSHIP TODAY AGREED ON PROPOSED PACKAGE OF MEASURES TO RESPOND TO DEVELOPMENTS IN PRC,INCLUDING(A) SUSPENSION OF OPIC FINANCING,ODA FUNDS,EXPORTS RELATED TO NUCLEAR COOPERATION,MUNITIONS AND CRIME CONTROL AND DETECTION EQPT AND SATELLITES FOR PRC LAUNCH,(B)DIRECTION TO PRESIDENT TO NEGOTIATE MULTILATERAL EXPORT CONTROLS IN COCOM,AND(C)CREATION OF SECSTATE-LED INTERAGENCY TASK FORCE TO ADDRESS PROBLEMS FACED BY CHINESE STUDENTS IN USA.PACKAGE WAS INCLUDED IN HOUSE VERSION OF FOREIGN AID BILL,AND MUST STILL BE APPROVED BY SENATE WHEN IT RETURNS FROM RECESS 10/10 JUL BEFORE BECOMING LAW.

2.SPONSORSHIP BY HOUSE DEMOCRATIC LEADERSHIP APPEARS MOTIVATED IN PART TO REFLECT GENUINE SENSE OF OUTRAGE FELT BY AMERICANS,IN PART

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*Overseas Private Investment Corp.*

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TO PREVENT MORE STRIDENT DEMOCRATIC HUMAN RIGHTS ACTIVISTS IN CONGRESS FROM PUSHING MORE EXTREME MEASURES, AND IN PART TO GAIN PARTISAN ADVANTAGE OVER PRESIDENT BUSH, WHOSE QUOTE MEASURED APPROACH UNQUOTE IS COMING UNDER INCREASING CRITICISM IN SOME MEDIA QUARTERS. SECSTATE BAKER HAS ADOPTED CONCILIATORY TONE, STATING THAT ADMIN IS ENDEAVOURING TO WORK WITH HILL TO COME UP WITH BIPARTISAN PACKAGE, AND THAT HOUSE PROPOSALS CONTAIN SOME ACCEPTABLE AND SOME UNACCEPTABLE PROVISIONS. DEPENDING ON DEVELOPMENTS, DEMOCRATS (JOINED BY SOME REPUBLICAN DEFECTORS) IN CONGRESS MAY YET BE ABLE TO MANOEUVRE WHITE HOUSE INTO FURTHER STEPS.

3. IMMEDIATE FLWG FAX TO PNR ONLY INCLUDES FULL TEXT OF HOUSE PACKAGE, TRANSCRIPT OF SECSTATE BAKER PRESS CONFERENCE RESPONDING TO PROPOSALS, AND SUMMARY OF OTHER INITIATIVES INTRODUCED IN CONGRESS SINCE DATE OF OUR LAST REPORT.

4. REPORT: HOUSE DEMOCRATIC LEADERSHIP INTRODUCED QUOTE EN BLOC UNQUOTE AMENDMENT TO HOUSE FOREIGN AID BILL (HR2655) ON 29 JUN 89. PACKAGE INCORPORATES SEVERAL IDEAS FLOATED BY VARIOUS MEMBERS OF CONGRESS IN SEPARATE INITIATIVES, AND ALTHOUGH PAYING LIP-SERVICE TO BIPARTISANSHIP AND ENDORSEMENT OF PRESIDENTIAL ACTIONS THUS FAR, CLEARLY IS DESIGNED TO FORCE ADMIN TO GO ONE STEP FURTHER IN RESPONDING TO EVENTS IN PRC. PUBLIC STATEMENTS BY VARIOUS MEMBERS SUGGEST THAT MEASURES ARE INTENDED TO ENCOURAGE PRESIDENT TO TAKE FIRMER STAND.

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5. BY INCORPORATING VARIOUS PROPOSALS INTO SINGLE PACKAGE, LEADERSHIP IMMEDIATELY GAINED SUPPORT OF DEMOCRATIC PARTY RANK AND FILE MEMBERS, AND SOME REPUBLICANS, THEREBY BOTH HEADING-OFF CALLS FROM LEFT OF PARTY FOR EVEN STRONGER MEASURES AND ALLOWING DEMOCRATS TO HINT THAT BUSH IS NOT/NOT RESPONDING TO EVENTS EFFECTIVELY OR THAT HE IS PLACING PERSONAL FONDNESS FOR CHINA AND NEEDS OF SECURITY ESTABLISHMENT FOR QUOTE LISTENING POST UNQUOTE ABOVE DEMOCRATIC VALUES. SEVERAL MEMBERS IN HOUSE OF REPS, WITH LARGE DEMOCRATIC MAJORITY AND CORE OF HUMAN RIGHTS ACTIVISTS (E.G. REP SOLARZ), ARE INDEED SEEKING TO EXPLOIT NON/NOT ACTION BY PRESIDENT FOR PARTISAN ADVANTAGE IN NAME OF WESTERN VALUES, ESPECIALLY IN WAKE OF REPUBLICAN SUCCESS IN SEIZING CONTROL OF FLAG-BURNING ISSUE FOLLOWING SUPREME COURT DECISION.

6. IN PRESS CONFERENCE LATER IN DAY, SECSTATE BAKER WARNED THAT HOUSE PACKAGE DOES NOT/NOT HAVE ADMIN ENDORSEMENT, BUT THAT ADMIN IS SEEKING TO WORK WITH CONGRESS TO DEVISE PACKAGE THAT WOULD QUOTE RECOGNIZE THEIR DESIRE TO SPEAK AND VOTE ON ISSUE BUT WHICH WOULD STILL RETAIN WHAT WE CONSIDER TO BE NECESSARY FLEXIBILITY FOR PRESIDENT TO RESPOND UNQUOTE. BAKER WENT ON TO EMPHASIZE THAT ALTHOUGH HUMAN RIGHTS IS QUOTE MAJOR FOUNDATION PRINCIPLE FOR FOREIGN POLICY... IT IS NOT/NOT AND CANNOT/NOT BE SOLE AND ONLY PRINCIPLE WHICH DETERMINES EXTENT AND SCOPE AND DEGREE OF RESPONSE OF USA UNQUOTE, AND THAT PRESERVING RELATIONSHIP IS IMPORTANT QUOTE FROM A GEOPOLITICAL AND GEOSTRATEGIC STANDPOINT UNQUOTE.

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7.FOR SO LONG AS ADMIN STANDS FAST IN REFUSING TO TAKE MEASURES ADDITIONAL TO THOSE PURSUED TO DATE,IT IS LIKELY THAT PRESSURE WILL MOUNT IN CONGRESS FOR MORE VIGOROUS RESPONSE.MORE CAUTIOUS SENATE WILL REMAIN IN RECESS UNTIL 10/10 JUL,THEREBY ENSURING THAT DISCUSSION OF APPROPRIATE USA RESPONSES WILL BE PLAYED OUT AS MUCH IN THE MEDIA AS WITHIN THE HALLS OF CONGRESS.

8.REGARDING CONTENTS OF BILL ITSELF,AFTER STATEMENT OF QUOTE FINDINGS UNQUOTE,WHICH SETS OUT IN DESCRIPTIVE FASHION DEVELOPMENTS IN PRC AND RESPONSE OF PRESIDENT TO DATE,THE PROPOSED AMENDMENT EXPRESSES NON/NON-BINDING SENSE OF CONGRESS THAT:

(A)PRESIDENT IS TO BE COMMENDED FOR HIS QUOTE CLEAR ARTICULATION OF USA CONDEMNATION UNQUOTE,FOR RESPONSES AND MEASURES ALREADY TAKEN, AND FOR PROVIDING REFUGE TO FANG LIZHI AND LI SHUXIAN;

(B)CONSULTATIVE APPROACH IN COORDINATING RESPONSE WITH OTHER COUNTRIES QUOTE SHOULD BE SUPPORTED UNQUOTE;

(C)IT IS ESSENTIAL FOR USA QUOTE TO SPEAK IN BIPARTISAN AND UNIFIED VOICE UNQUOTE AND QUOTE PRESIDENT SHOULD BE GIVEN NECESSARY FLEXIBILITY TO RESPOND TO RAPIDLY CHANGING SITUATIONS UNQUOTE;

(D)PRESIDENT SHOULD CONTINUE TO EMPHASIZE TO PRC THAT RESUMPTION OF NORMAL RELATIONS WILL DEPEND UPON IMPROVMENT IN HUMAN RIGHTS SITUATION;

(E)UN SHOULD CONDEMN SITUATION AND URGE PRC NEGOTIATIONS WITH PRO-DEMOCRACY MOVEMENT,GIVEN IMPLICATIONS FOR PEACE AND SECURITY IN REGION;

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(F)USA POLICY SHOULD BE EXPLICITLY LINKED TO SITUATION IN TIBET;AND,  
(G)USA SHOULD OFFER ADMISSION TO USA TO ANY PRC NATL UNDER THREAT IN  
PRC.

9.BILL THEN LISTS SERIES OF QUOTE SUSPENSIONS UNQUOTE,SUBJECT TO  
PRESIDENTIAL REPORT TO CONGRESS THAT PRC HAD MADE PROGRESS ON  
POLITICAL REFORM(INCLUDING LIFTING OF MARTIAL LAW,HALTING OF  
EXECUTIONS,RELEASE OF POLITICAL PRISONERS,INCREASED RESPECT FOR  
HUMAN RIGHTS,AND PERMITTING FREER FLOW OF INFO AND ACCESS FOR  
FOREIGN JOURNALISTS)AS FOLLOWS:

- (A)CONTINUATION OF SUSPENSION OF OPIC FINANCIAL SUPPORT;
- (B)SUSPENSION ON USE OF ANY FUNDS UNDER FOREIGN ASSISTANCE ACT BY  
TRADE AND DEVELOPMENT AGENCY;
- (C)SUSPENSION OF EXPORT LICENSES FOR ANY ARTICLE ON USA MUNITIONS  
LIST;
- (D)SUSPENSION OF EXPORT LICENSES FOR ANY CRIME CONTROL OR  
DETECTION INSTRUMENTS OR EQPT;
- (E)SUSPENSION OF EXPORT LICENSES FOR USA-ORIGIN SATELLITE FOR LAUNCH  
FROM PRC-OWNED LAUNCH VEHICLE(INCLUDING SPECIFICALLY HUGHES AIRCRAFT  
MODEL HS-601);
- (F)SUSPENSION OF EXPORT LICENSES FOR ANY GOODS OR TECHNOLOGY  
GOVERNED BY BILATERAL NUCLEAR COOPERATION AGREEMENT,WITH ADDITIONAL  
REQUIREMENT THAT PRESIDENT MUST CERTIFY THAT PRC HAS PROVIDED CLEAR  
ASSURANCES THAT PRC WILL NOT/NOT ASSIST ANY NON/NON-NUCLEAR WEAPONS  
STATE BEFORE SANCTION CAN BE LIFTED.

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10.BILL DIRECTS PRESIDENT TO NEGOTIATE WITH COCOM PARTNERS A  
SUSPENSION OF QUOTE ANY LIBERALIZATION BY COCOM UNQUOTE OF CONTROLS  
ON EXPORTS.

11.PROPOSED TASK FORCE ON STUDENTS,TO BE COMPOSED OF SEC STATE AND  
OTHER AGENCY REPS AS HE DETERMINES,WOULD BE CHARGED WITH ASSESSING  
NEEDS AND STATUS OF NON/NON-IMMIGRANT PRC NATIONALS,RECOMMENDING  
PROGRAMS,AND ESTABLISHING CLEARHOUSE TO PROVIDE PRC NATIONALS WITH  
INFO REGARDING FINANCES AND IMMIGRATION MATTERS.

12.BINDING CONGRESSIONAL ACTION WILL NOT/NOT EMERGE UNTIL SENATE  
RETURNS FROM RECESS ON 10/10JUL.

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CIDA HULL MINE

REF FRIED/VALLE TELECON

---SITUATION IN PRC - USA CONGRESSIONAL RESPONSE

SUMMARY: WHILE SEVERAL MEASURES HAVE BEEN INTRODUCED IN CONGRESS TO RESPOND TO DEVELOPMENTS IN PRC, INCLUDING PROPOSED LEGISLATION TO SUSPEND MFN TREATMENT OR TO AMEND USA IMMIGRATION LAWS, ONLY TWO NON-BINDING RESOLUTIONS HAVE IN FACT PASSED.

2. HCR 136 (A JOING RESOLUTION PASSED UNANIMOUSLY BY BOTH HOUSE AND SENATE) COMMENDS CHINESE DEMONSTRATORS, CONDEMNS PRC AUTHORITIES, AND FULLY ENDORSES ACTIONS TAKEN BY BY PRESIDENT BUSH. S.RES. 142 (A SENATE RESOLUTION SPONSORED BY MAJORITY LEADER MITCHELL PASSED BY 100-0 IN THE SENATE) CONDEMNS USE OF FORCE, COMMENDS PRESIDENTIAL ACTION, PRAISES USA FOREIGN SERVICE PFRSONNEL, AND EXPRESSES QUOTE SENSE OF THE SENATE UNQUOTE THAT:

...2

PAGE TWO UNGR2758 UNCLAS

- A) CHINESE STUDENTS IN USA ON TEMPORARY VISAS SHOULD BE GRANTED PERMISSION TO EXTEND STAY UNTIL PRC QUOTE CEASES THE PRESENT PERSECUTION OF STUDENTS UNQUOTE;
- B) ALL APPLICATIONS TO OVERSEAS PRIVATE INVESTMENT CORPORATION AND TO EXIM BANK SHOULD BE REVIEWED QUOTE IN LIGHT OF EXISTING LEGAL REQUIREMENTS FOR ADEQUATE HUMAN RIGHTS TREATMENT UNQUOTE;
- C) QUOTE ALL DEPARTMENTS AND AGENCIES OF THE USA GOVERNMENT UNQUOTE CURRENTLY CONSIDERING LIBERALIZATION OF EXPORT LICENSES FOR SALES TO PRC QUOTE SHOULD TAKE INTO ACCOUNT THE CURRENT SITUATION IN PRC IN MAKING THEIR DECISIONS UNQUOTE;
- D) PRESIDENT QUOTE SHOULD IMMEDIATELY BEGIN CONSULTATIONS WITH THE MAJOR ALLIS OF THE USA UNQUOTE IN ORDER TO DETERMINE WHETHER MULITLATERAL SANCTIONS QUOTE ARE NECESSARY UNQUOTE TO DEMONSTRATE ABHORRENCE OF REPRESSIVE ACTIONS;
- E) PRESIDENT SHOULD INFORM CONGRESS OF RESULTS OF HIS PLANNED REVIEW OF THE BILATERAL RELATIONSHIP AND CONSULT WITH CONGRESS ON FURTHER ACTIONS; AND
- F) VOICE OF AMERICA SHOULD INCREASE ITS DAILY CHINESE LANGUAGE PROGRAMMING SERVICE.

3. REPORT: AS PER EST REQUEST, IMMEDIATELY FOLLOWING FAX CONTAINS:

- A) LIST OF PROPOSED AND ENACTED CONGRESSIONAL MEASURES IN RESPONSE TO SITUATION IN PRC;
- B) SUMMARY DESCRIPTION OF MEASURES;

...3

///PAGE THREE UNGR2758 UNCLAS///

C) TEXT AND STATUS REPORT ON EACH MEASURE;

L) VERBATIM TEXT OF RELVANT REMARKS.

4.YOU WILL NOTE THAT ALTHOUGH LEGISLATION HAS BEEN PROPOSED IN BOTH HOUSE (H-2613) AND SENATE (S-1151) TO SUSPEND MFN TREATMENT TO PRC AND TO DENY OTHER ECONOMIC ASSISTANCE IN TRADE RELATIONS WITH PRC, AND ALTHOUGH OTHER LEGISLATION HAS ALSO BEEN INTRODUCED (F.G.,TO AMEND IMMIGRATION RULES REGARDING ASYLUM AND OTHER PERMANENT RESIDENCE),NO/NO BILLS HAVE BEEN ENACTED INTO LAW.

UU/095 222200Z UNGR2758

UUU/095 230235Z UNGR2758

**ACTION**  
**SUITE A DONNER**

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FM WSEDC UNGR2758 22JUN89

TO EXTOTT PNR EST DELIVER BY 230830

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BAG SHNGI DE PEK

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EFD CPD CFP IND INP INE LGX UEE URR UED URD URB UFB UGP

CIDAULL MINE

REF FRIED/VALLE TELECON

---SITUATION IN PRC - USA CONGRESSIONAL RESPONSE

SUMMARY:WHILE SEVERAL MEASURES HAVE BEEN INTRODUCED IN CONGRESS TO RESPOND TO DEVELOPMENTS IN PRC,INCLUDING PROPOSED LEGISLATION TO SUSPEND MFN TREATMENT OR TO AMEND USA IMMIGRATION LAWS,ONLY TWO NON-BINDING RESOLUTIONS HAVE IN FACT PASSED.

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PAGE TWO UNGR2758 UNCLAS

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- C) QUOTE ALL DEPARTMENTS AND AGENCIES OF THE USA GOVERNMENT UNQUOTE CURRENTLY CONSIDERING LIBERALIZATION OF EXPORT LICENSES FOR SALES TO PRC QUOTE SHOULD TAKE INTO ACCOUNT THE CURRENT SITUATION IN PRC IN MAKING THEIR DECISIONS UNQUOTE;
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- E) PRESIDENT SHOULD INFORM CONGRESS OF RESULTS OF HIS PLANNED REVIEW OF THE BILATERAL RELATIONSHIP AND CONSULT WITH CONGRESS ON FURTHER ACTIONS; AND
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- B) SUMMARY DESCRIPTION OF MEASURES;

...3



C) TEXT AND STATUS REPORT ON EACH MEASURE;

D) VERBATIM TEXT OF RELVANT REMARKS.

4. YOU WILL NOTE THAT ALTHOUGH LEGISLATION HAS BEEN PROPOSED IN BOTH HOUSE (H-2613) AND SENATE (S-1151) TO SUSPEND MFN TREATMENT TO PRC AND TO DENY OTHER ECONOMIC ASSISTANCE IN TRADE RELATIONS WITH PRC, AND ALTEOUGH OTHER LEGISLATION HAS ALSO BEEN INTRODUCED (F.G., TO AMEND IMMIGRATION RULES REGARDING ASYLUM AND OTHER PERMANENT RESIDENCE), NO/NO BILLS HAVE BEEN ENACTED INTO LAW.

UUU/295 222200Z UNGR2756



External Affairs  
Canada

Affaires extérieures  
Canada

**DECLASSIFIED**  
**NON CLASSIFIÉ**

**ACTION**  
MESSAGE  
**SUITE A DONNER**

Accession/Reference

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Factor of Security Classification under this arrow  
Alignez le premier caractère de la Sécurité sous cette flèche

SECURITY  
SÉCURITÉ

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FM WSHDC CONG170 22JUN89

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TO EXTOTT PNR EST DELIVER BY 230830

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---SITUATION IN PRC - CONGRESSIONAL RESPONSES

AS PER EST REQUEST, IMMEDIATELY FOLLOWING FAX CONTAINS:

A) LIST OF PROPOSED AND ENACTED CONGRESSIONAL MEASURES IN  
RESPONSE TO SITUATION IN PRC;

B) SUMMARY DESCRIPTION OF MEASURES;

C) TEXT AND STATUS REPORT ON EACH MEASURE;

D) VERBATIM TEXT OF RELEVANT REMARKS.

2. GRATEFUL YOU ENSURE FURTHER DISTRIBUTION AS APPROPRIATE.

3. COMCENTRE PLS FAX ATTACHED 76/76 PAGES.

RETURN TO RENYOYER AU	<b>BIGC</b>	FOR FILING POUR - ETRE POSEE AU DOSSIER
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4:30pm

UNCLASSIFIED  
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Search of 4,929 Bills and Resolutions to find 32 measures...

On subject keyword of People's Republic of China

2/76

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Measure:

H.R.879

Official Title (caption):

A bill to protect indigenous people throughout the world.

Introduced on Tuesday, February 7, 1989

-----No. 2 of 32-----

Measure:

H.R.1319

Official Title (caption):

A bill to amend Section 620(f) of the Foreign Assistance Act of 1961--relating to the prohibition on assistance to Communist countries--and to require certain reports with respect to Communist countries receiving United States humanitarian disaster relief assistance.

Introduced on Wednesday, March 8, 1989

-----No. 3 of 32-----

Measure:

H.R.2002

Official Title (caption):

A bill to restrict exports to the People's Republic of China of defense articles for use in Tibet.

Introduced on Monday, April 17, 1989

-----No. 4 of 32-----

Measure:

H.R.2096

Official Title (caption):

A bill to designate an Assistant Secretary of the Department of Veterans' Affairs as the Chief of Minority Affairs and to provide for the appointment of Deputy Officers of Minority Affairs of the Department.

Introduced on Tuesday, April 25, 1989

-----No. 5 of 32-----

Measure:

H.R.2611

UNCLASSIFIED  
NON CLASSIFIE

Official Title (caption):

A bill concerning democracy and human rights in the People's Republic of China and Tibet.

Introduced on Tuesday, June 13, 1989

3/76

-----No. 6 of 32-----

Measure:

H.R.2613

Official Title (caption):

A bill to suspend most-favored-nation treatment for the products of the People's Republic of China and to suspend further operations by the Overseas Private Investment Corporation (OPIC) in the People's Republic of China until that country recognizes and protects fundamental human rights.

Introduced on Tuesday, June 13, 1989

-----No. 7 of 32-----

Measure:

H.R.2624

Official Title (caption):

A bill to prohibit the export of satellites intended for launch from launch vehicles owned by China.

Introduced on Tuesday, June 13, 1989

-----No. 8 of 32-----

Measure:

H.R.2638

Official Title (caption):

A bill concerning assistance to the People's Republic of China and Tibet under the Foreign Assistance Act of 1961.

Introduced on Wednesday, June 14, 1989

-----No. 9 of 32-----

Measure:

H.R.2712

Official Title (caption):

A bill to facilitate the adjustment or change of status of Chinese nationals in the United States by waiving the 2-year foreign residence requirement for "J" nonimmigrants and by treating nonimmigrants, whose departure has been deferred by the Attorney General, as remaining in legal nonimmigrant status for purposes of adjustment or change of status.

Introduced on Wednesday, June 21, 1989

-----No. 10 of 32-----

Measure:

H.RES.178

UNCLASSIFIED

NON CLASSIFIÉ

Official Title (caption):

A resolution expressing the sense of the House of Representatives that the President should instruct the United States Executive Directors of the International Bank for Reconstruction and Development and the Asian Development Bank to oppose the making of loans or the extension of any financial or technical assistance to the People's Republic of China in accordance with Section 701 of the International Financial Institutions Act.

Introduced on Tuesday, June 20, 1989

-----No. 11 of 32-----

Measure:

H.C.R.21

Official Title (caption):

Concurrent resolution urging a moratorium on the commercial killing of whales.

Introduced on Tuesday, January 3, 1989

-----No. 12 of 32-----

Measure:

H.C.R.63

Official Title (caption):

A concurrent resolution condemning continuing violence against unarmed Tibetan demonstrators and the imposition of martial law in Tibet, and calling for a peaceful resolution of the situation in Tibet.

Introduced on Tuesday, February 28, 1989

-----No. 13 of 32-----

Measure:

H.C.R.80

Official Title (caption):

Concurrent resolution concerning United States policy toward the one-child-per-family program and forced abortion policies of the People's Republic of China.

Introduced on Wednesday, March 22, 1989

-----No. 14 of 32-----

Measure:

H.C.R.93

Official Title (caption):

Concurrent resolution expressing the sense of the Congress that the United States should pursue the establishment of a Pacific Basin Forum for the discussion of economic, diplomatic, and other issues unique to the region, and for other purposes.

Introduced on Thursday, April 13, 1989

-----No. 15 of 32-----

Measure:

NON CLASSIFIED

H.C.R.131

Official Title (caption):

Concurrent resolution expressing the sense of the Congress with respect to the demonstration in Tiananmen Square in Beijing, People's Republic of China.

Introduced on Tuesday, May 23, 1989

-----No. 16 of 32-----

Measure:

H.C.R.132

Official Title (caption):

Concurrent resolution concerning democracy, human rights, and justice in the People's Republic of China.

Introduced on Tuesday, May 23, 1989

-----No. 17 of 32-----

Measure:

H.C.R.134

Official Title (caption):

Concurrent resolution expressing the sense of Congress in support of democratic rights of the people of the People's Republic of China.

Introduced on Tuesday, May 23, 1989

-----No. 18 of 32-----

Measure:

H.C.R.136

Official Title (caption):

Concurrent resolution expressing the sense of the Congress on the movement for democracy in China.

Introduced on Wednesday, May 24, 1989

-----No. 19 of 32-----

Measure:

H.C.R.142

Official Title (caption):

Concurrent resolution expressing the sense of the Congress regarding the return of the Khmer Rouge to power in Cambodia, and technology transfer to the People's Republic of China.

Introduced on Tuesday, June 6, 1989

-----No. 20 of 32-----

Measure:

H.J.R.153

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Official Title (caption):

Joint resolution to authorize and request the President designate the month of May 1989, as "National Duckling Month".

Introduced on Thursday, February 23, 1989

-----No. 21 of 32-----

Measure:

S.208

6/76

Official Title (caption):

A bill to inhibit the proliferation of ballistic and cruise missiles in the Middle East.

Introduced on Wednesday, January 25, 1989

-----No. 22 of 32-----

Measure:

S.564

Official Title (caption):

A bill to provide for an Assistant Secretary of Veterans' Affairs to be responsible for monitoring and promoting the access of members of minority groups, including women, to service and benefits furnished by the Department of Veterans' Affairs.

Introduced on Thursday, March 9, 1989

-----No. 23 of 32-----

Measure:

Official Title (caption):

A bill to authorize appropriations for the Department of State, the U.S. Information Agency, and the Board for International Broadcasting for fiscal year 1990, and for other purposes.

Introduced on Thursday, May 4, 1989

-----No. 24 of 32-----

Measure:

S.1151

Official Title (caption):

A bill to support democracy and human rights in the People's Republic of China and Tibet.

Introduced on Thursday, June 8, 1989

-----No. 25 of 32-----

Measure:

S.1160

22, 1989

Official Title (caption):

An original bill to authorize appropriations for fiscal year 1990 for the Department of State, the U.S. Information Agency, the Board for International Broadcasting, and for other purposes.

Introduced on Monday, June 12, 1989

-----No. 26 of 32-----

Measure:

S.1209

Official Title (caption):

A bill to grant permanent residence status to certain nonimmigrant natives of the People's Republic of China.

Introduced on Tuesday, June 20, 1989

-----No. 27 of 32-----

Measure:

S.1213

Official Title (caption):

A bill to establish a presumption of eligibility for asylum in the United States for certain natives of the People's Republic of China.

Introduced on Wednesday, June 21, 1989

-----No. 28 of 32-----

Measure:

S.1218

Official Title (caption):

A bill to facilitate the adjustment or change of status of Chinese nationals in the United States by waiving the 2-year foreign residency requirement for "J" nonimmigrants and by treating nonimmigrants whose departure has been deferred by the Attorney General as remaining in legal nonimmigrant status for purposes of adjustment or change of status.

Introduced on Wednesday, June 21, 1989

-----No. 29 of 32-----

Measure:

S.RES.82

Official Title (caption):

A resolution expressing the concern of the Senate for the ongoing human rights abuses in Tibet.

Introduced on Wednesday, March 15, 1989

-----No. 30 of 32-----

Measure:

S.RES.142

CLASSIFIED  
UNCLASSIFIED



UNCLASSIFIED  
NON CLASSIFIÉ

Official Title (caption):

Resolution condemning the brutal use of force by the Government of the People's Republic of China against unarmed Chinese students and workers demonstrating for democracy, and for other purposes.

Introduced on Tuesday, June 6, 1989

-----No. 31 of 32-----

Measure:

S.C.R.27

Official Title (caption):

concurrent resolution relating to the establishment of a Pacific Basin Forum.

Introduced on Thursday, April 13, 1989

-----No. 32 of 32-----

Measure:

S.C.R.48

Official Title (caption):

A concurrent resolution expressing the Sense of the Congress regarding human rights abuses in China since the Red Army massacre of June 3, 1989.

Introduced on Monday, June 19, 1989

8/76

UNCLASSIFIED  
NON CLASSIFIE

9/76

LEGISLATE Report for the 101st Congress

Thu, June 22, 1989 11:29am (EDT)

Search of 4,929 Bills and Resolutions to find 32 measures...

On subject keyword of People's Republic of China

H.R.879 BY GILMAN (R-NY) -- International Indigenous Peoples Protection Act of 1989

H.R.1319 BY SOLOMON (R-NY) -- Foreign Assistance Act of 1961, Amendment

H.R.2002 BY GILMAN (R-NY) -- Exports of Defense Articles to China for Use in Tibet, Restriction

H.R.2096 BY RANGEL, CHARLES (D-NY) -- Department of Veterans' Affairs Minority Affairs Act

H.R.2611 BY GILMAN (R-NY) -- Democracy, Liberty, and Justice in the People's Republic of China Act of 1989

H.R.2613 BY LANTOS (D-CA) -- Most-Favored-Nation Treatment of the People's Republic of China until Human Rights are Protected, Suspension

H.R.2624 BY SOLOMON (R-NY) -- Export of Satellites Intended for Launch from Launch Vehicles Owned by China, Prohibition

H.R.2638 BY HERGER (R-CA) -- Assistance to the People's Republic of China and Tibet, Provision

H.R.2712 BY PELOSI (D-CA) -- Emergency Chinese Adjustment of Status Facilitation Act of 1989

H.RES.178 BY LAFALCE (D-NY) -- Resolution Expressing Opposition to World Bank and Asian Development Bank Loans and Technical Assistance to the People's Republic of China

H.C.R.21 BY ROE (D-NJ) -- Resolution Concerning the Commercial Killing of Whales

H.C.R.63 BY ROSE (D-NC) -- Resolution Condemning Violence Against Tibetan Demonstrators and Calling for a Peaceful Solution in Tibet

H.C.R.80 BY SMITH, CHRISTOPHER (R-NJ) -- Resolution Regarding the People's Republic of China's One-Child-Per-Family Program and Forced Abortion Policy

H.C.R.93 BY LEVINE, MEL (D-CA) -- Resolution Concerning the Establishment of a Pacific Basin Forum

H.C.R.131 BY ARMEY (R-TX) -- Resolution Regarding the Demonstration in Tiananmen Square in the People's Republic of China

H.C.R.132 BY KENNELLY (D-CT) -- Resolution Concerning Democracy and Human Rights in the People's Republic of China

H.C.R.134 BY SAIKI (R-HI) -- Resolution Supporting the Democratic Rights of the People of the People's Republic of China

H.C.R.136 BY SOLARZ (D-NY) -- Resolution Regarding Democracy in China

H.C.R.142 BY DORNAN, ROBERT (R-CA) -- Resolution Regarding the Return of the Khmer Rouge to Power in Cambodia and Technology Transfer to China

H.J.R.153 BY HEFNER (D-ND) -- National Duckling Month, Designation

S.208 BY HELMS (R-NC) -- Prevention of Missile Transfers to the Middle East Act

S.564 BY MATSUNAGA (D-HI) -- Responsibilities of an Assistant Secretary of Veterans' Affairs Concerning Minority Groups and Women, Provision

000396

10/7/89

LEGI-SLATE Report

Page 2

June 22, 1989

UNCLASSIFIED  
NON CLASSIFIÉ

- S.928 BY PELL (D-RI) -- Foreign Relations Authorization Act for Fiscal Year 1990; Global Environmental Protection Assistance Act of 1989; Television Broadcasting to Cuba Act
- S.1151 BY HELMS (R-NC) -- Democracy, Liberty and Justice in the People's Republic of China Act of 1989
- S.1160 BY PELL (D-RI) -- Foreign Relations Authorization Act, Fiscal Year 1990; Global Environmental Protection Assistance Act of 1989; Television Broadcasting to Cuba Act; PLO Commitments Compliance Act of 1989
- S.1209 BY GORTON (R-WA) -- Chinese Foreign Student and Exchange Visitor Relief Act
- S.1213 BY COHEN (R-ME) -- Eligibility for Asylum for Nationals of the People's Republic of China, Establishment
- S.1218 BY KOHL (D-WI) -- Emergency Chinese Visitor Immigration Act of 1989
- S.RES.82 BY PELL (D-RI) -- Resolution Concerning Human Rights Abuses in Tibet
- S.RES.142 BY MITCHELL, GEORGE (D-ME) -- Resolution Relating to the Present Situation in China
- S.C.R.27 BY CRANSTON (D-CA) -- Resolution Relating to the Establishment of a Pacific Basin Forum
- S.C.R.48 BY WILSON, PETE (R-CA) -- Resolution Regarding Human Rights Abuses in China since the Red Army Massacre

UNCLASSIFIED  
NON CLASSIFIE

11/7/89

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LEGI-SLATE Report for the 101st Congress

Thu, June 22, 1989 11:52am (EDT)  
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Report for H.C.R.136 Resolution Regarding Democracy in China  
House (Engrossed) Amendments to Senate Amendments, June 9, 1989.  
Complete Text of this version

KEY: << ... >> indicates struck-through text in printed version  
{{ ... }} indicates bold parenthesis (usually numbered Senate amendments)  
[[ ... ]] indicates bold brackets in printed version  
-----

In the House of Representatives, U. S.,  
June 6, 1989.

Resolved,

That the House agree to the amendment of the Senate to the text of the  
resolution (H. Con. Res. 136) entitled "Concurrent resolution expressing the  
sense of the Congress on the movement for democracy in China", with the  
following

AMENDMENT:

In lieu of the matter inserted by said amendment, Insert:

=====

That--

(1) the Congress commends the Chinese students and other citizens  
for the extraordinary courage—which they have demonstrated in striving  
for democratic political reform and respect for internationally  
recognized human rights, including freedom of expression, associated,  
the press, and workers rights, and on the peaceful and disciplined  
manner with which they have pursued their cause;

(2) the Congress condemns the excessive and indiscriminate use of  
force by the authorities of the People's Republic of China against its  
own citizens;

(3) the Congress expresses its profound sympathy for the victims of  
the Chinese authorities' brutal repression and their families;

(4) the Congress urges the Chinese authorities to cooperate with  
appropriate efforts of the international community to assess the needs  
of the victims of the recent violence for medical and other humanitarian  
assistance and provide such assistance to those victims;

(5) the Congress joins with the President in calling on the  
authorities of the People's Republic of China to resolve the political  
crisis in China without further violence, to end martial law, to release  
all political prisoners, to enter into a genuine dialogue with  
representatives of the demonstrators, to permit a free flow of  
information about the democracy movement, and to embark on a program of  
political reform which includes greater pluralism and respect for  
internationally recognized human rights;

(6) the Congress supports the actions taken by the President in  
response to the Chinese authorities' repression and urges immediate

000398

June 22, 1989

UNCLASSIFIED  
IN CLASSIFIED

LEGI-SLATE Report

Page 3

13/7/89  
June 22, 1989

Clerk.

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1476

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LEGI-SLATE Report for the 101st Congress Thu, June 22, 1989 11:54am (EOT)  
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Search of 4,929-Bills and Resolutions to find 1 measure...

Limited to the specific measure: H.C.R.136

-----  
Measure, Sponsor and Short Title:

H.Con.Res.136 by SOLARZ (D-NY) -- Resolution Regarding Democracy in China

Official Title (caption).

Concurrent resolution expressing the sense of the Congress on the movement for democracy in China.

Introduced on Wednesday, May 24, 1989

Cosponsors:

Currently, none

Committee Referrals:

05/24/89 In The HOUSE

Referred to HOUSE COMMITTEE ON FOREIGN AFFAIRS

Committee Schedules Pending for this Measure:

Currently, none

All Specified Actions:

05/24/89 -- In The HOUSE

Introduced by SOLARZ (D-NY)

Referred to HOUSE COMMITTEE ON FOREIGN AFFAIRS

Motion by SOLARZ (D-NY) to consider (or proceed with consideration)

No objection to request for unanimous consent by SOLARZ (D-NY)

Considered (debated) in the House (CR Page H-2155)

Passed (agreed to) (by Voice Vote)

Full text of measure printed in "Congressional Record" (CR Page H-2155)

05/25/89 -- In The HOUSE

Extensions to Remarks by YATRON (D-PA) in "Congressional Record"  
(CR Page E-1901)

05/31/89 -- In The SENATE

Received in the Senate, after passage in the House

Ordered printing of amendment(s) by PELL (D-RI) expressing the admiration of the Congress on the courage of the Chinese citizens, and encouraging a free and open political system (Amendment 107, CR Page S-5853)

Ordered printing of amendment(s) by PELL (D-RI) amending the preamble (Amendment 108, CR Page S-5853)

Considered (debated) in the Senate under an unanimous consent agreement agreed to earlier today (CR Page S-5790)

Amendment offered by PELL (D-RI) expressing the admiration of the Congress on the courage of the Chinese citizens, and encouraging a free and open political system (Amendment 107, CR Page S-5853)

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UNCLASSIFIED  
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15/7/89

LEGI-SLATE Report

Page 2

June 22, 1989

Agreed to amendment by PELL (D-RI) (by Voice Vote) No. 107  
Amendment offered by PELL (D-RI) amending the preamble (Amendment 108,  
CR Page S-5790)

Agreed to amendment by PELL (D-RI) (by Voice Vote) No. 108  
Recorded vote requested by BUMPERS (D-AR) on final passage  
Passed (agreed to), as amended (Vote No. 1070: 89-0) with preamble,  
as amended

06/05/89 -- In The HOUSE

Returned to the House from the Senate, with Senate amendment(s)  
Remarks by BENNETT (D-FL) in "Congressional Record" (CR Page H-2276)

06/06/89 -- In The HOUSE

Motion by FASCELL (D-FL) to consider (or proceed with consideration)  
No objection to request for unanimous consent by FASCELL (D-FL)  
Considered (debated) in the House (CR Page H-2312)  
Motion by FASCELL (D-FL) to agree to Senate amendment with an amendment  
Recorded vote requested by BROOMFIELD (R-MI) on Fascell's motion  
Agreed to motion by FASCELL (D-FL) (Vote No. 1076: 406-0)

06/08/89 -- In The SENATE

Remarks by HELMS (R-NC) in "Congressional Record" (CR Page S-6409)

06/14/89 -- In The HOUSE

Remarks by SANGMEISTER (D-IL) in "Congressional Record" (CR Page H-2585)

06/20/89 -- In The HOUSE

Remarks by BALLENGER (R-NC) in "Congressional Record" (CR Page H-2844)

LEGI-SLATE's Subject Keywords for this Measure:

-Civil rights and liberties	-Human rights
+Protests; demonstrations	-Nations of the world
-Department of State	+People's Republic of China
-Freedom of speech and press	-Political affairs

Existing Laws Cited in this Measure:

Currently none

Identical or Companion Measures:

S.Ree.142 BY MITCHELL, GEORGE (D-ME) -- Resolution Relating to the  
Present Situation in China

Measure Footnote:

Currently, none

Sponsor Footnote:

Currently, none



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LEGISLATIVE Report for the 101st Congress Thu, June 22, 1989 12:01pm (EDT)  
-----

Report for S.RES:142 Resolution Relating to the Present Situation in China  
As passed by the Senate (Engrossed) (Revised printing), June 6, 1989.  
Complete Text of this version

S. Res. 142

In the Senate of the United States,  
June 6 (legislative day, January 3), 1989.

=====

Whereas since June 4, 1989, thousands of Chinese students and workers have been killed and wounded by the People's Liberation Army in a brutal act of armed suppression;

Whereas the Chinese people have bravely demonstrated their peaceful commitment to democracy and human rights and, in so doing, have won the world's respect and admiration; and

Whereas the authorities of the People's Republic of China have behaved in a manner inconsistent with the civilized norms of the world's nations and in contravention of the principles embodied in the Universal Declaration on Human Rights which are accepted by all members of the United Nations including China: Now, therefore, be it

Resolved, That (a) the Senate hereby--

(1) condemns the brutal use of force by the authorities of the People's Republic of China against unarmed advocates of democracy and human rights in China and urges the entire international community to do likewise;

(2) commends the President for his forthright statement of American policy and supports the actions taken by the President in pursuit of that policy, including suspension of all government sales and commercial exports of arms to the Government of the People's Republic of China; and

(3) praises the courageous actions of American diplomatic personnel in China in seeking to insure the safety and well-being of American citizens there.

(b) It is the sense of the Senate that--

(1) the Chinese students currently studying in the United States, whose period of admission is expiring and whose return to China could subject them to conditions of violence or mistreatment, should immediately be granted permission to extend their stay in the United States until the Government of the People's Republic of China ceases the present persecution of students demonstrating for democracy in their country;

(2) all applications to the Overseas Private Investment Corporation (OPIC) for the protection of investment in China and to the Export-Import Bank of the United States for the financing of trade with

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LEGI-SLATE Report

Page 2

June 22, 1989

adequate human rights treatment and the deteriorating condition of human rights in China;

(3) all departments and agencies of the United States Government charged with and currently considering liberalization of regulations and procedures relating to export licenses for sales to the People's Republic of China should take into account the current situation in China in making their decisions;

(4) the President should immediately begin consultations with the major allies of the United States regarding each ally's economic, commercial, and security relations with the People's Republic of China in order to determine collectively whether multilateral sanctions are necessary to demonstrate abhorrence of the repressive actions by the authorities of the People's Republic of China against the people of China;

(5) the President should inform the Congress of the results of his planned review of the bilateral relationship between the two countries and consult with the Congress on further actions to be taken based on unfolding events in China; and

(6) the Voice of America should increase its daily Chinese language programming service for broadcast into the People's Republic of China beyond the number of daily programming hours broadcast as of June 5, 1989.

Sec. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

Attest:

Secretary.

JUN 22 1989 18:30 EDT CANADA WASH DC 203-652-7722

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LEGI-SLATE Report for the 101st Congress      Thu, June 22, 1989 12:02pm (EDT)  
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Search of 4,929 Bills and Resolutions to find 1 measure...

Limited to the specific measure: S.RES.142

-----  
Measure, Sponsor and Short Title:

S.Res.142 by MITCHELL, GEORGE (D-ME) -- Resolution Relating to the Present  
Situation in China

Official Title (caption):

Resolution condemning the brutal use of force by the Government of the  
People's Republic of China against unarmed Chinese students and workers  
demonstrating for democracy, and for other purposes.

Introduced on Tuesday, June 6, 1989

Cosponsors:

Currently 29 total (18 Democrats, 11 Republicans)  
Most recent addition was on Tuesday, June 6, 1989

Committee Referrals:

06/06/89 -- In The SENATE

No committee referral on Introduction

Committee Schedules Pending for this Measure:

Currently, none

All Specified Actions:

06/06/89 -- In The SENATE

Introduced by MITCHELL, GEORGE (D-ME)

No committee referral on introduction

Considered (debated) in the Senate under an unanimous consent agreement  
agreed to earlier today (CR Page S-6187)

Senate cosponsors added to the bill (CR Page S-6188)

Passed (agreed to) (Vote No. 1078: 100-0) with preamble

Remarks by MITCHELL, GEORGE (D-ME) in "Congressional Record" (CR Page  
S-6128)

Remarks by DOLE (R-KS) in "Congressional Record" (CR Page S-6128)

Remarks by BOREN (D-OK) in "Congressional Record" (CR Page S-6129)

Remarks by DANFORTH (R-MO) in "Congressional Record" (CR Page S-6130)

Remarks by COATS (R-IN) in "Congressional Record" (CR Page S-6130)

Remarks by BOND (R-MO) in "Congressional Record" (CR Page S-6131)

Full text of measure printed in "Congressional Record" (CR Page S-6195)

Full text of measure printed in "Congressional Record" (CR Page S-6253)

06/07/89 -- In The HOUSE

Extensions to Remarks by HUBBARD (D-KY) in "Congressional Record" (CR Page  
E-2012)

06/08/89 -- In The SENATE

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LEGI-SLATE Report

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June 22, 1989

LEGI-SLATE's Subject Keywords for this Measure:

- Diplomatic relations
- Education personnel
  - +Students
- Embassies and consulates
  - +Diplomatic personnel
- Executive Office of the President
- Exports
- Export-Import Bank of the United States
- Foreign policy and management
- Foreign trade, commerce
- Human rights
- International Bank for Reconstruction and Development (World Bank)
- Nations of the world
  - +People's Republic of China
- Overseas Private Investment Corporation
- Radio and television
- United States Information Agency

Existing Laws Cited in this Measure:

Currently none

Identical or Companion Measures:

H.Con.Res.136 BY SOLARZ (D-NY) -- Resolution Regarding Democracy in China

Measure Footnote:

Currently, none

Sponsor Footnote:

Currently, none

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LEGI-SLATE Report for the 101st Congress

Thu, June 22, 1989 11:56am (EDT)  
-----

Report for S.RES.82 Resolution Concerning Human Rights Abuses In Tibet  
As passed by the Senate (Engrossed), March 16, 1989.  
Complete Text of this version  
-----

S. Res. 82  
In the Senate of the United States,  
March 16 (legislative day, January 3), 1989.

=====

Whereas for the past four decades, repressive actions by the Chinese have resulted in the deaths of as many as one million Tibetans, the destruction of a large part of Tibet's unique cultural heritage, the flight of the Dalai Lama and tens of thousands of Tibetans from their homeland;

Whereas despite a short period (1978-1982) when a Chinese policy attempt was initiated to address the grievances of the Tibetan people, recent reports issued by credible human rights organizations, including Asia Watch and Amnesty International, and the international press confirm mounting human rights violations in Tibet, including arbitrary arrest and detention, the use of excessive force on peaceful demonstrators, restrictions on religious freedoms, torture, and a systematic pattern of discrimination;

Whereas Congress passed, and President Reagan signed into law on December 22, 1987, legislation stating that "the Government of the People's Republic of China should respect internationally recognized human rights and end human rights violations against Tibetans . . . and should actively reciprocate the Dalai Lama's efforts to establish a constructive dialog on the future of Tibet";

Whereas on September 16, 1988, the United States Senate unanimously passed Senate Concurrent Resolution 129 commending the Dalai Lama for his efforts to resolve the problems of Tibet through negotiations, supporting his proposal to promote peace, protect the environment, and gain democracy for the people of Tibet, and calling on the Government of the People's Republic of China to enter into discussions to resolve the question of Tibet along the lines proposed by the Dalai Lama;

Whereas on September 21, 1988, the Chinese Government welcomed negotiations with the Dalai Lama and stated: "the venue of the talks can be Beijing, Hong Kong, or any of the Chinese embassies and consulates abroad. Should the Dalai Lama find these places inconvenient, he can choose any place at his discretion provided that no foreigners participate in the talks";

Whereas the Chinese Government has yet to accept negotiations with representatives of the Dalai Lama, and no such negotiations have taken place;

Whereas Tibetans continue to demonstrate in support of human rights and democratic freedoms in Tibet. On March 5, 6, and 7, 1989, at least thirty and, according to some reports, as many as sixty people died and hundreds were injured when Chinese authorities fired on unarmed Tibetan demonstrators in

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LEGI-SLATE Report

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June 22, 1989

Whereas Chinese officials in Beijing have declared martial law in the Tibetan capital of Lhasa and its environs. Western tourists in Lhasa during these demonstrations have reported random mass arrests and mistreatment of Tibetans by Chinese authorities: Now, therefore, be it

Resolved, That the Senate--

(1) condemns the recent use of violence against unarmed Tibetan demonstrators on March 5, 6, and 7, 1989;

(2) expresses sympathy for those Tibetans who have suffered and died as a result of Chinese policies in Tibet over the past four decades,

(3) urges the People's Republic of China to respect internationally recognized human rights and end human rights violations in Tibet;

(4) urges the People's Republic of China to lift the Government-imposed restrictions on foreign press and human rights monitoring groups in Tibet;

(5) urges the administration to propose that a United Nations observer team monitor the situation in Tibet;

(6) urges the United States to make the treatment of the Tibetan people an important factor in its conduct of relations with the People's Republic of China;

(7) urges the United States, through the Secretary of State, to address and call attention to, in the United Nations and in other international fora, the rights of the Tibetan people;

(8) supports the efforts of the Dalai Lama and others to resolve peacefully the situation in Tibet; and

(9) calls upon the Government of the People's Republic of China to meet with representatives of the Dalai Lama to begin initiating constructive dialog on the future of Tibet.

Attest:

Secretary.

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22/7/89

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LEGI-SLATE Report for the 101st Congress Thu, June 22, 1989 12:00n (EDT)  
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Search of 4,929 Bills and Resolutions to find 1 measure...

Limited to the specific measure: S.RES.82

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Measure, Sponsor and Short Title:

S.Res.82 by PELL (D-RI) -- Resolution Concerning Human Rights Abuses in Tibet

Official Title (caption):

A resolution expressing the concern of the Senate for the ongoing human rights abuses in Tibet.

Introduced on Wednesday, March 15, 1989

Cosponsors:

Currently 8 total (5 Democrats, 3 Republicans)

Most recent addition was on Thursday, March 16, 1989

Committee Referrals:

03/15/89 -- In The SENATE

No committee referral on introduction

Committee Schedules Pending for this Measure:

Currently, none

All Specified Actions:

03/15/89 -- In The SENATE

Introduced by PELL (D-RI)

No committee referral on introduction

Motion by FOWLER (D-GA) to place on the Senate Legislative Calendar

Placed on Senate Legislative Calendar (by Unanimous Consent) (Order 32)

Full text of measure printed in "Congressional Record" (CR Page S-2734)

Remarks by PELL (D-RI) in "Congressional Record" (CR Page S-2734)

Remarks by MURKOWSKI (R-AK) in "Congressional Record" (CR Page S-2736)

03/16/89 -- In The SENATE

Motion by MITCHELL, GEORGE (D-ME) to consider (or proceed with consideration)

No objection to request for unanimous consent by MITCHELL, GEORGE (D-ME)

Considered (debated) in the Senate (CR Page S-2957)

Passed (agreed to) (by Voice Vote) with preamble

Full text of measure printed in "Congressional Record" (CR Page S-2958)

LEGI-SLATE's Subject Keywords for this Measure:

-Civil rights and liberties

-Nations of the world

+Protests; demonstrations

+People's Republic of China

-Death and dying

+Tibet

-Department of State

-United Nations

-Human rights

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LEGI-SLATE Report

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June 22, 1989

Currently none

Identical or Companion Measures:

Currently none

Measure Footnote:

Currently, none

Sponsor Footnote:

Currently, none

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LEGI-SLATE Report for the 101st Congress Thu, June 22, 1989 12:32pm (EDT)  
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Search of 4,929 Bills and Resolutions to find 1 measure...

Limited to the specific measure: H.RES.178  
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**Measure, Sponsor and Short Title:**

H.Res.178 by LAFALCE (D-NY) -- Resolution Expressing Opposition to World Bank and Asian Development Bank Loans and Technical Assistance to the People's Republic of China

**Official Title (caption):**

A resolution expressing the sense of the House of Representatives that the President should instruct the United States Executive Directors of the International Bank for Reconstruction and Development and the Asian Development Bank to oppose the making of loans or the extension of any financial or technical assistance to the People's Republic of China in accordance with Section 701 of the International Financial Institutions Act.

Introduced on Tuesday, June 20, 1989

**Cosponsors:**

Currently 26 total (21 Democrats, 5 Republicans)  
Most recent addition was on Tuesday, June 20, 1989

**Committee Referrals:**

06/20/89 -- In The HOUSE

Referred to HOUSE COMMITTEE ON BANKING, FINANCE, AND URBAN AFFAIRS

**Committee Schedules Pending for this Measure:**

Currently, none

**All Specified Actions:**

06/20/89 -- In The HOUSE

Introduced by LAFALCE (D-NY)

Referred to HOUSE COMMITTEE ON BANKING, FINANCE, AND URBAN AFFAIRS

Remarks by FAUNTROY (D-DC) in "Congressional Record" (CR Page H-2845)

**LEGI-SLATE's Subject Keywords for this Measure.**

-Asian Development Bank	-Human rights
-Credit, debt and lending	-International Bank for Reconstruction and Development (World Bank)
-Executive Office of the President	-International banking
-Foreign economic assistance	-Nations of the world
-Foreign policy and management	+People's Republic of China
-Foreign technical assistance	

**Existing Laws Cited in this Measure:**

Currently none

**Identical or Companion Measures:**

Currently none

LEGI-SLATE Report

Page 2

June 22, 1989

Measure Footnote:  
Currently, none

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Sponsor Footnote:  
Currently, none

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LEGI-SLATE Report for the 101st Congress Thu, June 22, 1989 11:36am (ED1)  
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Report for H.R.2613 Most-Favored-Nation Treatment of the People's Republic of  
China until Human Rights are Protected, Suspension  
As introduced in the House  
Complete Text of this version

I

101st CONGRESS  
1st Session

H. R. 2613

To suspend most-favored nation treatment for the products of the People's  
Republic of China and to suspend further operations by the Overseas  
Private Investment Corporation (OPIC) in the People's Republic of China  
until that country recognizes and protects fundamental human rights.

-----  
IN THE HOUSE OF REPRESENTATIVES  
June 13, 1989

Mr. Lantos (for himself and Mr. Porter) introduced the following bill; which  
was referred jointly to the Committees on Ways and Means and Foreign  
Affairs

-----  
A BILL

To suspend most-favored-nation treatment for the products of the People's  
Republic of China and to suspend further operations by the Overseas  
Private Investment Corporation (OPIC) in the People's Republic of China  
until that country recognizes and protects fundamental human rights.

=====

Be it enacted by the Senate and House of Representatives of the United  
States of America in Congress assembled,

SECTION 1. FINDINGS OF THE CONGRESS.

The Congress finds that--

- (1) the United States is dedicated to the observance of fundamental  
human rights (as noted in section 402 of the Trade Act of 1974);
- (2) recent events indicate that the Government of the People's  
Republic of China does not have a commitment to fundamental human rights;
- (3) the People's Republic of China denies its citizens the right and  
opportunity to emigrate; and
- (4) the People's Republic of China is not taking steps to adopt and

June 22, 1989

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implement internationally recognized worker rights.

SEC. 2. SUSPENSION OF MOST-FAVORED-NATION TREATMENT.

From the date of the enactment of this bill, the products of the People's Republic of China may not receive nondiscriminatory treatment (most-favored-nation treatment) by the United States.

SEC. 3. SUSPENSION OF THE OPERATIONS OF THE OVERSEAS PRIVATE INVESTMENT CORPORATION.

Section 239 of the Foreign Assistance Act of 1961, as amended, is amended by striking out "the People's Republic of China." From the date of the enactment of this bill, no new loan, credit, credit guarantee, or insurance may be extended to the People's Republic of China by the Overseas Private Investment Corporation.

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LEGI-SLATE Report for the 101st Congress Thu, June 22, 1989 11:24am (EDT)  
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Search of 4,929 Bills and Resolutions to find 1 measure...

Limited to the specific measure: H.R.2613

-----  
Measure, Sponsor and Short Title:

H.R.2613 by LANTOS (D-CA) -- Most-Favored-Nation Treatment of the People's  
Republic of China until Human Rights are Protected,  
Suspension

Official Title (caption):

A bill to suspend most-favored-nation treatment for the products of the  
People's Republic of China and to suspend further operations by the Overseas  
Private Investment Corporation (OPIC) in the People's Republic of China until  
that country recognizes and protects fundamental human rights.

Introduced on Tuesday, June 13, 1989

Cosponsors:

Currently 26 total (15 Democrats, 11 Republicans)  
Most recent addition was on Wednesday, June 21, 1989

Committee Referrals:

06/13/89 -- In The HOUSE

Joint referral to HOUSE COMMITTEE ON WAYS AND MEANS  
Joint referral to HOUSE COMMITTEE ON FOREIGN AFFAIRS

Committee Schedules Pending for this Measure:

Currently, none

All Specified Actions:

06/13/89 -- In The HOUSE

Introduced by LANTOS (D-CA)

Joint referral to HOUSE COMMITTEE ON WAYS AND MEANS  
Joint referral to HOUSE COMMITTEE ON FOREIGN AFFAIRS

06/19/89 -- In The HOUSE

Remarks by LANTOS (D-CA) In "Congressional Record" (CR Page H-2833)

LEGI-SLATE's Subject Keywords for this Measure:

-Human rights	-Overseas Private Investment
-Imports	Corporation
-International banking	-Tariffs and duties
-Nations of the world	+Generalized System of Preferences
+People's Republic of China	(GSP)

Existing Laws Cited In this Measure:

Pub.L. 87-195 SEC. 239 -- Foreign Assistance Act of 1961  
Pub.L. 91-175 SEC. 105 -- Foreign Assistance Act of 1969

Identical or Companion Measures:

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June 22, 1989

H.R.2002 BY GILMAN (R-NY) -- Exports of Defense Articles to China for  
Use in Tibet, Restriction  
H.R.2611 BY GILMAN (R-NY) -- Democracy, Liberty, and Justice in the  
People's Republic of China Act of 1989  
H.R.2638 BY HERGER (R-CA) -- Assistance to the People's Republic of  
China and Tibet, Provision  
S.1151 BY HELMS (R-NC) -- Democracy, Liberty and Justice in the  
People's Republic of China Act of 1989

Measure Footnote:  
Currently, none

Sponsor Footnote:  
Currently, none

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JUN 22 '89 19:25 ENB CANADA HEARD 302-893-7716

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United States  
of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 101<sup>ST</sup> CONGRESS, FIRST SESSION

Vol. 135

WASHINGTON, MONDAY, JUNE 19, 1989

No. 23

## House of Representatives

The House met at 10 a.m. and was called to order by the Speaker, Mr. Albert W. Claitor.

RESOLUTION OF THE HOUSE OF REPRESENTATIVES

The Speaker, Mr. Albert W. Claitor, called the House to order and announced that the House would now consider the resolution.

The Speaker, Mr. Albert W. Claitor, announced that the House would now consider the resolution.

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The Speaker, Mr. Albert W. Claitor, announced that the House would now consider the resolution.

PLEDGE OF ALLEGIANCE

The Speaker, Mr. Albert W. Claitor, announced that the House would now consider the resolution.

Mr. Speaker, let the House of Representatives be called to order.

The Speaker, Mr. Albert W. Claitor, announced that the House would now consider the resolution.

The Speaker, Mr. Albert W. Claitor, announced that the House would now consider the resolution.

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The Speaker, Mr. Albert W. Claitor, announced that the House would now consider the resolution.

The Speaker, Mr. Albert W. Claitor, announced that the House would now consider the resolution.

REMOVING PRIVILEGE OF MOST-FAVORED-NATION STATUS

The Speaker, Mr. Albert W. Claitor, announced that the House would now consider the resolution.

The Speaker, Mr. Albert W. Claitor, announced that the House would now consider the resolution.

The Speaker, Mr. Albert W. Claitor, announced that the House would now consider the resolution.

The Speaker, Mr. Albert W. Claitor, announced that the House would now consider the resolution.

CONGRESSMAN JOHN ROSS, of Illinois, introduced a resolution to amend the United States Code to allow the purchase of certain foreign-made aircraft for the United States Air Force.

The Speaker, Mr. Albert W. Claitor, announced that the House would now consider the resolution.

The Speaker, Mr. Albert W. Claitor, announced that the House would now consider the resolution.

SENATOR CAROL M. BROWDER, of Illinois, introduced a resolution to amend the United States Code to allow the purchase of certain foreign-made aircraft for the United States Air Force.

The Speaker, Mr. Albert W. Claitor, announced that the House would now consider the resolution.

The Speaker, Mr. Albert W. Claitor, announced that the House would now consider the resolution.

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The Speaker, Mr. Albert W. Claitor, announced that the House would now consider the resolution.

The Speaker, Mr. Albert W. Claitor, announced that the House would now consider the resolution.

This record represents the time of day during the House proceedings, e.g., 2:00 p.m.

JUN 22 1989 12:17 PM CANADA WSHDC 302-683-7706

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LEGISLATE Report for the 101st Congress

Thu, June 22, 1989 11:26am (EDT)  
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Report for H.R.2611 Democracy, Liberty, and Justice in the People's Republic  
of China Act of 1989  
As introduced in the House  
Complete Text of this version  
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101st CONGRESS  
1st Session

H. R. 2611

Concerning democracy and human rights in the People's Republic of China and  
Tibet.

-----  
IN THE HOUSE OF REPRESENTATIVES

June 13, 1989

Mr. Gilman introduced the following bill; which was referred jointly to the  
Committees on Banking, Finance and Urban Affairs, Foreign Affairs, and  
Ways and Means

-----  
A BILL

Concerning democracy and human rights in the People's Republic of China and  
Tibet.

=====

Be it enacted by the Senate and House of Representatives of the United  
States of America in Congress assembled,

SECTION 1. TITLE.

This Act shall be known as the "Democracy, Liberty, and Justice in the  
People's Republic of China Act of 1989".

SEC. 2. FINDINGS.

The Congress finds that--

(1) the Government of the People's Republic of China is attempting  
to crush the democracy and reform movement in China through the use of  
wanton violence by the People's Liberation Army;

(2) the United States Congress condemns the brutal actions taken by  
the People's Liberation Army and the Government of the People's Republic  
of China against the Chinese people during peaceful, nonviolent  
demonstrations for democratic change;

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LEGI-SLATE Report **NON CLASSIFIED** Page 2

June 22, 1989

(3) the Government of the People's Republic of China has used the People's Liberation Army to crush brutally the freedom movement in Tibet on several occasions;

(4) fundamental human, political, and economic rights are denied to the people of China and the people of Tibet by the Government of the People's Republic of China;

(5) the President of the United States has announced that the United States would immediately suspend all government-to-government sales and commercial exports of weapons, immediately suspend all visits between the United States and Chinese military officials, treat sympathetically requests by Chinese students in the United States to extend their stay, and offer humanitarian and medical assistance through the International Committee of the Red Cross to those injured during the assault on Beijing; and

(6) the President of the United States is to be commended for his forthright action.

### SEC. 3. IMPOSITION OF UNITED STATES SANCTIONS WITH RESPECT TO THE PEOPLE'S REPUBLIC OF CHINA.

Sections 4, 5, 6, 7, 8, 9, 10, and 11 of this Act shall take effect 10 days after the date of enactment of this Act unless the President determines and submits a notification to the Congress that following the June 4, 1989 massacre in Beijing, the Government of the People's Republic of China--

- (1) has abandoned the campaign of violence against unarmed civilians;
- (2) has lifted martial law; and
- (3) has made significant progress in providing for democracy, liberty, and justice in Tibet and the People's Republic of China.

### SEC. 4. SUSPENSION OF UNITED STATES ASSISTANCE.

(a) Export-Import Bank.--Notwithstanding any other provision of law, no loan, credit, credit guarantee, or insurance may be extended to the People's Republic of China by any agency of the United States Government, including the Export-Import Bank of the United States and the Overseas Private Investment Corporation (OPIC).

(b) Trade Development Program.--Funds authorized to be appropriated or otherwise made available by the Congress may not be obligated or expended for activities of the Trade Development Program with respect to the People's Republic of China.

(c) Multilateral Action.--The Congress urges the Secretary of State to encourage countries which are allies of the United States to suspend programs providing assistance comparable to that described in subsections (a) and (b) to the People's Republic of China.

### SEC. 5. SUSPENSION OF TRADE BENEFITS AND COMMERCIAL RELATIONS.

(a) Denial of Nondiscriminatory Treatment.--Products of the People's Republic of China shall not receive nondiscriminatory treatment by the United States.

(b) International Financial Institutions.--The Secretary of the Treasury shall instruct the United States Executive Directors to the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, and the Asian Development Bank to--

- (1) oppose any loan, grant, or other form of economic or technical assistance to the People's Republic of China;
- (2) propose and support a downgrading of the membership status of the People's Republic of China to that of an observer; and

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LEGISLATIVE Report

Page 3

June 22, 1989

(3) urge other democratic countries to support actions taken by the United States Executive Directors pursuant to this section.

(c) Status of People's Republic of China at GATT.--The United States Trade Representative shall instruct the United States Representatives to the General Agreement on Tariffs and Trade (GATT) to support the suspension of observer status for the People's Republic of China at GATT.

(d) Trade Agreement.--Funds authorized to be appropriated or otherwise made available by the Congress may not be obligated or expended to negotiate, conclude, or carry out any commercial agreement with the People's Republic of China.

(e) United States-China Trade Organizations.--Funds authorized to be appropriated or otherwise made available by the Congress may not be obligated or expended for participation by the United States on the United States-China Joint Committee on Commerce and Trade or the United States-China Commission on Trade.

#### SEC. 6. SUSPENSION OF CERTAIN UNITED STATES EXPORTS TO THE PEOPLE'S REPUBLIC OF CHINA.

(a) Licenses for Export of Items on the Munitions Control List and the Commercial Control List.--

(1) Licenses for export to the People's Republic of China of items on the United States Munitions Control List or on the Commercial Control List are suspended.

(2) Funds authorized to be appropriated or otherwise made available by the Congress may not be obligated or expended to process or issue any license for the export to the People's Republic of China of items on the United States Munitions Control List or items on the Commercial Control List.

(b) COCOM.--

(1) The Secretary of State shall instruct the United States Representative to the Coordinating Committee on Multilateral Export Controls (COCOM) to oppose the export to the People's Republic of China of any COCOM-controlled item by any country participating in COCOM.

(2) The Congress urges the Secretary of State to encourage the industrialized Western allies of the United States to join United States efforts to oppose the export of any COCOM controlled item to the People's Republic of China and suspend the export of other military items and advanced technology.

#### SEC. 7. LIMITATION ON IMPORTS FROM COUNTRIES WHICH TAKE COMMERCIAL ADVANTAGE OF UNITED STATES SANCTIONS.

The President is authorized to limit the importation into the United States of any product or service of a foreign country to the extent to which such foreign country benefits from, or otherwise takes commercial advantage of, any sanction, prohibition, or limitation imposed by or under this Act.

#### SEC. 8. SUSPENSION OF MILITARY COOPERATION.

No agency or entity of the United States may engage in any form of military cooperation, direct or indirect, with the People's Republic of China.

#### SEC. 9. SUSPENSION OF SCIENCE AND TECHNOLOGY COOPERATION.

Funds authorized to be appropriated or otherwise made available by the Congress may not be obligated or expended for United States participation under any United States-China agreement or protocol on scientific cooperation.

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LEGISLATE Report Page 4

34/7-2  
June 22, 1981

SEC. 10. CHINESE AND TIBETAN STUDENTS IN THE UNITED STATES.

The Attorney General shall treat sympathetically requests by students from Tibet and the People's Republic of China studying in the United States for Extended Voluntary Departure status.

SEC. 11. CONDITIONS UNDER WHICH SANCTIONS MAY BE LIFTED.

The provisions of this Act shall cease to have effect on the date on which the President determines and submits a notification to the Congress that the Government of the People's Republic of China--

- (1) is no longer carrying out a sustained campaign of violence against unarmed civilians;
  - (2) has lifted martial law; and
  - (3) has made significant progress in providing for democracy, liberty, and justice in Tibet and the People's Republic of China.
-

**UNCLASSIFIED**  
**NON CLASSIFIÉ**

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LEGISLATE Report for the 101st Congress

Thu, June 22, 1989 11:23am (EDT)

Search of 4,929 Bills and Resolutions to find : measure...

Limited to the specific measure: H.R.2611

Measure, Sponsor and Short Title:

H.R.2611 by GILMAN (R-NY) -- Democracy, Liberty, and Justice in the People's Republic of China Act of 1989

Official Title (caption):

A bill concerning democracy and human rights in the People's Republic of China and Tibet.

Introduced on Tuesday, June 13, 1989

Cosponsors:

Currently, none

Committee Referrals:

06/13/89 -- In The HOUSE

Joint referral to HOUSE COMMITTEE ON BANKING, FINANCE, AND URBAN AFFAIRS

Joint referral to HOUSE COMMITTEE ON FOREIGN AFFAIRS

Joint referral to HOUSE COMMITTEE ON WAYS AND MEANS

Committee Schedules Pending for this Measure:

Currently, none

All Specified Actions:

06/13/89 -- In The HOUSE

Introduced by GILMAN (R-NY)

Joint referral to HOUSE COMMITTEE ON BANKING, FINANCE, AND URBAN AFFAIRS

Joint referral to HOUSE COMMITTEE ON FOREIGN AFFAIRS

Joint referral to HOUSE COMMITTEE ON WAYS AND MEANS

Extensions to Remarks by GILMAN (R-NY) in "Congressional Record"  
(CR Page E-2084)

Full text of measure printed in "Congressional Record" (CR Page C 2004)

LEGISLATE's Subject Keywords for this Measure:

- Arms control and disarmament
- Asian Development Bank
- Attorney General
- Department of State
- Department of the Treasury
- Economic sanction; embargo
- Education personnel
  - +Students
- Executive Office of the President
- Executive branch matters
  - +Presidential certifications
- Exports
- Export-Import Bank of the United

- Higher education
- Human rights
- Imports
- International Bank for Reconstruction and Development (World Bank)
- International Development Association
- International Finance Corporation
- International banking
- Nations of the world
  - +People's Republic of China
  - +Tibet
- Overseas Private Investment Corporation

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LEGI-SLATE Report

Page 2

June 22, 1989

- States
- Federal fees and licenses
- General Agreement on Tariffs and Trade (GATT)
- Passports and visas
- Political affairs
- Technology policy and management

Existing Laws Cited in this Measure:  
Currently none

Identical or Companion Measures:

- H.R.2613 BY LANTOS (D-CA) -- Most-Favored-Nation Treatment of the People's Republic of China until Human Rights are Protected, Suspension
- S.1151 BY HELMS (R-NC) -- Democracy, Liberty and Justice in the People's Republic of China Act of 1989

Measure Footnote:  
Currently, none

Sponsor Footnote:  
Currently, none

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JUN 13 1989 13 30 52Z INMHA WSHDC 202-332-7755

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E2684

# CONGRESSIONAL RECORD — Extensions of Remarks

June 13, 1989

Like this best out of the ones I have named because I can say what I think or feel. It would be hard to express ideas or opinions. I don't know how it would feel. I have never lived in or ever been in a country that is not free.

All the information I have looked at or have received tells me that I am very lucky to be free and I feel sorry for those who are not free and don't have all the rights I have.

## WHY I'M PROUD TO BE AN AMERICAN (By Stephen Michon)

I am proud to be an American because of all the freedoms, rights, and laws that keep Americans safe and peaceful.

Religious freedom allows me to believe in anything that I want to believe or not. I choose, not to believe in anything. Other countries such as Russia, Poland, Yugoslavia, and Hungary don't have religious freedom which is guaranteed by the Constitution of the United States.

Freedom of the press lets me know what is going on everywhere. If something bad is happening within the government the press lets us know. Countries like Russia, Poland, Yugoslavia, China, Hungary and Czechoslovakia don't have freedom of the press. People only read good things from the government and they will be happy and satisfied and will stay happy.

Freedom of speech allows me to laugh, talk, yell, and speak a free mind. In Hungary in 1988 the people protested against the government and hundreds of citizens were killed and many were put in jail. If I protest against the government in America they will do nothing against me.

When we break the law our freedoms and rights are taken away. We can be assured of our rights and freedoms if we don't break the law.

America is not perfect but there is a system that provides ways of correcting mistakes. It is a privilege to live here.

## TRIBUTE TO LT. COL. LONEL A. JACKSON

HON. RON J. LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1989

Mr. DE LUGO. Mr. Speaker, I am proud to pay tribute today to Lt. Col. Lonel A. Jackson, a native of Frederiksted, St. Croix, in the U.S. Virgin Islands, who earned high military awards and was recently buried in Arlington National Cemetery with full military honors after his death on April 11.

Lieutenant Colonel Jackson entered the military in 1961 and established an exceptionally outstanding record in his 31-year career in the U.S. Army and Virgin Islands National Guard, as well as NASA. During two tours of duty in Vietnam, from 1968 to 1969, he served as commander of an armed helicopter unit that displayed great valor and courage conducting emergency medical evacuations and other missions under extremely tough, unusual conditions. He came out of the service with a host of honors, including more than 20 Air Medals for over 600 combat missions, the Purple Heart for injury in combat, and two Distinguished Flying Crosses for Valor, the Nation's second highest award.

Lieutenant Colonel Jackson exemplifies the very best that our country has to offer in courage and service in the Armed Forces. After growing up in Frederiksted, as one of 15 children of Ethel Challenger Jackson and Julius A. Jackson, he entered the U.S. Army just before his 18th birthday in 1951. He advanced through rigorous and demanding training—ranging from officer candidate school to airborne school, parachute training, and even engineering. During an unpopular war, he served with unwavering loyalty and honor. He did his duty to the very best of his ability and is an outstanding model for our country's young people.

Lieutenant Colonel Jackson's career also included periods as a deputy inspector general in the Army Forces in Germany, an assistant commander at the Tuma Proving Grounds in Yuma, AZ, a U.S. property and fiscal officer with the Virgin Islands National Guard, and a project officer with NASA, where he worked on Apollo flights II, III, and IV.

The entire Virgin Islands is proud of Lieutenant Colonel Jackson's career. In 1988, the Virgin Islands Legislature awarded him the Virgin Islands Medal of Honor for his achievements as a helicopter gunship commander. This is an extremely well-deserved honor. Now, sadly, at the time of his death, we again remember his service and his achievements. I am proud to express the admiration and respect that I and other Virgin Islanders feel for the life and career of Lt. Col. Lonel A. Jackson.

## DEMOCRACY, LIBERTY AND JUSTICE IN THE PEOPLE'S REPUBLIC OF CHINA ACT OF 1989

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1989

Mr. GILMAN. Mr. Speaker, today I am introducing H.R. 2611, the Democracy, Liberty, and Justice in the People's Republic of China Act of 1989. The bill calls for trade sanctions and other actions against the People's Republic of China until human rights and democracy are on a firm footing.

No longer can we stand idly by watching what happened in Tibet repeat itself in the People's Republic of China. We must take firm action now to put the Congress and the American people on record as opposing totalitarian dictatorial regimes. We must respond to the leaders in Beijing as we do to the leaders in Panama or any where else where power hungry rulers are determined to hang on, even if they don't have the mandate from the people to do so.

Prior to the savage butchering of thousands of unarmed Chinese students and their supporters in Tiananmen Square, the Chinese dissident Fang Lizi made some suggestions on how the West can best help bring about greater democracy and human rights in the People's Republic of China. The authoritarianist the People's Republic of China's most respected dissident, who now has taken refuge in our Embassy in Beijing, articulated certain structural reforms against his country. The bill links credit, trade, and multilateral bank loans to democracy and human rights in Tibet and the People's Republic of China.

As the writer A.M. Rosenthal of the New York Times said today in his "On My Mind" column, "The students of Beijing showed in Tiananmen Square what kind of men and

women they were. Now it is our turn." I believe H.R. 2611 is a step in that direction and I invite my colleagues to join in support of the bill.

H.R. 2611

A bill concerning democracy and human rights in the People's Republic of China and Tibet.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

### SECTION 1. TITLE.

This Act shall be known as the "Democracy, Liberty, and Justice in the People's Republic of China Act of 1989."

### SEC. 2. FINDINGS.

The Congress finds that—

(1) the Government of the People's Republic of China is attempting to crush the democracy and reform movement in China through the use of various violence by the People's Liberation Army;

(2) the United States Congress condemns the brutal actions taken by the People's Republic of China against the Chinese people during peaceful, nonviolent demonstrations for democratic change;

(3) the Government of the People's Republic of China has used the People's Liberation Army to crush brutally the freedom movement in Tibet on several occasions;

(4) fundamental human, political, and economic rights are denied to the people of China and the people of Tibet by the Government of the People's Republic of China;

(5) the President of the United States has announced that the United States would immediately suspend all government-to-government sales and commercial exports of weapons, immediately suspend all visits between the United States and Chinese military officials, treat sympathetically requests by Chinese students in the United States to extend their stay, and offer humanitarian and medical assistance through the International Committee of the Red Cross to those injured during the assault on Beijing; and

(6) the President of the United States is to be commended for his forthright action.

### SEC. 3. IMPOSITION OF UNITED STATES SANCTIONS WITH RESPECT TO THE PEOPLE'S REPUBLIC OF CHINA.

Sections 4, 5, 6, 7, 8, 9, 10, and 11 of this Act shall take effect 10 days after the date of enactment of this Act unless the President determines and submits a notification to the Congress that following the June 4, 1989 massacre in Beijing, the Government of the People's Republic of China—

(1) has abandoned the campaign of violence against unarmed civilians;

(2) has lifted martial law; and

(3) has made significant progress in providing for democracy, liberty, and justice in Tibet and the People's Republic of China.

### SEC. 4. SUSPENSION OF UNITED STATES ASSISTANCE.

(a) EXPORT-IMPORT BANK.—Notwithstanding any other provisions of law, no loan, credit, credit guarantee, or insurance may be extended to the People's Republic of China by any agency of the United States Government, including the Export-Import Bank of the United States and the Overseas Private Investment Corporation (OPIC).

(b) TRADE DEVELOPMENT PROGRAM.—Funds authorized to be appropriated or otherwise made available by the Congress may not be obligated or expended for activities of the Trade Development Program with respect to the People's Republic of China.

(c) MULTILATERAL ACTION.—The Congress urges the Secretary of State to encourage countries which are allies of the United States to suspend programs providing assistance



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LEGI-SLATE Report for the 101st Congress

Thu, June 22, 1989 12:22pm (EDT)

Report for H.C.R.134 Resolution Supporting the Democratic Rights of the  
People of the People's Republic of China  
As Introduced in the House  
Complete Text of this version  
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IV

101st CONGRESS  
1st Session

H. CON. RES. 134

Expressing the sense of Congress in support of democratic rights of the  
people of the People's Republic of China.  
-----

IN THE HOUSE OF REPRESENTATIVES

May 23, 1989

Mrs. Salki (for herself, Mr. Blaz, Mr. Hunter, Mr. Myers of Indiana, Mr.  
Horton, Mr. Campbell of California, Mr. Gingrich, Mr. Roth, Mr.  
Lagomarsino, Mr. Dreier of California, Mr. Gunderson, Mr. Burton of  
Indiana, Mr. Armey, Mr. Morrison of Washington, Mr. Dornan of  
California, Mr. Chandler, Mr. Coughlin, Mr. Miller of Washington, Mr.  
Rallenger, Mr. Bunning, Mr. Buechner, Mr. Hastert, Mr. Skeen, Mr.  
Clinger, Mr. Conte, Mr. Grandy, Mr. Rhodes, Mr. Weldon, and Mrs.  
Bentley) submitted the following concurrent resolution; which was  
referred to the Committee on Foreign Affairs  
-----

CONCURRENT RESOLUTION

Expressing the sense of Congress in support of democratic rights of the  
people of the People's Republic of China.  
=====

Whereas Premier Li Peng has declared martial law in Beijing in response  
to hundreds of thousands of protesters who are demanding democracy;

Whereas the student marches and hunger strikes have triggered the  
greatest movement for democracy in forty years of Communist rule;

Whereas at least two thousand four hundred hunger strikers are so  
committed to democracy that they have returned to Tiananmen Square after  
having been rushed to hospitals to be revived;

Whereas one million Chinese citizens have marched through the streets of  
Beijing to seek a dialogue on political reform, free press, and an end to  
official corruption;



JUN 22 1989 18:37 EMB CANADA WASHDC 202-502-7725

LEGISLATE Report

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June 22, 1989

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Whereas tens of thousands of students and other protesters are occupying Tiananmen Square in defiance of the military orders to disperse;

Whereas the citizens of Beijing have formed human roadblocks and pleaded with soldiers to refrain from entering the square and dispersing the students;

Whereas several military units of the People's Liberation Army have refused to enforce martial law on the people of China and have returned to their bases; and

Whereas it is the policy of the United States Government to promote democratic rights: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress--

(1) views with grave concern the imposition of martial law by the Government of the People's Republic of China;

(2) urges the Chinese Government to respect and affirm internationally recognized basic human rights, such as--

(A) the right of peaceful assembly;

(B) the right of free and uncensored speech; and

(C) the right of a free and unrestrained press;

(3) urges the Chinese Government to repeal martial law and allow the free expression of democratic principles;

(4) declares that any violent response by the People's Republic of China could affect Sino-American relations;

(5) commends the protesting students' commitment to nonviolent principles of protest and urges them to continue their fight in nonviolent ways for what they believe; and

(6) urges the Secretary of State, in the United Nations and in other international forums, to take appropriate action to protect the rights of the protesting students and workers.

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LEGI-SLATE Report for the 101st Congress  
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Thu, June 22, 1989 11:51am (EDT)

Search of 4,929 Bills and Resolutions to find 1 measure...

Limited to the specific measure: H.O.R.134  
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Measure, Sponsor and Short Title:

H.Con.Res.134 by SAIKI (R-HI) -- Resolution Supporting the Democratic Rights  
of the People of the People's Republic of China

Official Title (caption):

Concurrent resolution expressing the sense of Congress in support of  
democratic rights of the people of the People's Republic of China.

Introduced on Tuesday, May 23, 1989

Cosponsors:

Currently 67 total (12 Democrats, 55 Republicans)  
Most recent addition was on Tuesday, June 13, 1989

Committee Referrals:

05/23/89 -- In The HOUSE

Referred to HOUSE COMMITTEE ON FOREIGN AFFAIRS

Committee Schedules Pending for this Measure:

Currently, none

All Specified Actions:

05/23/89 -- In The HOUSE

Introduced by SAIKI (R-HI)

Referred to HOUSE COMMITTEE ON FOREIGN AFFAIRS

Remarks by SAIKI (R-HI) in "Congressional Record" (CR Page H-2057)

Remarks by ARMEY (R-TX) in "Congressional Record" (CR Page H-2060)

LEGI-SLATE's Subject Keywords for this Measure:

-Armed forces

-Human rights

-Civil rights and liberties

-Nations of the world

+Protests; demonstrations

+People's Republic of China

-Department of State

-Political affairs

-Education personnel

-Standards of official conduct (public  
employees)

+Students

-Freedom of speech and press

-United Nations

Existing Laws Cited in this Measure:

Currently none

Identical or Companion Measures:

Currently none

Measure Footnote:

Currently, none

000428

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LEGI-SLATE Report for the 101st Congress Thu, June 22, 1989 11:50am (EDT)  
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Report for H.C.R.132 Resolution Concerning Democracy and Human Rights in the  
People's Republic of China  
As introduced in the House  
Complete Text of this version

  
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IV

101st CONGRESS  
1st Session

H. CON. RES. 132

Concerning democracy, human rights, and justice in the People's Republic of  
China.

  
-----

## IN THE HOUSE OF REPRESENTATIVES

May 23, 1989

Mrs. Kennelly submitted the following concurrent resolution; which was  
referred to the Committee on Foreign Affairs

  
-----

## CONCURRENT RESOLUTION

Concerning democracy, human rights, and justice in the People's Republic of  
China.

  
=====

Whereas the United States was founded on the democratic principles that  
all men and women are created equal and entitled to the exercise of their  
human rights;

Whereas the advancement of democracy and human rights are prime  
objectives of the foreign policy of the United States;

Whereas the fundamental rights of freedom of speech, press, and peaceful  
assembly have not been adequately respected in the People's Republic of  
China;

Whereas the freedom of movement and the freedom to form independent  
trade unions, student organizations, and other voluntary associations are  
curtailed;

Whereas led by the Independent Student Union of Beijing Universities,  
the Chinese people have demonstrated their desire for democracy, human  
rights, and an end to corruption in the People's Republic of China; and

Whereas the American people desire to extend their support to the  
struggle for democracy, liberty, and justice within the People's Republic of  
China: Now, therefore, be it

000429

JUN 22 '89 18:38 EMB CANADA WSHDC 202-682-7726

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LEGISLATIVE Report Page 2  
Resolved by the House of Representatives (the Senate concurring), June 22, 1989  
It is the sense of the Congress that--

- (1) the government of the People's Republic of China should take all necessary steps to establish a just and democratic society, with a free and open political system that will protect the essential human rights of all people living within that country, and

(2) the President of the United States and the Secretary of State should communicate to the government of the People's Republic of China that official violence directed at those who would peacefully demonstrate for democracy, liberty, and justice will have implications for relations between the United States and the People's Republic of China.

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LEGI-SLATE Report for the 101st Congress Thu, June 22, 1989 12:22pm (EDT)  
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Search of 4,929 Bills and Resolutions to find 1 measure...

Limited to the specific measure: H.C.R.132

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Measure, Sponsor and Short Title:

H.Con.Res.132 by KENNELLY (D-CT) -- Resolution Concerning Democracy and  
Human Rights in the People's Republic of China

Official Title (caption):

Concurrent resolution concerning democracy, human rights, and justice in  
the People's Republic of China.

Introduced on Tuesday, May 23, 1989

Cosponsors:

Currently 25 total (24 Democrats, 1 Republican)  
Most recent addition was on Tuesday, June 6, 1989

Committee Referrals:

05/23/89 -- In The HOUSE

Referred to HOUSE COMMITTEE ON FOREIGN AFFAIRS

Committee Schedules Pending for this Measure:

Currently, none

All Specified Actions:

05/23/89 -- In The HOUSE

Introduced by KENNELLY (D-CT)

Referred to HOUSE COMMITTEE ON FOREIGN AFFAIRS

05/24/89 -- In The HOUSE

Remarks by KENNELLY (D-CT) In "Congressional Record" (CR Page H-2100)

06/07/89 -- In The HOUSE

Extensions to Remarks by HERTEL (D-MI) In "Congressional Record"  
(CR Page E-2009)

LEGI-SLATE's Subject Keywords for this Measure:

-Civil rights and liberties	-Freedom of speech and press
+Protests; demonstrations	-Human rights
-Department of State	-Nations of the world
-Diplomatic relations	+People's Republic of China
-Education personnel	-Political affairs
+Students	

Existing Laws Cited in this Measure:

Currently none

Identical or Companion Measures:

JUN 22 1989 10:05 AM CANADA NOROCC 101 201

LEGISLATE Report

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June 22, 1989

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Currently none

Measure. Footnote:

Currently, none

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Sponsor Footnote:

Currently, none

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JUN 22 '89 18:40 EMB CANADA WSHDC 202-682-7726

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46, 6

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LEGI-SLATE Report for the 101st Congress Thu, June 22, 1989 11:46am (EDT)  
-----

Report for H.C.R.131 Resolution Regarding the Demonstration in Tiananmen  
Square in the People's Republic of China  
As introduced in the House  
Complete Text of this version

IV

101st CONGRESS  
1st Session

H. CON. RES. 131

Expressing the sense of the Congress with respect to the demonstration in  
Tiananmen Square in Beijing, People's Republic of China.

-----  
IN THE HOUSE OF REPRESENTATIVES  
May 23, 1989

Mr. Arney submitted the following concurrent resolution; which was referred  
to the Committee on Foreign Affairs

-----  
CONCURRENT RESOLUTION

Expressing the sense of the Congress with respect to the demonstration in  
Tiananmen Square in Beijing, People's Republic of China.

=====

Whereas more than one million Chinese people have recently assembled in  
Beijing's Tiananmen Square and throughout China to urge their government to  
implement democratic reforms, including freedom of expression and assembly;

Whereas these demonstrators enjoy wide support among the Chinese people  
and represent all segments of Chinese society, including workers, students,  
professionals, and academics;

Whereas freedom of expression and assembly are fundamental human rights  
that belong to all people; and

Whereas the demonstrators are seeking to secure those rights through  
nonviolent means: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring). That  
the Congress--

(1) sympathizes with the democratic aspirations of the demonstrators  
in Tiananmen Square in Beijing, and throughout the People's Republic of  
China;

(2) commends the demonstrators for their use of nonviolent means to  
achieve reform; and

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(3) urges the Chinese Government to reach an accommodation with the demonstrators and work toward a democratic China.

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LEGI-SLATE Report for the 101st Congress Thu, June 22, 1989 11:48am (EDT)  
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Search of 4,929 Bills and Resolutions to find 1 measure...

Limited to the specific measure: H.C.R.131

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Measure, Sponsor and Short Title:

H.Con.Res.131 by ARMEY (R-TX) -- Resolution Regarding the Demonstration in  
Tiananmen Square in the People's Republic of China

Official Title (caption):

Concurrent resolution expressing the sense of the Congress with respect to  
the demonstration in Tiananmen Square in Beijing, People's Republic of China.

Introduced on Tuesday, May 23, 1989

Cosponsors:

Currently 15 total (6 Democrats, 9 Republicans)

Most recent addition was on Wednesday, June 14, 1989

Committee Referrals:

05/23/89 -- In The HOUSE

Referred to HOUSE COMMITTEE ON FOREIGN AFFAIRS

Committee Schedules Pending for this Measure:

Currently, none

All Specified Actions:

06/22/89 -- In The HOUSE

Introduced by ARMEY (R-TX)

Referred to HOUSE COMMITTEE ON FOREIGN AFFAIRS

LEGI-SLATE's Subject Keywords for this Measure:

-Civil rights and liberties

+Protests; demonstrations

-Education personnel

+Students

-Freedom of speech and press

-Higher education

-Human rights

-Nations of the world

+People's Republic of China

-Political affairs

Existing Laws Cited in this Measure:

Currently none

Identical or Companion Measures:

Currently none

Measure Footnote:

Currently, none

Sponsor Footnote:

Currently, none

000435

JUN 22 1989 18:41 EMB CANADA WSHDC 202-682-7725

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LEGI-SLATE Report for the 101st Congress

Thu, June 22, 1989 11:58am (EDT)  
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Search of 4,929 Bills and Resolutions to find 1 measure...

Limited to the specific measure: S.1213

-----  
Measure, Sponsor and Short Title:

S.1213 by COHEN (R-ME) -- Eligibility for Asylum for Natives of the People's  
Republic of China, Establishment

Official Title (caption):

A bill to establish a presumption of eligibility for asylum in the United  
States for certain natives of the People's Republic of China.

Introduced on Wednesday, June 21, 1989

Cosponsors:

Currently, none

Committee Referrals:

SENATE COMMITTEE ON THE JUDICIARY

Committee Schedules Pending for this Measure:

Currently, none

All Specified Actions:

06/21/89 -- In The SENATE

Introduced by COHEN (R-ME)

Referred to SENATE COMMITTEE ON THE JUDICIARY

Remarks by COHEN (R-ME) in "Congressional Record" (CR Page S-7100)

Full text of measure printed in "Congressional Record" (CR Page S-7101)

LEGI-SLATE's Subject Keywords for this Measure:

-Aliens

+Political asylum

-Attorney General

-Immigration and Naturalization Service

-Nations of the world

+People's Republic of China

-Passports and visas

Existing Laws Cited in this Measure:

Currently, none

Identical or Companion Measures:

Currently, none

Measure Footnote:

Currently, none

Sponsor Footnote:

Currently, none  
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000436

**June 21, 1989**

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**BY THE COURT:**

PRESCRIPTION OF ELIGIBILITY FOR ADOPTION FOR  
CERTAIN CHINESE NATIONALS

President Dwight D. Eisenhower is making his first step in protecting Chinese nationals in the United States from being forced to return to China. I commend him for authorizing a "policy of enforced deportment," a special immigration status that will allow Chinese citizens to remain in the United States through June 30, 1959.

Visitors, this legislation is also introduced today. Chinese students and exchange visitors would be presumed to

This legislation is needed for a number of reasons. If the President does not discuss the "deformation of our foreign exposure" beyond June 6, 1970, and if conditions in China have not critically improved by the summer and the time comes to leave now, then they will take the Chinese Communist United States without valid citizenship as a basis of being an all part in their invasion of the mainland. The loss of the State's power would be total trust and inaction and would violate our country's tradition of official protection of people persecuted in their native countries.

Of more immediate concern to China  
from mediation and exchange system in  
the United States may be the Chinese  
of the 1940s as not to really do the  
international cooperation outlined by  
the P-16 as if they do not  
consciously started to return  
China, as if they were their  
return, will they return to the  
help of communist authorities  
Government of the People's Republic  
of China, as if they do not  
do not do the same as the  
People's Republic of China

The Chinese effort to  
 secure the formation of a  
 League of the Nations  
 from China, effort to  
 secure the opening of the  
 ports to the United States  
 for the very same reason, namely  
 no student may be taken  
 for opium because, if they  
 qualify, they could be  
 deported, call for reprisals  
 against their government  
 of troops. The legislation  
 including is an attempt to  
 fear, and to provide a  
 of certainty that the  
 and encourage victims  
 ing to China and visit  
 United States will be

Mr. DeLoach, I addressed a letter to the  
National Archives on Friday, on April 10, 1964,  
to have it put in place to be taken care of.  
I did not take the time to write a letter  
to report this. I am sure you were  
were about today's news that three  
men have been executed in England  
and as I don't know one of the  
occurs naturally. There, of course, the  
addition to the hundreds of other  
one of them and other who have  
been executed without the benefit of  
the phone trial in a hundred cases  
that had taken place.

Montrou has been sold by the  
Chinese Government. The Chi-

Guangdong, in contrast to all the monstrous lies that its student demonstrators ever occurred, no blood was shed by any student, that there were no student fatalities who after all were not even demonstrating, and that the only people who were killed were soldiers who valiantly were defending the People's Republic of China against these unarmored counterrevolutionaries.

We cannot afford to participate in this monstrous lie. Other countries are turning away from the truth. They are turning away in that they are ignoring the reality of what occurred, what it is on film, and what was captured by photo-recon.

Why we are eager many times to  
the press for taking too accurate  
and too sensitive, we should take  
time to examine the motives of the  
press, the international press, the  
press in China who used their lives to  
take the photographs, the photographs to  
record for history the acts of murder  
and brutality that were demonstrated  
by the Chinese students.

But let us not play the role that  
came of our allies are now doing by  
saying, well, it is only an internal  
matter within China. It is none of our  
business. ~~Our friends~~ ~~are now~~ ~~not~~  
voting, sending ~~them~~ ~~to~~ ~~the~~  
women back into China to take advan-  
tage of these economic opportunities  
that now exist.

[illegible]

Mr. President, it is my hope that through actions such as the President announced today, while they may not be sufficient to deter the Chinese from operating in the kind of hostile manner that we have seen with respect to the interests of those who simply wanted to conduct their support of the force of freedom, that they will help us recognize in the future when we see that the actions of the Chinese Government are such that we should be behind them, calling for action to be taken. That we should be able to reach in China and get you a bullet in the brain or a bullet in the brain.

The search of consummation has been  
 engaged for centuries. What is it? A man  
 Behind the smiling face lurks a brutal  
 lie that will crush and oppress a  
 effort to seek change on behalf  
 People of China.

I hear we do not fall victim to the  
trick that is now being employed  
by Chinese Government daily to

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June 21, 1989

## CONGRESSIONAL RECORD — SENATE

S 7101

ing us to air brush away the images that so memorized the world.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1213

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

## SECTION 1. PRESUMPTION OF ELIGIBILITY FOR ASYLUM.

There shall be a presumption that any native of the People's Republic of China described in section 3 shall be eligible for asylum in the United States upon application to the Attorney General.

## SEC. 2. APPLICABILITY OF IMMIGRATION AND NATIONALITY ACT.

Except as provided in this Act, all the terms and conditions applicable under the Immigration and Nationality Act to the granting and termination of asylum, including the provisions of section 207(a)(3) of such Act regarding the authority to exclude refugees, shall apply to aliens eligible for asylum under this Act.

## SEC. 3. ELIGIBILITY.

A native of the People's Republic of China referred to in section 1 is such a native

(1) as of June 5, 1989, was admitted to the United States as a nonimmigrant alien described in subparagraph (2) or (3) of section 101(a)(13) of the Immigration and Nationality Act; or

(2) any other individual within such other class of aliens as may be designated by the Attorney General.

By Mr. DECONCINI: A bill to provide that ZIP code boundaries may be redrawn so that they do not cross the boundaries of any unit of general local government; to the Committee on Governmental Affairs.

CHANGING OF ZIP CODE BOUNDARIES

Mr. DECONCINI. Mr. President, today I am introducing legislation designed to rectify a serious problem facing communities in my State of Arizona and other communities around the Nation. I am speaking about the problem of ZIP Codes and community identities.

This legislation requires the Postal Service to establish procedures that, upon the written request of the head of any unit of general local government, would allow the Postal Service to ensure that the boundaries marking any ZIP Code area do not cross the boundaries of the unit of general local government. This means that a town with a particular ZIP Code will not face the situation, frequent in many communities today, of having the ZIP Code of one or more additional communities.

There are a number of communities in Arizona which face this problem. The city of Avondale has been engaged in a long-running battle with the Postal Service over whether Avondale can be allowed to have a ZIP Code which conforms to its city limits without also having parts of the community with Phoenix and Tolleson

ZIP Codes as well. My staff and I have worked with the Postal Service in Arizona and here in Washington to resolve this issue, but to no avail. Postal officials have simply dug in their heels on this issue.

Similarly, the city of Glendale has residents within its city limits who have either Peoria or Phoenix mailing addresses.

This has resulted in great confusion for community developers and others who want to expand the economic base of their communities. It has also had a negative impact in some communities on mail delivery, tax collection, and even the provision of emergency services to people in one community who are served by the ZIP Code of another.

There are dozens of communities nationwide who face comparable situations. It has reached the point where this was a major issue addressed by the National League of Cities when they met in Washington earlier this year. I have a partial list of those communities which have been identified as having problem ZIP Codes. I ask unanimous consent that this list be printed at the conclusion of my remarks.

The legislation I am introducing will require the Postal Service to be more responsive to the needs of the communities which it serves. It will assist the postal service in establishing a set of administrative guidelines which can be implemented at the local level. The legislation has been endorsed by the National League of Cities and is a companion to legislation introduced in the House by Representatives STROM and DYMALTY. I urge my colleagues to join me by cosponsoring this bill because, in the final analysis, service should be more than just a name for the Postal Service.

Mr. President, I ask unanimous consent that the text of the bill also be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 1214

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) within 180 days after the date of enactment of this Act, the United States Postal Service shall establish procedures to provide that, upon written request of the head of any unit of general local government, the Postal Service shall ensure that the boundaries delimiting any area included within any particular ZIP code do not cross any of the boundaries of such unit of general local government.

(b) In order to apply this Act with respect to areas in which ZIP codes of more than 5 digits are used, areas having the same first 5 digits shall be considered to have the same ZIP code.

(c) For purposes of this Act—

(1) the term "unit of general local government" means a county, township, city, or political subdivision of a county, township, or city, that is a unit of general local government as determined by the Secretary of Commerce for general statistical purposes; and

(2) the term "township" includes an equivalent political subdivision having different designations as determined on the same basis used by the Secretary of Commerce for general statistical purposes.

## List of Communities Having ZIP Code Problems

Alabama:	
Cullman	13,094
Gardendale	8,008
Rainbow City	8,299
Vestavia Hills	18,733
Arizona:	
Avondale	8,134
Glendale	98,883
Peoria	12,807
Phoenix	764,911
Arkansas:	
Sherrwood	10,423
Summitville Hills	
California:	
Artesia	12,848
Compton	21,230
Fontana	26,804
Garden Grove	123,361
Gardena	45,168
Hawthorne	54,437
Petaluma	23,834
Rancho Palos Verdes	25,327
Rohnert Park	22,868
Signal Hill	8,734
Colorado:	
Arvada	54,576
Englewood	24,021
Essex Park	2,703
Fort Collins	22,800
Grand Junction	21,266
Lakewood	113,808
Steamboat Springs	8,000
Sterling	11,368
Westminster	20,311
Wheat Ridge	20,393
Connecticut:	
Stamington	10,120
West Haven	23,164
Florida:	
Atlantic Beach	7,247
Dunedin	20,203
Hialeah	123,354
Hialeah Gardens	8,454
North Miami Beach	36,481
Palm Beach	70,318
Pembroke Pines	28,776
Pinellas Park	22,811
Safety Harbor	14,500
Sarasota	48,868
Winter Springs	8,318
Georgia:	
Athens	42,548
East Point	27,486
Idaho: Pocatello	46,340
Illinois:	
Addison	29,826
Bolingbrook	37,361
Champaign	20,297
Countryside	8,262
Hanover Park	25,719
Harwood Heights	8,226
Lislewood	11,931
Lombard	26,879
Loves Park	12,192
Palatine	22,176
Paris	8,883
Schaumburg	22,819
Skokie	20,378
Springfield	100,084
Streamwood	22,486
Urbana	28,978
Marwood Heights	
Indiana: Valparaiso	29,247
Iowa:	
Des Moines	191,003
Owasso	27,341
Kentucky:	
Leewood	13,360

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LEGI-SLATE Report for the 101st Congress Thu, June 22, 1989 11:09am (EDT)  
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Search of 4,929 Bills and Resolutions to find 1 measure...

Limited to the specific measure: S.1218

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Measure, Sponsor and Short Title:

S.1218 by KOHL (D-WI) -- Emergency Chinese Visitor Immigration Act of 1989

Official Title (caption):

A bill to facilitate the adjustment or change of status of Chinese nationals in the United States by waiving the 2-year foreign residency requirement for "J" nonimmigrants and by treating nonimmigrants whose departure has been deferred by the Attorney General as remaining in legal nonimmigrant status for purposes of adjustment or change of status.

Introduced on Wednesday, June 21, 1989

Cosponsors:

Currently 1 total (1 Democrat, 0 Republican)

Most recent addition was on Wednesday, June 21, 1989

Committee Referrals:

SENATE COMMITTEE ON THE JUDICIARY

Committee Schedules Pending for this Measure:

Currently, none

All Specified Actions:

06/21/89 -- In The SENATE

Introduced by KOHL (D-WI)

Referred to SENATE COMMITTEE ON THE JUDICIARY

Remarks by KOHL (D-WI) in "Congressional Record" (CR Page S-7109)

LEGI-SLATE's Subject Keywords for this Measure:

-Aliens

-Passports and visas

-Attorney General

-Nation of the world

+People's Republic of China

Existing Laws Cited in this Measure:

Currently, none

Identical or Companion Measures:

Currently, none

Measure Footnote:

Currently, none

Sponsor Footnote:

Currently, none

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## CONGRESSIONAL RECORD - SENATE

S 7109

June 21, 1989

names have the resources to conduct leads by themselves—the United States and FCC is critical in this area for providing leads as well as counseling.

Third, we must eliminate barriers to U.S. overseas sales—burdensome laws and regulations which make our products uncompetitive overseas must go. Laws such as cargo preference rules for agriculture or burdensome export controls for some high technology products must be removed.

Finally, we must take steps to ensure that all Americans become more aware of the world in which they live. This will take leadership from the top level of government. However, it also will require new programs in schools aimed at teaching foreign languages and cultures, as well as economics and geography.

Recently I introduced S. 1186, the Export Promotion and Market Development Act of 1989, which takes some initial steps to address these concerns. When taken in combination with the bill we are introducing today, it would be a strong showing of Congress' resolve to support American exporters.

I am hopeful this bill will attract widespread support and that we will soon see it enacted into law. I praise my colleague from Pennsylvania for drafting it and I look forward to working with him to see it enacted.

By Mr. KERRY (for himself and Mr. DASCHLE):

S. 1214: A bill to facilitate the adjustment or change of status of Chinese nationals in the United States by waiving the 3-year foreign residence requirement for nonimmigrants; and to facilitate adjustment or change of status; to the Committee on the Judiciary.

EMERGENCY CHINESE VISITOR IMMIGRATION ACT.  
Mr. KOHL. Mr. President, the blind in Tiananmen Square has stopped flowing—for now—but China's crack-down on dissent is intensifying. Eleven persons have so far been condemned to death. My friends in Beijing and Shanghai, and it appears that the repression will get worse.

For this reason, the Chinese students in the United States need our help. We must allow them to remain here until they can return home safely. President Bush has taken an admirable and compassionate step by staying departures for 1 year, but more needs to be done.

That is why Senator CRAWFORD and I are today introducing the Emergency Chinese Visitor Immigration Act of 1989. It is very similar to a bill being introduced in the House by Representative NANCY PELOSI. The measure would do what Chinese students have asked for; it would give each visitor the flexibility to seek an immigration

status that suits him or her individual needs.

Our bill would permit the students to petition for changes in their nonimmigrant visa status and allow them to apply for permanent residency. It affords them the opportunity to seek visa types for which they may be eligible—something they cannot do if they choose to accept the "legal limbo" of President Bush's grace period.

Under President Bush's plan, Chinese students here on nonimmigrant visas—as most are—will not have to depart upon expiration of their visas—at least not until next June—if they seek protection under the administration's "deferred departure" program. But a student seeking such protection can suffer two consequences. First, the Chinese Government might learn about the student's request for protection and label that student as a counter-revolutionary. This would expose the student to grave danger upon return. Second, acceptance of "deferred departure" status means the student cannot petition for changes in immigration status, even if it would be beneficial in terms of extending the student's stay here.

The Emergency Chinese Visitor Immigration Act would provide that Chinese nationals in this country illegally remain here during the period in which the Attorney General defers their departure. This provision would permit them to change their status if they qualify. In addition, the bill would waive the 3-year foreign residence requirement for Chinese nationals who are holders of an exchange visitor visa must remain here for 3 years before they can be eligible to obtain the United States. Two years in China can be deadly to an individual who supports the pro-democracy movement, so the bill would let Chinese visitors petition for new visas without first having to go home and wait.

This bill will, of course, send a strong message to the Chinese Government. But more than that, it will help alleviate the fear that now grips our Chinese guests. Some 70 percent of the 40,000 Chinese students in the United States are on J-1 visas. In petitions, faxed, and letters to my office, they have communicated their anxiety and their desire for adjustments in the immigration laws. Now, especially, we should respond with humanitarian legislation.

Mr. President, I have a very strong interest in this legislation. With more than 800 visiting students and scholars, the University of Wisconsin-Madison boasts the largest single Chinese exchange program in the United States. I have been in close contact with officials in the university's office of international students and scholars. They believe this bill will provide the necessary relief for Chinese students nationwide. I urge my colleagues to join with Senator CRAWFORD and me in

shepherding our distinguished and vulnerable guests.

Let me close with a quotation. Mr. President, it is from a speech that Chinese leader Deng Xiaoping made on June 14, 1989. His speech was translated from a Chinese newspaper and sent to me by visiting Chinese scholars in Madison. "We must cut the weeds and dig up the roots," said Deng Xiaoping. "Otherwise, in 3 or 5 years, or even in 10 months, they could do it again."

The forces of democracy are not weeds, Mr. President. They are to borrow a phrase from Mao Zedong—"flowers." And they deserve our protection. I intend to make sure that the Senate takes up this bill at the earliest possible opportunity.

By Mr. KERRY (for himself, Mr. LUGAR, Mr. HARKIN, Mr. DASCHLE, Mr. EXON, and Mr. BOOZWRITH):

S. 1220: A bill to amend the Food Security Act of 1985 to improve the program under which the Secretary of Agriculture may settle certain loans, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FOOD SECURITY ACT AMENDMENTS

Mr. KERRY. Mr. President, today I am introducing legislation to grant additional flexibility to the Secretary of Agriculture so that our agricultural price support programs may be operated in a way that is friendly to both the farmer and the taxpayer.

Under our commodity price support programs, farmers may obtain a loan by pledging their harvested grain as collateral. Current law allows the Secretary to make interest-free, no-loss loans if such a waiver would benefit the Government by encouraging the farmer to market the grain rather than forfeit this collateral to the Government.

The forfeiture of grain is generally undesirable because the Government loses all principal and interest due on the loan and incurs substantial costs for handling and storing the grain. In addition, no one—especially farmers—likes to see the Government acquire huge stocks of grain. Because of the certainty that one day the Government will dump that grain back on the market and weaken prices.

Although current law allows the Secretary to waive some or all of the interest due on a loan in order to avoid forfeiture, this authority is critically deficient, in my view, because it does not allow the Secretary to waive a portion of the loan principal in order to avoid forfeiture. My bill would correct that deficiency.

My proposal, quite simply, would give the Secretary the option to waive some of the principal due on a regular or reserve price support loan if the Secretary determines that such a waiver would avoid forfeiture and otherwise be beneficial.

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LEGI-SLATE Report for the 101st Congress Thu, June 22, 1989 11:57am (EDT)  
Search of 4,929 bills and resolutions within a measure...  
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Limited to the specific measure: S.1209

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Measure, Sponsor and Short Title:  
S.1209 by GORTON (R-WA) -- Chinese Foreign Student and Exchange Visitor  
Relief Act

Official Title (caption):  
A bill to grant permanent residence status to certain nonimmigrant natives  
of the People's Republic of China.

Introduced on Tuesday, June 20, 1989

Cosponsors:  
Currently 10 total (1 Democrat, 9 Republicans)  
Most recent addition was on Tuesday, June 20, 1989

Committee Referrals:  
06/20/89 -- In The SENATE  
Referred to SENATE COMMITTEE ON THE JUDICIARY

Committee Schedules Pending for this Measure:  
Currently, none

All Specified Actions:  
06/20/89 -- In The SENATE  
Introduced by GORTON (R-WA)  
Referred to SENATE COMMITTEE ON THE JUDICIARY  
Remarks by GORTON (R-WA) in "Congressional Record" (CR Page S-6996)  
Full text of measure printed in "Congressional Record" (CR Page S-6996)

LEGI-SLATE's Subject Keywords for this Measure:  
-Aliens -Nations of the world  
-Education personnel +People's Republic of China  
+Students -Passports and visas  
-Immigration and Naturalization Service

Existing Laws Cited in this Measure:  
Currently none

Identical or Companion Measures:  
Currently none

Measure Footnote:  
Currently, none

Sponsor Footnote:  
Currently, none



# UNCLASSIFIED

## June 30, 1966 CONGRESSIONAL RECORD - SENATE

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types of programming much like our print media has. This legislation reflects the competitive forces that have shaped the radio industry over time.

This bill would eliminate the abuses, delays, and high legal and administrative costs inherent in the present comparative renewal process and provide solid radio broadcasters with a reasonable expectation that they can win renewal if they serve the public interest. However, this is by no means a one-sided bill. The newly created informal complaint process will ensure that citizen concerns about broadcasters' performance can be resolved prior to the completion of a license term. Furthermore, the public will retain its ability under the existing petition-to-deny process to fully participate in the FCC's decisionmaking at renewal time. In addition, this bill leaves intact the panoply of existing FCC powers to sanction or remove broadcasters who do violate the public interest.

Mr. President, most members of the Senate are aware of my views on broadcast regulation. I have long supported the elimination of unwieldy or unneeded Government regulation of our electronic press, wherever possible. At the same time, I want to ensure that the public interest is protected, whether by competitive forces in functioning markets or by narrowly crafted Government oversight. This legislation accomplishes both goals, and I look forward to its early consideration.

I ask unanimous consent that the complete text of this bill be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

### S. 1307

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Radio License Renewal and Improvements Act of 1966".

#### SEC. 2. FINDINGS.

The Congress finds that—

(1) the public interest is best served by policies and regulations that foster the concept of broadcast localism, in terms of station allocation, station licensing and the practicable reception of locally oriented and interference free radio service;

(2) the Federal Communications Commission should adopt and enforce station allocation and interference protection rules and policies that guard against any increase in, and work toward a diminution of, interference levels currently experienced in the AM and FM broadcast bands;

(3) radio broadcasters should consider the variety and types of programming available in the radio marketplace in exercising the wide editorial discretion necessary to serve the needs and interests of their local listening audience; and

(4) radio broadcasters should enjoy a renewal expectancy, on the condition that they have provided issue-responsive programming to their local audiences, and have neither demonstrated a pattern of abuse nor have committed serious violations of the Communications Act of 1934 or Federal

Communications Commission rules and regulations.

#### SEC. 3. RADIO BROADCAST LICENSE RENEWAL PROCEEDINGS.

(a) In General.—Section 308 of the Communications Act of 1934 (47 U.S.C. 308) is amended by adding at the end thereof the following new subsection:

"(XIXA) In any case in which a radio broadcast station licensee submits an application to the Commission for renewal of a license, the Commission shall grant the application if it finds that with respect to that station, during the preceding term of its license—

"(i) the licensee has broadcast material responsive to issues of concern to the residents of its service area;

"(ii) there have been no serious violations by the licensee of this Act or the rules or regulations of the Commission; and

"(iii) there have been no other violations by the licensee of this Act, or the rules and regulations of the Commission, which taken together would constitute a pattern of abuse.

"(B) In the case of any radio licensee which fails to meet the requirements of this subsection, the Commission may deny the renewal application in accordance with paragraph (1), or grant such application on terms and conditions as are appropriate, including renewal for a term less than the maximum otherwise permitted.

"(CXI) For purposes of subparagraph (AXI), in determining which matters to address and what responsive material to broadcast, the radio licensee has wide discretion in providing issue responsive programming and may consider the composition of its audience, the number of other radio or television stations serving its community of license and service area, and the material broadcast by those stations.

"(II) In evaluating the performance of a radio broadcast licensee under the standard of subparagraph (AXI), the Commission shall not establish or apply any requirement respecting the radio broadcast of any specific subject, category, or quantity of material. The Commission shall accept the licensee's judgment concerning the matters addressed, and the nature and quantity of responsive material presented, unless the Commission finds that the judgments were unreasonable in the particular circumstances and were not made in good faith. For purposes of this clause, the term 'quantity', when used with respect to responsive radio broadcast material, means the aggregate amount, individual unit duration, frequency, and scheduling of that broadcast material.

"(3) If the Commission determines, after notice and opportunity for a hearing as provided in subsection (c), that a radio licensee specified in paragraph (IXA) has failed to meet the requirements established in that paragraph and that no mitigating factors justify the imposition of lesser sanctions, the Commission shall—

"(A) issue an order denying the application of renewal filed by such licensee under section 308; and

"(B) only thereafter accept and consider such applications for a construction permit as may be filed under section 308 for the broadcasting facilities of the former licensee.

"(4) In making the determinations under paragraph (1) or (IXA), the Commission shall not consider whether the public interest, convenience, and necessity might be served by the grant of a license to a competing applicant for the facilities involved."

(b) Technical Amendments.—Section 308(d) of the Communications Act of 1934 is amended by inserting the following after

"with subsection (A)" each place such term appears: "(or subsection (B), in the case of renewal of any radio broadcast station license)".

#### SEC. 4. LIMITATION ON FINANCIAL SETTLEMENTS.

Section 308 of the Communications Act of 1934 is further amended by adding at the end thereof the following new subsection:

"(1) If there is a complaint before the Commission a radio broadcast application under subsection (A) or (B), it shall be unlawful for the applicant and any other party or person to effectuate an agreement whereby the other party or person withdraws or withholds the filing of a competing application or a petition to deny (or informal objection) in exchange for the payment or promise of money or any other thing of value by or on behalf of the applicant. Under regulations which the Commission shall prescribe, the preceding sentence shall not apply to amounts legitimately and prudently expended or to be expended in connection with preparing, filing, or withdrawing the petition to deny or informal objection. For purposes of this subsection, an application shall be deemed to be pending before the Commission until an order of the Commission granting or denying it is no longer subject to rehearing by the Commission or to review by any court."

#### SEC. 5. INFORMAL COMPLAINTS.

(a) Section 308 of the Communications Act of 1934, as amended by this Act, is further amended by adding at the end thereof the following new subsection:

"(MXI) The Commission shall by rule establish a procedure by which informal complaints received by the Commission may be reviewed during the license term of a radio licensee. The Commission shall, by rule, ensure that the licensee has received notice of such informal complaints in sufficient time to respond to those complaints prior to Commission review. The Commission shall also ensure that such rules do not impose an undue burden on the complainant or on the licensee.

"(2) After final resolution of an informal complaint by the Commission, the Commission may, at the time of license renewal, consider the complaint or its resolution—

"(A) if the complaint, together with other complaints filed throughout the license term or at renewal constitute evidence of a pattern of abuse for purposes of subsection (IXIXAXII) of this section; or

"(B) if the resolutions constitute evidence of the licensee's effort to serve the public interest.

"(3) The restrictions concerning financial settlements contained in subsection (1) shall apply to actions under this subsection."

#### SEC. 6. DEFINITIONS.

Section 308 of the Communications Act of 1934 is further amended by adding at the end thereof the following new subsection:

"(n) For the purposes of subsections (X) through (m) only, the term 'radio' means those aural services available to the general public on the amplitude modulation or frequency modulation band."

By Mr. CORTON (for himself, Mr. McCART, Mr. ROACH, Mr. CHAMBERLAIN, Mr. MCCORMACK, Mr. LOTT, Mr. KATZ, Mr. MCCORMACK, Mr. POTTS, Mr. WILSON, and Mr. BRYAN):

S. 1306. A bill to grant permanent residence status to certain nonimmigrant natives of the People's Republic of China; to the Committee on the Judiciary.





CONGRESSIONAL RECORD—SENATE

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**S 6997**

**WATERS OF CALIFORNIA: FRESH-WATER RESOURCES**

## APPLICATION PROCEDURES

## Automated Video Interview

**WORK & JOURNALING TIME**

By Mr. MOYNIHAN (for him-  
self, Mr. BURROCK, Mr. HATCH-  
ER, Mr. LAWRENCE, Mr.  
CHAMBERLAIN, and Mr. FLEMING):

**NATIONAL COMMUNITY-CONTROL ACT**

We have made some progress toward the understanding of some waste sites

1. 2000

**RESEARCH DESIGN**

## Fig. 2. Generalized Framework

THE 112. STONE IS THE HIGHEST POINT OF THE

make-up, geographic location, and source of such contaminated materials.

Within 60 days after the date of enactment of this section the Administrator of the Environmental Protection Agency shall report to Congress the findings of the study pursuant to the provisions of this section.

“(C) ABBREVIATIONS OF ABBREVIATIONS.—These abbreviations shall be appropriate such words as are customary to carry out the study authorized by this section.”

By Mr. CRANSTON (for blue-  
self, Mr. MATHIAS, Mr.  
DeCONCEY, and Mr. MATHIAS):

S. 1211. A bill to require the Secretary of Veterans' Affairs to pay the maximum amount of special pay authorized for Department of Veterans' Affairs physicians and dentists; to the Committee on Veterans' Affairs.

! **PERSONNEL AND CONTACT SPECIAL PAY OFFICE**  
**1411 10th Avenue, N.E. - President's**

MR. CHANDLER. Mr. President, as the chairman of the Committee on Veterans' Affairs, I am today introducing S. 1711, a measure which would reverse an action taken by then-Administrator of Veterans' Affairs Robert Nims in 1969 to limit the amount of special pay paid to VA physicians and dentists and would prevent such an action from occurring in the future. Joining with me as a cosponsor of this measure are committee members MAURICE DUNCAN, and MICHAEL

Franklin's report, I believe it is  
clear that V&A is making considerable  
difficulties in procuring and retaining cer-  
tain electronic equipment among other  
things that V&A are not competi-  
tive with those named by their pow-  
erful customers. Although the bill  
we are introducing today does not  
offer a comprehensive solution to the  
problems it does, I believe, propose  
a useful interim step.

SEN. J. CHURCH, D-California, congressional mandated report entitled the "Quadrant Report" to the President of Special Pay for Physicians and Dentists. The report was submitted to the President with both committees on Veterans' Affairs on December 11, 1984. However, that report, which is to contain detailed comparative salary information and VA specific recruitment and retention data, has been delayed until at least June 30. I believe it is as important for physicians and dentists currently working in the Veterans Health Services and Research Administration (VHSA) to know that Congress is aware of and concerned about their situation, as to my report that, even though physicians and dentists would not receive a 10% salary increase under this bill, the knowledge that there is interest in their problem and that more comprehensive solutions are in the works should be helpful in holding the VA on physician retention for a short time.

The information contained in the Quadrennial Report is essential in crafting any long-term solution but

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LEGI-SLATE Report for the 101st Congress Thu, June 22, 1989 11:17am (EDT)  
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Report for S.1151 Democracy, Liberty and Justice in the People's Republic of  
China Act of 1989  
As introduced in the Senate  
Complete Text of this version  
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II

101st CONGRESS  
1st Session

S. 1151

A bill to support democracy and human rights in the People's Republic of  
China and Tibet.

-----  
IN THE SENATE OF THE UNITED STATES  
June 8 (legislative day, January 3), 1989

Mr. Helms introduced the following bill; which was read twice and referred  
to the Committee on Foreign Relations

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A BILL

A bill to support democracy and human rights in the People's Republic of  
China and Tibet.

=====

Be it enacted by the Senate and House of Representatives of the United  
States of America in Congress assembled,

SECTION 1. TITLE.

This Act shall be known as the "Democracy, Liberty, and Justice in the  
People's Republic of China Act of 1989".

SEC. 2. FINDINGS.

The Congress finds that--

(1) the Government of the People's Republic of China is now  
attempting to crush the democracy and reform movement in China through  
the use of wanton violence by the People's Liberation Army;

(2) the United States Congress condemns the brutal actions taken by  
the People's Liberation Army and the Government of the People's Republic  
of China against the Chinese people during peaceful, nonviolent  
demonstrations for democratic change;

(3) the Government of the People's Republic of China has used the

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June 22, 1989

People's Liberation Army to crush brutally the freedom movement in Tibet on several occasions;

(4) fundamental human, political, and economic rights are denied to the people of China and the people of Tibet by the Government of the People's Republic of China;

(5) the President of the United States has announced that the United States would immediately suspend all government-to-government sales and commercial exports of weapons, immediately suspend all visits between the United States and Chinese military officials, treat sympathetically requests by Chinese students in the United States to extend their stay, and offer humanitarian and medical assistance through the International Committee of the Red Cross to those injured during the assault on Beijing; and

(6) the President of the United States is to be commended for his forthright action.

### SEC. 3. CONDITIONS UNDER WHICH SANCTIONS SHALL BE IMPOSED.

The sanctions provided for in this Act shall take effect ten days after the date of enactment of this Act unless the President certifies to Congress to such date, that following the massacre of June 3/4, 1989, the Government of the People's Republic of China--

(1) has not carried out a sustained campaign of violence against unarmed civilians;

(2) has lifted martial law; and

(3) has made significant progress in providing for democracy, liberty, and justice in Tibet and the People's Republic of China.

### SEC. 4. SUSPENSION OF UNITED STATES ASSISTANCE.

(a) Notwithstanding any other provision of law, the Export-Import Bank shall not finance trade with the People's Republic of China and no loan, credit, credit guarantee, or insurance may be extended by any agency of the United States Government, including the Overseas Private Investment Corporation, with respect to the People's Republic of China.

(b) No funds appropriated or otherwise made available by law shall be available for activities of the Trade Development Program in, or for the People's Republic of China.

(c) The Secretary of State is urged to encourage allies of the United States to suspend any of their own programs providing similar support to the People's Republic of China.

### SEC. 5. SUSPENSION OF TRADE BENEFITS AND COMMERCIAL RELATIONS.

(a) The President shall not extend to the products of the People's Republic of China the preferential treatment provided for under the Generalized System of Preferences (GSP), regardless of whether that country obtains entry to the General Agreement on Tariffs and Trade (GATT).--

(b) The waiver granted to the People's Republic of China by the President under 19 U.S.C. 2432 (c) and (d) is suspended.

(c) The Secretary of the Treasury shall instruct the United States Executive Directors to the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, and the Asian Development Bank to--

(1) vote against or otherwise disapprove any loan, grant, or other form of economic or technical assistance to the People's Republic of China;

(2) propose and support the downgrade of the membership status of the People's Republic of China to that of "observer" status; and

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LEGI-SLATE Report

Page 3

June 22, 1989

(3) urge allies of the United States to support actions taken by the United States Executive Directors pursuant to this section.

(d) The United States Trade Representative shall instruct the United States Representatives to GATT to propose and support the suspension of "observer status" for the People's Republic of China at GATT.

(e) No funds appropriated or otherwise made available by law shall be available for the purpose of concluding or supporting any commercial agreement with the People's Republic of China.

(f) No funds appropriated or otherwise made available by law shall be available for participation of the United States in the United States-China Joint Committee on Commerce and Trade and the United States-China Commission on Trade.

#### SEC. 6. SUSPENSION OF EXPORT LICENSES.

(a) All licenses currently issued for export of items on the United States Munitions Control List or on the Commercial Control List are suspended.

(b) No funds appropriated or otherwise made available by law shall be available for the processing or issuance of licenses required to export items on the United States Munitions Control List or items on the Commercial Control List for any item destined for the People's Republic of China.

(c) The Secretary of State shall instruct the United States Representative to COCOM to vote against or otherwise disapprove the export of any COCOM controlled items by any COCOM participating country to the People's Republic of China.

(d) The Secretary of State is urged to encourage the allies of the United States to join United States efforts to vote against or otherwise disapprove the export of any COCOM controlled items to the People's Republic of China and suspend the export of other military items and advanced technology.

#### SEC. 7. LIMITATION ON IMPORTS FROM OTHER COUNTRIES.

The President is authorized to limit the importation into the United States of any product or service of a foreign country to the extent to which such foreign country benefits from, or otherwise takes commercial advantage of, any sanction or prohibition imposed by or under this Act.

#### SEC. 8. PRIVATE RIGHTS OF ACTION.

(a) Any national of the United States who is required by this Act to terminate or curtail business activities in the People's Republic of China may bring a civil action for damages against any person, partnership, or corporation that takes commercial advantage or otherwise benefits from such termination or curtailment.

(b) The action authorized by this section may only be brought, without respect to the amount in controversy, in the United States district court for the District of Columbia or the Court of International Trade. Damages which may be recovered include lost profits and the cost of bringing the action, including a reasonable attorney's fee.

(c) The injured party must show a preponderance of the evidence that the damages have been the direct result of defendant's action taken with the deliberate intent to injure the party.

#### SEC. 9. SUSPENSION OF MILITARY-TO-MILITARY COOPERATION.

No funds appropriated or otherwise made available by law shall be available for United States military cooperation with the People's Republic of China.

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**SEC. 10. SUSPENSION OF SCIENCE AND TECHNOLOGY COOPERATION.**

No funds appropriated or otherwise made available by law shall be available for United States participation under any United States-China agreement or protocol on scientific cooperation.

**SEC. 11. CHINESE AND TIBETAN STUDENTS IN THE UNITED STATES.**

Until the President certifies to Congress that the human rights of the Chinese and Tibetan peoples are recognized and respected by the Government of the People's Republic of China, the Attorney General shall treat sympathetically requests by students from Tibet and the People's Republic of China studying in the United States for Extended Voluntary Departure status.

**SEC. 12. CONDITIONS UNDER WHICH SANCTIONS MAY BE LIFTED.**

The sanctions provided for in this Act shall not apply when the President determines and so certifies to Congress that the Government of the People's Republic of China--

- (1) is no longer carrying out a sustained campaign of violence against unarmed civilians;
  - (2) has lifted martial law; and
  - (3) has made significant progress in providing for democracy, liberty, and justice in Tibet and the People's Republic of China.
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LEGI-SLATE Report for the 101st Congress

Thu, June 22, 1989 11:21am (EDT)  
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Search of 4,929 Bills and Resolutions to find 1 measure...

Limited to the specific measure: S.1151

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Measure, Sponsor and Short Title:

S.1151 by HELMS (R-NC) -- Democracy, Liberty and Justice in the People's  
Republic of China Act of 1989

Official Title (caption):

A bill to support democracy and human rights in the People's Republic of  
China and Tibet.

Introduced on Thursday, June 8, 1989

Cosponsors:

Currently, none

Committee Referrals:

06/08/89 -- In The SENATE

Referred to SENATE COMMITTEE ON FOREIGN RELATIONS

Committee Schedules Pending for this Measure:

Currently, none

All Specified Actions:

06/08/89 -- In The SENATE

Introduced by HELMS (R-NC)

Referred to SENATE COMMITTEE ON FOREIGN RELATIONS

Remarks by HELMS (R-NC) in "Congressional Record" (CR Page S-6409)

Full text of measure printed in "Congressional Record" (CR Page S-6411)

LEGI-SLATE's Subject Keywords for this Measure:

-Allies	-International Development Association
-Armed forces	-International Finance Corporation
-Arms sales	-International banking
-Asian Development Bank	-International law
-Attorney General	-Military (conventional) weapons and supplies
-Civil disorders; riots	-Murder; assassination
-Civil justice and procedure	-Nations of the world
-Corporations	+People's Republic of China
-Department of State	+Tibet
-Department of the Treasury	-Office of the United States Trade Representative
-Economic sanction; embargo	-Overseas Private Investment Corporation
-Education personnel	-Partnerships; joint ventures
+Students	-Passports and visas
-Executive Office of the President	-Political affairs
-Executive branch matters	-Scientific research
+Presidential certifications	
-Exports	
-Export-Import Bank of the United States	

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**States**

- Federal fees and licenses
- Foreign economic assistance
- Foreign military assistance
- Foreign trade, commerce
- General Agreement on Tariffs and Trade (GATT)
- Higher education
- Human rights
- Imports
- International Bank for Reconstruction and Development (World Bank)

**-States of the U.S.**

- +District of Columbia
- Tariffs and duties
- +Generalized System of Preferences (GSP)
- Technology transfer
- U.S. district courts
- U.S. investments abroad
- Weapons

Existing Laws Cited In this Measure:  
Currently none

**Identical or Companion Measures:**

- |          |  |
|----------|--|
| H.R.2611 | BY GILMAN (R-NY) -- Democracy, Liberty, and Justice in the People's Republic of China Act of 1989                                |
| H.R.2613 | BY LANTOS (D-CA) -- Most-Favored-Nation Treatment of the People's Republic of China until Human Rights are Protected, Suspension |

Measure Footnote:  
Currently, none

Sponsor Footnote:  
Currently, none

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CONGRESSIONAL RECORD—SENATE

**S 6409**

The problem of which I speak is the unfulfilled Federal commitments to certain bordering our National Wildlife Refuge and Wilderness Protocols Areas. The Refuge Revenue Sharing Act was enacted in 1989. Under that act, the Federal Government was given the authority to fairly compensate local governments for real estate taxes lost when land owned by the Federal Government are located within the local government's jurisdiction. Unfortunately, the appropriations are not mandatory and have fallen to a point where, in recent years, only about 60 percent of the promised have been made.

In my home State of North Dakota, local governments have owed \$172,000,000. More money borrowed during the last 10 years. During the last 10 years, only received \$18,000,000. While a third of almost \$100,000,000 is not a major item in many areas in North Dakota in terms of cost difference. It is during this local governments should be able to cover on maintaining their own and running their local revenue.

[illegible]

I ask my colleagues how two noble  
ambassadors of the North American tra-  
ditional plus and when efforts to pre-  
vent violence can be achieved by the  
Federal Government only and only by  
the Federal Government to stop the  
the Federal Government proper based on  
secure employment and cooperation  
between the Federal Government and  
the people of our States in general.  
By making the U.S. Fish and Wildlife  
Service and the U.S. Government  
ambassadors of their own, we maintain  
the relationship of our national pro-  
tection and we can offer to pro-  
tect our national resources.

I remind my colleagues that I have been speaking about a very serious campaign financing problem. True to the broad sense of the President's [redacted] has recommended that only \$0.03 million of \$10.98 million be funded in fiscal year 1983. That leaves \$10.95 million to be raised in other ways. Congress has not acted to remedy the severe deficit. Senators Connors and I proposed that undisclosed receipts—receipts returned to the General Accounting Office from the Department of the Interior to not be made up the shortfall. In 1980, unde-

ented receipts from the Department of the Interior totaled 01.0 billion. To repeat, this year the refuge shortfall is a mere 02.7 million.

Very simply, I believe that the Federal Government should not purchase its debt to local governments. The bill being introduced would solve this problem. The beneficiaries will be every State and local community with refugee lands, Federal-local relations and finally, our land, man, and wildlife.

17. A bill to curtail currency and restrict rights in the People's Republic of China and Tibet in the Constitution on Foreign Relations.

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Mr. KELLEY, Mr. PROCTOR, on Tuesday, both the Senate and the House passed resolutions commending the President of the United States for his fortitudinous action on behalf of freedom in Communist China.

The President announced Tuesday that the United States would immediately open up all government-to-government relations with the Communist government of Moscow, immediately resume all visits between the United States and China, including official, semi-official and private by citizens; and double the United States presence in their own, in our country, in China, throughout the international Communist world, to those introduced during the period of the Cold War, and the period of the Communist Revolution. The President also directed the Secretary of State, and the Attorney General, to study the Communist Government of the Soviet Union, and the Foreign Relations Committee, and I, as ranking Republican on that committee, I was concerned because among other things, the few days that I was in Russia had two steps that I had hoped to try to get us to the only heart of the Communist and the strategy of the nation's began to change. The President's actions are thoroughly commendable and appropriate.

But the ~~armies~~ in China continue to develop into one of the most powerful military forces of the East. Elements of the People's Liberation Army continue to grow on the Chinese coast, where there have been no wars, but a great deal of military and political activity has been going on. The Russian and other foreign troops have been withdrawn from the country.

ornaments worn in office, and even out of office, while their future plans are concealed. We might not be surprised if these plans included purges in the military and the party with selective exceptions. True to the way Communist governments operate, wherever they are, always.

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operate. When they are challenged by their own people, the killing begins.

Nevertheless, the Chinese people are heroic in the face of this new oppression by the Chinese Government. Who can forget the television scenes of that single Chinese citizen who, unarmed and absolutely alone, stalked up to a moving tank, forced it to stop, forced, indeed, the whole column of tanks to stop while he lectured the crew inside? In a sense, that one patriotic citizen stood for all the students, for all the world and for all Chinese who have been standing up to the present oppressive Communist regime in China.

Mr. President, before us lies a massive power struggle, paradoxically taking place in full view of the world but, in reality, out of sight. The Communist leaders of China are at this very moment taking counsel saying to themselves, "Have we lost the mandate of the people? How do we hold on to our power? What steps should we take? Well, we must make certain they do not take steps more bloody and more repressive than they have already taken. If there is an escalation of violence, the President of the United States must do more, and I am persuaded that he will do more. I will stand with him and assist him in any way I can, which is the purpose of my being here at this moment on the floor of the U.S. Senate."

I am introducing legislation today setting forth a few minimal standards of what must be done in the event of a continuation of the brutality and murder and oppression that we have already seen that the world has already seen. The present Communist regime in China has already demonstrated its illegitimacy by attacking their own people, the Chinese people. First of all, the American Government must do nothing which will strengthen the present illegitimate regime in Beijing, and especially not even economically.

So the bill I am introducing today, of course, commends the President of the United States for the actions already taken. It affirms those actions, but it also emphasizes the fact that we simply cannot have business as usual if the murder rampage resumes or is continued.

In that event, my legislation would roll back trade and related matters to the level at which these relations stood before the start of this decade. It would stop the trade development program with Communist China. It would suspend most-favored-nation treatment, and it would instruct United States representatives to vote against benefits in IBRD, the IFC, and the Asian Development Bank. It would suspend Export-Import Bank loans and OPIC guarantees and, lastly, it would suspend licenses for high-technology exports on the munitions control list and it would disapprove exports on the Cocon list.

That is just the next step. There are many other things that we would do,

but this legislation represents the next rung on the ladder for the things the President of the United States can do and should do in the event the brutality and bloodshed should resume and should it continue in Communist China.

Let me make one thing clear. I emphasize that these sanctions, as stated in the bill I am about to introduce, are contingent upon what the Chinese Government does from this point on. It would not go into effect if the government of Communist China ceases its sustained campaign of violence, or if it lifts martial law, or if it has taken substantial steps to provide the people of China and Tibet with democracy, liberty and justice. I do not suggest, Mr. President, that we try to hold our breath until Communist China does any or all of these things.

The question has been raised as to whether these sanctions would hurt the Chinese people. But that is hardly the question when unarmed Chinese people are being gunned down in the streets of their own cities. Which hurts more? To be gunned down in the street or to be denied high technology arms exports useful mainly to the illegitimate Communist regime?

Mr. President, there were two disturbing reports from China yesterday. First, the head of the Chinese equivalent of the Soviet KGB reportedly has been named General Secretary of the Chinese Communist Party. Mr. Qiao is chairman of the Central Discipline Inspection Commission and Secretary of the Political and Legal Commission. Second, the notorious 27th Army is firmly in control of Beijing at this moment.

Some of its soldiers shot into the U.S. diplomatic compound and into one of the international hotels. We are all familiar with the news reports as to those and other incidents.

The struggle that is underway in Communist China at this moment is of profound consequence for the strategic interests of the United States. Our relationship with Communist China has been built upon the premise that China "balances" the power of the Soviet Union, acting as a restraining influence on the Soviets in world affairs.

But some of us have been saying that Communists are Communists, and when push comes to shove, it will take but one telephone call for the two Communist governments to get together.

In fact, according to European analysts with whom I have been in touch, those who have been involved in the crackdown are precisely those who have been most closely allied with the Soviet Union. And if they succeed, the budding alliance between Communist China and Communist Soviet Union may turn the China card, so-called, inside out.

The key leader of the crackdown factions is Yang Shangkun, an 59-year-old veteran military figure. Yang pre-

sides over a powerful clan which holds key positions. His younger brother, Yang Baibing, is head of the general political department of the People's Liberation Army, and his son-in-law, Chi Haotian, is the Chief of the General Staff. One of his nephews, Yang She, is in command of the 27th Army which, of course, was the military force that massacred those students who were pleading for freedom over the weekend. And all of us are familiar with that story.

Mr. President, nobody knows the outcome of these machinations. In the tragedy of the past few days, we have seen the Communist government of China reveal its true nature, this time by brutalizing the Chinese people. We have before us a government which is illegitimate by every standard of the Chinese tradition.

Mr. President, the present regime, the Communist regime in China, has lost the mandate of the people or, as Confucius says, the mandate of Heaven. That is the way Confucius put it. According to that tradition, Heaven cares about people and provides a king—in this case the government—to secure their moral education and temporal well-being. In that order. And if the King, meaning the government, should forget his purpose and begin to rule for personal advantage, Heaven will withdraw the mandate and bestow it upon somebody else. And that is precisely what the young people of Beijing are asking.

In that classical tradition, Mr. President, a legitimate government is one that the people follow freely because it meets the moral criteria set by Heaven, as emphasized by Confucius. Indeed, the more perfectly government exemplifies moral principles; the less compulsion should be necessary. Thus, any government which resorts to force and violence and cruelty and brutality in all but the gravest of circumstances is to that extent a failure. Failing the people, whether through incompetence or misrule, as the philosopher Mencius said, is the same as murder, and violence directed against the innocent is the highest of all crimes.

Mr. President, the ruthless brutality which the world has witnessed during the past several days demonstrates clearly that the Communist regime in China has lost its mandate, and we must be prepared to support those elements in China which are working to restore traditional morals and traditional freedom.

Mr. President, I ask unanimous consent that the text of the bill that I am introducing today be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HILLMAN. I thank the Chair.

Mr. President, I further ask unanimous consent that a question-and-answer sheet which I have prepared

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June 8, 1989 CONGRESSIONAL RECORD — SENATE

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relating to my bill be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. I thank the Chair.

Mr. President, I ask unanimous consent that a study of the legal analysis of the Beijing regime's actions prepared by the Far East Law Division of the Library of Congress at my request be printed in the Record at the conclusion of my remarks.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 1151

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

#### SECTION 1. TITLE.

This Act shall be known as the Democracy, Liberty and Justice in the People's Republic of China Act of 1989.

#### SEC. 2. FINDINGS.

The Congress finds that—

(1) the government of the People's Republic of China is now attempting to crush the democracy and reform movement in China through the use of wanton violence by the People's Liberation Army;

(2) the United States Congress condemns the brutal actions taken by the People's Liberation Army and the Government of the People's Republic of China against the Chinese people during peaceful, non-violent demonstrations for democratic change;

(3) the government of the People's Republic of China has used the People's Liberation Army to crush brutally the freedom movement in Tibet on several occasions;

(4) fundamental human, political and economic rights are denied to the people of China and the people of Tibet by the Government of the People's Republic of China;

(5) the President of the United States has announced that the United States would immediately suspend all government-to-government sales and commercial exports of weapons, immediately suspend all visits between the United States and Chinese military officials, treat sympathetically requests by Chinese students in the United States to extend their stay, and offer humanitarian and medical assistance through the International Committee of the Red Cross to those injured during the assault on Beijing; and

(6) the President of the United States is to be commended for his forthright action.

#### SEC. 3. CONDITIONS UNDER WHICH SANCTIONS SHALL BE IMPOSED.

The sanctions provided for in this Act shall take effect 10 days after the date of enactment of this Act unless the President certifies to Congress prior to such date, that following the massacre of June 3/4, 1989, the Government of the People's Republic of China—

(1) has not carried out a sustained campaign of violence against unarmed civilians;

(2) has lifted martial law; and

(3) has made significant progress in providing for democracy, liberty and justice in Tibet and the People's Republic of China.

#### SEC. 4. SUSPENSION OF U.S. ASSISTANCE.

(a) Notwithstanding any other provision of law, the Export-Import Bank shall not finance trade with the People's Republic of China and no loan, credit, credit guarantee, or insurance may be extended by any agency of the United States Government, including the Overseas Private Investment Corporation, with respect to the People's Republic of China.

(b) No funds appropriated or otherwise made available by law shall be available for activities of the Trade Development Program in, or for the People's Republic of China.

(c) The Secretary of State is urged to encourage allies of the United States to suspend any of their own programs providing similar support to the People's Republic of China.

#### SEC. 5. SUSPENSION OF TRADE BENEFITS AND COMMERCIAL RELATIONS.

(a) The President shall not extend to the products of the People's Republic of China the preferential treatment provided for under the Generalized System of Preferences (GSP), regardless of whether that country obtains entry to the General Agreement on Tariffs and Trade (GATT).

(b) The waiver granted to the People's Republic of China by the President under 19 USC 2432 (a) and (d) is suspended.

(c) The Secretary of the Treasury shall instruct the United States Executive Directors to the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, and the Asian Development Bank to—

(1) vote against or otherwise disapprove any loan, grant, or other form of economic or technical assistance to the People's Republic of China;

(2) propose and support the downgrade of the membership status of the People's Republic of China to that of "observer status"; and

(3) urge allies of the United States to support actions taken by the United States Executive Directors pursuant to this section.

(d) The United States Trade Representative shall instruct the United States Representatives to GATT to propose and support the suspension of "observer status" for the People's Republic of China at GATT.

(e) No funds appropriated or otherwise made available by law shall be available for the purpose of concluding or supporting any commercial agreement with the People's Republic of China.

(f) No funds appropriated or otherwise made available by law shall be available for participation of the United States in the United States-China Joint Committee on Commerce and Trade and the United States-China Commission on Trade.

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(a) All licenses currently issued for export of items on the United States Munitions Control List or on the Commercial Control List are suspended.

(b) No funds appropriated or otherwise made available by law shall be available for the processing or issuance of licenses required to export items on the United States Munitions Control List or items on the Commercial Control List for any item destined for the People's Republic of China.

(c) The Secretary of State shall instruct the United States Representative to COCOM to vote against or otherwise disapprove the export of any COCOM controlled items by any COCOM participating country to the People's Republic of China.

(d) The Secretary of State is urged to encourage the allies of the United States to join United States efforts to vote against or otherwise disapprove the export of any COCOM controlled items to the People's Republic of China and suspend the export of other military items and advanced technology.

#### SEC. 7. LIMITATION ON IMPORTS FROM OTHER COUNTRIES.

The President is authorized to limit the importation into the United States of any product or service of a foreign country to

the extent to which such foreign country benefits from, or otherwise takes commercial advantage of, any sanction or prohibition imposed by or under this Act.

#### SEC. 8. PRIVATE RIGHTS OF ACTION.

(a) Any national of the United States who is required by this Act to terminate or curtail business activities in the People's Republic of China may bring a civil action for damages against any person, partnership, or corporation that takes commercial advantage or otherwise benefits from such termination or curtailment.

(b) The action authorized by this section may only be brought without respect to the amount in controversy, in the United States district court for the District of Columbia or the Court of International Trade. Damages which may be recovered include lost profits and the cost of bringing the action, including a reasonable attorney's fee.

(c) The injured party must show by a preponderance of the evidence that the damages have been the direct result of defendant's action taken with the deliberate intent to injure the party.

#### SEC. 9. SUSPENSION OF MILITARY-TO-MILITARY COOPERATION.

No funds appropriated or otherwise made available by law shall be available for United States military cooperation with the People's Republic of China.

#### SEC. 10. SUSPENSION OF SCIENCE AND TECHNOLOGY COOPERATION.

No funds appropriated or otherwise made available by law shall be available for United States participation under any U.S.-China agreement or protocol on scientific cooperation.

#### SEC. 11. CHINESE AND TIBETAN STUDENTS IN THE UNITED STATES.

Until the President certifies to Congress that the human rights of the Chinese and Tibetan peoples are recognized and respected by the Government of the People's Republic of China, the Attorney General shall treat sympathetically requests by students from Tibet and the People's Republic of China studying in the United States for Extended Voluntary Departure status.

#### SEC. 12. CONDITIONS UNDER WHICH SANCTIONS MAY BE LIFTED.

The sanctions provided for in this act shall not apply when the President determines and so certifies to Congress that the Government of the People's Republic of China—

(1) is no longer carrying out a sustained campaign of violence against unarmed civilians;

(2) has lifted martial law; and

(3) has made significant progress in providing for democracy, liberty and justice in Tibet and the People's Republic of China.

(From the Library of Congress, Far Eastern Law Division, June 1989)

#### LEGAL ASPECTS OF RECENT CHINESE GOVERNMENT ACTIONS AGAINST DEMOCRATS

(Prepared by The-ai Hsin, chief, and Constantine A. Johnson, legal research analyst)

Under the 1982 Constitution of the People's Republic of China (PRC), the citizens have the right to freedom of speech, of the press, of assembly, or association, or procession, and of demonstration (art. 35). In addition, the Constitution states that freedom of person of PRC citizens is inviolable (art. 37), and that citizens have the right to criticize their government and that no one is to suppress such criticism or to retaliate against the citizens making them (art. 41). By opening fire on the crowd in Tiananmen Square, the Chinese troops have violated these very basic tenets of the Constitution.

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June 8, 1989

In addition, the government of the PRC have violated its Criminal Code, enacted in 1979, which states, "The rights of the person, the democratic rights, and the other rights of citizens are to be protected and are not to be unlawfully infringed by any person or any organ" (art. 131).

Clearly, citizens have been attempting to express their complaints to the government through the exercise of freedom of speech, assembly, and demonstration in the Chinese capital and in other cities for more than a month; rather than protecting these rights, by moving in troops, the PRC government has itself violated them.

Furthermore, the United Nations charter states that one of the basic purposes of that organization, of which China is a member, is to "reaffirm faith in fundamental human rights." The Universal Declaration of Human Rights, which refers to this clause in the Charter, states in article 3 that everyone has the right to life, liberty, and security of person. Articles 19 and 20 refer to the rights to freedom of opinion and expression and to peaceful assembly. China has ignored all of these statements by its actions in the last few days.

In the last week, the PRC authorities have claimed that the student demonstrators, or at least their leaders, have been guilty of crimes of counterrevolution. Under Chinese law, however, at most they may be guilty of violating not the Criminal Code, but only the Regulations on Offenses Against Public Order, enacted in 1986. These regulations do prohibit disruption of social order (art. 2 & 19) and the failure to adopt good safety measures in organizing mass rallies (art. 20). The maximum penalties under these regulations include 15 days of detention or a fine. There are also Beijing city provisions on parades and demonstrations, enacted on an interim basis following student demonstrations in December 1986. Article 3 of the city provision requires organizers of demonstrations to apply to the public security office for approval; it is unlikely that the students have done this. However, these regulations also do not carry criminal sanctions.

All of these Chinese laws, the Constitution, the Criminal Code, and the Regulations on Offenses Against Public Order, were adopted during the Deng Xiaoping era, as a part of his efforts to develop the legal system of the PRC.

(From the Library of Congress, Far Eastern Law Division, June 1989)

### THE LEGALITY OF THE IMPOSITION OF MARTIAL LAW UNDER THE CHINESE CONSTITUTION

(Prepared by Tao-tai Hsia, chief, and Constance A. Johnson, legal research analyst)

The 1982 Constitution of the People's Republic of China (PRC) has a number of provisions on martial law. Article 89, paragraph 16, states that it is the function of the State Council to decide on the imposition of martial law for a part of a province, an autonomous region, or a city administered directly under the central government (such as Beijing). Article 67, paragraph 20 states that it is the function of the Standing Committee of the National People's Congress to decide on the imposition of martial law when it is for the whole country, or for a whole province, autonomous region, or city administered directly under the central government. Finally, article 80 requires that the President of the PRC issue proclamations of martial law in pursuance of the decisions of the National People's Congress and its Standing Committee.

Li Peng is currently the Premier, the head of the State Council. As such, it is consistent with the Constitution that he decide on

the imposition of martial law for a part of the city of Beijing. However the decision can only be formally proclaimed by the President (Yang Shangkun). It is not clear whether this step was taken. Furthermore, the proclamation of the President can only be made on the basis of the decision of the National People's Congress and its Standing Committee. Neither the full Congress nor the Standing Committee was in session when martial law was declared and there have been no reports of either body taking any such action. For this reason, the legality of the recent imposition of martial law may be questioned.

(From the Library of Congress, Far Eastern Law Division, June 1989)

### THE CRIME OF COUNTERREVOLUTION IN THE PEOPLE'S REPUBLIC OF CHINA (PRC)

(Prepared by Tao-tai Hsia, chief, and Wendy K. Zeldin, legal research analyst)

According to article 96 of Chapter 1, "Crimes of Counterrevolution," of Part II ("Special Provisions") of the Criminal Code of the PRC, "All acts endangering the People's Republic of China committed with the goal of overthrowing the political power of the dictatorship of the proletariat and the socialist system are crimes of counterrevolution." The key word in this definition insofar as the Chinese students accused by the government of counterrevolutionary crimes are concerned is "the goal." The students declared that they wanted, among other things, more freedom of publication, punishment of corrupt bureaucrats and speculators, and improvements in the lot of intellectuals, but they did not state that they wanted to overthrow the government or even the Communist Party.<sup>1</sup>

The section on crimes of counterrevolution has itself come under increasing scrutiny and criticism. A prominent jurist has proposed in a recent article that the section on counterrevolutionary crime be revised, because it is vague and confusing and makes it difficult for judges to determine which cases are of a counterrevolutionary nature.<sup>2</sup> In his view, under China's new policy of opening up to the outside world, citizens have the right to participate in political activity, to hold discussions about politics, and to express their views, including critical or opposing views, via a via state pulpit, so that the old concept of counterrevolutionary crime is tantamount to a sword of Damocles hanging over everyone, because anyone with a different view from that of the Party and government could become suspected of being a counterrevolutionary. The jurist believes, therefore, that the term "counterrevolutionary crime" should be abolished, to prevent it from hampering the above-mentioned forms of political expression and participation. He goes on to state that there are also problems with the content of counterrevolutionary crime as defined in the Law, predominant among them that the absolute requirement for constituting a counterrevolutionary crime is that it

<sup>1</sup> The Criminal Law and the Criminal Procedure Law of China 26 (Beijing, Foreign Languages Press, 1984). J. Cohen, T. Gelatt, and P. Li, (trans.). The Criminal Law was adopted by the National People's Congress on July 1, 1979, and became effective as of January 1, 1980. The Chinese version of the provision cited appears on page 86 of the same work.

<sup>2</sup> See, for example, *Libération* (Paris, in French), Apr. 24, 1988, at 24, as cited in Foreign Broadcast Information Service, Daily Report: China, May 1, 1989, at 9 (hereinafter FBIS). In an interview, a student leader listed in all seven demands of the movement.

<sup>3</sup> Zhou Zhensheng, "My Views on Revising the Provisions on Crimes of Counterrevolution," 88 *Farus* [Law Science] 17-19 (Mar. 1989).

be committed with the goal of engaging in counterrevolutionary acts. He considers this a subjective way of looking at a person's behavior rather than an objective assessment of the facts. As a result of the recent reconsideration of the subject, there has even been a move to have the Standing Committee of the National People's Congress deliberate removal of the offense of counterrevolution from the Criminal Law.<sup>4</sup>

### DEMOCRACY, LIBERTY, AND JUSTICE IN THE PEOPLE'S REPUBLIC OF CHINA ACT OF 1989

**Question.** What is the purpose of this Act?  
**Answer.** The Congress has already passed Sense of the Congress resolutions urging the PRC leadership not to shoot unarmed demonstrators. Thousands are now dead. This sanctions legislation shows the seriousness with which the Congress views human rights and democracy in China.

**Question.** Do the sanctions go into effect on enactment?

**Answer.** This is contingency legislation which goes into effect only if the President determines that the PRC leadership has renewed its warfare on the Chinese people.

**Question.** Is this a full trade and economic embargo?

**Answer.** No. This is an intermediate step to roll trade and other relations back to about 1979 levels.

**Question.** What are the sanctions?

**Answer.** First, it confirms the actions already taken by the President including cutting off arms sales. Then, it puts Chinese goods on the same level as Soviet goods for import purposes (removes Most Favored Nation privileges) and denies high tech exports. It also suspends scientific, and other agreements.

**Question.** Can our competitors take advantage of these sanctions?

**Answer.** The sanctions are designed to be part of an international program with our allies. If the Chinese Communist leaders renew warfare against their own people, allied governments will want to take similar actions. However, the Act does contain provisions designed to discourage foreign firms from taking commercial advantage of the Chinese tragedy.

**Question.** Will these sanctions have any effect?

**Answer.** Chinese trade has expanded several fold in the past ten years and the Chinese economy has become very dependent on high tech imports from the Free World. Denial of these inputs should put substantial pressure on the PRC leadership.

**Question.** Doesn't the President already have the authority contained in this Act?

**Answer.** Yes, if he declares a National Emergency under the International Emergency Economic Powers Act (IEEPA). The legislation being considered here would make it clear that the President could exercise this authority without declaring a National Emergency.

**Question.** Can these sanctions be lifted?

**Answer.** Yes, if the President determines that significant progress has been made providing for democracy, liberty and justice in the PRC. There is no Congressional override provision.

By Mr. GORTON:

S. 1152. A bill to authorize a certificate of documentation for the vessel *American Empire*; to the Committee on Commerce, Science, and Transportation.

<sup>4</sup> *South China Morning Post* (Hong Kong, in English), Mar. 31, 1989, at 10, as carried in FBIS, Mar. 31, 1989, at 25.

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LEGI-SLATE Report for the 101st Congress Thu, June 22, 1989 12:06pm (EDT)  
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Search of 4,929 Bills and Resolutions to find 1 measure...

Limited to the specific measure: S.C.R.48

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Measure, Sponsor and Short Title:

S.Con.Res.48 by WILSON, PETE (R-CA) -- Resolution Regarding Human Rights  
Abuses In China since the Red Army Massacre

Official Title (caption):

A concurrent resolution expressing the Sense of the Congress regarding  
human rights abuses in China since the Red Army massacre of June 3, 1989.

Introduced on Monday, June 19, 1989

Cosponsors:

Currently, none

Committee Referrals:

06/19/89 -- In The SENATE

Referred to SENATE COMMITTEE ON FOREIGN RELATIONS

Committee Schedules Pending for this Measure:

Currently, none

All Specified Actions:

06/19/89 -- In The SENATE

Introduced by WILSON, PETE (R-CA)

Referred to SENATE COMMITTEE ON FOREIGN RELATIONS

Full text of measure printed in "Congressional Record" (CR Page S-6901)

Remarks by WILSON, PETE (R-CA) in "Congressional Record" (CR Page S-6902)

Remarks by DODD (D-CT) in "Congressional Record" (CR Page S-6903)

LEGI-SLATE's Subject Keywords for this Measure:

-Armed forces	-Murder; assassination
-Civil rights and liberties	-Nations of the world
+Protests; demonstrations	+People's Republic of China
-Death and dying	-Political affairs
-Diplomatic relations	-Tariffs and duties
-Education personnel	+Generalized System of Preferences
+Students	(GSP)
-Executive Office of the President	-United Nations
-Human rights	
+Political prisoners; dissidents	
+Torture	

Existing Laws Cited in this Measure:

Currently none

Identical or Companion Measures:

000455

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Currently none

Measure Footnote:  
Currently, none

Sponsor Footnote:  
Currently, none

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June 22, 1989



At the request of Mr. Bollman, the names of the Senators from Hawaii (Mr. Tamm, and the Senator from Mississippi (Mr. Tamm) were added to companion of H. R. 131, a bill to authorize appropriations for the Department of Commerce, Technology Administration, to speed the development and application of economically useful technological and for other purposes.

At the request of Mr. Hoover, the name of the Senator from Hawaii (Mr. Katsuhara) was added to a committee of S. 1170, a bill to amend the Federal Aviation Act of 1938 to provide for the establishment of headquarters for the duty time for flight attendants.

[illegible][illegible]

At the request of Mr. Gurnea, the names of the Senator from Alabama (Mr. Smith), the Senator from New York (Mr. Tamm), the Senator from Illinois (Mr. McPherson), and the Senator from Massachusetts (Mr. Brewster) were added to the company of 1001, a list to provide for the giving of medals in commemoration of the Bicentennial of the U. S. Court Guard.

At the request of Mr. Boulton, the names of the Senator from Massachusetts (Mr. Keweenaw), the Senator from Colorado (Mr. Venable), the Senator from Wisconsin (Mr. Root), and the Senator from West Virginia (Mr. Hoar) were added to escape cost of \$1000, a bill to increase public understanding of the national and international and to develop and encourage technical education and training.

[illegible]

noblest (Mr. Lumbard), the Senator  
 from Tennessee (Mr. Gurnea), the Sen-  
 ator from South Carolina (Mr. Mc-  
 Kinnis), the Senator from Colorado  
 (Mr. Winters), the Senator from Ariz-  
 ona (Mr. Bacon), the Senator from Ne-  
 braska (Mr. Dutton), the Senator from  
 Kansas (Mr. Tamm), the Senator  
 from New Jersey (Mr. Graves), the  
 Senator from Connecticut (Mr. Dool),

from Ohio Mr. Murraville, the  
owner of the farm, told, the  
first party to be killed was  
a man named John Murraville,  
a son of the owner, who was  
killed in 1880. The second  
party to be killed was a man  
named John Murraville, a son  
of the owner, who was killed  
in 1881. The third party to be  
killed was a man named John  
Murraville, a son of the owner,  
who was killed in 1882. The  
fourth party to be killed was  
a man named John Murraville,  
a son of the owner, who was  
killed in 1883. The fifth party  
to be killed was a man named  
John Murraville, a son of the  
owner, who was killed in 1884.  
The sixth party to be killed was  
a man named John Murraville,  
a son of the owner, who was  
killed in 1885. The seventh  
party to be killed was a man  
named John Murraville, a son  
of the owner, who was killed  
in 1886. The eighth party to  
be killed was a man named John  
Murraville, a son of the owner,  
who was killed in 1887. The  
ninth party to be killed was a  
man named John Murraville,  
a son of the owner, who was  
killed in 1888. The tenth party  
to be killed was a man named  
John Murraville, a son of the  
owner, who was killed in 1889.  
The eleventh party to be killed  
was a man named John Murraville,  
a son of the owner, who was  
killed in 1890. The twelfth  
party to be killed was a man  
named John Murraville, a son  
of the owner, who was killed  
in 1891. The thirteenth party  
to be killed was a man named  
John Murraville, a son of the  
owner, who was killed in 1892.  
The fourteenth party to be  
killed was a man named John  
Murraville, a son of the owner,  
who was killed in 1893. The  
fifteenth party to be killed was  
a man named John Murraville,  
a son of the owner, who was  
killed in 1894. The sixteenth  
party to be killed was a man  
named John Murraville, a son  
of the owner, who was killed  
in 1895. The seventeenth party  
to be killed was a man named  
John Murraville, a son of the  
owner, who was killed in 1896.  
The eighteenth party to be  
killed was a man named John  
Murraville, a son of the owner,  
who was killed in 1897. The  
nineteenth party to be killed  
was a man named John Murraville,  
a son of the owner, who was  
killed in 1898. The twentieth  
party to be killed was a man  
named John Murraville, a son  
of the owner, who was killed  
in 1899. The twenty-first party  
to be killed was a man named  
John Murraville, a son of the  
owner, who was killed in 1900.

[illegible][illegible][illegible]

At the request of the Congress, the  
of the Congress, from Congress  
[The bill] was added to a co-  
operator of Senate and Judiciary  
to joint resolution to establish March  
29, 1900, as "Greek Independence Day."  
A National Day of Celebration of  
Greece and American Democracy."

[illegible][illegible]

RESTATE CONCURRENTLY  
NOTICE OF VIOLATION OF  
TINCH IN VIOLATION  
MR. TOSTER  
Dated 10/10/50

As the request of Mr. Corman, the  
members of the Senate from Illinois [Mr.  
Seymour] was added to a conference of  
Senate Resolution 186, a resolution of  
expressed the desire of the Senate that  
the Committee on Appropriations

OTHER DOCUMENTS 100

"Guard Auxiliary Day."  
JUNE 23, 1938. H. United States Coast  
186, a joint resolution designating  
resolutions of Senate Joint Resolution  
[Mr. Seymour] was added to a conference of  
Senate Resolution 186, a resolution of  
expressed the desire of the Senate that  
the Committee on Appropriations

At the request of Mr. McIntosh, the names of the Senator from Virginia [Mr. VAHLEN], the Senator from New Jersey [Mr. LAWRENCE], the Senator from Massachusetts [Mr. CHAMBERLAIN], the Senator from Virginia [Mr. ROBERTS], the Senator from Alaska [Mr. MONTGOMERY], the Senator from Indiana [Mr. LUTWILL], the Senator from New Jersey [Mr. BURGESS], and the Senator from California [Mr. CANNON] were read.

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CONGRESSIONAL RECORD — SENATE

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June 19, 1989

people's moral and political solidarity with them;

Whereas officials and agencies of the United Nations have remained silent in the face of the Chinese government's war against its own people;

Resolved by the Senate (the House of Representatives Concurring), That it is the sense of the Congress that—

(1) the Chinese government immediately release all men and women detained for the peaceful exercise of their fundamental human rights;

(2) the Chinese government publicize the names of all citizens arrested in connection with the recent protests as well as the reasons for their detainment so that they will not become the victims of torture or physical abuse while in custody;

(3) the President of the United States clearly inform the Chinese communist leadership that any resumption of normal diplomatic and military relations with China will directly depend on the Beijing government's releasing all those imprisoned for peacefully assembling to express their political beliefs and entering negotiations with leaders of the country's student democratic movement;

(4) the President of the United States publicly declare that he will carefully consider the extent to which the Chinese authorities act to restore basic human rights throughout their nation before he issues the required 1989 certification of China's eligibility to receive Most Favored Nation (MFN) trading status with the United States; and

(5) the United Nations General Assembly and Security Council condemn the repressive actions by the Chinese government and army and urge the communist party to open discussions with representatives of the political opposition.

The Secretary of the Senate shall transmit a copy of this resolution to the President and the Secretary of State immediately upon its passage.

Mr. WILSON. Mr. President, I rise to continue to focus the spotlight of American pressure on the Communist Government of the People's Republic of China for its appalling abuses of basic human rights during the 2 weeks that have followed the Red Army's massacre of students in Tiananmen Square.

Mr. President, Amnesty International and Asia Watch both report that Chinese officials have arrested more than 1,200 people since the suppression of the student democratic movement on June 3. Several of my Chinese-American constituents in California, who have relatives within the People's Republic of China, have told me that eyewitnesses have observed Communist soldiers invade Beijing-area campuses and dormitories, dragging young students away to unreported and unknown fates. Men and women all over China have been handcuffed to trees, stuffed in prisons and, tragically, many stacked in the morgue.

Though police now have infested neighborhoods, a Stalinist-style telephone hotline has been provided to government informants so that they may expose dissenters. At least 11 civilians in Beijing and Shanghai have received death sentences during the past 7 days. In the meantime, Mr. President, with the sickening smell of

bloodshed and the acrid fragrance of gunpowder still hanging heavy in the Beijing air, the Chinese Government continues the technique of the big lie. A spokesman smiling benignly at Tom Brokaw on Friday night denied that anyone had been crushed or anyone killed in Tiananmen Square.

As a result of this ongoing terror and the effort to shroud it from the world, by this truly Orwellian distortion, I am submitting a concurrent resolution to document the most repressive activities of the Chinese Government since the June 3 massacre and calling upon the Communist authorities to release all innocent civilians from imprisonment, as well as to publicize the names of those that they are holding and the reasons for their detention.

This concurrent resolution also urges the President to carefully consider the extent to which the Chinese authorities act to restore basic human rights before he certifies later this year that China can receive most-favored-nation trading status with the United States. Furthermore, it demands that the United Nations end its shameful silence on this tragic, tragic, and inexcusable repression of basic human rights.

In 1980 the President exercised his authority, under the Jackson-Vannick provision of Public Law 93-618, to grant China a waiver to the Trade Agreements Extension Act of 1951, denying all nonmarket countries most-favored-nation trading status with the United States. Although the Jackson-Vannick amendment permits the granting of this waiver if the country in question allows its citizens the right to emigrate, it also requires that the President ensure that our trade policies with totalitarian governments emphasize "the continued dedication of the United States to fundamental human rights."

China, Mr. President, received its waiver not because of its specific immigration policies, but as a result of a section of the Jackson-Vannick legislation giving the President authority to confer most-favored-nation status, if such an action "would substantially promote the policy objectives of the statute, including the general proposition of human rights."

It remains clear, therefore, that at least the spirit, if not the letter, of existing law requires that the President consider a Communist nation's broader human rights record in determining whether to grant preferential treatment. But aside from the legal authority, we have the moral obligation to promote ideals, as well as interests, in the execution of American foreign policy.

If the President publicly states, as this concurrent resolution urges, that he will monitor Beijing's progress in restoring civil liberties as part of the process for his deciding on a renewal of China's most-favored-nation status, the Communist leadership will get a

clear and early signal of America's intention not to apply the gentle rules of diplomacy to dictators who murder their own people.

We have seen in the history of the Jackson-Vannick legislation that the pressure that it brought to bear upon the Soviet leadership did, over a period of years, finally contribute to the relaxation of immigration standards that allow its Soviet Jewry and other persecuted minorities to leave the Soviet Union to travel to the United States, to Israel.

Moreover, I am convinced in my own mind it was part of the great public pressure that has led to whatever change seems to be occurring now in terms of a hoped-for democratization of the Soviet Union. But the United Nations, Mr. President, has adopted the even more gentle and abhorrent policy of silence. Its silence speaks volumes.

The General Assembly has not even given an indication of when it will meet to consider a resolution condemning the repression of the Chinese Government.

If this organization truly wishes to escape from the stigma of hypocrisy and cowardice, if it is at all sensitive to the charge that it imposes a double standard, one upon dictatorships and a far more stringent standard upon those nations that aspire to be described as democracies, it will put the power of the international diplomatic community behind the force of liberation and democracy in China.

The students of Tiananmen Square have shown that tanks and truncheons cannot bury the hopes for freedom that burn in the hearts of millions of courageous Chinese. From Beijing to Tibet, youngsters, workers, mothers, and monks all have taken a bold stand for liberty and pluralism before the gun barrels of the world's largest Communist power. Their voices heralded the promise of a new China where the old but enduring traditions of accountability from government, intimate families, free expression, and open markets can once again be not just a fond hope, but a realistic one for China. These voices have been shamefully suppressed. So now the obligation remains with us who are free not simply to enjoy our freedom in isolation, but instead to speak out and to tell the world that the proud people of China can and should be free as well. This resolution takes a modest step, but a necessary one in that direction. Let us too be accounted as part of that group who are simply too silent, too unconcerned with what has happened there to care. We need it and I ask my colleagues from both parties to enthusiastically support it.

The people of the United States I am convinced do not wish us to sit silent in the face of this kind of repression.

The world has grown much smaller since World War II. We are today





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LEGI-SLATE Report for the 101st Congress

Thu, June 22, 1989 12:03pm (EDT)  
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Report for S.C.R.27 Resolution Relating to the Establishment of a Pacific  
Basin Forum  
As Introduced in the Senate  
Complete Text of this version

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101st CONGRESS  
1st Session

II

S. CON. RES. 27  
Relating to the establishment of a Pacific Basin Forum.

-----  
IN THE SENATE OF THE UNITED STATES  
April 13 (legislative day, January 3), 1989  
Mr. Cranston (for himself, Mr. Lugar, Mr. Dodd, Mr. Murkowski, and Mr.  
Bradley) submitted the following concurrent resolution; which was referred  
to the Committee on Foreign Relations

-----  
CONCURRENT RESOLUTION  
Relating to the establishment of a Pacific Basin Forum.

=====

Whereas the growing importance of United States economic, diplomatic, and  
security relations with the nations of the Pacific Basin presents new  
opportunities for American initiatives in the Pacific Century ahead;

Whereas unprecedented economic growth in East Asia is promoting  
prosperity, while introducing new trade tensions into crucial bilateral  
relationships;

Whereas encouraging economic developments have spurred constructive moves  
to allow more democratic freedoms in several East Asian nations;

Whereas East Asia remains the site of significant regional conflicts which  
would greatly benefit from a broader dialogue on confidence-building measures;  
and

Whereas new diplomatic initiatives in East Asia by such regional powers as  
South Korea, Japan, Indonesia, the People's Republic of China, and the Soviet  
Union require a thoughtful American response, carefully coordinated with  
friendly nations in the Pacific Basin: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That--

1. the Congress hereby finds and declares that it is in the interest of  
the United States to pursue the establishment of a Pacific Basin Forum for

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Page 2

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region;

2. in seeking the establishment of a Pacific Basin Forum, the United States shall encourage the exchange of proposals to promote free trade and economic development, and reduce military tensions in the region; and

3. the President is urged to issue a call for the convening of an annual summit meeting with the leaders of key Pacific Rim nations. This group should have the broadest possible composition to facilitate dialogue on issues of mutual concern.

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Rec'd BICO June 13/91

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Vol 23

**ACTION**  
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FM WSHDC UNGR0398 20JUN89

TO EXTOTT PNR DELIVER BY 210730

INFO CRCAS/MINDEL DELIVER BY 210730 PCOOTT/HEBERT PEKIN

DISTR PGB PND UGB URD URR USS DMC MINA

---CHINA:STATEMENT BY WHITE HOUSE 20JUN

FOLLOWING IS 20JUN STATEMENT BY WHITE HOUSE PRESS SECTY WHICH  
UNDER SECTY OF STATE KIMMITT PASSED TO AMB TODAY

QUOTE

STATEMENT BY PRESS SECRETARY

THE PRESIDENT TODAY DIRECTED THAT THE UNITED STATES GOVERNMENT  
SUSPEND PARTICIPATION IN ALL HIGH-LEVEL EXCHANGES OF GOVERNMENT  
OFFICIALS WITH THE PEOPLES REPUBLIC OF CHINA, IN ADDITION TO THE  
SUSPENSION OF MILITARY EXCHANGES PREVIOUSLY ANNOUNCED. THIS  
ACTION IS BEING TAKEN IN RESPONSE TO THE WAVE OF VIOLENCE AND  
REPRISALS BY THE CHINESE AUTHORITIES AGAINST THOSE WHO HAVE  
CALLED FOR DEMOCRACY. THE U.S. HAS SUPPORTED THE LEGITIMATE  
DEMOCRATIC ASPIRATIONS FOR FREEDOM OF PEOPLES THROUGHOUT THE  
WORLD. THE U.S. WILL CONTINUE TO VOICE ITS CONCERN AND ITS  
SUPPORT FOR THESE ASPIRATIONS.

THE U.S. HOPES THAT THE CURRENT TRAGEDY IN CHINA BE BROUGHT TO A  
PEACEFUL END AND THAT DIALOGUE WILL REPLACE THE ATMOSPHERE OF

...2

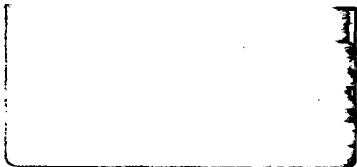
PAGE TWO UNGR0398 UNCLAS

SUSPICION AND REPRISAL. CHINA IS AN IMPORTANT STATE WITH WHICH WE HOPE TO CONTINUE PRODUCTIVE RELATIONS.

IN ADDITION TO THE BAN ON EXCHANGE, THE U.S. WILL SEEK TO POSTPONE CONSIDERATION OF NEW INTERNATIONAL FINANCIAL INSTITUTIONS LOANS TO CHINA. THE SITUATION IN CHINA IS OF INTERNATIONAL CONCERN AS WITNESSED BY THE VARIETY OF VOICES THAT HAVE SPOKEN UP ON THE ISSUE. WE URGE CONTINUED INTERNATIONAL EXPRESSIONS OF CONCERN.

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**ACTION  
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**CDN EYES ONLY  
ENTRE CDNS SEULEMENT**

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*BW*

C O N F I D E N T I A L CDN EYES ONLY

FM WSHDC UNGR1188 20JUN89

TO EXTOTT/PNR

DELIVER BY 201730

INFO CRCAS/MINDEL

DELIVER BY 201730

PMOOTT/HARTT PCOOTT/HEBERT

PEKIN

DISTR MINA USS DMC PGB PND

---U.S. POLICY ON CHINA

SUMMARY: U.S. IS HOPING TO BE ABLE TO AVOID TAKING ADDITIONAL MEASURES AGAINST CHINA, BUT IF SITUATION DETERIORATES FURTHER IT HAS A LIST OF OPTIONS READY TO CHOOSE FROM. KIMMITT HAS TOLD BURNEY ADMIN WILL ADVISE US IN ADVANCE OF IMPOSING NEW SANCTIONS. IN MEANTIME, ADMIN HAS CALLED IN CHINESE AMB TO DEPLORE DEATH SENTENCES HANDED OUT IN BEIJING AND SHANGHAI, AND TO APPEAL FOR CLEMENCY QUOTE IN SPIRIT OF COUNTRY WHICH HAS WORKED FOR TWO DECADES TO IMPROVE RELATIONS WITH CHINA UNQUOTE.

2. REPORT: VIEW IN NSC AND STATE IS THAT CONSERVATIVE FORCES IN CHINA ARE LIKELY TO PREVAIL FOR MANY MONTHS, PERHAPS EVEN A YEAR OR TWO, AND THAT USA CAN DO LITTLE TO AMELIORATE CONDITIONS IN CHINA. BUT THERE IS CONCERN THAT IMPOSITION OF ADDITIONAL SANCTIONS COULD MAKE SITU WORSE AND THAT EFFORT SHOULD BE MADE TO PRESERVE MAIN ELEMENTS OF USA/CHINA RELATIONSHIP DEVELOPED OVER LAST DECADE, TOWARDS DAY WHEN MORE MODERATE REGIME TAKES OVER IN BEIJING. HENCE THERE IS

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Division Phoned

Person

Local Time

*PNR*  
*No reply*  
*1737*

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RELUCTANCE TO RESPOND TO CONGRESSIONAL CALLS FOR MORE ROBUST  
U.S. POSTURE.

3. ADMIN IS AWARE, HOWEVER, THAT EVENTS IN CHINA COULD FORCE  
ITS HAND. PEOPLE ARE HESITANT TO SPECULATE ON WHAT MIGHT  
TRIGGER NEW MEASURES, BUT EXECUTION OF DEMONSTRATORS IS  
FREQUENTLY MENTIONED DEVELOPMENT TO WHICH ADMIN COULD NOT/NOT  
FAIL TO REACT, WHATEVER LONGER TERM GEOSTRATEGIC  
CONSIDERATIONS MIGHT DICTATE.

4. IN THAT CASE, CHINA DIRECTOR IN NSC TOLD US (IN CONFIDENCE)  
YESTERDAY THAT FLWING STEPS WERE BEING CONSIDERED, IN  
DESCENDING ORDER OF IMPORTANCE:

(A) DENIAL OF SEVERAL HUNDRED MILLION DOLLARS WORTH OF CHINESE  
LOAN APPLICATIONS LODGED WITH INTERNATIONAL FINANCIAL  
INSTITUTIONS (DUE FOR CONSIDERATION WITHIN NEXT TWO WEEK)

(B) CESSATION OF EXIM BANK EXPORT INSURANCE FOR CURRENT AND  
NEW BUSINESS

(C) CANCELLATION OF PERMITS FOR HUGHES CORP TO USE CHINESE  
ROCKETS TO LAUNCH THREE COMMUNICATION SATELLITES (ONE  
AUSTRALIAN, TWO FOR ASEAN), CONTRACT VALUED AT DLRS 140  
MILLION.

(D) WITHDRAWAL OF MFN STATUS

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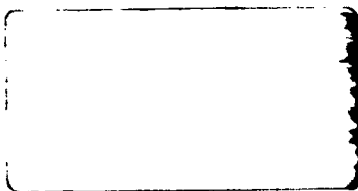
PAGE THREE UNGR1188 CONF CDN EYES ONLY

(E) SUSPENSION OF NEGOTIATIONS ON RENEWAL OF CHINESE TEXTILE  
QUOTAS

(F) INTERRUPTION OF SOME/ALL USA/CHINA EXCHANGE AGMTS

5.NSC CONTACT ACKNOWLEDGED DESIRABILITY OF COORDINATED  
WESTERN RESPONSE TO CHINA,WITHOUT U.S. NECESSARILY ALWAYS  
BEING IN LEAD,AND COMMENDED CDN GOVTS ACTION.BUT HE WAS  
NOT/NOT SANGUINE ADMIN WOULD BE ABLE TO GIVE ALLIES VERY MUCH  
ADVANCE NOTICE IF/WHEN EVENTS DICTATE NEED FOR ADDITIONAL U.S.  
MEASURE.HOWEVER,UNDERSECTY FOR POLITICAL AFFAIRS ROBERT  
KIMMITT TOLD BURNEY YESTERDAY THAT WE WOULD BE ADVISED IN  
ADVANCE OF ANY ANNOUNCEMENT OF NEW AMERICAN SANCTIONS.

CCC/095 202039Z UNGR1188





**ACTION**  
**SUITE A DONNER**

UNCLASSIFIED

FM WSHDC UNGR1189 20JUN89

TO EXTOTT/ PNR DELIVER BY 201800

INFO CRCAS/MINDEL DELIVER BY 201800 PMOOTT/HARTT PCOOTT/HEBERT  
PEKIN

DISTR MINA USS DMC/PGB PND

REF OURTEL UNGR1188 20JUN

---U.S. POLICY ON CHINA

FOLLOWING IS THE TEXT OF STATEMENT MADE BY WHITE HOUSE

SPOKESMAN MARLIN FITZWATER TODAY:

QUOTE YESTERDAY AFTERNOON, PRESIDENT BUSH DIRECTED THE DEPT OF  
STATE, ON BEHALF OF THE U.S. GOVT, TO DEPLORE THE DEATH  
SENTENCES HANDED DOWN IN SHANGHAI AND BEIJING AND TO APPEAL  
FOR CLEMENCY IN THESE CASES.

2. LAST EVENING, THE STATE DEPT CALLED IN CHINA AMBASSADOR HAN  
XU TO EXPRESS THE STRONG U.S. POSN. THIS DEMARCHE WAS  
DELIVERED ON BEHALF OF THE U.S. BY ACTING ASST SECTY OF STATE  
WILLIAM CLARKE.

3. THE U.S. RAISED THIS SUBJECT IN THE SPIRIT OF A COUNTRY  
THAT HAS WORKED WITH CHINA OVER THE PAST TWO DECADES TO  
IMPROVE RELNS. BUT WE BELIEVE THAT HUMAN RIGHTS ARE UNIVERSAL  
AND OUR DUTY TO COMMENT ON THEM IS GREAT. WE URGE THE LEADERS

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Person Phoned \_\_\_\_\_

Person \_\_\_\_\_

Local Time 201915 \_\_\_\_\_

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by PNR officer - file

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PAGE TWO UNGR1189 UNCLAS

OF THE PEOPLES REPUBLIC OF CHINA TO SHOW CLEMENCY AND TO USE THEIR POWERS TO PARDON THOSE WHO WERE ARRESTED IN THE DEMONSTRATION FOR DEMOCRACY. SENTENCES OF DEATH IN SHANGHAI AND BEIJING COULD ONLY DEEPEN THE WOUNDS OF THE PAST FEW WEEKS.

4. LAST FRIDAY, THE U.S. DEPLORED THE REPRISALS TAKING PLACE IN CHINA. WE SAID THEN THAT WE BELIEVE DIALOGUE AND REFORM, NOT/NOT ARRESTS AND SHOW TRIALS, ARE THE ROUTE WHICH OFFERS THE BEST HOPE FOR A RETURN TO STABILITY IN CHINA. SINCE THEN, OTHER NATIONS OF THE WORLD HAVE SIMILARLY EXPRESSED THEIR CONCERN AND APPEALED FOR CLEMENCY OF THE SENTENCES. WE ARE PLEASED TO SEE THIS GROWING CHORUS OF VOICES BEING RAISED ON BEHALF OF HUMAN RIGHTS IN CHINA. HUMAN RIGHTS CONSTITUTE AN IMPORTANT PRINCIPLE BY WHICH THE U.S. JUDGES ITS RELNS WITH ALL NATIONS OF THE WORLD UNQUOTE.

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**ACTION**  
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REF OURTEL UNGR1188 20JUN UNGR1189 20JUN

---U.S. POLICY ON CHINA: BAKER MEASURES

DURING CONGRESSIONAL TESTIMONY TODAY, SECTY BAKER SAID HE HAD  
RECOMMENDED TO PRESIDENT SUSPENSION OF SENIOR NON-MILITARY  
EXCHANGES WITH CHINA, WHICH WOULD RESULT INTER ALIA IN  
CANCELLATION OF COMMERCE SECTY MOSBACHERS VISIT TO PEKING  
10JUL.

2. IN ADDITION, BAKER SAID USA WOULD BE ATTEMPTING TO SECURE  
POSTPONEMENT OF CONSIDERATION BY INTERNATIONAL FINANCIAL  
INSTITUTIONS OF CHINESE LOAN APPLICATIONS QUOTE AT LEAST FOR  
TIME BEING UNQUOTE.

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THE WALL STREET JOURNAL TUESDAY, JUNE 13, 1989

# U.S. Embassy Makes a Risky Refuge

By DAVID J. SCHEFFER

The U.S. and China are heading toward a deepening rupture in relations over the fate of two prominent dissidents who represent the beliefs of the Chinese students and workers massacred in Beijing this month. At center stage is international law.

Fearing for their safety, Fang Lizhi, an astrophysicist and leading advocate for nonviolent democratic change in China, and his wife, Li Shuxian, a physicist and fellow dissident, have been granted sanctuary at the U.S. embassy in Beijing.

Over the weekend, U.S. ambassador James Lilley extended an offer of temporary refuge to the student leaders being tracked down by Chinese authorities. These actions promise to be more effective in condemning the criminal atrocities of the Chinese army than the cutoff of U.S. military aid. They also pose grave risks.

## Two Principles

Chinese government authorities are in hot pursuit of Mr. Fang and Miss Li, with an arrest warrant accusing them of counterrevolutionary activities. But Mr. Fang and Miss Li are protected by two legal principles: the inviolability of embassy premises and the right of embassy officials to grant temporary refuge there for persons in immediate physical danger. At his press conference Thursday, President Bush declared that the U.S. had "acted in compliance with international law, as an extraordinary measure for humanitarian reasons."

The Chinese government vigorously protests the U.S. Embassy's actions. Its words mirror Article 41 of the Vienna Convention on Diplomatic Relations, which imposes a duty on diplomats "not to interfere in the internal affairs" of the host country. Nor may the premises of a diplomatic mission "be used in any manner incompatible" with the mission's designated functions under the treaty or with "general international law."

If Mr. Deng's lieutenants had arrived at the American Embassy gates with clean hands, their protests might have deserved a serious hearing. But the government's assault, which continues, on the human rights of thousands of Chinese citizens also means something under international law. Since World War II, the internal affairs of nations have fallen increasingly into the legitimate domain of universal human rights principles, most of which have been codified in global treaties. Regardless of its opinion about these rules of conduct, the Chinese government remains accountable under international law for violating those principles.

The U.S. and China both oppose granting asylum—meaning permanent sanctuary—to political refugees at their embassies and consulates and on their military vessels and aircraft. Although this practice of diplomatic asylum has been embraced by some Latin America countries, it is not a general rule of international law and appears nowhere in the Vienna Convention.

U.S. officials fear that if they started to grant diplomatic asylum overseas the way they grant territorial asylum to refugees who reach the borders of the U.S., then American embassies would become magnets for countless numbers of political ref-

ugees. Diplomatic relations with host countries would collapse under the weight of problems generated by the harboring (and necessary rejection) of so many persecuted people.

But the right to grant temporary refuge to individuals for dire humanitarian reasons is firmly embedded in U.S. and international practice. In recent years, the U.S. granted temporary refuge for 400 Cubans at the U.S. Interests section of the Swiss embassy in Havana. The American embassy in Addis Ababa, Ethiopia, gave sanctuary to two Cuban soldiers. The U.S. embassy in Kabul, Afghanistan, harbored a fleeing Soviet soldier. In Bucharest, Ro-

manian dissidents were granted sanctuary in the American embassy.

At the West German embassy in Pretoria, South Africa, a few months ago, four black political fugitives found temporary refuge and returned to the streets with guarantees for their freedom. Similar incidents have occurred recently at the U.S. consulate in Johannesburg and the British Embassy in Pretoria.

Sometimes "temporary refuge" looks like diplomatic asylum. During the 1956 Hungarian uprising, in circumstances similar to Mr. Fang's, Jozsef Cardinal Mindszenty fled for the safety of the U.S. legation in Budapest. He stayed there for 15

years until he was permitted to leave Hungary to take up residence in the Vatican. From 1978 to 1983 a group of Soviet Pentecostals, persecuted and denied the rights to practice their religion or to emigrate, were granted sanctuary in the U.S. embassy in Moscow. They finally left for their Siberian hometown after the State Department reportedly received private assurances that they would be allowed to leave the Soviet Union. Shortly thereafter, the Pentecostals emigrated.

Normally, however, a political refugee's stay on embassy grounds extends only for the period during which active danger continues. The refugee has to leave the embassy, according to State Department rules, "on receipt of satisfactory assurances from the established national government that the refugee's personal safety is guaranteed against lawless or arbitrary actions and that the refugee will be accorded due process of law." Other Western countries follow similar guidelines.

For the time being, Chinese officials cannot satisfy these requirements, regardless of what they may say to U.S. officials. The regime continues to act lawlessly and arbitrarily. The first casualty in Tiananmen Square was due process of law. The crackdown on student and labor leaders has intensified and spread to other Chinese cities. Mr. Fang and Miss Li would be lucky to avoid summary execution if they were pushed out the door of the Embassy.

The U.S. Embassy's defiance shames and embarrasses the Chinese government. But it is not powerless. It could stick to its perverse claims about international law; declare the U.S. Embassy staff persona non grata, and expel them.

Chinese troops now surround the U.S. Embassy and patrol other embassies in Beijing, resurrecting images of the Boxer Rebellion of 1900, when foreign legations were besieged for two months. Although it is inconceivable that the Chinese army would occupy the U.S. Embassy in the same manner as the Iranians seized the American Embassy in Tehran in 1979, the inviolability of embassy premises appears increasingly at risk. The safety of Mr. Fang and Miss Li is by no means assured.

## A Way Out

The more the Chinese government condemns Mr. Fang and Miss Li and insists on apprehending them, the stronger will be the U.S. case to protect them and any endangered student leaders who reach embassy grounds. Is there no way out?

The United Nations High Commissioner for Refugees has a branch office in Beijing. A magnanimous Chinese government could agree to permit Mr. Fang, Miss Li and an agreed number of student leaders to leave China in the custody of UNHCR officials.

This possibility, however, is unlikely in the near future. The stand-off will continue, pitting Mr. Fang and Miss Li, whose only shield is international law, against the unpredictable power of a corrupt government.

Mr. Scheffer is a member of an association of the Foreign Press in Washington.

## Fang Lizhi, in His Own Words

The following are excerpts of an exclusive Associated Press interview with dissident Fang Lizhi conducted in English at his Beijing apartment June 2, just days before he sought protection at the U.S. Embassy.

The interview was conducted after the declaration of martial law in Beijing to quell a public uprising for a freer society and one day before the People's Liberation Army indiscriminately fired on pro-democracy demonstrators.

Q: What is your assessment of events in China now?

A: These events are very important. This is the first time students, intellectuals and ordinary people know they have the right to criticize the government. That has never happened before.

Q: Were you surprised by the number of people who joined the protest?

A: Yes, I only expected students and intellectuals and a few workers, but I was very surprised there were so many ordinary people [who] joined. That means they've already approached that stage where the people demand political reforms.

Q: What about the immediate effect?

A: In the short term, I don't think we can easily change a lot. Maybe to change a small step is possible. For instance, this time we can get a little bit of freedom of the press.

Q: What do you think will happen in the long term?

A: In the long term, we need the older generation of the leadership to go, like [senior leader] Deng [Xiaoping]. If they leave, the situation will be better. More democracy.

Q: At a government demonstration two days ago they burned you in effigy. What is your reaction?

A: (Laughs) For me personally, it's a joke. But I should say the government doing that is something like 20 years ago [when] Mao [Tse-tung] set out the Red Guard. That is dangerous.

You know, somebody asked me about my safety. I think it's about half-half. If the government organizes something like the Red Guards, then I'm in danger.

Q: Are you worried about that?

A: Yeah, maybe, but I don't think this time will be as easy as Mao's time.

Q: Why have you been quiet during the demonstrations?

A: Even if I keep quiet the government

still says I'm the head of the ... demonstrations. If I join the student demonstrations, the government can very easily say this demonstration is organized by Professor Fang. Because [Chinese leaders say] only very few persons like Professor Fang demand democracy, demand human rights.

Q: The government has indicated you are behind the demonstrations. Is this true or false?

A: False. I'm never involved in the organization. Of course, I have a very strong influence spiritually. You know, some student leaders before the demonstrations often came here. Since the hunger strike [that began May 13] they've never been here. The students know I completely support them, but they don't want to show some connection.

Q: Are you concerned another crackdown on intellectuals is coming?

A: Yes. Deng and other leaders always want to crack down on liberal intellectuals.

Q: Has there been any pressure on you from authorities?

A: No direct pressure.

Q: How about indirect pressure?

A: Last week I visited Shaanxi province for a meeting. The security members watched me very closely. If I took a car, two cars followed. If I took a bus, two cars followed. Even if I went sightseeing, many security members followed. I'm very honored. (Laughs).

Q: Are you afraid you'll be arrested before this is over?

A: Yes, I just mentioned a half-half [possibility].

Q: Are you pessimistic or optimistic about China's political future?

A: Long term, I'm still optimistic. I think at least after the older generation leaves it will get better.

Q: Do you think Deng Xiaoping has lost prestige because of the way this has been handled?

A: He's also near his finish. He already lost his face.



Fang Lizhi

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---CHINA:POSSIBLE ADDITIONAL USA MEASURES

SUMMARY:ADMIN HAS NO/NO INTENTION AT PRESENT OF DECLARING CHINA IN  
GROSS AND PERSISTENT VIOLATION OF HUMAN RIGHTS.WERE IT TO DO SO,  
A RANGE OF SANCTIONS MANDATED BY USA CONGRESS WOULD AUTOMATICALLY  
HAVE TO BE APPLIED WHETHER ADMIN THOUGHT THEY WERE APPROPRIATE OR  
NOT/NOT.MOREOVER,SANCTIONS COULD NOT/NOT BE LIFTED UNTIL CONGRESS  
AGREED.HENCE ADMIN WOULD IN EFFECT BE TYING ITS OWN HANDS WITH  
RESPECT TO CHINA POLICY AND ENDING ANY POSSIBILITY OF USING FLEXIBLE  
RESPONSE TO ENCOURAGE POSITIVE BEHAVIOUR.

2.REPORT:WE FOLLOWED UP ON REFTTEL WITH REGIONAL HUMAN RIGHTS OFFICER  
RESPONSIBLE FOR ASIA AND PACIFIC WHO ATTENDED MTG CALLED BY ASST  
SECTY SCHIFTER LAST WEEK.INTERLOCUTOR TOOK GREAT PAINS TO EMPHASIZE  
THAT SCHIFTER HAD NOT/NOT REALLY INTENDED TO SUGGEST THAT ADMIN  
COULD BE REQUIRED BY USA LAW TO IMPOSE ADDITIONAL SANCTIONS AGAINST  
CHINA.RANGE OF SANCTIONS MANDATED BY VARIOUS LAWS WOULD APPLY ONLY

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PAGE TWO UNGR2133 CONF

IF PRESIDENT DETERMINED CHINA WAS A COUNTRY INVOLVED IN A QUOTE  
GROSS AND CONSISTENT PATTERN OF HUMAN RIGHTS VIOLATIONS UNQUOTE.

3. TO DATE, ACCORDING TO INTERLOCUTOR, USA HAS NEVER DESIGNATED ANY  
COUNTRY A GROSS HUMAN RIGHTS VIOLATOR, AND NO/NO ADMIN WOULD  
WILLINGLY DO SO AS IT WOULD TIE ITS OWN HANDS IN CONDUCT OF POLICY  
WITH RESPECT TO VIOLATING COUNTRY. NOT/NOT ONLY WOULD ADMIN BE FORCED  
TO AUTOMATICALLY APPLY A RANGE OF SANCTIONS MANDATED BY CONGRESS,  
BUT IT WOULD BE UNABLE TO LIFT THEM UNTIL SUCH TIME AS CONGRESS  
AGREED. PRESIDENT QUITE NATURALLY, THEREFORE, HAS OPTED FOR MORE  
FLEXIBLE APPROACH OF CHOOSING SPECIFIC SANCTIONS THAT GIVES ADMIN  
ABILITY TO APPLY AND LIFT MEASURES IN ACCORDANCE WITH ITS  
ASSESSMENT OF WHAT CIRCUMSTANCES REQUIRE.

5. AREAS IN WHICH USA WOULD BE BOUND BY LAW TO TAKE ACTION IF CHINA  
(OR ANY OTHER COUNTRY) WERE DETERMINED TO BE GROSS AND CONSISTENT  
VIOLATOR OF HUMAN RIGHTS INCLUDE:

-SECTION 402 OF TRADE ACT OF 1974 (JACKSON/VANIK AMENDMENT) WHICH  
REQUIRES ANY TRADING PARTNER GIVEN MFN STATUS TO HAVE AN OPEN  
EMIGRATION POLICY. WHILE ORIGINALLY AIMED AT ENCOURAGING JEWISH  
EMIGRATION FROM USSR, CONGRESS HAS IN RECENT YEARS BROADENED  
APPLICATION IN PRACTICE TO INCLUDE HUMAN RIGHTS. DETERMINATION OF  
GROSS VIOLATION WOULD ALMOST CERTAINLY RESULT IN CONGRESS REVOKING  
MFN STATUS FOR CHINA DESPITE FACT THAT COUNTRY HAS RELATIVELY  
LIBERAL EMIGRATION POLICY.

-SECT 502(6) FOREIGN ASSISTANCE ACT WHICH GOVERNS SECURITY

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ASSISTANCE.ADMIN HAS TAKEN ACTION ON SECURITY ASSISTANCE WITHOUT FORMALLY INVOKING THIS SECTION OR DETERMINING CHINA IN GROSS VIOLATION OF HUMAN RIGHTS.

-SECT 6(I)EXPORT ADMIN ACT WHICH GOVERNS EXPORT OF CRIME CONTROL EQPT SUCH AS ELECTRIC SHOCK BATONS,RUBBER BULLETS AND TEAR GAS.ADMIN WOULD NOT/NOT PROVIDE NECESSARY LICENSES FOR EXPORT OF SUCH EQPT TO CHINA GIVEN PRESENT CIRCUMSTANCES.NO/NO FORMAL ACTION HAS BEEN TAKEN.

-SECT 112 OF THE AGRICL TRADE AND ASSISTANCE ACT 1954 WHICH GOVERNS FOOD AND COMMODITY EXPORTS UNDER PL 480.IT IS NOT/NOT APPLICABLE TO CHINA.

-SECT 2(6)(1)(B) EXPORT IMPORT BANK ACT OF 1945 WHICH ALLOWS FOR DENIAL OF GOVT-TO-GOVT OR EXPORT/IMPORT BANK GUARANTEES OR LOANS IN CASES OF HUMAN RIGHTS VIOLATIONS.

-SECT 239(1)FOREIGN ASSISTANCE ACT WHICH REQUIRES OVERSEAS PRIVATE INVESTMENT CORPORATION TO TAKE HUMAN RIGHTS INTO ACCOUNT WHEN DECIDING ON ENSURING AN INVESTMENT IN A PARTICULAR COUNTRY.NOTHING HAS BEEN DONE UNDER THIS HEADING BUT PRIVATE SECTOR CLEARLY WILL NOT/NOT BE CONTEMPLATING INVESTING UNTIL CHINA RETURNS TO MORE FORMAL SITUATION.

-SECTION 701(F)INNATL FINANCIAL INSTITUTIONS ACT WHICH REQUIRES THE STATE DEPT TO PROVIDE TREASURY DEPT WITH ADVICE ON HUMAN RIGHTS SITUATION WHEN INNATL INSTITUTIONS ARE CONSIDERING LOANS.

DETERMINATION OF GROSS VIOLATION WOULD REQUIRE USA TO VOTE AGAINST

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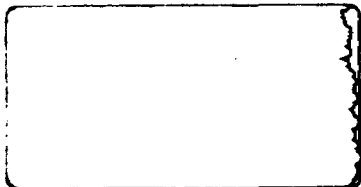
PAGE FOUR UNGR2133 CONFD

SUCH LOANS.

6.OTHER THAN THAT WHICH HAS BEEN NOTED ABOVE,ADMIN IS OBVIOUSLY  
CONTINUING TO KEEP ITS OPTIONS OPEN AND WOULD,WE BELIEVE,STRONGLY  
OPPOSE PRESSURE TO HAVE PRESIDENT DECLARE CHINA IN GROSS AND  
CONSISTENT VIOLATION OF HUMAN RIGHTS.

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PRGUE PMOOTT/HEBERT PCOOTT/IAC CIDAULL ESC TT NTHQOTT/DIPOL/ DE CAF  
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RBD RER CPD CPP IFEC IDR IDD

---CHINA AND HUMAN RIGHTS-USA POLICY OPTIONS

SUMMARY:STATE DEPT IS PREPARING GRADUATED LIST OF OPTIONAL MEASURES  
ADMIN COULD INVOKE SHOULD REPRESSION IN CHINA WORSEN.PRES BUSH WANTS  
TO BE OUT IN FRONT OF PUBLIC AND CONGRESS IN SENSE OF HAVING SUCH  
A LIST AT THE READY.TO HELP HIM DEFLECT PRESSURES FOR HARSHER  
ACTIONS SUCH AS SEVERANCE OF DIPLO RELS,AS ADVOCATED BY SOME  
CONGRESSIONAL CRITICS.

2.MEASURES CONSIDERED TO DATE GO BEYOND ALREADY INVOKED CESSATION OF  
MILITARY VISITS AND COOPERATION BUT ARE GRADUATED TO AVOID DRAMATIC  
MEASURES THAT COULD LEAD TO CHINESE OVERREACTION AND A SENSE IN  
PEKING THAT THERE WAS NOTHING OF BILATERAL RELATIONSHIP LEFT TO LOSE.  
OPTIONS INCL COORDINATED(WITH ALLIES)DEFERRAL OF MULTILATERAL LOANS,  
DENIAL OF EXIM BANK AND OPIC INSURANCE FOR NEW CONTRACTS AND  
DELAYING IMPLEMENTATION OF LOW PROFILE BILATERAL AGREEMENTS.

REPORT:

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PAGE TWO UNGR0483 CONF

3. IN VIEW OF CURRENT INTENSE PUBLIC AND CONGRESSIONAL INTEREST IN HUMAN RIGHTS SITU IN CHINA AND PRESSURES ON ADMIN THAT DERIVE THEREFROM, WE OBTAINED UPDATE OF USA THINKING FM ASIA REGIONAL DESK IN STATE DEPT OFFICE OF MULTILATERAL AFFAIRS AND HUMAN RIGHTS PROGRAMS. STATE DEPT IS CURRENTLY WORKING UP A LIST OF GRADUATED OPTIONS FOR CONSIDERATION BY PRESIDENT SHOULD REPRESSION IN CHINA CONTINUE TO ESCALATE. NO/NO DECISION TO IMPLEMENT MEASURES THAT GO BEYOND ALREADY ANNOUNCED SUSPENSION OF DEFENCE COOPERATION HAS YET BEEN MADE. PRESIDENT WILL BE FOCAL POINT OF CHINA POLICY AND WILL DECIDE WHETHER, WHEN AND EXTENT OF FURTHER MEASURES.

4. LIST WILL COMPRISE:

A) CURTAILMENT OF HIGH LEVEL VISITS, COMMERCE SEC MOSSBACHER VISIT SCHEDULED FOR JUL ALREADY SCRUBBED IN VIEW OF SECURITY/POLITICAL SITU;

E) SUSPENSION OF USA EFFORT TO LIBERALIZE APPLICATION OF COCOM REGIME TO CHINA. INTERLOCUTOR TOLD US DUTCH AND DANES HAD ALREADY APPROACHED USA ON THIS SUBJ;

C) DEFERRAL OF ALL LARGE LOANS TO CHINA CURRENTLY UNDER CONSIDERATION BY ADB AND IBRD. ALLIES SUCH AS CDA, JPN AND EEC COUNTRIES WOULD BE FULLY CONSULTED PRIOR TO ANY PUBLIC PROPOSAL;

D) FILATERALLY, EXIM BANK AND OVERSEAS PRIVATE INVESTMENT CORP (CPIC) COULD DEFER CONSIDERATION OF CURRENT PROPOSALS AND ENTERTAIN NO/NO NEW ONES;

PAGE THREE UNGR0483 CONFD

E)USA COULD CONSULT ALLIES CURRENTLY SUPPORTIVE OF PRC ACCESSION TO GATT.OBJECTIVE WOULD BE TO PUT CONSIDERATION OF MEMBERSHIP ON HOLD SHOULD CHINA MOVE FURTHER AWAY FROM REFORMS AIMED AT FREEING UP MARKETS;

F)FINALLY,AGMTS ON SCIENCE AND TECHNOLOGY,PEACE CORPS INVOLVEMENT AND CULTURE(ALL ESSENTIALLY EXCHANGE ORIENTED)MIGHT BE SET IN ABEYANCE.

5.OUR BRIEFER OFFERED FOLLOWING BRIEF COMMENTARY.PRESIDENT HOPES TO AVOID FURTHER MEASURES.HE IS AWARE HARDLINERS IN PEKING HAVE WON FIRST ROUND BUT FIRMLY BELIEVES CURRENT DECISION-MAKING CLIQUE LACKS LEGITIMACY AND THEIR LEADERSHIP WILL BE PROGRESSIVELY UNDERMINED BY MAJORITY IN GOVT AND BUREAUCRACY THAT SUPPORT REFORM.THEREFORE,HE WANTS TO AVOID WATERSHED DECISIONS THAT COULD MAKE FUTURE RESTORATION OF NORMALCY TO RELATIONS PROBLEMATIC.

6.MEANWHILE,MESSAGES TO CHINESE CONTINUE.STATE DEPT SPOKESPERSON MARGARET TUTWILER AT TODAYS PRESS BRIEFING CHARACTERIZED RECENT WAVE OF ARRESTS AS VERY DISTURBING.PEOPLE HAD SOUGHT ONLY TO EXERCISE BASIC HUMAN RIGHTS OF FREEDOM OF EXPRESSION AND ASSOCIATION.SHE REFERRED TO QUOTE LAUNDRY LIST UNQUOTE OF OPTIONS PRESENTED TO SECSTATE BAKER(AS OUTLINED IN PRECEDING PARAS)BUT DID NOT/NOT SPECIFY WHAT THERE WERE AND TOOK CARE TO EMPHASIZE THEY WERE OPTIONS,NOT/NOT RECOMMENDATION.

7.FINALLY,WE ASKED ABOUT STATE OF PLAY RE FANG LIZHI.SITU WAS DESCRIBED AS MEXICAN STANDOFF.USA IS GRANTING SANCTUARY,NOT/NOT

PAGE FOUR UNGR0483 CONF

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TO LEGITIMATE FEAR FOR HIS SAFETY.SHOULD HE CHOOSE TO LEAVE  
VOLUNTARILY,USA WOULD NOT/NOT STOP OR TRY TO DISSUADE HIM.

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C O N F I D E N T I A L

FM WSHDC UNGR0483 13JUN89

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PRGUE PMOOTT/HEBERT PCOOTT/IAC CIDAULL BSC TT NTHQOTT/DIPOL/ DE CAF  
EAG WSAW DE OTT

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---CHINA AND HUMAN RIGHTS-USA POLICY OPTIONS

SUMMARY: STATE DEPT IS PREPARING GRADUATED LIST OF OPTIONAL MEASURES  
ADMIN COULD INVOKE SHOULD REPRESSION IN CHINA WORSEN. PRES BUSH WANTS  
TO BE OUT IN FRONT OF PUBLIC AND CONGRESS IN SENSE OF HAVING SUCH  
A LIST AT THE READY. TO HELP HIM DEFLECT PRESSURES FOR HARSHER  
ACTIONS SUCH AS SEVERANCE OF DIPLO RELS, AS ADVOCATED BY SOME  
CONGRESSIONAL CRITICS.

2. MEASURES CONSIDERED TO DATE GO BEYOND ALREADY INVOKED CESSATION OF  
MILITARY VISITS AND COOPERATION BUT ARE GRADUATED TO AVOID DRAMATIC  
MEASURES THAT COULD LEAD TO CHINESE OVERREACTION AND A SENSE IN  
PEKING THAT THERE WAS NOTHING OF BILATERAL RELATIONSHIP LEFT TO LOSE.  
OPTIONS INCL COORDINATED (WITH ALLIES) DEFERRAL OF MULTILATERAL LOANS,  
DENIAL OF EXIM BANK AND OPIC INSURANCE FOR NEW CONTRACTS AND  
DELAYING IMPLEMENTATION OF LOW PROFILE BILATERAL AGREEMENTS.

REPORT:

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PAGE TWO UNGR0483 CONF

3. IN VIEW OF CURRENT INTENSE PUBLIC AND CONGRESSIONAL INTEREST IN HUMAN RIGHTS SITU IN CHINA AND PRESSURES ON ADMIN THAT DERIVE THEREFROM, WE OBTAINED UPDATE OF USA THINKING FM ASIA REGIONAL DESK IN STATE DEPT OFFICE OF MULTILATERAL AFFAIRS AND HUMAN RIGHTS PROGRAMS. STATE DEPT IS CURRENTLY WORKING UP A LIST OF GRADUATED OPTIONS FOR CONSIDERATION BY PRESIDENT SHOULD REPRESSION IN CHINA CONTINUE TO ESCALATE. NO/NO DECISION TO IMPLEMENT MEASURES THAT GO BEYOND ALREADY ANNOUNCED SUSPENSION OF DEFENCE COOPERATION HAS YET BEEN MADE. PRESIDENT WILL BE FOCAL POINT OF CHINA POLICY AND WILL DECIDE WHETHER, WHEN AND EXTENT OF FURTHER MEASURES.

4. LIST WILL COMPRISE:

A) CURTAILMENT OF HIGH LEVEL VISITS, COMMERCE SEC MOSSBACHER VISIT SCHEDULED FOR JUL ALREADY SCRUBBED IN VIEW OF SECURITY/POLITICAL SITU;

E) SUSPENSION OF USA EFFORT TO LIBERALIZE APPLICATION OF COCCM REGIME TO CHINA. INTERLOCUTOR TOLD US DUTCH AND DANES HAD ALREADY APPROACHED USA ON THIS SUBJ;

C) DEFERRAL OF ALL LARGE LOANS TO CHINA CURRENTLY UNDER CONSIDERATION BY ADB AND IBRD. ALLIES SUCH AS CDA, JPN AND EEC COUNTRIES WOULD BE FULLY CONSULTED PRIOR TO ANY PUBLIC PROPOSAL;

D) FILATERALLY, EXIM BANK AND OVERSEAS PRIVATE INVESTMENT CORP (CPIC) COULD DEFER CONSIDERATION OF CURRENT PROPOSALS AND ENTERTAIN NO/NO NEW ONES;

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PAGE THREE UNGR0483 CONF

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C O N F I D E N T I A L

FM WSEDC UNGR1180 12JUN89

TO EXTOTT PNR

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IFB BFD CPD CPP IND INP INE LGX

---CHINA:POSSIBLE ADDITIONAL U.S. MEASURES

DURING PRESIDENTS PRESS CONFERENCE LAST THURS,HE RESERVED THE RIGHT TO REVIEW ALL U.S. OPTIONS AS SITU UNFOLDED.AT LEVEL OF OFFICIALS IN STATE DEPT,THAT MEANT THAT IF CHINESE GOVT DEALT HARSHLY WITH STUDENT DEMONSTRATORS ADMIN WOULD BE PREPARED TO CONSIDER ADDITIONAL MEASURES TO SHOW DISPLEASURE WITH DEVELOPMENTS IN CHINA.NEWS OVER WEEKEND THAT HUNDREDDS OF STUDENTS HAVE BEEN ARRESTED AND REGIME MODERATES PURGED MIGHT THEREFORE,PROMPT ADMIN TO IMPOSE NEW SANCTIONS. 2.IN FACT,ADMIN MIGHT HAVE NO/NO OPTION BUT TO IMPOSE ADDITIONAL MEASURES,DUE TO REQUIREMENTS OF U.S. LAW.IN BRIEFING FOR SELECTED WESTERN DIPLOMATS END OF LAST WEEK,ASST SECTY FOR HUMAN RIGHTS RICHARD SCHIFTER PCINTED OUT THAT US FOREIGN ASSISTANT ACT,INTER-NATIONAL FINANCIAL INSTITUTIONS ACT,AND EXPORT ADMINISTRATION ACT ALL MANDATED CERTAIN ACTIONS ON PART OF U.S. GOVT.SCHIFTER NOTED THAT SUCH LAWS WOULD REQUIRE U.S. GOVT TO TERMINATE CERTAIN COMMERCIAL SALES AND DEVELOPMENT ASSISTANCE,AND TO VOTE AGAINST

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LOANS TO CHINA IN INTERNATIONAL FINANCIAL INSTITUTIONS, IN RESPONSE TO DETERIORATING HUMAN RIGHTS SITUATION. (SCHIFTER NOTED THAT CHINA CURRENTLY HAD APPLICATIONS PENDING FOR DLRS 1.25 BILLION IN LOANS FROM VARIOUS INSTITUTIONS.) HE WOULD NOT/NOT BE DRAWN ON PRECISE U.S. MEASURES WHICH MIGHT BE TRIGGERED BY EVENTS IN CHINA, OR ON WHICH EVENTS MIGHT IMPEL ADMIN OR CONGRESS TO GIVE EFFECT TO LAWS IN QUESTION. BUT HE DID CITE AS A PARTICULARLY OMINOUS PROSPECT SUMMARY EXECUTIONS OF DEMONSTRATORS.

3. SCHIFTER SAID ADMIN HOPED THERE COULD BE CLOSER CONSULTATION AMONG ALLIES ON EVOLVING SITU IN CHINA. ON CDAS BEHALF, LEGAULT SAID THAT WAS DEFINITELY CDN GOVTS PREFERENCE AND OTHER REPS AT BRIEFING (FRG, FRANCE, ITALY AND JPN) AGREED.

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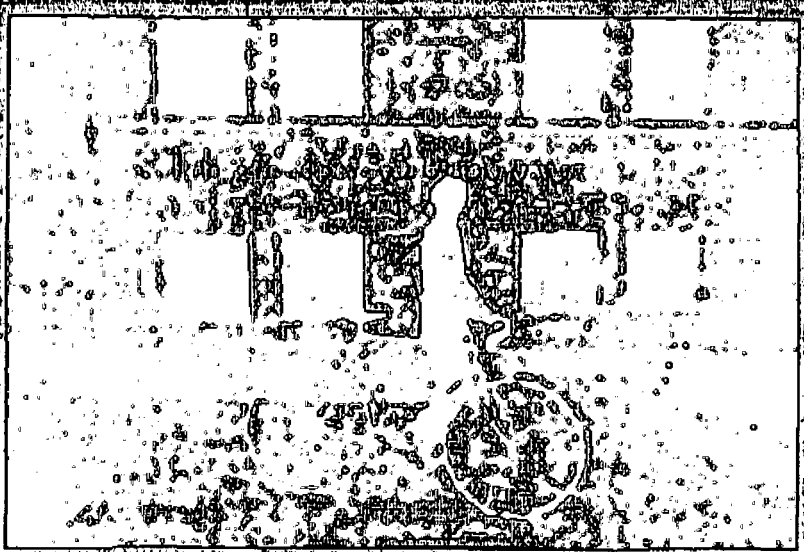
June 3

## California Exchange Programs Rift in U.S.-China Academic Relations

By L. A. Chang  
Capezio Staff Writer

In the first break in U.S.-Chinese academic relations since they began more than a decade ago, California universities yesterday halted exchange programs and began withdrawing students and educators from China.

Several universities across the state, widely considered a major center for Sino-American studies, began taking such actions in response to the recent violence in Beijing. One California State University at Northridge was urgently trying to track down six students who were in Beijing after completing an exchange program in another Chinese city.



The University of California closed its center at Beijing University indefinitely and began flying its 28 students back to the United States, suspending a relationship that had cultivated over a decade and hailed when the program began in 1973 as a model of international exchange in the academic world.

"This (political) turmoil may make it difficult for Western students to return to China — or certainly delay their return," said William Alloway, director of UC's Education Abroad Program. Alloway said he regards academic exchanges as an important but unrecognized component of international relations.

The actions by the universities represent a major setback for academic and cultural ties between the United States and China, which only a few years ago was touted as one of the most important products of the Asian country's modernization efforts.

**Nixon Opened Relations**

Until former President Richard Nixon opened relations with China in 1972, the world's most populous country had for the most part remained a mystery to Western nations. Since then, China has moved away from its isolationist policies, exposing itself to Western thought

A bicyclist checked the graffiti on San Francisco's Chinese Consulate on Laguna Street.

and technology while providing a historic opportunity for foreigners to visit and study.

After 15 years of corresponding and visiting China and having exchanges on the academic and artistic level, it would be a great shame if all these efforts were lost," said Ann Calabury, director of public information at California State University at Northridge. "It's something we hope to continue."

**Other Groups**

The current turmoil has suspended these academic exchanges indefinitely. In addition to actions taken by California's two public university systems, Volunteers in Asia, a Stanford-affiliated program, called back its five volunteer English teachers from their posts at various Beijing universities.

California State University at Northridge was trying to contact 10 students, six of whom reportedly

traveled to Beijing after completing a semester at Shaanxi Teachers University in Xian, hundreds of miles south of the capital, said Ann Carlson, director of public relations. In addition, California State University canceled its women's volleyball team's upcoming visit to China and called back 18 of its visiting professors.

California State University at Hayward canceled a June 18 trip to Guangdong province, where 30 American business graduate students were scheduled to present marketing plans tailored to Chinese companies, said Professor Bruce McNabb.

The violence has caused another Bay Area institution to abruptly cancel its plans. The 60-member San Francisco Symphony Youth Orchestra, whose musicians range from 13 to 21 years old, canceled its June 28 tour to Beijing, Shanghai and Hong

Kong, said Richard Balin, director of the Youth Orchestra.

**Time for Mourning**

Bay Area residents expressed both anger and deep sadness over the violent chain of events. Governor Deukmejian ordered all flags to be flown at half-mast on all California state buildings. Chinatown merchants did the same.

"This is not the time for yelling and shouting," said Judy Chow, a staff member of the Chinese Christian Mission, which helped organize a candlelight vigil scheduled for 8 p.m. Saturday in front of San Francisco City Hall. "It is a time for mourning."

San Francisco Archbishop John Quinn will also lead a special Mass for Chinese people this Saturday at 5:30 p.m. at St. Mary's Cathedral, at the corner of Gough and Geary streets.



UNCLASSIFIED  
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MESSAGE

Accession/Référence  
**WD C 009 / 07**

File/Dossier

Align first character of Security Classification under this arrow  
Alignez le premier caractère de la Sécurité sous cette flèche

SECURITY  
SÉCURITÉ **UNCLASSIFIED (BY FACSIMILE)**

**ACTION  
SUITE A DONNER**

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TO/A **TO EXTOTT/ PNR**  
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DISTR **DISTR MINA USS PBB PND PNC**  
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SUBJ/SUJ

---SITUATION IN BEIJING: CONGRESSIONAL RESOLUTION  
ATTACHED IS "SENSE OF THE SENATE" RESOLUTION ON CHINA.  
2. COMCENTRE PLS FAX ATTACHED 1/1 PAGE.

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CONGRESSIONAL RECORD — SENATE

S 6195

June 6, 1989

that is, students in the United States who have previously studied at a university in Beijing. However, I do not believe that one's mere nationality should qualify someone for automatic treatment. That is what we tried to avoid by passage of the Refugee Act of 1980.

In short, I believe we should extend the assistance to Chinese foreign students who might face violence or mistreatment if returned, and then carefully review the situation to see if these benefits should be terminated, extended, granted to additional classes of people from China. However, the administration has extended the grant of immigration benefits too broadly, and I think we may regret that decision.

Mr. MATSUNAGA. Mr. President, as a cosponsor of the pending resolution (S. Res. 142), I rise to speak in its support. A terrible tragedy is unfolding in China today. By choosing to quell the grassroots prodemocracy movement in China with deadly military force, China's aging, reactionary leaders have clearly demonstrated that their lust for power and privilege outweighs their concern for the welfare of the people they govern. By ordering the violent dispossession of hundreds of thousands of students and ordinary citizens who were peacefully demonstrating for reform, Deng Xiaoping and Premier Li Peng have shown that China's leadership is neither capable nor worthy of guiding China into the future. But theirs is a short-term victory: The memory of Tiananmen Square, June 4, 1989, will burn in the hearts of China's people and become a touchstone for change; the party cannot forever repress the aspirations of those who have once tasted freedom.

My heart goes out to the families and friends of the hundreds, perhaps thousands, of brave unarmed demonstrators who were killed by Chinese troops. I mourn for them and for the rest of China's people whose hopes for a better future have been brutally dashed by guns and tanks.

While urging adoption of Senate Resolution 142, I must say that I am pleased with the President's response to the crisis thus far, including the suspension of military sales and a halt to high-level military contracts; we certainly should not be in the business of arming a government which is responsible for killing its own citizens. I also applaud the President's decision for a sympathetic review of requests by Chinese students studying in the United States who seek to extend their stays for humanitarian support, via the Red Cross, to the victims of the Chinese Army; and for a review of United States-China relations. These are appropriate, reasoned measures that clearly demonstrate America's displeasure with the action of the Chinese Government. If the violence continues, the administration, in consultation with Congress, should consider a

wide range of policy options, political and economic, and should consider joining forces with other civilized nations in developing a unified, international response to the crisis.

The PRESIDING OFFICER. Do Senators yield back their remaining time?

Mr. MITCHELL. Mr. President, I yield back the remaining time on this side.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to the resolution.

On this question the yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 100, nays 0, as follows:

(Rollcall Vote No. 74 Leg.)

YEAS—100

Adams	Garn	McConnell
Armstrong	Gleason	Metcalf
Baucus	Gore	Mikulski
Beaman	Gorton	Mitchell
Biden	Griffin	Morahan
Blumenthal	Graham	Murkowski
Bond	Grassley	Nickles
Boren	Harkin	Nunn
Bucshorn	Hatch	Packwood
Bridges	Hefl	Pell
Brown	Hollifield	Preslar
Bryon	Holm	Pryor
Bumpers	Holms	Reid
Burdick	Hollman	Riegle
Burns	Humphrey	Roberts
Casper	Jeffords	Roth
Chafee	Johnson	Rudman
Coats	Jefferson	Sanford
Coburn	Kennedy	Schmitt
Cole	Kerry	Shelby
Conrad	Kerry	Simon
Cranston	Leahy	Strom
D'Amato	Leahy	Strom
DeLoach	Leahy	Symms
DeMunn	Leahy	Thurmond
Domenici	Leahy	Walters
Durenberger	Leahy	Wilson
East	Leahy	Wirth
Ford	Leahy	
Fowler	Leahy	

NAYS—0

(Mr. CONRAD assumed the chair.) So the resolution (S. Res. 142) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. Res. 142

Whereas since June 4, 1989, thousands of Chinese students and workers have been killed and wounded by the People's Liberation Army in a brutal act of armed suppression;

Whereas the Chinese people have bravely demonstrated their peaceful commitment to democracy and human rights and, in so doing, have won the world's respect and admiration; and

Whereas the authorities of the People's Republic of China have behaved in a manner inconsistent with the civilized norms of the world's nations and in contravention of the principles embodied in the Universal Declaration on Human Rights which are accepted by all members of the United Nations including China.

Resolved, That (a) the Senate hereby—

(1) condemns the brutal use of force by the authorities of the People's Republic of China against unarmed advocates of democracy and human rights in China and urges the entire international community to do likewise;

(2) commends the President for his forthright statement of American policy and supports the actions taken by the President in pursuit of that policy, including suspension of all government sales and commercial exports of arms to the Government of the People's Republic of China; and

(3) praises the courageous actions of American diplomatic personnel in China in seeking to insure the safety and well-being of American citizens there.

(b) It is the sense of the Senate that—

(1) the Chinese students currently studying in the United States, whose period of admission is expiring and whose return to China could subject them to conditions of violence or mistreatment, should immediately be granted permission to extend their stay in the United States until the Government of the People's Republic of China ceases the present persecution of students demonstrating for democracy in their country;

(2) all applications to the Overseas Private Investment Corporation (OPIC) for the protection of investment in China and to the Export-Import Bank of the United States for the financing of trade with China should be reviewed in light of existing legal requirements for adequate human rights treatment and the deteriorating condition of human rights in China;

(3) all departments and agencies of the United States Government, with and currently considering liberalization of regulations and procedures relating to export licenses for sales to the People's Republic of China should take into account the current situation in China in making their decisions;

(4) the President should immediately begin consultations with the major allies of the United States regarding each ally's economic, commercial, and security relations with the People's Republic of China in order to determine collectively whether multilateral sanctions are necessary to demonstrate abhorrence of the repressive actions by the authorities of the People's Republic of China's against the people of China; and

(5) the President should inform the Congress of the results of his planned review of the bilateral relationship between the two countries and consult with the Congress on further actions to be taken based on unfolding events in China.

(6) The Voice of America should increase its daily Chinese language programming service for broadcast into the People's Republic of China beyond the number of daily programming hours broadcast as of June 6, 1989.

Sec. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. MATSUNAGA. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

External Affairs  
Canada

Affaires extérieures  
Canada

Accession/Référence

File/Dossier

## MESSAGE

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SECURITY  
SÉCURITÉ

UNCLASSIFIED

JUNE 06, 1989

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FM: SFRAN WVGR 0857 06JUNE89

TO/A

TO: EXTOTT/PNR

INFO

INFO: AM DE SFRAN BEIJING WSHDC MONTREAL/DORE

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DISTR: PND URR CFX

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REF: OUR FAX WVGR 0320 OF JUNE 28

SUBJ/SUJ

---SFRAN-SHANGHAI SISTER CITY RELATIONS SUSPENDED

FURTHER TO OUR REFFAX, CONTRARY TO INITIAL EXPECTATIONS  
SAN FRANCISCO HAS SUSPENDED A SISTER CITY TRADE SHOW AND  
SYMPHONY VISIT. THAT CAME ABOUT AS A RESULT OF PRESSURE  
FROM THE SF CO-CHAIR FOR THE SISTER CITY COMMITTEE AND  
FROM THE LARGE ETHNIC CHINESE COMMUNITY (SEE ATTACHED LET  
AND ARTICLE). IT IS RUMOURED THAT SHANGHAI MAY RETALIATE BY  
MOVING A SHIPPING OFFICE OUT OF SFRAN TO OAKLAND.

**ACTION**  
**SUITE A DONNER**

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S. HUGHES/rmb

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DIVISION/DIRECTION

PERPA

TELEPHONE

495-6021

APPROVED/APPROUVÉ

S. HUGHES

SIG

000489

San Francisco-Shanghai Sister City Committee  
459 Geary Street  
San Francisco, CA 94102

Walter Fong, Co-Chair  
(415) 775-2900

Lawrence Chan, Co-Chair  
(415) 392-8000

June 27, 1989

Madam Sun Zhu  
Shanghai Municipal Office  
for Foreign Affairs  
1418 Nanjing Road West  
Shanghai, People's Republic of China

Dear Sun Zhu:

The recent tragic events in Beijing and the repercussions these events have had in San Francisco have made it necessary for us to suspend the full program of Sister City activities with the City of Shanghai.

Although we value highly our long and excellent relationship with the people of your city, the citizens of San Francisco are shocked and saddened by the violence used against the pro-democracy student protestors in China. These feelings are shared by the political leaders of our city.

Because of the political climate in China, we suspended the San Francisco Youth Symphony's scheduled June trip to Shanghai. We are also suspending plans for an August Shanghai trade show. Such an event in San Francisco this summer would not be appropriate.

The Mayor has asked me to advise you that all future activities will be evaluated with one single criterion: Does this enhance the progress of democracy in China?

We do not seek to impose, through a Sister City relationship, an American-style approach to Chinese realities.

We do believe, however, that our Sister City relationships prosper when due respect is accorded to the traditions and values of both partners. For San Francisco, this means our participation is strongly influenced by the values of democracy and openness.



3/4

For this reason, I can inform you that San Francisco will continue to welcome Shanghai students for a San Francisco study program.

It is my wish that events in China will soon unfold in a manner that will make it possible for the people of San Francisco to once again embrace fully their Sister City of Shanghai.

I look forward to a future that will allow us to continue to build upon our long relationship and to move forward in new and rewarding endeavors that honor the spirit of our peoples.

Sincerely,

Walter Fong

no Opérate

SECHRONICLE June 21 \*\*\*\* A 23

## San Francisco Cutting Ties To Its Sister City in China

San Francisco has suspended its sister city ties with Shanghai because of the Chinese government's brutal suppression of the democratic movement.

Walter Peng, co-chair of the San Francisco-Shanghai Sister City Committee, said yesterday that the committee sent a letter announcing its intentions this week to the Shanghai Municipal Office for Foreign Affairs.

"We were feeling like the citizens in San Francisco and the people in Shanghai, too, want democracy," Peng said. Committee members had received letters and calls from scores of San Francisco residents

asking them to suspend relations with Shanghai after the bloody events in Beijing and the first executions connected to the government crackdown in Shanghai. Members of the committee met with Mayor Art Agnos this week to discuss a suspension of the relationship, he said.

San Franciscans were "shocked and saddened by the violence" against student demonstrators and others, Peng wrote in his letter. Future sister-city projects would be evaluated by determining whether they would "enhance democracy in China," he wrote.

The suspension of relations will

have an unknown effect. Shanghai has already showed unhappiness with the drop-off in cooperative projects during the past few years. The decision means that an August trade show in San Francisco is canceled. The San Francisco Youth Symphony had already canceled its trip to Shanghai and Beijing for safety reasons.

Meanwhile, Redwood City port commissioners have pulled back from a much-touted sister port deal in China.

Port officials agreed this week to put on indefinite hold an agreement signed last month with the Chinese port of Zhuhai Jiuzhou.

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**ACTION  
SUITE A DONNER**

B1W

C O N F I D E N T I A L

FM PRMNY WKGR5768 06JUN89

TO EXTOTT PNR DELIVER BY 061700

INFO PEKIN PCOOTT WSHDC GENEV CIDA HULL MTC

DISTR MINA MINP EEA IMH IMU PND

CIDA HULL VVP

---UNDP GOV COUNCIL:UNFPA-CHINA PGM

THERE IS A POSSIBILITY THAT USA WILL MAKE AN ISSUE OF UNFPA COUNTRY PROGRAMME FOR CHINA WHICH IS UP FOR APPROVAL BY UNDP GOVERNING COUNCIL. IF THEY DO NOT/NOT OPPOSE PGM, THEY MAY SEEK TO DEFER CONSIDERATION FOR A YEAR. YOU WILL NOTE THAT ISSUE HAS BEEN USA CONTENTION THAT CHINESE POP PGM, WHICH UNFPA SUPPORTS, IS COERCIVE.

2. ON TECHNICAL GROUNDS, CANDEL WOULD SUPPORT CHINESE PGM. GRATEFUL YOUR VIEWS ON WHETHER TO SUPPORT AN AMERICAN INITIATIVE TO DELAY CHINESE PGM. EC ADVISED USA THEY WOULD NOT/NOT SUPPORT SUCH A MOVE AND WE RECOMMEND SIMILAR POSTURE FOR CDA. REPLY BY 080900.

CCC/251 061904Z WKGR5768

RETURN TO RENOYER AU		<b>BICO</b>		FOR FILING POUR - ETRE PORTE AU DOSSIER	
ACC	REF	DATE			
604-727		890608			
FILE				DOSSIER	
20-CHINA-1-3-454					

**ACTION**  
**SUITE A DONNER**

R O T E C T E D

FM WSHDC UNGR2747 06JUN89

TO EXTOTT (PNR) DELIVER BY 07 900

INFO PEKIN HKONG TOKYO SEOUL BNGKK PARIS LDN BONN MOSCO ROME

KLMFR MANIL JKRTA SPORE PCOOTT/HEBERT CIDA HULL/MINE/BSO/BSO

FINOTT/IFD/IER

TT NDHQOTT/DIPOL/ DE CAF

BH EDCOTT DE OTT

DISTR MINA MINT MINP USS DMC DMT PBB PND PNC PGP PSD PSR BMM IFB EFB

BFD CPD CPP IND INP INE LGX URR EED EER UEE JLE

REF OURTEL UNGR1167 05JUNE89

---SITUATION IN BEIJING: CONGRESSIONAL REACTION TO BUSH MEASURES

SUMMARY-PRESIDENT BUSH HAS RECEIVED SIGNIFICANT BIPARTISAN

SUPPORT ON HILL FOR SUBSTANTIVE PACKAGE OF SANCTIONS AGAINST

GOVT OF CHINA ANNOUNCED 05JUN IN RESPONSE TO RECENT EVENTS

IN BEIJING. BOTH CONGRESSIONAL LEADERSHIP, AND KEY PLAYERS SUCH AS

SENATORS CRANSTON AND REP SOLARZ ON HOUSE SIDE, HAVE BEEN

SUPPORTIVE OF BUSH APPROACH, ALTHOUGH WE EXPECT THAT

CONGRESS WILL SEEK MORE COMPREHENSIVE ECONOMIC SANCTIONS

AGAINST CHINA AND PUSH FOR RECALL OF US AMB THERE IF SITN

SHOULD DETERIORATE FURTHER AND ATROCITIES AGAINST CIVILIANS

CONTINUE. MUCH WILL DEPEND ON HOW SITN EVOLVES OVER NEXT FEW DAYS.

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Document disclosed under the Access to Information Act -  
Document divulgué en vertu de la Loi sur l'accès à l'information

RETURN TO RENOYER AU	<b>BICO</b>	POUR - ETRE PORTE AU DOSSIER
ACC <b>604683</b>	REF	DATE <b>890608</b>
FILE <b>20-CHINA-1-3-USA</b>	DOSSIER	

NOTED  
RECORDED & INDEXED

PAGE TWO UNGR2747 PROTECTED

2.SENATE IS CONSIDERING NON-BINDING QUOTE SENSE OF THE SENATE UNQUOTE RESOLUTION THAT WOULD URGE PRESIDENT TO DO MORE, INCLUDING EXTENDING VISAS FOR CHINESE STUDENTS IN USA AND LIMIT HIGH TECHNOLOGY TRANSFERS TO CHINA.RESOLUTION WOULD ALSO CALL ON ADMIN TO CONSULT WITH ALLIES ON WHETHER ADDITIONAL,MULTILATERAL SANCTIONS AGAINST PRC ARE NECESSARY.SECSTATE BAKER IS ALSO TENTATIVELY SCHEDULED TO REPORT ON SITN IN CHINA BEFORE SPECIAL SESSION OF SENATE FOREIGN RELATIONS CTTEE 07JUN.

3.REPORT:PRESIDENT BUSH HAS RECEIVED WIDESPREAD SUPPORT ON BOTH SIDES OF AISLE IN CONGRESS FOR PACKAGE OF MEASURES AGAINST GOVT OF CHINA THAT HE ANNOUNCED 05JUN.WE DO HOWEVER FORSEE INCREASING PRESSURES ON HILL FOR MORE COMPREHENSIVE ACTIONS,INCLUDING ECONOMIC SANCTIONS AND RECALL OF USA AMB IN PEKING,IF SITN DETERIORATES FURTHER.PRESSURES WILL COME FROM BOTH DEMOCRATS AND REPUBLICANS, ALTHOUGH FOR VERY DIFFERENT REASONS.DEMOCRATS APPEAR PREPARED TO PUNISH CHINESE GOVT SEVERELY FOR ATROCITIES COMMITTED BY ITS ARMY AGAINST THE CIVILIAN POPULATION,WHILE CONSERVATIVES SUCH AS SEN JESSE HELMS ARE EXPLOITING HILL RESENTMENT AGAINST GOVT OF CHINA FOR THEIR OWN IDEOLOGICAL AND PARTISAN REASONS, PRIMARILY ARGUING THAT RECENT EVENTS AGAIN DEMONSTRATE THAT COMMUNIST GOVTS CANNOT BE TRUSTED.HELMS IS CONSIDERING INTRODUCING LEGISLATION THAT WOULD END QUOTE MOST FAVOURED NATION UNQUOTE STATUS FOR CHINA,CUT OFF USA HIGH TECH

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EXPORTS TO CHINA AT LEVEL OF FIVE YEARS AGO, AND DIRECT USA REPS AT WORLD BANK AND IMF TO VOTE AGAINST ANY FURTHER LOANS TO CHINESE GOVT.

4. CONGRESSIONAL LEADERSHIP AND KEY PLAYERS ON ASIAN ISSUES SUCH AS SENATOR ALAN CRANSTON (D-CALIF), DEMOCRATIC WHIP AND CHAIRMAN OF EAST ASIAN AND PACIFIC AFFAIRS SUBCTTEE ON SENATE FOREIGN RELATIONS CTTEE, AND REP. STEVEN SOLARZ (D-NY), WHO HEADS UP SIMILAR CTTEE ON HOUSE FOREIGN AFFAIRS CTTEE, HAVE COME IN BEHIND PRESIDENT BUSH AND REFRAINED FROM CALLING FOR MORE AT THIS POINT. SOLARZ DID EXPRESS DISAPPOINTMENT THAT BUSH DID NOT/NOT RECALL USA AMB AS FURTHER SHOW OF DISPLEASURE.

5. SOLARZ STAFFER TOLD US THAT HE EXPECTS MORE COMPREHENSIVE SANCTIONS AGAINST CHINA WILL SURFACE IN HOUSE IF SITN IN BEIJING GETS WORSE. WE WERE TOLD THAT AT MOMENT IT WAS A QUOTE WAIT AND SEE UNQUOTE SITN ON HILL, WITH MEMBERS WANTING TO DETERMINE WHETHER BUSH ANNOUNCEMENT WOULD HAVE ANY IMPACT BEFORE DOING ANYTHING MORE. ON REPUBLICAN SIDE, REP WILLIAM BROOMFIELD (R-MI), RANKING REPUBLICAN ON HOUSE FOREIGN AFFAIRS CTTEE, SUPPORTED BUSH DECISION TO KEEP USA AMB IN PEKING. BROOMFIELD ARGUED THAT, BY DOING SO, ADMIN WILL RETAIN WHATEVER LEVERAGE IT HAS TO INFLUENCE MODERATION WITHIN CHINESE GOVT.

6. IN SENATE, CRANSTON AND OTHERS SUCH AS SEN EDWARD KENNEDY (D-MASS) AND SEN RICHARD LUGAR (R-INDIANA), WHO FOLLOWS ASIAN AFFAIRS

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CLOSELY, HAVE CAME IN BEHIND PRESIDENT. CRANSTON GAVE BUSH A QUOTE A PLUS UNQUOTE FOR HIS EFFORTS AND SAID THAT PRESIDENT HAD TAKEN QUOTE THE EXACT APPROPRIATE STEPS UNQUOTE. CRANSTON SAID THAT FURTHER PUNISHMENTS MAY BE NEEDED BUT THAT USA SHOULD QUOTE HOLD THOSE CARDS IN RESERVE UNQUOTE PENDING FURTHER DEVELOPMENTS IN BEIJING.

7. KENNEDY APPLAUDED BUSH ANNOUNCEMENT BUT URGED ADMIN TO GRANT EXTENDED VOLUNTARY LEAVE TO 27000/27000 CHINESE STUDENTS IN USA, RATHER THAN FORCE THEM TO RETURN HOME. HE ALSO URGED ADMIN TO SUSPEND TRANSFER OF DUAL-USE HIGH TECH ITEMS TO CHINA, AND TO WORK THROUGH COCOM TO BLOCK CHINESE ACQUISITION OF ANY HIGH TECH ITEM WITH MILITARY APPLICATIONS. LUGAR SAID USA MUST MAKE IT CLEAR THAT QUOTE CHINA'S BRUTALITY AGAINST ITS OWN PEOPLE IS UNACCEPTABLE UNQUOTE. HOWEVER, HE CAUTIONED THAT USA ACTIONS BE MODERATE AND TARGETED AGAINST CHINESE GOVT RATHER THAN THE CHINESE PEOPLE.

8. STAFFER TO SENATE MAJORITY LEADER MITCHELL TOLD US THAT MITCHELL AND BOB DOLE, GOP LEADER IN SENATE, WILL INTRODUCE LATER TODAY A NON-BINDING QUOTE SENSE OF THE SENATE UNQUOTE RESN ON CHINA THAT WILL CONDEMN QUOTE BRUTAL USE OF FORCE UNQUOTE BY CHINESE GOVT AGAINST CIVILIAN POPULATION, AND COMMEND BUSH FOR ACTIONS ANNOUNCED THUS FAR.

9. RESOLUTION WILL URGE ADMIN TO CONSIDER FOLLOWING MEASURES:

(1) EXTEND STAY OF CHINESE STUDENTS CURRENTLY STUDYING IN USA WHOSE

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PAGE FIVE UNGR2747 PROTECTED

PERIOD OF ADMISSION IS EXPIRING, RATHER THAN FORCING THEM TO RETURN TO CHINA; (2) REVIEW ALL APPLICATIONS TO EXIMBANK AND QUOTE OVERSEAS PRIVATE INVESTMENT CORPORATION UNQUOTE FOR FINANCING USA TRADE WITH CHINA, IN LIGHT OF EXISTING LEGAL REQUIREMENTS IN THOSE AGENCIES FOR RECIPIENTS TO ENSURE ADEQUATE HUMAN RIGHTS TREATMENT, AND IN VIEW OF CURRENT HUMAN RIGHTS SITN IN CHINA; (3) HAVE ALL USA DEPTS AND AGENCIES TAKE INTO ACCOUNT SITN IN CHINA IN CONSIDERING LIBERALIZATION OF EXISTING POLICIES GOVERNING LICENSES FOR SALES TO PRC; (4) BEGIN CONSULTS WITH USA ALLIES TO DETERMINE WHETHER ADDITIONAL, MULTILATERAL SANCTIONS ARE NECESSARY; AND (5) INCREASE VOICE OF AMERICA CHINESE-LANGUAGE BROADCASTS INTO USA. AS EVIDENCE OF CURRENT SENATE MOOD ON CHINA, STAFFER PREDICTED THAT RESLN MAY PASS UNANIMOUSLY. 10. WE WILL FAX TEXT OF SENATE RESOLUTION TO PNR ONCE IT IS PASSED. CCC/120 062238Z UNGR2747



BW

**ACTION**  
**SUITE A DONNER**

C O N F I D E N T I A L

FM WSHDC UNGR1167 05JUN89

TO EXTOTT ~~PNR~~ FLASH

INFO PEKIN HKONG TOKYO SEOUL BNGKK PARIS LDN BONN MOSCO ROME

KLMFR MANIL JKRTA SPORE PCOOTT/HEBERT CIDAULL/ESD

TT NDHQOTT/DIPOL/ DE CAF

DISTR MINA MINT MINE MINP USS DMC DMT PBB

BMM IFB PFD CPD CPP IND INP INE LGX

CIDAULL/BSC/MINE

---SITUATION IN BEIJING:U.S.REACTION

RETURN TO RENOYER AU	<b>BICO</b>	FOR FILING POUR = ETRE
ACG	PND PNC PCP PSD PSR	REF DATE
604899	890608	
FILE	20-CHINA-1-3-USA	DOSSIER

PRESIDENT ANNOUNCED THIS MORNING THAT USA WOULD SUSPEND ALL GOVT-TO-GOVT SALES AND COMMERCIAL EXPORTS OF WEAPONS TO CHINA, SUSPEND ALL MILITARY-TO-MILITARY CONTACTS, OFFER HUMANITARIAN AND MEDICAL ASSISTANCE THROUGH RED CROSS, AND REVIEW OTHER ASPECTS OF BILATERAL RELATIONSHIP AS EVENTS UNFOLD. ADMIN WOULD ALSO QUOTE VIEW WITH SYMPATHY UNQUOTE PLIGHT OF CHINESE STUDENTS CURRENTLY IN USA (IE EXTENSION OF VISAS). PRESIDENT SAID USA WOULD NOT/NOT SUSPEND NORMAL COMMERCIAL CONTACTS WITH CHINA. HE SAID USA WANTED TO QUOTE STAY INVOLVED IN CHINA UNQUOTE IN ORDER TO BE ABLE TO CONTINUE TO WORK FOR FREEDOM, DEMOCRACY AND REFORM. RATIONALE WHICH PRESIDENT OFFERED FOR MEASURES TAKEN WAS THAT ADMIN WISHED TO SHOW ITS DISPLEASURE WITH MILITARY BUT DID NOT/NOT WANT TO UNDERMINE ECONOMIC INCENTIVES WHICH AHD SPURRED DEMOCRACY MOVEMENT.

2. BUSH SAID HE QUOTE COULD NOT/NOT FATHOM UNQUOTE WHAT HAD

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PAGE TWO UNGR1167 CONF

LED DENG AND CHINESE LEADERSHIP TO ORDER USE OF FORCE(PRESIDENT ID HE HAD BEEN IN PERSONAL COMMUNICATION WITH DENG).BUT HE WANTED TO SEND MESSAGE TO MILITARY QUOTE TO GO BACK TO POSTURE OF A FEW DAYS AGO UNQUOTE(WHEN MNILITARY HAD SHOWN RELUCTANCE TO USE FORCE AGAINST STUDENTS).HE SAID THERE WAS EVIDENCE TROOPS IN BEIJING HAD BEEN QUOTE SENSITIVE UNQUOTE TO STUDENTS AND THAT,AS RESULT,UNITS FROM OUTSIDE CAPITAL HAD BEEN BROUGHT IN TO QUELL DEMONSTRATIONS.WITH SUCH QUOTE CLEAR DIFFERENCES UNQUOTE WITHIN MILITARY,PRESIDENT SAID IT WAS IMPORTANT MILITARY APPRECIATE U.S.DISPLEASURE WITH THEIR ACTION.(CNN CORRESPONDENT IN BEIJING REPORTED THIS MORNING RUMOURS OF IMPENDING CLASH BETWEEN VARIOUS UNITS OF CHINESE ARMY.)

3.BUSH ARGUED THAT COMMERCIAL CONTACTS HAD LED TO REQUEST FOR MORE FREEDOM AND DEMOCRACY IN CHINA,AND THAT TO SUSPEND THESE WOULD UNDERMINE USA ABILITY TO CONTINUE TO ENCOURAGE REFORM IN CHINA.HE SAID THAT QUOTE DOWN THE ROAD UNQUOTE THERE WOULD CONTINUE TO BE QUOTE ENORMOUS COMMONALITY UNQUOTE BETWEEN USA AND CHINA.

4.INITIAL CONGRESSIONAL REACTION TO BUSH ANNOUNCEMENT HAS BEEN POSITIVE.SENATOR ALAN CRANSTON(D-CALIFORNIA),WHO IS CHMN OF SENATE SUBCTTEE ON EAST ASIA AND PACIFIC AFFAIRS,SAID PRESIDENT HAD TAKEN QUOTE EXACT APPROPRIATE STEPS UNQUOTE AND CRANSTON EXPRESSED VIEW THIS WOULD ALSO BE SENSE OF HILL.BUT HE DID NOT/NOT RULE OUT POSSIBILITY THAT CONGRESS MIGHT WANT ADMIN TO DO MORE AT LATER DATE. HE SAID HE EXPECTED SENATE FOREIGN RELNS CTTEE WOULD MEET SHORTLY TO

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PAGE THREE UNGR1167 CONF

CONSIDER HOW BEIJING GOVT HAD REACTED TO U.S. MEASURES AND TO DECIDE QUOTE WHAT TO DO FURTHER UNQUOTE.

5. MOOD IN CONGRESS OVER WEEKEND WAS ONE OF IMPATIENCE WITH PRESIDENT FOR NOT/NOT RESPONDING CRITICALLY AND QUICKLY TO EVENTS IN BEIJING. BOTH ON RIGHT (SENATOR HELMS) AND ON LEFT (CONGRESSMAN SOLARZ), BUSH WAS ACCUSED OF BEING TOO TIMID AND NOT/NOT REACTING TO OUTRAGE IN TIANANMEN SQUARE. SOLARZ, WHO HEADS HOUSE SUBCTTEE ON EAST ASIA AND PACIFIC AFFAIRS, WARNED THAT IF ADMIN DID NOT/NOT TAKE INITIATIVE CONGRESS WOULD.

6. COMMENT: ALTHOUGH WE ARE AT SOME DISTANCE FROM EVENTS, INITIAL CDN REACTION CONVEYED IN SSEAS PRESS RELEASE STRIKES US AS SOMEWHAT TEPID COMPARED TO USA POSN. HOPE OUR OWN RHETORIC AND ACTION WILL, BEFORE TOO LONG, ADEQUATELY CONVEY CONCERNS WE SHARE WITH U.S. AUTHORITIES OVER EVENTS IN BEIJING.

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Division Phoned PAIR GAT

Person 2220

Local Time 2220

UNCLASSIFIED

FM WSHDC UNGR1168 05JUN89

TO EXTOTT/ PNR FLASH

INFP PEKIN SHNGI HKONG TOKYO SEOUL BNGKK PARIS LLN BONN MOSCO

ROME KLMPR MANIL JKRTA SPORE PCOOTT/HEBERT CIDAHULL/PSD BSC

TT NDEQOTT/DIPOL/ DE CAF

DISTR MINA MINT MINP USS DMC DMT PBB PND PNC PGP PSD PSR BMM IFB BFD

CPD CPP IND INP INE LGX

CIDAHULL MINE

---SITU IN PRC: STATE DEPT BRIEFING

RETURN TO RENOYER AU	<b>BICO</b>	FOR FILING POUR - ETRE
ACC	REF	DATE
604719	890608	
FILE	DOSSIER	
20-CHINA-1-3-USA		

DURING REGULAR PRESS BRIEFING TODAY (05JUN) STATE DEPT SPOKESWOMAN MARGARET TUTWILER PROVIDED UPDATE ON SITUATION IN PRC. TUTWILER SAID BEIJING AND OTHER CITIES REMAIN CHAOTIC WITH REPORTS OF INDISCRIMINATE FIRING ON CIVILIANS AND BURNING OF MILITARY VEHICLES IN SEVERAL AREAS. FLIGHTS OUT OF BEIJING ARE FULL BUT AIRPORT REMAINS OPEN. SITU IN SHANGHAI IS TENSE WITH MANY ROADS BLOCKED AND LARGE GROUPS OF WORKERS GATHERED IN BUSINESS DISTRICT.

2. CNN HAS REPORTED THAT IN ONGOING CLASHES BETWEEN MILITARY FACTIONS, TANKS OF 27TH ARMY DIVISION, WHICH PERPETRATED CARNAGE ON STUDENTS, HAS TAKEN UP POSITIONS AGAINST ELEMENTS OF 38TH ARMY DIVISION SAID TO BE LOYAL TO MORE MODERATE ELEMENTS OF LEADERSHIP.

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PAGE TWO UNGR1168 UNCLAS.

3. TO ENSURE SAFETY OF AMERICAN STUDENTS IN BEIJING, TUTWILER SAID U.S. EMB IS REQUESTING THAT STUDENTS LEAVE THEIR CAMPUSES AND GO TO HOTELS IN CENTRAL BEIJING. U.S. EMB REMAINS AT FULL STRENGTH AND IS ATTEMPTING TO FACILITATE THE MOVEMENT OF STUDENTS WITH EMBASSY VEHICLES. STATE DEPT HAS ISSUED ANOTHER TRAVEL ADVISORY URGING AMERICANS NOT/NOT TO TRAVEL TO PRC IN VIEW OF THE EXTREMELY VOLATILE AND DANGEROUS SITU. U.S. EMB HAS ADVISED AMERICANS IN BEIJING NOT/NOT VENTURE OUTDOORS UNLESS ABSOLUTELY NECESSARY AND HAS ACTIVATED QUOTE WARDEN SYSTEM UNQUOTE TO KEEP IN CONTACT WITH ESTIMATED TEN THOUSAND AMERICANS IN PRC.

4. STATE DEPT HAS HAD OPEN LINE FOR THE LAST 72/72 HRS FROM U.S. EMB TO STATE DEPT TASK FORCE IN OPS CENTRE. CONSULAR AFFAIRS OFFICE HAS TELEPHONE NUMBER FOR AMERICANS WITH RELATIVES OR FRIENDS CURRENTLY IN PRC: 202-647-0562/202-647-0562.

5. FOLLOWING ARE DETAILS ON PRACTICAL EFFORTS OF MEASURES ANNOUNCED THIS MORNING BY THE PRESIDENT GLEANED FROM TUTILER AND CNN.

6. MILITARY SALES: SINCE 1984, PRC HAS BEEN ELIGIBLE FOR DIRECT CASH PURCHASES OF DEFENSIVE GOODS AND SERVICES THROUGH U.S. FOREIGN MILITARY SALES PGM, AS WELL AS THROUGH COMMERCIAL CHANNELS. SALES CONCLUDED THUS FAR UNDER PGM AND SUSPENDED BY PRESIDENT BUSH  
INCL:

A) MANUFACTURER MODERNIZATION OF LARGE CALIBER ARTILLERY  
AMMUNITION: DLRS 28/28 MILLION; TRANSFER OF EQUIPMENT TO PUT  
UPDATED PLANTS IN OPERATION SUSPENDED;  
B) AVIONICS UPGRADE OF 55 PLA AIR FORCE F-8B AIR DEFENCE  
INTERCEPTORS: DLRS 500/500 MILLION;

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PAGE THREE UNGR1168 UNCLAS

C)SALE OF TPQ-37 ARTILLERY LOCATING RADARS: DLRS 62/62 MILLION;

2/2 RADARS HAVE BEEN DELIVERED WITH TWO MORE SUSPENDED;

D)SALE OF MARK 46 MOD 2 SURFACE-LAUNCHED TORPEDOES: DLRS 10/10

MILLION;TEST EQUIPMENT DELIVERED BUT TRANSFER OF TORPEDOES

SUSPENDED.DURING CALENDAR 1988,U.S. APPROVED COMMERCIAL

MILITARY LICENSES FOR PRC WORTH APPROX DLRS 85/85 MILLION.

ONLY 10/10 PER CENT OF TOTAL OF DLRS 600/600

MILITARY PGMS HAVE BEEN QUOTE TRANSFERRED UNQUOTE TO PRC.

7.MILITARY CONTACTS:INVITATION TO PRC DEFENCE MINISTER TO VISIT

U.S. IS BEING WITHDRAWN.SCHEDULED VISIT BY PRC NAVY COMMANDER

FOR JUNE WILL NOT TAKE PLACE.SERIES OF OTHER LOWER-LEVEL

MILITARY-TO-MILITARY VISITS ARE BEING CANCELLED

8.VISIT OF PRC FORMIN.TUTWILER SAID VISIT OF PRC FOREIGN MINISTER

TO U.S. QUOTE IS DEFINATELY STILL ON UNQUOTE.SHE SAID VISIT WILL BE

AN OPPORTUNITY FOR SECRETARY BAKER TO GIVE NON-MILITARY PRC

LEADER QUOTE CRYSTAL CLEAR VIEW OF THESE DEPLORABLE ACTIONS

UNQUOTE.VISIT IS SCHEDULED FOR 13JUNE.

UUU/095 052343Z UNGR1168

External Affairs Affaires extérieures  
Canada Canada

**CONFIDENTIAL**  
**CONFIDENTIEL**

MESSAGE

Accession/Référence

File/Dossier

Align first character of Security Classification under this arrow  
Alignez le premier caractère de la classification sous cette flèche

**ACTION**  
**SUITE A DONNER**

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SECURITY  
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**CONFIDENTIAL**

TO/A

FM WSHDC POL1169 05JUN89

INFO

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TO EXTOTT/PNR

**FLASH**

REF

INFO PEKIN SHNGI HKONG TOKYO SEOUL BNGKK PARIS LDN BONN MOSCO

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ROME KLMPR MANIL JKRTA SPORE PCOOTT/HEBERT TT NDHQOTT/DIPOL DE

CAF CIDA HULL/BSD BSC DE OT

DISTR MINA MINT MINE MINP USS DMC DMT PBB PND PNC PGP PSD PSR

BMM IFB BFD CPD CPP IND INP INE LGX

REF OUR TEL UNGR1167 05JUN89

---SITUATION IN BEIJING: U.S. REACTION

ATTACHED PLEASE FIND A COPY OF STATEMENT GIVEN BY PRESIDENT  
BUSH, MONDAY 5JUN, REGARDING SITUATION IN CHINA.

(COMCENTRE PLS FAX ATTACHED TWO/TWO PAGES.)

RETURN TO RENOYER AU		<b>BICO</b>		FOR FILING POUR - ETRE PORTE AU DOSSIER	
ACC	REF	DATE			
604723		890608			
FILE		DOSSIER			
20-CHINA-1-3-USA					

RECORDS MANAGEMENT  
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CANADIAN PRESS  
AMEMBASSY CANADA  
WASHINGTON, D.C.

DRAFTER/RÉDACTEUR

DIVISION/DIRECTION

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~~CONFIDENTIAL~~

PRESS CONFERENCE BY PRESIDENT BUSH, WHITE HOUSE PRESS BRIEFING ROOM  
WASHINGTON, DC, MONDAY, JUNE 5, 1989

ZC-1-1 page# 1

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data

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PRESIDENT BUSH: Well, during the past few days, elements of the Chinese army have been brutally suppressing popular and peaceful demonstrations in China. There's been widespread and continuing violence, many casualties, and many deaths. And we deplore the decision to use force, and I now call on the Chinese leadership publicly, as I have in private channels, to avoid violence and to return to their previous policy of restraint.

The demonstrators in Tiananmen Square were advocating basic human rights, including the freedom of expression, freedom of the press, freedom of association. These are goals we support around the world. These are freedoms that are enshrined in both the US Constitution and the Chinese constitution. Throughout the world, we stand with those who seek greater freedom and democracy. This is the strongly felt view of my administration, of our Congress, and most important, of the American people.

In recent weeks, we've urged mutual restraint, nonviolence, and dialogue; instead, there has been a violent and bloody attack on the demonstrators. The United States cannot condone the violent attacks and cannot ignore the consequences for our relationship with China, which has been built on a foundation of broad support by the American people. This is not the time for an emotional response, but for a reasoned, careful action, that takes into account both our long-term interests and recognition of a complex internal situation in China.

There clearly is turmoil within the ranks of the political leadership, as well as the political -- the People's Liberation Army. And now is the time to look beyond the moment to important and enduring aspects of this vital relationship for the United States. Indeed, the budding of democracy which we have seen in recent weeks owes much to the relationship we have developed since 1972. And it's important at this time to act in a way that will encourage the further development and deepening of the positive elements of that relationship and the process of democratization. It would be a tragedy for all if China were to pull back to its pre-1972 era of isolation and repression.

Mindful of these complexities and yet of the necessity to strongly and clearly express our condemnation of the events of recent days, I'm ordering the following actions:

- Suspension of all government-to-government sales and commercial exports of weapons;
- Suspension of visits between US and Chinese military leaders;
- Sympathic review of requests by Chinese students in the United States to extend their stay;



PRESS CONFERENCE BY PRESIDENT BUSH, WHITE HOUSE PRESS BRIEFING ROOM  
WASHINGTON, DC, MONDAY, JUNE 5, 1989

ZC-1-1 page# 2

ANNOUNCEMENT 1

-- And the offer of humanitarian and medical assistance,  
through the Red Cross, to those injured during the assault;

-- And review of other aspects of our bilateral relationship as  
events in China continue to unfold.

The process of democratization of communist societies will not  
be a smooth one, and we must react to setbacks in a way which  
stimulates rather than stifles progress toward open and  
representative systems.

3/3

STATE DEPARTMENT AUTHORIZATION BILL

160

1 **TITLE IX—PEOPLE'S REPUBLIC**  
2 **OF CHINA**

3 **SEC. 901. FINDINGS AND STATEMENTS OF POLICY.**

4 (a) **FINDINGS.**—The Congress finds that—

5 (1) on June 4, 1989, the Government of the Peo-  
6 ple's Republic of China ordered an unprovoked, brutal,  
7 and indiscriminate assault on thousands of peaceful and  
8 unarmed demonstrators and onlookers in and around  
9 Tiananmen Square by units of the People's Liberation  
10 Army, which resulted in at least 1,000 deaths and sev-  
11 eral thousand injuries;

12 (2) the Chinese Government has executed dozens  
13 of individuals who participated in prodemocracy dem-  
14 onstrations or who protested the brutal military assault  
15 against peaceful demonstrators;

16 (3) the Government of the People's Republic of  
17 China is engaging in widespread mass arrests in the  
aftermath of the June 4, 1989, military assault in  
Tiananmen Square, which have resulted in the arrests  
of thousands of students, workers, and other civilians  
so far;

22 (4) independent international human rights organi-  
23 zations, such as Amnesty International and Asia  
24 Watch, have documented daily incidences of arbitrary

RETURN TO REVENIR AU	<b>BICO</b>	FOR FILING POUR ETRE PORTE AU DOSSIER
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1 arrests, torture, and beatings by police and military  
2 forces in the People's Republic of China;

3 (5) the Chinese Government has established  
4 telephone hotlines and other local communications net-  
5 works for the express purpose of identifying and im-  
6 prisoning prodemocracy supporters and political  
7 dissidents throughout the country;

8 (6) officials of the Chinese Government have  
9 grossly distorted the Government's actions to suppress  
10 the prodemocracy movement, including the clandestine  
11 disposal of the bodies of demonstrators without inform-  
12 ing their families, and have consistently denied that the  
13 massacre in and around Tiananmen Square took place  
14 or that abuses of human rights have occurred;

15 (7) in an effort to conceal the truth about the Chi-  
16 nese Government's brutal suppression of the prodemo-  
17 cracy movement, foreign journalists have been expelled  
18 and Voice of America broadcasts are being jammed;

19 (8) in view of the widespread and continuing  
20 repression, noted Chinese intellectuals and advocates of  
21 peaceful democratic reform, Fang Lizhi and Li Shux-  
22 ian, sought refuge at the United States Embassy in  
23 Beijing on June 3, 1989, and the United States exer-  
24 cised its prerogatives under longstanding practices of  
25 diplomatic missions by granting them refuge; and

1 (9) the President has condemned the actions of  
2 the leaders of the People's Republic of China against  
3 participants in the prodemocracy movement in China  
4 and has taken several concrete steps to respond to the  
5 repression of the movement, including—

6 (A) suspending all exports of items on the  
7 United States Munitions List, including arms and  
8 defense related equipment, to the People's Repub-  
9 lic of China;

10 (B) suspending high level government-to-gov-  
11 ernment contact between the United States and  
12 the People's Republic of China;

13 (C) extending the visas of nationals of the  
14 People's Republic of China currently in the  
15 United States;

16 (D) offering humanitarian and medical assist-  
17 ance to the injured through the Red Cross;

18 (E) instructing United States representatives  
19 to international financial institutions to seek delay  
20 in the consideration of loan requests that are  
21 made to those financial institutions and would  
22 benefit the People's Republic of China;

23 (F) suspending action on applications for the  
24 issuance by the Overseas Private Investment Cor-  
25 poration of new insurance and financing of invest-

ments in the People's Republic of China by  
United States investors;  
(G) opposing the further liberalization of the  
guidelines of the group known as the Coordinating  
Committee (COCOM) regarding trade with the  
People's Republic of China;

(H) taking no further action to implement the  
agreement for cooperation between the United  
States and the People's Republic of China relat-  
ing to the uses of nuclear energy, thereby fore-  
closing the issuance of new licenses; and  
(I) suspending the license for the export of  
any United States manufactured satellites for  
launch on launch vehicles owned by the People's  
Republic of China, including the two Aussat satel-  
lites and the Asiasat satellite.

(b) STATEMENTS OF POLICY.—It is the sense of the  
Congress that—

(1) the President is to be commended for his clear  
articulation of United States condemnation of the  
actions of the Government of the People's Republic of  
China in the killing and persecution of the participants  
of the prodemocracy movement in the People's Repub-  
lic of China, and for the responses and measures by the

1 President against the People's Republic of China,  
2 which the Congress supports;

3 (2) the consultative approach that the President  
4 has used in coordinating with other countries the  
5 United States response to the atrocities committed by  
6 the leaders of the People's Republic of China should be  
7 supported;

8 (3) it is essential that the United States speak in a  
9 bipartisan and unified voice in response to the events  
10 in the People's Republic of China, and that the Presi-  
11 dent be given the necessary flexibility to respond to  
12 rapidly changing situations so that the long-term inter-  
13 ests of the United States are not damaged;

14 (4) in this vein, the President should continue to  
15 emphasize to the leaders of the Government of the  
16 People's Republic of China that resumption of normal  
17 diplomatic and military relations between the United  
18 States and the People's Republic of China will depend  
19 directly on the Chinese Government's halting of execu-  
20 tions of prodemocracy movement supporters, releasing  
21 those imprisoned for their political beliefs, and increas-  
22 ing respect for internationally recognized human rights;

23 (5) because human rights violations in a country  
24 as populous as the People's Republic of China may  
25 have serious implications for the stability of the Asia-

1 Pacific region, the United Nations should, in order to  
2 further regional security and peace, condemn the vio-  
3 lent repression, mass arrests, abuse of African stu-  
4 dents, and executions of peaceful demonstrators by the  
5 Government of the People's Republic of China and  
6 urge the Chinese Government to enter into negotia-  
7 tions with representatives of the prodemocracy move-  
8 ment;

9 (6) United States policy toward the People's Re-  
10 public of China should be explicitly linked with the sit-  
11 uation in Tibet, specifically as to whether—

12 (A) martial law is lifted in Lhasa and other  
13 parts of Tibet;

14 (B) Tibet is open to foreigners, including rep-  
15 resentatives of the international press and of  
16 international human rights organizations;

17 (C) Tibetan political prisoners are released;  
18 and

19 (D) the Government of the People's Republic  
20 of China is entering into negotiations with repre-  
21 sentatives of the Dalai Lama on a settlement of  
22 the Tibetan question;

23 (7) with respect to Hong Kong—

24 (A) the President should convey to the lead-  
25 ers of the People's Republic of China the impor-

1 tance of living up to its international undertaking  
2 with respect to the 1984 Joint Declaration for the  
3 future prosperity and stability of Hong Kong; and

4 (B) the Secretary of State should convey to  
5 the Government of the United Kingdom the  
6 strong concern of the United States for continued  
7 respect for human rights in Hong Kong, and the  
8 need to accelerate progress toward representative  
9 government through free and fair direct elections;

10 (8) the United States should offer admission to the  
11 United States to any national of the People's Republic  
12 of China who is under threat of severe penalty as a  
13 result of participating in prodemocracy activities; and

14 (9) the President should be commended for his  
15 courageous and appropriate action, in accordance with  
16 the Vienna Convention on Diplomatic Relations and  
17 customary international law, in swiftly providing tem-  
18 porary refuge to Fang Lizhi and Li Shuxian at the  
19 United States Embassy in Beijing, and the President  
20 should continue to provide refuge to those individuals  
21 to ensure their personal safety.

22 (c) ADDITIONAL MEASURES.—It is further the sense of  
23 the Congress that, in addition to the measures already taken  
24 or required to be taken by this title—



1 (1) because systematic repression in China contin-  
2 ues, the President should urge the Export-Import  
3 Bank of the United States to continue to postpone ap-  
4 proval of any application for financing United States  
5 exports to the People's Republic of China;

6 (2) under the direction of the Secretary of the  
7 Treasury, the United States executive directors of the  
8 appropriate international financial institutions should  
9 continue to oppose the extension of loans or any other  
10 financial assistance by such institutions to the People's  
11 Republic of China;

12 (3) if systematic repression in China deepens, the  
13 President should review—

14 (A) the advisability of continuing to extend  
15 most-favored-nation (MFN) trade treatment to  
16 Chinese products;

17 (B) all bilateral trade agreements between  
18 the United States and the People's Republic of  
19 China;

20 (C) the bilateral commercial agreements gov-  
21 erning Chinese-American cooperation on satellite  
22 launches; and

23 (D) the Chinese-American Agreement for  
24 Cooperation on the Peaceful Uses of Atomic  
25 Energy, signed at Washington on July 23, 1985;

1 (4) if systematic repression in China deepens, the  
2 President should consult—

3 (A) with the members of the group known as  
4 the Coordinating Committee (COCOM) for the  
5 purpose of reviewing the current favorable treat-  
6 ment accorded to high technology exports to the  
7 People's Republic of China; and

8 (B) with the other signatories of the General  
9 Agreement on Tariffs and Trade (GATT) for the  
10 purpose of reviewing the People's Republic of  
11 China's observer status at meetings on GATT  
12 and reassessing the People's Republic of China's  
13 right to accede to GATT.

14 SEC. 902. SUSPENSION OF CERTAIN PROGRAMS AND ACTIVI-  
15 TIES.

16 (a) SUSPENSIONS.—

17 (1) OVERSEAS PRIVATE INVESTMENT CORPORA-  
18 TION.—The Overseas Private Investment Corporation  
19 shall continue to suspend the issuance of any new in-  
20 surance, reinsurance, guarantees, financing, or other fi-  
21 nancial support with respect to the People's Republic  
22 of China, unless the President makes a report under  
23 subsection (b) (1) or (2) of this section.

24 (2) TRADE AND DEVELOPMENT PROGRAM.—The  
25 President shall suspend the obligation of funds under

1 the Foreign Assistance Act of 1961 for any new activi-  
2 ties of the Trade and Development Program with re-  
3 spect to the People's Republic of China, unless the  
4 President makes a report under subsection (b) (1) or (2)  
5 of this section.

6 (3) MUNITIONS EXPORT LICENSES.—(A) The is-  
7 suance of licenses under section 38 of the Arms Export  
8 Control Act for the export to the People's Republic of  
9 China of any defense article on the United States Mu-  
10 nitions List, including helicopters and helicopter parts,  
11 shall continue to be suspended, subject to subparagraph  
12 (B), unless the President makes a report under subsec-  
13 tion (b) (1) or (2) of this section.

14 (B) The suspension set forth in subparagraph (A)  
15 shall not apply to systems and components designed  
16 specifically for inclusion in civil products and controlled  
17 as defense articles only for purposes of export to a con-  
18 trolled country, unless the President determines that  
19 the intended recipient of such items is the military or  
20 security forces of the People's Republic of China.

21 (4) CRIME CONTROL AND DETECTION INSTRU-  
22 MENTS AND EQUIPMENT.—The issuance of any license  
23 under section 6(k) of the Export Administration Act of  
24 1979 for the export to the People's Republic of China  
25 of any crime control or detection instruments or equip-

1 ment shall be suspended, unless the President makes a  
2 report under subsection (b) (1) or (2) of this section.

3 (5) EXPORT OF SATELLITES FOR LAUNCH BY  
4 THE PEOPLE'S REPUBLIC OF CHINA.—Exports of any  
5 satellite of United States origin that is intended for  
6 launch from a launch vehicle owned by the People's  
7 Republic of China shall remain suspended, unless the  
8 President makes a report under subsection (b) (1) or (2)  
9 of this section.

10 (6) NUCLEAR COOPERATION WITH THE PEOP-  
11 LE'S REPUBLIC OF CHINA.—(A) Any—

12 (i) application for a license under the Export  
13 Administration Act of 1979 for the export to the  
14 People's Republic of China for use in a nuclear  
15 production or utilization facility of any goods or  
16 technology which, as determined under section  
17 309(c) of the Nuclear Non-Proliferation Act of  
18 1978, could be of significance for nuclear explo-  
19 sive purposes, or which, in the judgment of the  
20 President, is likely to be diverted for use in such a  
21 facility, for any nuclear explosive device, or for  
22 research on or development of any nuclear explo-  
23 sive device, shall be suspended,

24 (ii) application for a license for the export to  
25 the People's Republic of China of any nuclear ma-

1 terial, facilities, or components subject to the  
2 Agreement shall be suspended,

3 (iii) approval for the transfer or retransfer to  
4 the People's Republic of China of any nuclear ma-  
5 terial, facilities, or components subject to the  
6 Agreement shall not be given, and

7 (iv) specific authorization for assistance in  
8 any activities with respect to the People's Repub-  
9 lic of China relating to the use of nuclear energy  
10 under section 57b.(2) of the Atomic Energy Act  
11 of 1954 shall not be given,

12 until the conditions specified in subparagraph (B) are  
13 met.

14 (B) Subparagraph (A) applies until—

15 (i) the President certifies to the Congress  
16 that the People's Republic of China has provided  
17 clear and unequivocal assurances to the United  
18 States that it is not assisting and will not assist  
19 any nonnuclear-weapon state, either directly or  
20 indirectly, in acquiring nuclear explosive devices  
21 or the materials and components for such devices;

22 (ii) the President makes the certifications and  
23 submits the report required by Public Law 99-  
24 183; and

1 (iii) the President makes a report under sub-  
2 section (b) (1) or (2) of this section.

3 (C) For purposes of this paragraph, the term  
4 "Agreement" means the Agreement for Cooperation  
5 Between the Government of the United States of  
6 America and the Government of the People's Republic  
7 of China Concerning Peaceful Uses of Nuclear Energy  
8 (done on July 23, 1985).

9 (7) LIBERALIZATION OF EXPORT CONTROLS.—

10 (A) The President shall negotiate with the govern-  
11 ments participating in the group known as the Coordi-  
12 nating Committee (COCOM) to suspend, on a multilat-  
13 eral basis, any liberalization by the Coordinating Com-  
14 mittee of controls on exports of goods and technology  
15 to the People's Republic of China under section 5 of  
16 the Export Administration Act of 1979, including—

17 (i) the implementation of bulk licenses for ex-  
18 ports to the People's Republic of China; and

19 (ii) the raising of the performance levels of  
20 goods or technology below which no authority or  
21 permission to export to the People's Republic of  
22 China would be required.

23 (B) The President shall oppose any liberalization  
24 by the Coordinating Committee of controls which is de-  
25 scribed in subparagraph (A)(ii), until the end of the 6-

1 month period beginning on the date of enactment of  
2 this Act or until the President makes a report under  
3 subsection (b) (1) or (2) of this section, whichever  
4 occurs first.

5 (b) TERMINATION OF SUSPENSIONS.—A report re-  
6 ferred to in subsection (a) is a report by the President to the  
7 Congress either—

8 (1) that the Government of the People's Republic  
9 of China has made progress on a program of political  
10 reform throughout the country, including Tibet, which  
11 includes—

12 (A) lifting of martial law;

13 (B) halting of executions and other reprisals  
14 against individuals for the nonviolent expression of  
15 their political beliefs;

16 (C) release of political prisoners;

17 (D) increased respect for internationally rec-  
18 ognized human rights, including freedom of ex-  
19 pression, the press, assembly, and association; and

20 (E) permitting a freer flow of information, in-  
21 cluding an end to the jamming of Voice of Amer-  
22 ica and greater access for foreign journalists; or

23 (2) that it is in the national interest of the United  
24 States to terminate a suspension under subsection (a)  
25 (1), (2), (3), (4), or (5), to terminate a suspension or

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to terminate the order or the 174th day after the date of  
enactment of this Act, or to disapprove the order under subsection (a)(6), or to terminate the  
order under subsection (a)(7), as the case  
may be.

(c) REPORTING REQUIREMENT.—Sixty days after the  
date of enactment of this Act, the President shall submit to  
the Congress a report on—

(1) any steps taken by the Government of China  
to achieve the objectives described in subsection (b)(1);  
(2) the effect of multilateral sanctions on political  
and economic developments in China and on China's  
international economic relations;

(3) the impact of the President's actions described  
in section 901(a)(9) and of the suspensions under sub-  
section (a) of this section on—

(A) political and economic developments in  
China;

(B) the standard of living of the Chinese  
people;

(C) relations between the United States and  
China; and

(D) the actions taken by China to promote a  
settlement in Cambodia which will ensure Cambo-  
dian independence, facilitate an act of self-deter-  
mination by the Cambodian people, and prevent



1 the Khmer Rouge from returning to exclusive  
2 power;

3 (4) the status of programs and activities suspended  
4 under subsection (a); and

5 (5) the additional measures taken by the President  
6 under section 901(c) if repression in China deepens.

7 **TITLE X—MISCELLANEOUS**  
8 **PROVISIONS**

9 **SEC. 1001. INCREASING AMOUNT OF REWARDS FOR COMBAT-**  
10 **TING TERRORISM**

11 Section 36(c) of the State Department Basic Authorities  
12 Act of 1956 (22 U.S.C. 2708) is amended by striking out  
13 "\$500,000" and inserting in lieu thereof "\$2,000,000".

14 **SEC. 1002. ASSIGNMENT OF COMMERCIAL OFFICERS TO THE**  
15 **UNITED STATES MISSION TO THE EUROPEAN**  
16 **COMMUNITY.**

17 Within 90 days of the date of enactment of this Act, the  
18 United States Foreign and Commercial Service shall assign  
19 to the United States Mission to the European Community in  
20 Brussels no less than three commercial officers and such  
21 other staff as may be necessary to support such officers.

22 **SEC. 1003. BUY-AMERICAN REQUIREMENT.**

23 (a) **DETERMINATION BY SECRETARY OF STATE.**—If  
24 the Secretary of State, with the concurrence of the United  
25 States Trade Representative and the Secretary of Com-



Canada

Canada

MESSAGE

File/Dossier

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REF OURTEL PNR1302 26MAY(NOTAL)

---PRC MISSILE SALES

WE USED OCCASION OF VICE PREMIER TIAN JIYUNS VISIT TO OTTAWA 19MAY

TO RAISE WITH AMERICAN AND OCEANIAN AFFAIRS DEPT DIRECTOR LIU

HUAQI OUR CONCERNS ABOUT APPARENTLY INDISCRIMINATE PRC ARMS SALES,

ESPECIALLY THOSE WITH LONG RANGE CAPACITY. WE TRUSTED THAT CHINESE

GOVT WAS TAKING STEPS TO APPLY DISCIPLINE TO ALL ASPECTS OF ARMS

EXPORTS, AS WE ASSUMED HAD BEEN DONE RE SILKWORMS.

2. WE NOTED THAT IN SSEAS ABSENCE, IT WLD NOT/NOT BE APPROPRIATE TO

RAISE MATTER DIRECTLY WITH VICE PREMIER. WE DID HOWEVER WISH

DIRECTOR LIU TO CONSIDER MATTER RAISED IN CONTEXT OF TIAN VISIT AND

BE AWARE THAT WE WLD RAISE IT AGAIN AT POLITICAL CONSULTATIONS NOW

SCHEDULED FOR 04-05JUL IN PEKIN.

DRAFTER/RÉDACTEUR

B. JUTZI

SIG

DIVISION/DIRECTION

PNR

TELEPHONE

995-8663

APPROVED/APPROUVÉ

H. R. BALLOCH

SIG

Original As is

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EXTERNAL AFFAIRS — AFFAIRES EXTÉRIEURES

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A TOKYO BEIJING EXTOTT/PNR /INP

SECURITY — SÉCURITÉ
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NO May 3, 1989

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RICHARD SAINT-MARTIN, COUNSELLOR  
CANADIAN EMBASSY, WSHDC

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1 STATEMENT OF JAMES R. LILLEY, OF MARYLAND, NOMINEE TO BE  
2 AMBASSADOR TO THE PEOPLE'S REPUBLIC OF CHINA

3 Ambassador Lilley: Mr. Chairman, members of the  
4 committee, it is an honor for me to be here today to discuss  
5 my possible future assignment as the United States Ambassador  
6 to the People's Republic of China.

7 I have strong memories of China, where I was born and  
8 raised and where I worked in the U.S. Liaison Office with  
9 President Bush before the establishment of diplomatic  
10 relations between our two countries.

11 I also understand the challenges of doing business in  
12 China, having dealt with joint ventures there. Although I  
13 have spent much of my life following Chinese affairs, I have  
14 been away from China for almost three years. During this  
15 time I was totally immersed in Korea but also had the  
16 pleasure to see the PRC participate in the 1988 Seoul  
17 Olympics and to observe the expansion of unofficial contacts  
18 between the People's Republic of China and the Republic of  
19 Korea.

20 If I can indulge in a little personal recollection, I  
21 have been struck by the important and significant changes  
22 which have occurred in China in the past three years.  
23 Particularly, there has been a major change in the  
24 Sino-Soviet relationship. Trade has increased, contacts have  
25 increased, party relations are about to be reestablished.

1 The Soviet Union is addressing the three obstacles, Cambodia,  
2 Afghanistan and the Sino-Soviet border in what appears to be  
3 constructive ways. And, of course, we have Secretary-General  
4 Gorbachev coming to China in mid-May, and I appreciate very  
5 much, Senator, your getting me out there before he gets there.

6 But I think it would be missing the point if we did not  
7 see some fundamentals that also exist in the Sino-Soviet  
8 relationship.

9 China's major priority is its modernization, and it has  
10 been quite clear that the major partners in such  
11 modernization would be the modernized countries of Western  
12 Europe, Japan, and the United States. It is our comparative  
13 advantage, it is where we have scored heavily, and where I  
14 believe the Soviets are no match for us. The Chinese being  
15 the sensible, pragmatic people that they are see this  
16 probably more clearly than we do.

17 Secondly, a look at the map will tell you what the  
18 geopolitical realities of the Sino-Soviet situation are. As  
19 recently as February the Chinese have clearly pointed out to  
20 us at the highest level that they know where the long-term  
21 security threat comes from: It comes from the north. And  
22 the best counterbalance to this is a good, solid, friendly  
23 relationship with the United States and a constructive  
24 security relationship. I think these are two very important  
25 realities that we do not want to lose sight of.

1 I think again coming back into China after three years  
2 away I have noticed an outpouring of literature, dissent,  
3 even in the recent National People's Congress which though  
4 still restricted by our standards demonstrates that the  
5 legacy of independent thinking and criticism is alive in  
6 China. The press, while still under official control,  
7 presents a livelier fair and more varied views than the  
8 uniformity to which I was accustomed earlier.

9 Human rights and democracy are our heritage and our  
10 commitment. I have supported these principles in my previous  
11 posts, and I clearly stand on my record and will continue to  
12 do so. Each environment is different, but our values remain  
13 unchanged.

14 The other interesting phenomenon to me as an ambassador  
15 designate in China is something I could not have imagined  
16 three years ago. It is the burgeoning contacts which have  
17 now emerged between the People's Republic of China and  
18 Taiwan. In the past 15 months nearly 400,000 people from  
19 Taiwan are reported to have visited the mainland. Annual  
20 indirect trade has reached about \$2.5 billion and is still  
21 increasing. The propaganda level has been lowered and  
22 tensions reduced.

23 We welcome these developments as a positive step towards  
24 peaceful reconciliation. We believe that our policy has  
25 contributed and continues to contribute to an environment in

1 which these contacts can flourish.

2 At the same time we recognize that it is neither wise nor  
3 necessary for the United States to become involved as an  
4 intermediary.

5 Our bilateral relationship with China has grown stronger  
6 in the past three years. Our high level dialogue allows us  
7 to address such important international issues as Cambodia,  
8 Afghanistan and arms control. Our continuing military  
9 cooperation with China is symbolized by the arrival in Hawaii  
10 of the first PLA Navy ship ever to visit a western port. As  
11 you suggested, Senator, Chinese students in large numbers  
12 continue to come to study in the United States, a tradition  
13 that goes back to the late nineteenth century.

14 It is only natural differences also emerge on issues such  
15 as the proliferation of ballistic missiles and their  
16 component technology, human rights, and trade. All of these  
17 issues must continue to be addressed constructively within  
18 the framework of an overall relationship with China, and I  
19 look forward with your consent to doing so in Beijing. Thank  
20 you, sir.

21 [COMMITTEE INSERT]  
22  
23  
24  
25

1 Senator Cranston: Thank you very much. That is a fine  
2 agenda.

3 Regarding the Pacific Basin Forum, I just wanted to ask  
4 you briefly about that. Do you see that as a prospectively  
5 constructed development and what role do you think China can  
6 and should play in such a forum?

7 Ambassador Lilley: I am familiar with your resolution,  
8 and I know the Department of State shares many of your views  
9 on this subject. I think it is solid and important. And  
10 Secretary Baker had earlier had similar ideas in certain  
11 areas. And it is essential for the leadership of the United  
12 States to be apparent.

13 I agree with Mike Armacost that a key area is the  
14 consultation with local leaders because we have, as I talked  
15 to you about the other day, certain indications that the  
16 Chinese leadership would like very much to be consulted on  
17 any sort of Pacific forum.

18 I personally have been involved with PECC, PEBC, and  
19 ASEAN Plus negotiations and, in fact, I worked very carefully  
20 to arrange just that situation where both the PRC and Taiwan  
21 could participate, and I am glad to say they now are.

22 What we have to watch out for is the perennial fears of  
23 great nation hegemony, and I think that our Asian allies need  
24 to be consulted all the way from Singapore to Korea to Japan,  
25 to Manila and then again with Indonesia, Thailand, China,



1 Australia, New Zealand before we formulate any final plan.

2 Membership security are important, and I think it is very  
3 important that the Soviets see the need to shape up their own  
4 economic performance before they qualify for membership.  
5 They made a stab at it in Vladivostok a year or so ago, and  
6 it was rather unsuccessful. They have got an awful lot of  
7 work to do to come in and start dealing with the nations of  
8 the area on an equal basis because they have contributed to  
9 instability in the support for the Vietnamese occupation of  
10 Cambodia and for the continuing sale or gift of advanced  
11 armament to North Korea.

12 But as I said earlier, I think there are moves in the  
13 direction in the Soviet Union to improve their posture in the  
14 Far East. They have made some moves, and I think these moves  
15 are worth pursuing very carefully and very steadfastly.

16 But I think this is a timely resolution. I think we are  
17 prepared to work with you very closely on this. I am  
18 prepared to sound out the Chinese leaders for you if you wish  
19 me to do so.

20 Senator Cranston: I do.

21 Ambassador Lilley: And we will proceed, sir.

22 Senator Cranston: The Congressional resolution that has  
23 been introduced today by Senator Lugar and myself on this  
24 side with some cosponsors from both parties and also being  
25 introduced in the House does not set requirements on

1 membership in the forum. I would hope that Beijing might  
2 turn out to be a member from the outset, although if that  
3 does not appear to be feasible, perhaps later on, and that we  
4 could work to provide appropriate inclusion from the  
5 authorities on Taiwan.

6 I note that the Informal Pacific Economic Cooperation  
7 Commission seats both China and Chinese Taipei, and they both  
8 serve in the same subcommittees. And nations that do not  
9 have formal relations like Korea and China have delegations  
10 now working closely together in one way or another.

11 Do you have any on thoughts on how Taiwan might be  
12 involved in such a forum?

13 Ambassador Lilley: Through the years, Mr. Chairman, we  
14 have worked on a variety of formulas applying to various  
15 circumstances. Some of them have succeeded and some of them  
16 have not succeeded.

17 I was in Seoul in September of 1988 and saw them both  
18 march into the Olympic stadium there under an arrangement  
19 that had been set up by the International Olympic Committee.

20 We also see that a delegation from Taiwan is probably  
21 going to Beijing very shortly headed by the Minister of  
22 Finance to deal with Asia Development Bank where both the PRC  
23 and Taiwan have been represented for the last two or three  
24 years. As you say, in the PECC they are both represented  
25 under a formula.

1           It seems to me with flexibility, good sense, pragmatism  
2 we can work it out. I am sure we can. But I cannot quite  
3 visualize the right mix at this point. But I can see that  
4 there is enough precedents that we will work out something or  
5 that they will work out something. That is better.

6           Senator Cranston: Yes, that is better. I like that  
7 optimism.

8           What are the prospects for China joining GATT?

9           Ambassador Lilley: We have supported that. We think it  
10 would be very important for China to join the general world  
11 economic community because there are certain requirements  
12 from GATT that would tie in with the Chinese reforms,  
13 liberalized access to the Chinese market, price reform, a  
14 number of things I think which would be very constructive for  
15 China's economic development.

16           We have supported this, we have been in the vanguard of  
17 trying to assist China to enter the Gatt. It seems to me it  
18 is just a question of time that we work out the arrangements  
19 where China can meet the qualifications for GATT membership.

20           Right now in the retrenchment, perhaps, we have seen a  
21 slight modification of the Chinese development strategy, but  
22 I think that that is just a temporary adjustment, and I think  
23 we will see them proceed along general reform lines, and this  
24 will bring them to much closer compatibility with the GATT  
25 requirements.

1 Senator Cranston: What effects do you think the  
2 Sino-Soviet rapprochement will have on Sino-U.S. relations?

3 Ambassador Lilley: Well, I scratched at that in my  
4 initial statement.

5 As I said, when I came back I noticed this significant  
6 change in the relationship, Soviet investment coming into  
7 China, Soviets trying to sell nuclear power stations, Soviets  
8 increasing trade by a factor of something like five, six  
9 times over the last five years.

10 They had an agreement in 1985 that was signed between the  
11 Soviets and the Chinese. We did not think they would meet  
12 the requirements. They have this year. But still, I was in  
13 New York for the last three days, and I saw a number of  
14 American businessmen. And what struck me was the scope and  
15 diversification of the American investment and trading and  
16 financial arrangements in China. And my sense is the Soviets  
17 simply are not in that league.

18 If you look at General Electric alone, sales of something  
19 like \$500 million of locomotives, joint ventures in medical  
20 systems, plastics, silicone metal. You have the Caterpillar  
21 tractor, tremendous sales to China challenging Kamatsu for  
22 the tractor market now.

23 We have Westinghouse strong. We have United  
24 Technologies, a very diversified effort in China in which I  
25 participated directly in setting up a joint venture in

1 Tenjing.

2 This whole American involvement in China is so much  
3 beyond anything the Soviets can touch. If you look at the  
4 number of Soviet students in China, it has increased rapidly,  
5 but you are talking in terms of perhaps 1,000. 36,000  
6 Chinese students in the United States.

7 So, I think there are real limits on that as to how far  
8 that relationship can go and how much our relationship could  
9 be curtailed when it would go to China's disadvantage.

10 So, I think that if we stay the course, we have a very  
11 solid policy. We are liberalizing our export controls. We  
12 are looking for possibilities of better loan arrangements.  
13 We are looking at a number of ways of improving the trading  
14 relationship all the time. We are looking for an agreement  
15 on copyright. We have just had intensive discussions on  
16 intellectual property rights which have achieved some  
17 progress. We are encouraged by the whole picture, and I  
18 think we intend to be major players in this scene.

19 You know, we are the third largest investor in China. In  
20 fact, I think we are the second if you do not count the EC.  
21 We are a major trading partner. We are interacting with  
22 China very constructively in this whole field. So, I have a  
23 sense that this is going to move upward.

24 Our trade is growing at a very rapid rate. Our exports  
25 are going up 44 percent last year. It is a very encouraging

1 picture.

2 Senator Cranston: In regard to Cambodia, it is obviously  
3 necessary that we do all we can to keep the Khmer Rouge from  
4 taking over as the Vietnamese retire. Do you have any  
5 thoughts on how we achieve that and what part the People's  
6 Republic can play in achieving that?

7 Ambassador Lilley: It is a tough problem, and it is one  
8 which I am prepared to address. I did serve in Cambodia for  
9 several years in the early 1960s. I was familiar with that  
10 country when it was a peaceful small country. And to see the  
11 tragedy of its destruction in the 1970s is a personal tragedy  
12 as well.

13 I do not think any American wants the brutes of the Khmer  
14 Rouge back in dominant power in Cambodia, and we will do  
15 everything we can to block that from happening. But there  
16 are a number of specific things I think we can push in terms  
17 of an overall peace settlement in Cambodia.

18 I think freely internationally supervised elections are a  
19 requirement accepted by all Cambodian parties, and I cannot  
20 believe that the Cambodian people would vote for the return  
21 of the Khmer Rouge.

22 I think discredited senior Khmer Rouge leaders most  
23 responsible for the heinous crimes against the Cambodian  
24 people including Pol Pot must be prevented from playing a  
25 role in future Cambodian government through their removal

1 abroad.

2 The forces of the four Cambodian factions might be frozen  
3 in location, reduced to equal numbers and/or disarmed.  
4 Outside arms shipments to the Khmer Rouge and to the PRK must  
5 be ended. International access to Khmer Rouge camps along  
6 the Cambodian-Thai border must be improved and international  
7 conference must be held.

8 And I think there is a growing consensus that the  
9 international presence established in Cambodia must be strong  
10 enough to be able to monitor effectively the Vietnamese  
11 withdrawal, a cease-fire, and the other provisions I have  
12 cited. In other words, it should be an armed peacekeeping  
13 force and not a U.N. commission.

14 I saw the U.N. commission in Cambodia in the sixties, and  
15 it was an absolute farce. I also noted that the Vietnamese  
16 withdrawal from Laos in 1962 was equally a farce.

17 My sense is you have got two sides to watch very  
18 closely. Yun Sen happens to be a battalion commander from  
19 the Khmer Rouge. His credentials are not impeccable. He  
20 needs to prove himself as a real new factor in the Cambodian  
21 leadership.

22 I think we also have to make sure that they have a  
23 verified withdrawal of Vietnamese troops. The Chinese are  
24 very suspicious of this because they have seen the Vietnamese  
25 track record in various countries on withdrawal.

1 At the same time, as I say, we have to put into motion a  
2 number of mechanisms to deal with the neutralization of the  
3 armed forces, of those factions that we consider unacceptable  
4 as a future dominant force in Cambodia, and that means  
5 specifically the Khmer Rouge.

6 Senator Cranston: Thank you very much. I appreciate  
7 that statement and that determination.

8 On the subject of human rights, I trust that you will be  
9 doing all you can to advance that cause as a diplomat  
10 representing our country can, as I know you sought to do when  
11 you were in Korea where we visited together.

12 Particularly troublesome apart from some of the  
13 situations within China proper are the incidents and actions  
14 that have been occurring in Tibet. I know that the People's  
15 Republic asserts that that is strictly an internal matter. I  
16 know the Soviet Union used to take that position on  
17 assertions and denunciations of human rights violations in  
18 their country.

19 They eventually seem to have recognized the international  
20 repercussions of that and the right of the world to seek to  
21 have a voice by joining in the Helsinki Accords.

22 How do you think the United States can most effectively  
23 try to induce China to handle Tibet in a better way and what  
24 as ambassador may you be able to accomplish on that front?  
25



1 Ambassador Lilley: I faced this in Korea where I served  
2 for two years, and I had some of these problems when I was  
3 the unofficial American representative in Taiwan. And I  
4 think in both instances the record will show that there was a  
5 substantial improvement in the human rights record.

6 I found in my dealing with these situations that the  
7 cultural, historical influence in that country are terribly  
8 important, particular in Korea, to take into consideration  
9 when formulating a strategy to deal with this.

10 Had I been precipitous in Korea in seeking for, let us  
11 say, a more high profile or spectacular score in the early  
12 days there, I think I could have jeopardized the whole  
13 situation. The timing was crucial, luck plays a role in it,  
14 but I think determination and principle is also involved.

15 That is a long way of saying that the long-term  
16 influences that the United States perhaps can have in China I  
17 think are more exemplified by such institutions as Voice of  
18 America, which broadcasts to millions and millions of Chinese  
19 every day and is listened to by the leadership and carries a  
20 message of objectivity and democracy.

21 I note, sir, that the Peace Corps is going into Sichuan  
22 Province 20 strong. The best of America, the best of  
23 America's youth in China representing us I think is the kind  
24 of statement that you make. I think have 30,000-36,000  
25 Chinese here exposed to us, even with all our frailties and

1 fallings, they may take us back-retail, not wholesale. They  
2 may be selective about their experiences, but what they see  
3 is what they tell.

4 And most recently one of the most famous novelists in  
5 China called Biwah was here and wrote a series of articles on  
6 his trip to the States which were very penetrating and  
7 interesting on their comment on our democratic procedure and  
8 a person does not have to read very far to see how this could  
9 apply to China.

10 Specifically in terms of Tibet, we have deplored publicly  
11 and through private demurrages to China the violence and  
12 excessive use of force against demonstrations there. We have  
13 expressed the hope that martial law will be lifted and that  
14 Tibet will be open to foreigners.

15 We have just heard, by the way, that Lhasa is quiet, and  
16 we have also heard that tourists will be going back next  
17 month.

18 As recently as March 21st Acting Assistant Secretary for  
19 East Asian Pacific Affairs Bill Clark told the Chinese that  
20 the department could support Congressional resolutions which  
21 call for respect for human rights and for talks between the  
22 People's Republic of China and the Dalai Lama.

23 I think that all of these things are important. I will  
24 certainly carry our American policy with regard to human  
25 rights. I believe it has been reflected in the past

1 performance, but I ask your indulgence that I get on the  
2 scene first and then look at it before I come back with  
3 specific recommendations.

4 Senator Cranston: Well, that is certainly appropriate.  
5 And I know your commitment to the cause of human rights.

6 Senator Helms has several questions he would like to  
7 submit to you for response in writing. Be sure to get your  
8 answers in well in advance of Secretary Baker's appearance  
9 Tuesday morning so that we can act on the nomination at that  
10 time. He did ask me to read one of them to you.

11 In January a University of Arizona student, Yung Hai, was  
12 released from a forced labor camp but he has been forced to  
13 work at a prison factory. His wife has now received  
14 political asylum in the United States. May we have your  
15 assurance that you will bend every effort to reunite him with  
16 his wife?

17 Ambassador Lilley: I know the case, sir, and I will  
18 certainly take Senator Helms' concerns into consideration,  
19 and this is just the kind of that I will address.

20 Senator Cranston: Good.

21 Finally, let me just say that I hope you will bend every  
22 effort to discourage imprudent Chinese missile exports. We  
23 have a major problem, as you well know, on proliferation of  
24 very destructive weapons, and anything that can be done to  
25 slow that down -- we have our own faults to correct on that

1 front, too. But at the present time there are reasons to be  
2 concerned about some of China's policies.

3 Ambassador Lilley: Yes, sir. I know the President's  
4 visit in February of this year did raise this. Secretary  
5 Carlucci raised it last year. I certainly have the policy  
6 guidelines to keep pressing on this. And the Chinese --  
7 well, based on information available, we do not believe the  
8 Chinese have sold ballistic missiles to any other country  
9 either directly or indirectly. So, we will keep pressing.

10 Senator Cranston: Well, thank you very. I appreciate  
11 your testimony. I look forward to, I hope, visiting you  
12 while you are over there in the People's Republic, and I wish  
13 you well.

14 This session now stands in adjournment.

15 [Whereupon, at 4:35 p.m. the committee adjourned, subject  
16 to the call of the Chair.]  
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**ACTION**

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---VISIT OF PRESIDENT BUSH TO PEKIN

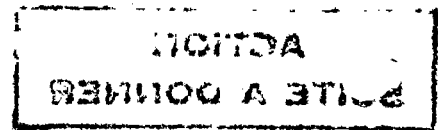
SUMMARY: DOMINANT MSGE CONVEYED WAS THAT THE PRC VIEWS THE USA AS A FRIEND AND IS SATISFIED WITH THE STATE AND OVERALL DIRECTION IN WHICH RELS ARE DEVELOPING.

2. ISSUES WHERE SOME FRICTION HAD BEEN APPARENT IN 1988, SUCH AS USA DEALINGS WITH TAIWAN AND CONGRESSIONAL INTERVENTIONS ON HUMAN RIGHTS, WERE NOT/NOT CONTENTIOUS ALTHO CHINESE DID PUT DOWN MARKERS ON THE LATTER BY EXHIBITING A LOW TOLERANCE LEVEL FOR QUOTE INTERFERENCE UNQUOTE IN THEIR INTERNAL AFFAIRS.

3. THE VISITORS RECEIVED A CLEAR COMMITMENT THAT CHINA WOULD NOT/NOT PURSUE FURTHER INTERMEDIATE RANGE MISSILE (IRBM) SALES, ALTHO SOME AMBIGUITY REMAINS CONCERNING WHAT RANGE THE CHINESE CONSIDER INTERMEDIATE.

4. WHILE NOTING IMPROVEMENT IN SINO-SOVIET RELS, THE PRESIDENTS HOSTS IMPLIED THAT CHINA'S INDEPENDENT FOREIGN POLICY WOULD

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CONTINUE TO LEAN TOWARD THE USA. THE USSR HAS MUCH GROUND TO REGAIN AND PERFORMANCE WILL HAVE TO MATCH DEEDS. HOWEVER, THE 3/3 OBSTACLES ARE CONSIDERED TO HAVE BEEN REMOVED.

5. BOTH GEN SECTY ZHAO AND P.M. LI PENG EMPHASIZED THAT THE COMMITMENT TO REFORM WAS STEADFAST BUT THAT A TEMPORARY SLOWING OF MOMENTUM WAS NECESSARY TO COOL THE OVERHEATED ECONOMY AND DEAL WITH INFLATION.

6. PRES BUSH DELIVERED AN UNMISTAKEABLE MESSAGE ON THE IMPORTANCE OF RESPECT FOR HUMAN RIGHTS. UNHAPPILY, THE MEDIA FUROR OVER THE FANG LIZHI EPISODE OVERSHADOWED THE PRESIDENTIAL SIGNAL IN THE EYES OF THE U.S. PUBLIC.

7. REPORT: WE OBTAINED A BRIEFING 26 MAR FROM THE ACTING DIR OF THE OFFICE OF CHINESE AND MONGOLIAN AFFAIRS AT STATE DEPT, JEFF BADER, ON PRES BUSH 26-27 FEB VISIT TO CHINA. DURING THE VISIT, BUSH HELD SUBSTANTIVE DISCUSSIONS WITH PRES YANG SHANKUN, PREMIER LI PENG, DENG XIAOPING AND SECTY GEN ZHAO ZIYANG. SECTY OF STATE BAKER ALSO MET WITH CHINESE FORMIN QIAN QICHEN.

8. THE OVERALL MESSAGE FROM PEKIN WAS THAT THE PRC VIEWS THE USA AS A FRIEND. THE LEADERSHIP IS SATISFIED WITH BOTH THE STATE AND THE DIRECTION OF SINO-USA RELS AND THE USA SHOULD NOT/NOT BE CONCERNED AT RECENT IMPROVEMENTS IN SINO-SOVIET RELS. THE LATTER WOULD REMAIN PROBLEMATIC EVEN AFTER NORMALIZATION.

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9.SINO-SOVIET RELATIONS:THE CHINESE SPOKESPERSONS ON SINO-SOVIET  
RELS WERE LI PENG AND DENG XIAOPING.LI,SAID THAT WHILE THE THREE  
OBSTACLES WERE NOW REMOVED OR IN THE PROCESS OF BEING REMOVED,  
(AFGHAN,CAMBODIA AND BORDER TROOP WITHDRAWALS),PEKIN WOULD MAINTAIN  
A WAIT-AND-SEE ATTITUDE.THE REINSTATEMENT OF PARTY TO PARTY RELS  
WAS PUT IN PERSPECTIVE WITH A REMARK BY LI PENG THAT THE COMMUNIST  
PARTY OF CHINA MAINTAINS RELS WITH PARTIES IN MANY NON/NO COMMUNIST  
COUNTRIES AS WELL,AND THAT SIMILAR LINKS WITH THE DEMOCRATS AND  
REPUBLICANS IN THE USA WOULD BE WELCOME.IN PRACTICAL TERMS,LI SAID  
THAT THE UPCOMING MTG BETWEEN PRES GORBACHEV AND GEN SECTY ZHAO WILL  
REPRESENT THE OFFICIAL RESTORATION OF RELS.DENG WAS NOT/NOT SO  
SANGUINE AND DELIVERED HIMSELF OF A LENGTHY HISTORICAL REVIEW ON  
SINO-SOVIET RELS STRESING IN PAPTICULAR SOVIET PERFIDY.WHILE HE ALSO  
RECOGNIZED THAT RELS HAD IMPROVED,HE MENTIONED THE SHORT RANGE MISSLE  
(SRM)PROBLEM,CONVENTIONAL FORCE REDUCTIONS AND START AS AREAS THAT  
HAD YET TO BE ADDRESSED AND ON WHICH CONCLUSIONS WOULD HAVE TO AWAIT  
THE RESULTS BOTH OF NEGOTIATIONS AND A RESPECTABLE PERIOD OF  
DEPENDABLE SOVIET PERFORMANCE.HE FINISHED BY SAYING THAT THERE WOULD  
BE NOT/NOT RETURN TO THE RELATIONSHIP OF THE 1950S AND THAT CHINA WOULD  
CONTINUE TO PURSUE AN INDEPENDENT FOREIGN POLICY.HOWEVER,THE  
IMPRESSION OF THE VISITORS WAS THAT DENG'S REMARKS IMPLIED CHINA WOULD  
LEAN MORE TOWARD THE USA THAN THE USSR.ON THE SUBJ OF DENG'S INFLUENCE,  
THE SENSE OF THE VISITORS WAS THAT HE IS IN CHARGE WHENEVER HE WANTS

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TO BE, BUT THAT THERE IS A LOT OF FLUX IN THE LEVEL IMMEDIATELY BELOW HIM.  
FOR ALL PRACTICAL PURPOSES, THE POST-DENG ERA IS ALREADY BEGINNING.

10. MISSILE PROLIFERATION: THE PRES RECEIVED FM LI PENG FURTHER  
ASSURANCES OF CHINESE COOPERATION IN STOPPING THE PROLIFERATION OF  
IRBMs. LI REITERATED THE COMMITMENT MADE IN 1988 BY DENG XIAOPING TO  
VISITING SECY OF DEF CARLUCCI, THAT FOLLOWING THE SALE TO THE  
KINGDOM OF SAUDI ARABIA (KSA) CHINA WOULD NOT/NOT PURSUE FURTHER IRBM  
SALES. LI PENG SUGGESTED THAT THE SALE TO THE SAUDIS OCCURRED BEFORE  
THE SIGNING OF THE INF TREATY. CHINA APPRECIATED THE RELAXATION OF  
TENSIONS THAT ENSUED FROM THE INF TREATY AND DECIDED THAT NO/NO  
FURTHER IRBM SALES WOULD BE MADE. HE FURTHER ASSURED THE PRES THAT  
THIS REPRESENTED A COMMITMENT THAT CHINA WOULD LIVE BY. AT THE SAME  
TIME, PEKIN SAW NO/NO NEED FOR THE FORMATION OF A SPECIAL GRP TO  
DISCUSS SUCH MATTERS BUT AGREED TO CONSULT BILATERALLY WITH THE USA  
ON THE SUBJ. SOME IN THE USA DO HAVE EXPRESSED CONCERN SINCE THEIR  
RETURN THAT THERE MIGHT BE MORE AMBIGUITY IN THE CHINESE ASSURANCES  
THAN INITIALLY MEETS THE EYE. THE REFERENCE TO THE INF TREATY MAY  
MEAN THAT CHINA WILL DEFINE IRBMs IN ACCORDANCE WITH THE 500KM  
RANGE STATED IN THE INF TREATY. THE MISSILE TECHNOLOGY TRANSFER  
REGIME (MTCR) HAS DEFINED IRBM RANGE AS 300KM. THE INF INTERPRETATION  
WOULD ALLOW THE CHINESE TO MAINTAIN THEIR COMMITMENT TO THE USA  
WHILE ENGAGING IN FURTHER SALES OF MISSILES WITH RANGES FALLING  
BETWEEN 300 AND 500KMS.

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11.TAIWAN:ALTHO USA/CHINA DISAGREEMENTS IN RESPECT OF TAIWAN AROSE FREQUENTLY DURING 1988,PARTICULARLY AS A RESULT OF PRESSURE BY FRIENDS OF TAIWAN IN CONGRESS,THERE WAS VERY LITTLE REF TO TAIWAN DURING THE DISCUSSIONS.THE CHINESE HOPED THAT THE USA WOULD NOT/NOT SUPPORT TAIWANS NEW FLEXIBLE DIPLOMACY,WHICH IMPLIES A TWO CHINA POLICY.AT THE SAME TIME,THEY INDICATED SATISFACTION THAT TAIWAN HAD RELAXED ITS POLICY ON CONTACTS WITH THE MAINLAND AND ON VISITS.AT THE SAME TIME,CHINA COULD NOT/NOT IGNORE THE SIMULTANEOUS TREND TOWARD SUPPORT FOR INDEPENDENCE IN TAIWAN.THE CLEAR IMPLICATION WAS THAT THE USA SHOULD DISCOURAGE TAIWAN FM INDEPENDENTIST POLICIES.THE PRES REASSURED THE CHINESE THAT THE USA WOULD ADHERE TO THE THREE COMMUNIQUES AND WOULD CONTINUE TO SUPPORT A ONE CHINA POLICY.

12.REGIONAL ASEAN ISSUES WERE ADDRESSED PRIMARILY BY LI PENG IN HIS DISCUSSIONS WITH THE PRES.HE BEGAN WITH AFGHANISTAN,EXPRESSING CHINESE CONCERN AT THE PROSPECT OF A CIVIL WAR THERE.HE SAID THAT IN HIS VIEW,PAKISTANS P.M.BHUTTO WAS OVERLY OPTIMISTIC.HE THOUGHT THERE SHOULD BE A COALITION GOVT AND THAT INTERESTED THIRD COUNTRIES SHOULD STRONGLY PROMOTE NATL RECONCILIATION.THE POINT WAS NOT/NOT MISSED BY THE VISITORS THAT THE PRESCRIPTIONS FOR AFGHAN WERE IDENTICAL TO THOSE OFFERED FOR A SOLUTION IN CAMBODIA.ON CAMBODIA, LI PENG ACCUSED THE VIETNAMESE OF CLANDESTINELY PUTTING SOME OF THEIR TROOPS IN PRK UNIFORMS.HE REITERATED CHINESE SUPPORT FOR PRINCE SIHANOUK AND REASSURED BUSH THAT HE DID NOT/NOT WANT TO SEE THE

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KHMER ROUGE(KR)RETURNED TO POWER.HE REITERATED PEKINS SUPPORT FOR AN INNATI PEACE KEEPING REGIME(IPKR).HE ALSO INDICATED THAT THE KR SHOULD,ALONG WITH OTHER COALITION MEMBERS,BE ALLOWED TO PARTICIPATE IN THE FUTURE GOVT.CHINA WOULD NOT/NOT WISH TO SEE THE KR VILLAINIZED TO A GREATER DEGREE THAN THE UNREPRESENTATIVE PUPPETS IN THE PRA GOVT.HE WENT ON TO EXPRESS QUEEZINESS ABOUT THAI PREMIER CHATCHAI'S CONTACTS WITH PRK PREMIER HUN SEN.HE SUGGESTED CHATCHAI OVERESTIMATED HUN SENS INDEPENDENCE FM HANOI.

13.RELS WITH THE KOREAS:KOREAN RELS WERE ALSO TOUCHED ON BRIEFLY BY LI PENG.HE THOUGHT THERE WERE GOOD PROSPECTS FOR A DIALOGUE BETWEEN THE ROK AND DPRK WHILE AT THE SME TIME CONVEYING THE BELIEF THAT CHINESE INFLUENCE ON THE DPRK WAS NOT/NOT AS GREAT AS THE USA MIGHT SUSPECT.HE MADE THE POINT THAT KIM IL SUNG WAS PARTICULARLY SENSITIVE TO MILITARY EXERCISES BETWEEN THE ROK AND USA AND THOUGHT THAT THE USA MIGHT WISH TO TAKE THAT FACT INTO GREATER ACCOUNT.RE CHINESE/ROK RELS,HE SAID THAT WHILE SOME BREAKTHROUGHS WERE OCCURING AT THE UNOFFICIAL LEVEL,PEKIN WAS NOT/NOT YET PREPARED FOR OFFICIAL RELS WITH S.KOREA.ZHAO ZIY:ANG ALSO MADE REFERENCE TO THE KOREAS, INFORMING PRES BUSH OF HIS PLANS TO VISIT PYONGYANG IN APR.BUSH ASKED ZHAO TO ENCOURAGE THE DPRK TO DISENGAGE ITSELF FROM AID AND SUPPORT FOR TERRORISM.ZHAO RESPONDED BY SUGGESTING THAT PRC INFLUENCE ON THE DPRK MIGHT BE HELPED IF THE USA WERE MORE RESPONSIVE TO PYONGYANG. HE CITED BOTH THE DPRK AND IRAN AS QUOTE HERMIT STATES UNQUOTE WHERE ...?

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ISOLATION HAD PRODUCED UNSATISFACTORY BEHAVIOR.

14. DOMESTIC REFORM: BOTH LI PENG AND ZHAO OFFERED BRIEFINGS ON CHINESE DOMESTIC REFORM POLICIES. LI FIRST APPROACHED THE SUBJ OBLIQUELY, SUGGESTING THAT THERE ARE MAJOR PROBLEMS WITH PERESTROIKA AND THAT IT WAS IMPORTANT TO PUT ECONOMIC BEFORE POLITICAL REFORM. HE ALSO CHOSE TO DELIVER A BLUNT WARNING TO THE USA, SAYING THAT THERE ARE SOME IN THE USA WHO WANT TO INTERFERE IN CHINA'S INTERNAL AFFAIRS, THAT THEY COME FROM VARIOUS WALKS AND CIRCLES AND WANT TO MAKE TROUBLE. WHILE THE PRC IS NOT/NOT PLEASED AT THESE DEVELOPMENTS, PEKIN WOULD BE EVEN MORE UNHAPPY IF OFFICIALS (MEANING EXEC BRANCH REPS) TOOK PART. THE PRC IS A POOR DEVELOPING COUNTRY AND APPRECIATES VERY MUCH INT'L SUPPORT FOR ITS REFORM BUT IT MUST MAINTAIN A STRONG GOVT TO PUSH REFORM TO FRUITION. ZHAO REVIEWED CHINA'S TEN YRS OF REFORM AND STATED EMPHATICALLY THAT THERE WAS NO/NO BASIS FOR A CHANGE IN REFORM POLICY. HE RECOGNIZED THAT THE SEP88 PLENUM WAS ACCUSED OF ABANDONING REFORM BUT SAID THIS WAS NOT/NOT SO. NONETHELESS, CHINA DID HAVE TO DEAL WITH ITS OVERHEATED ECONOMY AND WITH INFLATION. THE PERIOD 1985-87 WITNESSED INFLATION RANGING BETWEEN 6 AND 8PC, WHICH WAS BEARABLE, BUT IN 88 IT ROSE TO 18PC - A SITU WHICH COULD NOT/NOT CONTINUE. WHILE THE CHINESE PEOPLE CONTINUED TO SUPPORT REFORM, COMPLAINTS WERE EMERGING AND THEY SEEMED TO CENTRE ON TWO ERRONEOUS ...8

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IDEAS: A) THAT THE OLD WAYS WERE BETTER-A THESIS WITH FEW ADHERENTS, AND B) DRASTIC REFORM AND WESTERNIZATION ON A GRAND SCALE OFFERED THE BEST SOLUTION. HE ADDED THAT SOME IN THE WEST FAVOURED THE SECOND SOLUTION, INCL SOME AMERICAINS AND THAT SUCH INTERFERENCE COULD BOTH HURT REFORM AND DAMAGE SINO-USA FRIENDSHIP. THIS LAST COMMENT CAME AFTER THE FANG LIZHI EPISODE AND WAS CLEARLY ASSOCIATED WITH IT.

15. HUMAN RIGHTS: HUMAN RIGHTS WERE RAISED FOR THE FIRST TIME BY SECSTATE BAKER IN HIS CONVERSATION WITH QIAN QICHIN. HE EMPHASIZED USA COMMITMENT TO HUMAN RIGHTS AND ADDED THAT IT WAS A POLITICAL IMPERATIVE IN AMERICA THAT THE USA ADMIN EXPRESS THIS SUPPORT.

HE QUERIED HIS COUNTERPART ABOUT THE DIALOGUE WITH THE DALAI LAMA ON TIBET. QICHIN BRIEFED BAKER ON THE DIALOGUE BUT EXPRESSED CONCERN ABOUT INWATL INTERFERENCE. PRES BUSH ADDRESSED HUMAN RIGHTS FOR THE FIRST TIME AT THE BANQUET HOSTED BY ZHAO ON THE FIRST NIGHT OF THE VISIT, DURING WHICH HE MADE REFERENCE TO QUOTE NEW BREEZES OF HUMAN CRATIVITY AND WINDS OF CHANGE BLOWING THROUGHOUT THE WORLD UNQUOTE ADDING THAT CHINA WAS ONE OF THE FIRS TO FEEL THE EFFECTS.

DURING HIS TOAST TO USA/CHINESE RELS HE REAFFIRMED USA/PRC FRIENDSHIP BUT SAID FORTRIGHTLY THAT FRIENDSHIP MUST BE BASED ON RESPECT FOR THE INDIVIDUAL AS WELL AS RESPECT FOR STATES. AS REGARDS THE FANG LIZHI INCIDENT, THE USA RATIONALE HAD BEEN THAT FANG WOULD BE RELATIVELY UNREMARKED AMONG THE 300 GUESTS INVITED, WHICH INCLUDED SEVERAL OTHER LEADING DISSIDENTS (SU SHAO SHI-FORMER LEADER OF THE MARXIST LENINIST

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INSTITUTE, AND WU ZUGUANG-EXPELLED FM THE CPC FOR REFORMIST VIEWS). ALL WERE ALLOWED TO ATTEND EXCEPT FANG. IN AFTER-THE-FACT ANALYSIS THE ADMIN CONCLUDED THAT THE DIFFERENCE BETWEEN FANG AND OTHER DISSIDENTS WAS THAT FANG WAS PERSONALLY DISTASTEFULL TO THE LEADERSHIP IN A WAY THE OTHERS WERE NOT/NOT, POSSIBLY BECAUSE OF THE VERY PERSONAL NATURE OF SOME OF HIS CHARGES AGAINST THE LEADERSHIP. OUR INTERLOCUTOR SUGGESTED THAT IT WAS UNFORTUNATE THAT IN THE MEDIA FUROR OVER THE FANG INCIDENT, SIGHT WAS LOST OF THE FACT THAT BOTH THE PRES AND SECSTATE BAKER HAD MADE IT UNMISTAKABLY CLEAR THAT THE DURABILITY OF USA/CHINA RELS WOULD DEPEND TO QUITE AND IMPORTANT DEGREE ON CHINAS HUMAN RIGHTS PERFORMANCE.

16. CONCLUSION: OVERALL, THE MOST IMPORTANT RESULT OF THE VISIT IN THE VIEW OF OUR BRIEFER WAS THAT IT REASSURED THE CHINESE GOVT THAT THE BUSH ADMIN WAS AS COMMITTED TO THE USA/CHINESE FRIENDSHIP AS ITS PREDECESSOR. AT THE SAME TIME, HE BELIEVED THE MSSG WAS CLEARLY CONVEYED THAT WHILE THERE MIGHT BE DISAGREEMENTS FM TIME TO TIME, THE RELATIONSHIP WAS NOW OF SUFFICIENT BREADTH, DEPTH AND HISTORIC DURATION TO RESOLVE THEM, GIVENG GOOD WILL AND SINCERITY ON BOTH SIDES.

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**ACTION**  
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C O N F I D E N T I A L

FM PEKIN WJGR3158 01MAR89

TO EXTOTT PNR DELIVER BY 010900

INFO WSHIC HKONG SEOUL BNGKK PNATO PARIS LDN GENEV MOSCO PRMNY

CIDAHULL BSC TOKYO CNBRA DELHI SPORE

DISTR PND PNC PGP BCM INP IMH INE RBR IMU

---BUSH VISIT TO CHINA:FANG LIZHI INCIDENT

WE ARE AWAITING DEBRIEFINGS FROM MFA AND USA EMB TO PROVIDE FULL REPORT ON PRES BUSH VISIT TO PRC.FOLLOWING IS BRIEF ACCOUNT OF FANG LIZHI AFFAIR WHICH HAS MARRED OTHERWISE CAREFULLY ORCHESTRATED VISIT SUBJECT(UNTIL FANG AFFAIR)TO MOST EXTENSIVE AND POSITIVE COVERAGE IN PRC PRESS.SEPARATE ACCOUNT OF THIS EPISODE IS PROVIDED BECAUSE OF UNPREMEDITATED CDN CONNECTION WHICH WE EXPECT IS MAKING HEADLINES IN CDA AS WELL AS USA AND HKONG.

2.CHINESE ASTROPHYSICIST FANG LIZHI HAD BEEN INVITED TO LARGE BANQUET HOSTED BY PRES BUSH AT GREAT WALL HOTEL ON 26FEB.AS YOU KNOW,FANG IS HIGHLY CRITICAL OF CCP POLICIES AND INCREASINGLY PORTRAYED BY FOREIGN PRESS AS A KIND OF QUOTE CHINESE SAKHAROV UNQUOTE.FANG AND HIS WIFE WERE ACCOMPANIED ON THEIR WAY TO BANQUET BY PERRY LINK,DIRECTOR OF USA CENTRE FOR SCIENTIFIC EXCHANGE.CAR WAS STOPPED BY PUBLIC SECURITY POLICE BEFORE REACHING HOTEL AND DRIVER REFUSED PERMISSION TO PROCEED(REASON GIVEN WAS ALLEGED TRAFFIC VIOLATION).FANG AND LINK PARTY DECIDED TO PROCEED ON FOOT BUT AGAIN STOPPED BY POLICE,AND FANG QUESTIONED.PARTY THEN WALKED ...2

SECRET  
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TO NEARBY KUNLUN HOTEL AND TOOK TAXI TO GREAT WALL HOTEL. POLICE STOPPED TAXI ON GROUNDS LIGHTS WERE DEFECTIVE. PARTY TRIED TO REACH HOTEL BY BUS. POLICE AGAIN INTERVENED. FANG/LINK PARTY THEN DECIDED TO WALK TO COMPOUND HOUSING USA O/R AND PRESS AND CULTURAL SECTION NEAR JIAN GUO MEN WAI (JGMW) DIPLO COMPOUND.

3. SHORTLY BEFORE 2000H, TWO CDN EMB OFFICERS (DAVID HORLEY AND CECILE LATOUR) WERE WALKING BACK FROM NEARBY PARK TO JGMW. WHEN WALKING BEFORE ENTRANCE TO USA O/R AND PRESS AND CULTURAL SECTION COMPOUND WHICH IS LOCATED ON ROAD LINKING PARK AND JGMW COMPOUND, CDNS WERE APPROACHED BY PERRY LINK WHO EXPLAINED HIS AND THE FANGS PREDICAMENT. CHINESE GUARDS WERE NOT/NOT ALLOWING THEM INSIDE USA O/R AND PRESS AND CULTURAL SECTION COMPOUND AND LINK/FANG WHO WERE NOT/NOT DRESSED FOR THIS KIND OF FORCED EXCURSION WERE VERY COLD AND DISTRESSED (HAD BEEN ON FOOT FOR TWO HOURS). CDN OFFICERS INVITED THEM TO THEIR FLAT TO WARM UP.

4. UPON ENTERING DIPLO COMPOUND, HALF A DOZEN PRC SECURITY GUARDS STOPPED CDNS AND THEIR GUESTS. ALL PRODUCED THEIR ID CARDS AND WERE ALLOWED IN. SECURITY STAFF TOOK UP SEATS IN LITTLE CONCIERGE OFFICE JUST INSIDE BLDG ENTRANCE.

5. ONCE IN HORLEY/LATOUR APT, LINK AND FANG TRIED TO REACH HOTEL BUT FAILED TO GET SWITCHBOARD TO CONNECT THEM WITH SOMEONE IN USA PRESIDENTIAL PARTY. LINK AND HORLEY THEN WENT TO USA EMB TO SEE

...3

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WHETHER THEY WISHED TO ASSIST FANG AND WIFE(DR FANG,HIS WIFE AND MRS LINK STAYED IN APT).USA EMP NOT/NOT ABLE TO ESTABLISH LINK WITH PRESIDENTIAL PARTY.TIME PASSED AND RECEPTION WAS ABOUT OVER ANYWAYS(2130H).

6.DURING THAT TIME,DR FANG HAD TAKEN LIBERTY TO CALL HIS HOME AND GIVEN HORLEY/LATOUR PHONE NUMBER TO HIS SON.HE HAD BY PRIOR INVITATION INVITED JOURNALISTS TO DROP IN AT HIS OWN APT LATER IN EVENING.THIS HAD TRIGGERED A SERIES OF TELEPHONE CALLS TO HORLEY/LATOUR APT.FOR NEXT HOUR,FANG AND LINK WERE ON THE PHONE RELATING THE EVENINGS EVENTS.AT ABOUT 2230H,HORLEY OFFERED TO DRIVE THEM HOME.INSTEAD THEY ASKED TO BE DROPPED AT SHANGRI-LA HOTEL WHERE PRESS CENTRE WAS ESTABLISHED.POLICE VAN OSTENTATIONUSLY DROVE IN FORMATION WHILE EN ROUTE BUT NO/NO QUOTE TAIL UNQUOTE WAS EVIDENT WHEN HORLEY DROPPED HIS VISITORS AT SHANGRI-LA HOTEL ABOUT 2300H.THUS ENDS FORTUITOUS CDN INVOLVEMENT.

7.FOLLOWING BACKGROUND OF FANG LIZHI EVENT WILL BE OF INTEREST.WE UNDERSTAND AMERICANS GAVE INVITATION LIST TO CHINESE FOR BUSH BANQUET,BUT DID NOT/NOT CONSULT IN ADVANCE ABOUT INVITATION TO FANG LIZHI.PRES DID NOT/NOT HIMSELF RAISE HUMAN RIGHTS AND DISSIDENTS WITH CHINESE LEADERS(BUT SEC STATE BAKER DID WITH HIS COUNTERPART).

8.WHEN BUSH CALLED ON PARTY SEC GEN ZHAO ZIYANG JUST BEFORE EVENING ...4



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BANQUET ON 26FEB,ZHAO GAVE STERN WRNING ABOUT OUTSIDE SUPPORT OF CHINESE DISSIDENTS.FOLLOWING IS TEXT AS REPORTED BY XINHUA NEWS AGENCY.CHINESE PEOPLE GENERALLY SUPPORT REFORM PROGRAM.BUT THERE ARE TWO EXTREME VIEWPOINTS.PEOPLE WITH ONE VIEWPOINT COMPLAIN REFORM HAS GONE ON WRONG TRACK AND SHOULD BE REVERSED.THIS VIEW ENJOYS NO/NO PUBLIC SUPPORT.PEOPLE WITH OTHER VIEWPOINT BLAMED CHINAS POLITICS FOR DIFFICULTIES ASSOCIATED WITH REFORM,ADVOCATING IMPORT FROM THE WEST OF MULTIPARTY AND PARLIAMENTARIAN POLITICS. ONLY A FEW PEOPLE HOLD THIS VIEWPOINT.INSTEAD OF PROMOTING REFORM, THESE PEOPLE ARE ACTUALLY PROVIDING AN EXCUSE FOR REVERSING THE REFORM AND STIRRING UP SOCIAL UNREST.THIS AT THE LEAST COULD INCREASE OBSTACLES TO REFORM OR WOULD EVEN BRING SETBACKS TO IT, LEADING TO SERIOUS CONSEQUENCES.

9.ZHAO ADDED(ACCORDING TO XINHUA VERBATIM ACCOUNT)THAT SOME PEOPLE IN AMERICAN MEDIA LIKE TO SHOW THEMSELVES UP AS CLOSE TO THOSE CHINESE WHO ARE ADVOCATING IMPORT OF A POLITICAL SYSTEM FROM THE WEST IN AN ATTEMPT TO INFLUENCE THE USA GOVTS CURRENT AND FUTURE CHINA POLICY.THE FACT THAT SOME AMERICANS SUPPORT THOSE CHINESE WHO ARE NOT/NOT SATISFIED WITH CHINESE GOVT WILL BE DETRIMENTAL NOT/NOT ONLY TO CHINAS POLITICAL STABILITY AND THE PROGRESS OF ITS REFORM BUT ALSO TO THE SINO-USA FRIENDSHIP.

10.MFA PRESS SPOKESMAN SAID ON 27FEB THAT QUOTE CHINA EXPRESSED ...5

PAGE FIVE WJGR3158 CONF

REGRET THAT SOME PEOPLE HAVE MADE AN ISSUE OF THE APSENCE(SIC)OF  
ASTROPHYSICIST FROM BANQUET UNQUOTE.SPOKESMAN ADDED THAT QUOTE THE  
USA SIDE,WITHOUT CONSULTING THE CHINESE SIDE,INVITED FANG TO  
ATTEND THE DINNER,WHICH WAS ESPECIALLY IN HONOUR OF CHINESE  
LEADERS;THEREFORE THE CHINESE SIDE RESENTED THIS UNQUOTE.

11.SINCE BEGINNING DRAFTING THIS TEL,WE ARE ADVISED USA AMB LORD  
HAS BARRED USA EMB OFFICERS FROM GIVING ANY DEBRIEFING ON BUSH  
VISIT GIVEN CURRENT FUSS OVER FANG AFFAIR.AMB LORD HOWEVER GAVE  
DEBRIEFING TO AMBS ATTENDING ASEAN LUNCH YESTERDAY(ON WHICH WE  
WILL DRAW FOR FURTHER REPORT ON VISIT).LORD DID NOT/NOT DWELL ON  
FANG AFFAIR,BUT IN RESPONSE TO QUERY BY AMB DRAKE MADE FOLLOWING  
COMMENTS:USA SIDE SHOWED LIST OF GUESTS TO CHINESE BEFOREHAND.  
LATTER EXPRESSED DISPLEASURE THAT IT INCLUDED FANG LIZHI.USA SIDE  
DID NOT/NOT BELIEVE AFFAIR WOULD EVOLVE AS IT DID.QUOTE IT WAS OUR  
PARTY UNQUOTE.FANG WAS ONE OF 500 GUESTS(OTHER INTELLECTUALS  
CRITICAL OF SOME PARTY POLICIES WERE ALLOWED TO ATTEND)AND WOULD  
NOT/NOT BE GIVEN PRE-EMINENCE.IN RETROSPECT,AMB LORD BELIEVES  
CHINESE CONSIDERED THAT PRESENCE OF NOTORIOUS DISSIDENT WITH SENIOR  
REPS OF PARTY HE HAS PUBLICLY CRITICIZED WOULD HAVE BEEN UNBEARABLE  
LOSS OF FACE.FOREIGN PRESS STATES BUSH EXPRESSED REGRET TO WU  
XUEQIAN AT AIRPORT THAT FANG WAS BARRED FROM ATTENDING BANQUET AND  
SAID AMB LORD WOULD PURSUE WITH FM QIAN QICHEN(NETHER AMERICANS  
...6

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NOR CHINESE HAVE YET COMMENTED ON THIS REPORT).

12.ASSESSMENT:AFFAIR HAS BEEN BLOWN OUT OF PROPORTION AND HAS MARRED VISIT WHICH HAD OTHERWISE BEEN SUCCESSFUL.CHINESE MEDIA HYPE OVER POSITIVE ASPECTS OF VISIT HAD BEEN UNPRECEDENTED.CHINESE AUTHORITIES REACTED VERY CLUMSILY TO FANG INVITATION.BLATANT HARRASSMENT OF FANG LIZHI,DETAILED IN FOREIGN PRESS,CONSOLIDATES HIS IMAGE AS A QUOTE CHINESE SAKHAROV UNQUOTE,A ROLE WHICH FANG SEEMS TO RELISH.

13.IT HAS MORE SINISTER IMPLICATIONS.CHINESE MESSAGE IS THAT FOREIGNERS CANNOT/NOT ASSOCIATE WITH DISSIDENTS WHICH PARTY CONSIDERS OUT OF BOUNDS(EVEN IF THEY HAVE NOT/NOT BEEN DESCRIBED AS SUCH).THIS WILL FURTHER ESTRANGE WEST AND CHINA WITH RESPECT TO SENSITIVE SUBJECT OF HUMAN RIGHTS,AN ISSUE WHICH ALL PARTIES HAD BEEN ABLE TO HANDLE WITH KID GLOVES.CHINESE VIEW THAT THEY HAVE A RIGHT TO VETO GUESTS INVITED AT PARTY HOSTED BY FOREIGN DIGNITARIES ALSO WORRISOME.PRESSURE ON WESTERN GOVTS TO RAISE PROFILE OF HUMAN RIGHTS DISCUSSIONS WITH CHINA MAY MOUNT.IT MAY ALSO BECOME DOMESTIC PRC ISSUE AT CRITICAL TIME IN CHINAS REFORM DEBATE(AS ZHAO MADE VERY CLEAR TO PRES BUSH).SOME CHINESE OFFICIALS ARE BOUND TO REMARK THAT SOVIETS WILL NOT/NOT SUPPORT CHINESE HUMAN RIGHTS ACTIVITIES AND SOME QUARTERS OF CCP MAY PRESS FOR CLOSER POLITICAL RAPPROCHEMENT WITH USSR WHICH LEADERSHIP AS A WHOLE ...?

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WISHES TO AVOID(FOR FEAR OF GENERATING CONCERNS IN WEST,WHOSE CAPITAL AND TECHNOLOGY ARE VITAL TO REFORM PROGRAM).

14.MATTER WILL LIKELY BLOW OVER IN WESTERN PRESS IN A FEW DAYS.BUT ISSUE WILL COME BACK.CHINESE ARE LIKELY TO BECOME EVEN MORE HOSTILE TO HAVING HUMAN RIGHTS PLACED ON BILATERAL AGENDAS(NOT/NOT THAT THEY HAVE EVER WELCOMED IT).

15.FINALLY,PEKIN BASED JOURNALISTS CAN BE EXPECTED TO BE ACTIVELY DISCOURAGED FROM PURSUING DIALOGUE WITH FANG,AND POSSIBLY IN FUTURE WITH OTHER CHINESE DISSIDENTS.CTV/MUNSEN MAY BE PARTICULARLY VULNERABLE.HE HAS INTERVIEWED FANG SOME WEEKS AGO, AND AGAIN JUST AFTER THIS INCIDENT.HE HAS ESTABLISHED GOOD RAPPORT WITH FANG AND LATTER CERTAINLY WELCOMES PRESS ATTN.

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External Affairs Affaires extérieures  
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MESSAGE

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TO/À	TO PEKIN		
INFO	---		
DISTR	---GLOBE AND MAIL ARTICLE		
REF	THE FOLLOWING G AND M ARTICLE OF 27FEB MAY BE OF INTEREST TO		
SUBJ/SUJ	DAVID HORLEY AND CECILE LATOUR.  (COMCENTRE PLS SEND BY FAX ATTACHED 2/2 PAGES.)		

DRAFTER/RÉDACTEUR	DIVISION/DIRECTION	TELEPHONE	APPROVED/APPROUVÉ
SIG /dk	PNR	995-8663	SIG <i>[Signature]</i> HOWARD BALLOCH

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GLOBE AND MAIL

Monday, February 27, 1989

# Chinese police bar dissident from Bush visit

BY JAN WONG  
Globe and Mail Correspondent

BEIJING

Chinese police waylaid the country's leading dissident and prevented him from attending a farewell banquet held by U.S. President George Bush last night.

Astrophysicist Fang Lizhi, 52, and his wife, Li Shuxian, were stopped by police two blocks from the hotel where Mr. Bush was holding a Texas-style barbecue for 500 guests, including Chinese President Yang Shangkun.

"I'm OK. So far I'm all right," Mr. Fang said in a telephone interview, just after arriving home at 2 a.m. today. "But this has lost face for China."

Mr. Fang, who is known as China's Andrei Sakharov, advocates basic human rights, including freedom of speech and freedom of travel. Last month, he wrote an open letter to Chinese leader Deng Xiaoping calling for the release of all political prisoners. His action has since been echoed by hundreds of Chinese intellectuals both here and abroad.

Asked why he thought the police had stopped him, he gave his

trademark laugh. "Some people don't like what I have to say. Maybe they don't want to eat in the same room as me," he said.

The move by security police came a few hours after Communist Party Secretary Zhao Ziyang warned Mr. Bush in unusually blunt language that dissidents hurt rather than help his reforms. He said that U.S. support for dissidents could destabilize China.

In talks that lasted an hour and 45 minutes yesterday, Mr. Zhao told Mr. Bush that some Chinese want to import multi-party, parliamentary politics from the West.

"Instead of promoting the reform, these people are actually providing an excuse for reversing the reform and stirring up social unrest," Mr. Zhao said.

Last night's order to stop Mr. Fang, after he was expressly invited by Mr. Bush, would almost certainly have had to come from the highest authorities. There was speculation last night that the order was timed to embarrass Mr. Zhao and weaken his position.

Conservatives in the Communist Party have attacked the party sec-

DISSIDENT — Page A9

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GLOBE AND MAIL

Monday, February 27, 1989 (CONT.)

## Dissident barred from Bush banquet

• From Page A1

retary, a protégé of Deng Xiaoping, for the rampant inflation and corruption that are accompanying China's economic reforms. Mr. Zhao told Mr. Bush that he was feeling pressure from those who opposed his reforms outright.

Mr. Fang left his apartment with his wife at about 7 p.m., according to the elevator operator in his high-rise building. They were accompanied by Perry Link, director of the U.S. Academy of Sciences office in Beijing, who is fluent in Chinese, and his wife, who were also invited to the banquet.

Two blocks from the Great Wall Sheraton Hotel, police stopped the Links' car, which was driven by a Chinese chauffeur, for an alleged traffic violation. After a few minutes, the two couples decided not to wait and to proceed on foot.

But groups of police quickly surrounded them. When Mr. Fang displayed his engraved invitation, the Chinese police told him that the U.S. Secret Service had informed them he was not on the guest list.

Early last night, a spokesman for the U.S. Embassy expressed concern and said he did not know why Mr. Fang had failed to show up.

The two well-dressed couples then crossed the street and took a taxi from the Kun Lun Hotel, hoping to complete the two-minute drive to the Sheraton. Police stopped the taxi for allegedly faulty lights and seized the driver's keys.

The two couples then decided to go to the U.S. ambassador's residence and tried to take a public bus. But police, who were out in force to provide security for the presidential banquet, waved on three buses in succession, preventing them from picking up passengers.



Fang Lizhi

Finally, the couples decided to walk to the ambassador's residence — an hour away by foot. Several plainclothes policemen trailed them the whole way.

With everyone at the banquet, the ambassador's residence was deserted. But Mr. Link spied David Horley, a Canadian diplomat, and his wife, Cecile Latour, out for an evening stroll. Mr. Link introduced himself and Mr. Fang, and told Mr. Horley of their dilemma.

Mr. Horley invited the two couples — freezing by then — to his apartment to warm up. At the entrance to the walled compound for diplomats, the usual single guard had been replaced by a half dozen. They asked Mr. Fang for identification.

"He was very composed," said Mr. Horley, who is the Canadian Embassy's commercial counsellor. "He was extremely gracious and expressed concern for disrupting our evening."

Mr. Horley produced his identification and the party proceeded to his apartment. Mr. Fang was still hoping to get to Mr. Bush's dinner, but Mr. Horley and Mr. Link were unable to reach any U.S. officials.

Mr. Fang, a short man with horn-rimmed glasses, was fired two years ago from his job as vice-president of the University of Science and Technology in Hefei, the capital of Anhui province. He was accused of supporting student demonstrations for democracy. Soon after, he was expelled from the Communist Party. Although he has travelled widely, he was not given an exit permit to go to a scholarly conference in the United States last fall. He is still awaiting an exit permit.

Mr. Fang is now a professor at the Beijing Observatory. A distinguished scientist, last year he published the third-largest number of scholarly papers of any academic in China.

Mr. Fang, clearly exhausted by his ordeal, still retained his sense of humor early this morning. "I've walked a long way. President Bush invited me to dinner and I still haven't eaten," he said. Then he laughed.

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PRC: BUSH CONVEYS, WAN LI ACCEPTS QUAYLE'S INVITATION FOR VISIT  
OW2602164289 BEIJING XINHUA IN ENGLISH 1502 GMT 26 FEB 89

[TEXT] BEIJING, FEBRUARY 26 (XINHUA)--WAN LI, CHAIRMAN OF THE CHINESE NATIONAL PEOPLE'S CONGRESS STANDING COMMITTEE, WILL PAY AN OFFICIAL VISIT TO THE UNITED STATES IN MAY AT THE INVITATION OF U.S. VICE-PRESIDENT DAN QUAYLE.

THE INVITATION WAS PASSED ON TO WAN LI BY VISITING PRESIDENT GEORGE BUSH, WHO IS HERE ON A WORKING VISIT.

ACCORDING TO CHINESE FOREIGN MINISTRY SOURCES, BUSH SAID HE IS LOOKING FORWARD TO MEETING WAN IN WASHINGTON D.C. AND WOULD LIKE TO PLAY TENNIS WITH HIM UPON HIS ARRIVAL.

26 FEB 1659Z HEW

NNNN

*Chinese still now be  
ready to continue visit to US  
date  
Pis will I investigate*

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PRC: SPOKESMAN COMMENTS ON BUSH VISIT

OW2302105589 BEIJING XINHUA IN ENGLISH 1032 GMT 23 FEB 89

[TEXT] BEIJING, FEBRUARY 23 (XINHUA) -- PRESIDENT GEORGE BUSH'S VISIT TO CHINA IS A MAJOR EVENT IN THE RELATIONS BETWEEN CHINA AND THE UNITED STATES, CHINESE FOREIGN MINISTRY SPOKESMAN LI ZHAOXING SAID HERE THIS AFTERNOON.

DURING HIS VISIT, BUSH AND THE CHINESE LEADERS WILL EXCHANGE VIEWS ON THE SINO-U.S. BILATERAL RELATIONS AND THE INTERNATIONAL ISSUES OF COMMON CONCERN, LI SAID AT ONE WEEKLY NEWS BRIEFING HERE THIS AFTERNOON.

"IT IS OUR HOPE THAT THROUGH HIS VISIT THE FRIENDLY RELATIONS AND COOPERATION BETWEEN THE TWO COUNTRIES WILL FURTHER DEVELOP ON THE BASIS OF THE PRINCIPLES OF THE THREE JOINT COMMUNIQUE," LI SAID.

HE SAID THAT THE PRESENT INTERNATIONAL SITUATION HAS TAKEN NEW TURNS AND THE SINO-U.S. RELATIONS HAVE ENTERED INTO THE SECOND DECADE SINCE THE NORMALIZATION OF THE DIPLOMATIC RELATIONS BETWEEN THE TWO COUNTRIES.

THEREFORE, HE SAID, THE MEETING BETWEEN LEADERS OF CHINA AND THE UNITED STATES IS IMPORTANT AND BENEFICIAL.

THE VISIT WILL ALSO PROVIDE A GOOD OPPORTUNITY FOR THE LEADERS OF THE TWO COUNTRIES TO EXCHANGE VIEWS ON IMPORTANT INTERNATIONAL ISSUES AND BILATERAL RELATIONS, HE SAID.

"IT IS OUR BELIEF THAT BUSH'S VISIT TO CHINA WILL HELP PROMOTE THE DEVELOPMENT OF THE RELATIONS BETWEEN THE TWO COUNTRIES," HE SAID.

23 FEB 1103Z LFM

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**ACTION**  
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BNGKK KLMPR SPORE JKRTA MANIL WLGTN PCOOTT CIDAULL BSC  
TT NDHQOTT/DIPOL/ DE CAF

BAG SHNGI DE PEK

DISTR PGB PND PNC PGP CPD CPP INP PSR PSD USS IFB RBR IMH

---SINO-USA RELATIONS:A CHINESE ANALYSIS

SUMMARY:MOST AUTHORITATIVE STUDY OF SINO-USA RELS ISSUED  
IN CHINA FOR OVER A YEAR CONTAINS AN ENCOURAGEMENT AND A  
WARNING.IT REAFFIRMS STRONG CHINESE INTEREST IN FURTHER  
DEEPENING BILATERAL RELATIONSHIP FOR DOMESTIC AS WELL AS  
BROADER GEOPOLITICAL REASONS.IT ALSO WARNS THAT QUOTE SIX  
PROBLEMS UNQUOTE WHICH HAVE TROUBLED RELATIONSHIP IN PAST  
YEAR OR SO HAVE INTRODUCED INSTABILITY IN RELATIONSHIP AT  
TIME WHEN SINO-SOVIET RELATIONS HAVE IMPROVED.ONUS IS PUT  
ON USA,ESP CONGRESS,TO TREAT CHINA ON BASIS OF RESPECT  
AND EQUALITY IF BILATERAL RELATIONSHIP IS TO CONTINUE TO  
DEVELOP GRADUALLY.STUDY ALSO CONTAINS INTERESTING CEINESE  
INSIGHTS ON INNATL AND REGIONAL SECURITY,JAPAN AND ASEAN  
AND CONCEPT OF HUMAN RIGHTS.

2.REPORT:ARTICLE WHICH APPEARED IN 15FEB EDITION OF BEIJING

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UNQUOTE) BUT ALSO AND MORE INTERESTINGLY CHINA WISH NOT/NOT  
TO JEOPARDIZE THE PEACE AND DEVELOPMENT IN THE ASIA-PACIFIC  
REGION. HUAN STATES THAT QUOTE SINO-USA RELS ARE GAINING  
MORE PULL IN THE INNTL AREA AS THE ASIA-PACIFIC AREA IS  
BEGINNING TO HAVE MORE IMPORTANCE IN WORLD AFFAIRS UNQUOTE.  
THUS, CHINA SEES LONG TERM GOOD RELS WITH USA AS ESSENTIAL  
TO ITS REGIONAL SECURITY AND SOLID BILATERAL RELATIONSHIP  
IS DOUBLY VITAL TO PRC.

5. NEVERTHELESS, HUAN CONTRASTS NEGATIVE FACTORS WHICH HAVE  
EMERGED IN SINO-USA RELS TO QUOTE SLIGHT RELAXATION UNQUOTE  
WHICH HAS OCCURRED AT THE SAME TIME IN SINO-USSR RELS. AND  
CHINESE RESTRAINT HAS ITS LIMITS: QUOTE SINO-USA RELS CAN  
CONTINUE TO DEVELOP GRADUALLY ONLY IF USA DESISTS FROM FURTHER  
DAMAGING ACTIVITIES UNQUOTE. SOLUTION GIVEN BY HUAN IS TO  
FOSTER BETTER MUTUAL UNDERSTANDING, LIMITING CRITICISM TO  
ACCEPTABLE LEVEL (ARTICLE NOTES THAT CHINA ACCEPTS USA CRITICISM  
OF ITS BUREAUCRACY AND SLOWNESS IN OPENING UP TO THE OUTSIDE WORLD),  
TREATING OTHER COUNTRY ON BASIS OF EQUALITY (AND AVOID USING TRADE  
OR TECH TRANSFERS AS LEVER).

6. OF AT LEAST EQUAL INTEREST, BECAUSE OF LONG SILENCE ON  
CHINESE VIEW OF THE WORLD (NO/NO OVERALL FOREIGN POLICY STATEMENT  
THIS YEAR AND INDICATIONS THAT CHINESE FOREIGN POLICY IS

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PAGE FOUR WJGR3129 CONF

CURRENTLY OBJECT OF DISCUSSION AND REVIEW AT HIGHEST LEVEL)  
ARE THOUGHTS ON OTHER INNATL AND REGIONAL ISSUES. HUAN CONSIDERS  
THAT CURRENT ECONOMIC DIFFICULTIES IN DEVELOPED COUNTRIES  
WILL LEAD TO WORLD ECON INSTABILITY IN A FEW YEARS. THESE HAVE  
ALREADY LED TO RISE OF JAPAN AS WORLDS FOREMOST FINANCIAL POWER.  
HUAN WARNS THAT, NOT/NOT SATISFIED WITH THIS POSITION, JAPAN  
IS ALSO ATTEMPTING TO BECOME A MAJOR POLITICAL AND MILITARY  
POWER. HOWEVER NO/NO RADICAL FUNDAMENTAL CHANGE IS TO BE  
EXPECTED IN JAPANS RELS WITH USA AND CHINA FOR THE NEXT FIVE  
TO TEN YEARS.

7. HUAN FORESEES RELAXATION OF ASIAN HOT SPOTS. SITUATION  
IN KOREAN PENINSULA MAY SEE QUOTE SOME RELEASE IN THE DEADLOCK  
UNQUOTE. AS FOR INDO-CHINESE PENINSULA AND AFGHANISTAN, MILITARY  
ACTIVITY MAY DIMINISH OR EVEN COME TO A HALT WITHIN A FEW  
YEARS, ALTHOUGH POLITICAL SETTLEMENT MAY BE PUT OFF FOR A  
VERY LONG TIME (HUAN AMBIGUOUSLY LUMPS TWO ISSUES TOGETHER).  
ASEANS INNATL ROLE IS TO QUOTE BECOME MORE AND MORE  
IMPORTANT UNQUOTE AS MEMBERS DEVELOP THEIR ECONOMIES AND  
SOME OF THEM MAY BECOME NICS.

8. ARTICLE CONFIRMS VIEWS INCREASINGLY VOICED BY CHINESE THAT  
USA IS ON THE DECLINE (ALTHOUGH QUOTE THE STRENGTH OF THE  
USA HAS ALREADY BEEN CONSIDERABLY WEAKENED UNQUOTE, SOME

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PAGE FIVE WJGR3128 CONFD

CIRCLES GUILTY OF NATIONAL CHAUVINISM STILL BELIEVE THAT  
QUOTE THEIR COUNTRY IS IN A POSITION TO DOMINATE THE WORLD  
AND MANIPULATE OTHERS AS IT PLEASES UNQUOTE). HUMAN RIGHTS  
PERCEPTIONS ARE SEEN AS A LONG-TERM OBSTACLE TO SMOOTH RELATIONS  
AND HUAN CAUTIONS THAT QUOTE WE DEFINE THE TERM HUMAN RIGHTS  
DIFFERENTLY (HE DOES NOT/NOT SAY HOW), ACCORDING TO OUR VALUE  
CONCEPTS UNQUOTE. NEITHER COUNTRY SHOULD FORCE HIS VIEWS  
ON THE OTHER; COMMON GROUND MUST BE FOUND WHILE RESERVING  
DIFFERENCES.

↓  
Human  
rights

↑

9. CHINESE HAVE IN PAST MONTHS LIMITED THEIR COMMENTS ON FOREIGN  
POLICY ISSUES TO BARE MINIMUM, AND HAVE SPOKEN IN GENERALLY RESPONSIVE  
MANNER ONLY. ARTICLE FROM AUTHORITATIVE SOURCE PROVIDES LONG  
OVERDUE ANALYSIS ON IMPORTANT AREAS OF CHINESE FOREIGN POLICY  
AND FORESHADOWS MORE LENGTHY ANALYSIS, PROBABLY IN REPORT  
TO NATL PEOPLES CONGRESS (NPC) IN MAR. IT CONFIRMS PRIORITY  
CHINESE ATTACH TO RELATIONS WITH USA, BUT GROWING IMPATIENCE  
WITH AMERICAN CRITICISM OF CHINESE INNATL AND DOMESTIC POLICIES,  
ESP ON PART OF USA CONGRESS.

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PRIS 025 (SEE 018)

PRC SPOKESMAN SAYS U.S. RESTRICTIONS ON DIPLOMATS 'UNREASONABLE'

OW2912112888 BEIJING XINHUA IN ENGLISH 1048 GMT 29 DEC 88

[TEXT] BEIJING, DECEMBER 29 (XINHUA) -- A CHINESE FOREIGN MINISTRY SPOKESMAN SAID TODAY THAT THE UNITED STATES' RESTRICTIONS ON CHINESE DIPLOMATS TRAVELING IN THE U.S. IS "TOTALLY UNREASONABLE."

THE SPOKESMAN MADE THIS COMMENT WHEN IN REPLY [AS RECEIVED] TO A REPORTER'S QUESTION AT THE WEEKLY NEWS BRIEFING HERE TODAY. THE REPORTER ASKED THAT THE U.S. STATE DEPARTMENT SPOKESMAN STATED YESTERDAY THAT THE U.S. WILL IMPOSE TRAVELING LIMITATION ON CHINESE DIPLOMATS THERE BECAUSE THE U.S. REGARDED CHINA'S IMPOSITION OF TRAVELING RESTRICTION ON THE U.S. DIPLOMATS IN SHENYANG AND SHANGHAI "UNREASONABLE".

THE SPOKESMAN SAID THAT FOR MANY YEARS THE U.S. HAS BEEN ADOPTING DISCRIMINATIVE RESTRICTIONS ON TRAVELING IN THE U.S. BY THE CHINESE DIPLOMATS IN CHINA'S CONSULATES IN THE U.S.

ON THIS ISSUE THE CHINESE SIDE HAS MADE REPEATED PRESENTATIONS TO THE U.S. SIDE. HOWEVER THE QUESTION HAS NEVER BEEN SOLVED. WORSE STILL, IN OCTOBER 1988, THE U.S. SIDE FURTHER ADOPTED EVEN MORE RESTRICTIVE MEASURES ON THE TRAVELS IN THE U.S. OF THE PERSONNEL OF THE CHINESE CONSULATE GENERAL IN CHICAGO. FOR THIS REASON, THE SPOKESMAN SAID, THE CHINESE SIDE WAS FORCED TO TAKE SIMILAR CORRESPONDING MEASURES ON THE PERSONNEL OF THE U.S. CONSULATES GENERAL IN SHENYANG AND SHANGHAI BEGINNING DECEMBER 1988.

HE SAID IT WAS QUITE CLEAR THAT THE OCCURRENCE OF SUCH A SITUATION WAS CAUSED BY THE PRACTICE OF THE UNITED STATES. IT WAS ENTIRELY UNREASONABLE FOR THE SPOKESMAN OF THE U.S. STATE DEPARTMENT TO STATE THAT THE UNITED STATES WILL CONTINUE TO IMPOSE RESTRICTIONS ON THE CHINESE CONSULATES GENERAL IN THE U.S.

DURING THE FOURTH ROUND OF CONSULTATIONS HELD ON DECEMBER 7 AND 8, THE SPOKESMAN RECALLED, THE U.S. SIDE FAILED TO MAKE RESPONSE TO THE POSITIVE PROPOSALS PUT FORWARD BY THE CHINESE SIDE. AS A RESULT THE FOURTH ROUND OF TALKS ENDED FRUITLESS, WHICH THE CHINESE SIDE FELT QUITE DISAPPOINTED ABOUT IT. [SENTENCE AS RECEIVED]

THE SPOKESMAN SAID THAT CHINA HAS ALWAYS BEEN ADOPTING A POSITIVE ATTITUDE TOWARDS THE SOLUTION OF THE QUESTION. IT IS CHINA'S HOPE TO SETTLE THE ISSUE THROUGH THE JOINT EFFORTS OF THE TWO SIDES.

29 DEC 1138Z BW

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LEVEL 1 - 1 OF 1 STORY

The Associated Press

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December 28, 1988, Wednesday, AM cycle

SECTION: Washington Dateline

LENGTH: 519 words.

HEADLINE: U.S. Urges China To Lift Diplomatic Travel

BYLINE: By RUTH SINAI, Associated Press Writer

DATELINE: WASHINGTON

KEYWORD: U.S.-China

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BODY:

The administration on Wednesday urged China to remove restrictions on the travel of U.S. diplomats, saying it was considering whether to further limit the movement of Chinese envoys in America.

The dispute grew out of severe limitations placed by China on the travel of American officials stationed at the U.S. consulate in the northeastern Chinese city of Shenyang last year.

In response, the United States banned officials at the Chinese consulate in Chicago from driving beyond the city and its suburbs without permission. The U.S. decision was mandated by the 1982 Foreign Missions Act which demands reciprocal action by the State Department in response to limitations against U.S. diplomats abroad.

State Department officials describe the sanctions controversy as a minor irritant to their otherwise good relations, which have been feted this month in celebrations marking the 10th anniversary of diplomatic ties. "We don't feel it's a major disruption," said one official, speaking on condition of anonymity.

Department spokeswoman Phyllis Oakley said the United States hopes "that the Chinese side will join us in seeking to remove the restrictions."

But The United States was "disappointed" by the inconclusive result of talks on the subject held earlier this month in Beijing as part of semi-annual discussions on reciprocity issues. Other such issues include housing space for diplomats, permission for diplomats' wives to work and customs clearance regulations.

In response to the ruling against the Chicago consulate, China imposed travel restrictions on the U.S. consulate in the southern port city of Shanghai several weeks ago and further limited the Shenyang consulate officials.

Diplomats at these two missions are now required to obtain permission for travel 48 hours in advance.

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The Associated Press, December 28, 1988

Diplomats at the U.S. Embassy in Beijing and at the Chinese Embassy in Washington have always been required to notify authorities of their intention to travel, but in the United States this is only a formality. China restricts travel to certain cities it has declared closed areas for military reasons.

"We consider the Chinese restrictions to be unreasonable since they go well beyond restrictions on" their diplomats here, Oakley said.

"We have not made any decisions regarding future actions which we might take in the wake of these latest Chinese restrictions imposed on U.S. diplomats in Shenyang and Shanghai," she said.

The Foreign Mission Act does not proscribe a strict tit-for-tat, leaving it to the administration to decide whether to retaliate for the Shanghai restrictions or to make do with the ban placed on the Chicago consulate, said the official who asked not to be named.

"The situation does not necessarily have to escalate," the official said.

The United States has four consulates in China, in addition to the embassy, and China has five here.

Travel restrictions against diplomats worldwide are also designed to prevent espionage activity. The United States requires Soviet and East bloc diplomats to apply for permission to travel beyond a 25-mile radius from their posts.

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File/Date

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SUBJECT

DISTR PNC PND URR CPP PSR RBR INE PGP

FILE 20-CHINA

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SPEECH TO FOREIGN POLICY ASSE BY PRC FORMIN QIAN

PRC FORMIN QIAN QICHEN ADDRESSED WELL-ATTENDED FPA LUNCHEON AT WALDORE ASTORIA 29SEP. HIS REMARKS DID NOT/NOT APPEAR TO ANY RADICAL NEW GROUND ON FOREIGN OR DOMESTIC ISSUES, BUT ELEMENTS, PARTICULARLY IN Q-AND-A SESSION, MAY JUSTIFY SUMMARY.

2. PREPARED REMARKS REITERATED STANDARD DENG-ERA THEMES, INCL:

(A) MIXED MARKET-ORIENTED AND STATE-DIRECTED ECONOMY WITH LATTER DOMINATING; (B) IN ECON PLANNING, STRESS ON PROD N OF FOOD (QIAN PREDICTED THAT GRAIN PROD N WOULD DOUBLE BY YR 2000, AS IT HAD ALREADY DONE OVER PAST DECADE) AND CONSUMER GOODS; (C) CALL FOR GREATER FOREIGN INVOLVEMENT IN PRC ECONOMY THRU TRADE/INVESTMENT

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Sgt R. McDougall

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5. ON PRC ARMS SALES, QIAN NOTED THAT USA, USSR AND EUROPE WERE RESPONSIBLE FOR 90% OF WORLD ARMS TRADE. PRC DID SELL ARMS, AS WAS ITS RIGHT, BUT THIS DID NOT/NOT REPRESENT SIGNIFICANT PART OF ITS ECON DEVT PLANO.

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--- SPEECH TO FOREIGN POLICY ASSN BY PRC FORMIN QIAN

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TO EXTOTT PNR

INFO PEKIN HKONG TOKYO SEOUL LDN CNBRA WLGTH MANIL KIMPR BNGKK

JKRTA SPORE

EAG SHNGI DE HOK

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---PNR VISIT TO WSHDC-PRC AND TAIWAN

SUMMARY: BALLOCH VISIT ELICITED USEFUL COMMENTS AND ADVICE ON  
MANAGING COMMERCIAL LINKS WITH TAIWAN WITHOUT DRAWING PRC  
FIRE, AND USA VIEWS ON EVOLUTION OF PRC-TAIWAN RELS.

2. INTERLOCUTORS OBSERVED THAT ANY USA MATTER TOUCHING ON  
TAIWAN THAT SMACKED OF OFFICIAL OR FORMAL CONTACT INEVITABLY  
GENERATED A PRC REACTION. AS A RESULT, USA ADHERES SCRUPULOUSLY  
TO NORMALIZATION AGMT. U.S. ARMS SALES TO TAIWAN REMAIN AREA OF  
CONSTANT AND INTENSE PRC SENSITIVITY AND ARE LIKELY TO REMAIN  
SO.

3. EVOLVING PRC-TAIWAN CONTACTS SET AGAINST BACKGROUND OF  
TAIWAN LIBERALIZATION THAT CREATES DILEMMAS FOR PEKING. AFTER YRS  
OF CLAMORING FOR GREATER OPENNESS IN TAIPEI, ITS ARRIVAL AND  
REMOVAL OF STRICTURES ON OPEN DISCUSSIONS OF FORMERLY TABOO  
SUBJECTS, MAKES PRC NERVOUS-PARTICULARLY WHEN TAIWAN  
INDEPENDENCE OPENLY ADVOCATED.

4. INNATL MANIFESTATIONS OF GREATER TAIWANESE OPENNESS AND

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20-TAIWAN-1-3			
20-CHINA-1-3			
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FLEXIBILITY ALSO WORRYING TO PEKING, AS TAIPEI SEEKS TO DEFINE ITS NEW PERSONA BY EXPANDING GLOBAL RELATIONS. TAIWAN INVOLVEMENT IN MULTILATERAL ORGS SUCH AS ADB AND GATT, POSES SPECIAL DILEMMA IN THAT IT ENHANCES TAIWAN'S GLOBAL ACCEPTANCE -A CLEAR NEGATIVE, BUT AT SAME TIME OFFERS IDEAL COVER FOR PEKIN/TAIPEI BURGEONING (BUT INFORMAL) BILATERAL DIALOGUE.

REPORT:

5. DURING CALLS AT STATE DEPT 30SEP, FALLOCH REVIEWED USA/PRC/TAIWAN RELS WITH TAIWAN COORDINATION ADVISOR, DAVID BROWN AND JEFF BADER, DEP. DIR., OFF OF CHINESE AND MONGOLIAN AFFAIRS.

6. IN RESPONSE TO SETTING OUT BY PNR OF INCIPIENT DILEMMA INHERENT IN BALANCING CDAS GROWING COMMERCIAL/ECONOMIC LINKS TO TAIWAN, WITH FORMAL DIPLO RELATIONSHIP WITH PRC, INTERLOCUTOR OFFERED COMMENTS AND ADVICE BASED ON USA EXPERIENCE. WHILE SOME FRICTION CONTINUES, OCCASIONS ARE FEWER THAN DURING 70S AND EARLY 80S. CHINESE CONTINUE TO GET AROUSED OVER WHAT USA CONSIDERS PETTY ISSUES OCCASIONED BY WORKING OF CONGRESSIONAL RESOLUTIONS OR ILL-CONSIDERED COMMENTS BY LEGISLATORS THAT, WHILE CLEARLY INSENSITIVE TO PRC CONCERNS, ARE MINISCULE IN OVERALL CONTEXT OF EXPANDING WSHDC-PEKIN RELS. SOME ISSUES OF SUBSTANCE DO REMAIN-PRINCIPALLY, USA MILITARY SALES TO TAIWAN. TO INSURE ITS FEET ARE ON FIRM GROUND WHEN RESPONDING

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PAGE THREE UNGR0507 CONF

TO CHINESE COMPLAINTS, USA SCRUPULOUSLY ABIDES BY LETTER OF  
NORMALIZATION AGMT QUOTE THREE COMMUNIQUE UNQUOTE. SUBJECT  
WHICH IS BECOMING EXCEDRIN HEADACHE NUMBER ONE FOR PRC IS  
TAIWAN INDEPENDENCE AND USA ADMIN WISELY MAINTAINS PRISTINE  
PURITY IN ITS ADHERANCE TO ONE CHINA PRINCIPLE.

7. IN RESPONSE TO QUESTION ABOUT MANAGEMENT OF COMMERCIAL AIR  
LINKS WITH TAIWAN, USA EXPERIENCE WAS NOT/NOT COMFORTING BUT  
SOME GENERAL SUGGESTIONS BASED ON USA EXPERIENCE WERE OFFERED.  
1983 PAN AM/CHINA AIRLINES AGMT GENERATED A YR OF PAINFUL  
DISCUSSIONS WITH PRC WITH USA HOLDING FIRMLY TO PRINCIPLE THAT  
GOVT HAD NO/NO CONTROL OVER COMMERCIAL RELS ENTERED INTO BY  
PRIVATE U.S. CARRIER. THEY INDICATED AUSTLNS CURRENTLY GRAPPLING  
WITH PROBLEM AND THAT JAPANESE RESOLVED IT WITH FIG LEAF-JAL  
CREATED A COSMETICALLY INDEPENDENT SUBSIDIARY AS TO SERVICE  
JAPAN/TAIWAN ROUTES. IN CLOSING DISCUSSION OF THIS TOPIC,  
INTERLOCUTORS OFFERED SOME GENERAL OBSERVATIONS. WHEN PRESENTED WITH  
FAIT ACCOMPLI, PRC OFTEN, AFTER INITIAL RUMPUS, LET ISSUES SINK  
FROM VIEW SO LONG AS USA POSITIONS DEMONSTRABLY IN ACCORD WITH  
NORMALIZATION AGMT. FURTHER, USA SPOKESPERSONS REFUSE TO RESPOND  
UNTIL CHINESE DEVELOP SOUND CASE TO PROVE DEVIATION FROM AGMT. THUS  
FAR, CHINESE HAVE NOT/NOT PROVED ADEPT OR TENACIOUS AT SUCH  
PURSUIT WHEN BALL IS IN THEIR COURT AND ISSUES ARE LESS THAN

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PAGE FOUR UNGR0507 CONFD

CLEAR CUT.VARIATION ON THIS THEME SOMETIMES PUT IN PLAY BY APPROACHING CHINESE WITH FULLY CONSTRUED PROPOSAL BEARING ON USA-TAIWAN LINKS,AS PER QUOTE WE ARE THINKING OF DOING X,WHAT DO YOU THINK?UNQUOTE.WHEN USA HAS REFUSED TO ENGAGE IN DISCURSIVE DEBATE AND FORCED CHINESE TO PRODUCE COGENT COUNTER POSITION,EXPERIENCE HAS SHOWN CHINESE USUALLY ACQUIESCE AFTER SOME SKIRMISHING AND APPROPRIATE U.S. REASSURANCE OF GOVT NON-INVOLVEMENT.

8.MOVING TO PRC-TAIWAN RELATIONS,INTERLOCUTORS NOTED THAT PRC LONG PREPARED FOR MORE ACTIVE BILATERAL DIALOGUE WHILE RESTRAINT WAS CLEARLY ON TAIWANESE SIDE UNTIL VERY RECENTLY. NOW,INCREASING OPENNESS AND LIBERALIZATION OF TAIWAN CREATING PROBLEMS FOR PRC.WHILE PREVIOUS TAIWAN REGIME COULD BE COUNTED ON TO STIFLE AND PUBLIC ADVOCACY OF INDEPENDENCE,ISSUE NOW EVOKES FREQUENT,OPEN AND ACTIVE DEBATE WHICH AROUSES INTENSE ANXIETY IN PEKIN.HOIST ON PETARD OF ITS OWN PROPAGANDA,PRC MUST CONTINUE TO ENCOURAGE TAIWAN LIBERALIZATION WHILE LEARNING TO COUNTER IN MORE NON-CONFRONTATIONAL WAYS,TROUBLESOME ISSUES AS THEY ARISE.

9.AREA OF INCREASING CONCERN FOR PRC HAS BEEN INNATL MANIFESTATIONS OF TAIWANS CHANGING PERSONA,PARTICULARLY EFFORTS TO BREAK OUT OF ISOLATION THRU CLOSER INVOLVEMENT WITH ADB,GATT AND DIALOGUE WITH OECD.WHILE ANY EXTENSION BY

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PAGE FIVE UNGR0507 CONFID

TAIWAN OF ITS OVERSEAS NETWORK IS AUTOMATICALLY CAUSE FOR  
ANXIETY IN PEKING, MULTILATERAL FORA PROVIDE USEFUL COVER FOR  
EXPANDING PRC-TAIWAN DIALOGUE. RESULT IS A GROPING FOR WAYS TO  
CONFINE TAIWAN WITHOUT JEOPARDIZING THESE WARMER BILATERAL  
CONTACTS. USA PROGNOSIS IS FOR MOVEMENT TOWARD DIRECT PRC-  
TAIWAN COMMERCIAL LINKS THRU PROGRESSIVE QUOTE SHADINGS  
UNQUOTE. THAT PROCESS WOULD IMPLY SOME CHANGE IN POLITICAL RELS  
IS OBVIOUS BUT SPECULATION ABOUT FORM OR SUBSTANCE  
PREMATURE AT THIS TIME.

CCC/120 052137Z UNGR0507

ACTION  
SUITE A DONNER

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20- <i>China</i> -1-3-USA	
LOC	
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CONFIDENTIAL CDN EYES ONLY

FM WSHDC UNGR2503 19SEP88

TO EXTOTT PNR DELIVER BY 201300

INFO PEKIN HKONG TOKYO BNATO SEOUL BCNN LDN PARIS CNBRA JKRTA

MANIL DELHI ISBAD KLMPR ENGKK TAVIV GENEV MOSCO PMOOTT/BURNEY

CIDAHULL ESC TT NDHQOTT/DIPOL/ DE CAF

BAG SHNGI DE PEX

DISTR USS PGB PND PNC INE INP URR URD GMR IFB IDD IDR RBR RBD

REF PEKIN TEL WJGR3751 15SEP

---CARLUCCI VISIT PRC

SUMMARY:CARLUCCI VISIT 06-07SEP TO PEKING DESCRIBED TO US AS  
SUCCESSFUL IN MORE THAN ROUTINE TERMS.MOST SIGNIFICANT WAS  
ASSURANCE FM TENG XIAOPING THAT CHINA WOULD NOT/NOT PROVIDE  
INTERMEDIATE RANGE MISSILE(INF)TO OTHER COUNTRIES.

2.CARLUCCI,IN TURN,WHILE NOT/NOT LINKING ISSUES,INFORMED PRC  
LEADERSHIP PRESIDENT REAGAN WOULD APPROVE EXPORT LICENCES FOR  
USA SATELLITE TECHNOLOGY ASSOCIATED WITH PRIVATELY CONTRACTED  
SATELLITE LAUNCHES USING PRC LONG MARCH LAUNCHERS.

IMPLEMENTATION MAY BE DIFFICULT AS PROTECTIONIST FORCES(U.S.  
LAUNCH INDUSTRY)ALREADY LOBBYING HARD FOR CONGRESSIONAL  
RESOLUTIONS OF DISAPPROVAL.

3.WHILE NOT/NOT REFERRING TO VISIT BY RAJIV GANDHI,WHICH USA  
LEARNED FM OTHER SOURCES WILL TAKE PLACE DEC88,CHINESE  
SAID SINO-INDIAN RELS IMPROVING.BORDER PROBLEM REMAINS

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PAGE TWO UNGR2503 CONF CDN EYES ONLY

UNRESOLVED, HOWEVER, WITH INDIANS SEEKING UNILATERAL CONCESSIONS  
AND THE PRC, COOPERATION IN NEGOTIATION OF A BALANCED RESOLUTION.

4. USA DETECTED MORE DETAIL ON PEKING-TAIPEI RELS THAN WAS  
CASE DURING SHULTZ VISIT IN JULY. WHILE CONTINUING TO STRESS  
INTEREST IN PURSUING PEACEFUL AVENUES TO REUNIFICATION, CHINESE  
SAID THEY WERE WATCHING PRO-INDEPENDENCE FORCES CLOSELY, IF  
THEIR FORTUNES ROSE DISPROPORTIONATELY TO THOSE OF  
REUNIFICATION ADVOCATES, PRC WOULD HAVE TO REVIEW OPTIONS, THIS  
LINE CLEARLY LESS OPTIMISTIC THAN WAS THE CASE IMMEDIATELY AFTER  
RECENT KMT CONGRESS.

5. RE SINO-SOVIET RELS, TENG HOPED RELS COULD SOON BE  
NORMALIZED. ON DPRK, HE REITERATED OPPOSITION TO STATE  
TERRORISM BUT SUGGESTED USA ADOPT MORE FLEXIBLE POSITIONS SO  
AS NOT/NOT TO ISOLATE PYONGYANG. INFO ON MISSILE SALES, TAIWAN  
AND INDIA GIVEN IN STRICT CONFIDENCE.

REPORT:

6. WE CALLED ON JEFF BADER, A-DIR OFF OF CHINESE AND MONGOLIAN AFF  
AT STATE FOR BRIEFING ON VISIT OF REF. HE STRESSED SENSITIVITY OF  
SUBJECTS DISCUSSED, ESPECIALLY INFO MISSILE SALES AND SAID ONLY  
G-7 COUNTRIES WOULD BE BRIEFED ON VISIT AND ONLY U.K. AND JPN  
(AND NOW CDA) ACCOMMODATED TO DATE.

7. ALTHO CARLUCCI WAS IN PRC 05-10 SEP, PRINCIPAL DISCUSSIONS  
TOOK PLACE 06-07, WITH TENG XIAOPING, LI PENG, WITH COUNTERPART

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PAGE THREE UNGR0503 CONFD CDN EYES ONLY

QIN JIWEI AND A-FORMIN ZFU QIZHEN. MOST SUBSTANTIVE IN TERMS OF RESULTS WAS SESSION WITH TENG AND MOST OUTSTANDING SUCCESS WAS ON INF MISSILE PROLIFERATION ISSUE. CARLUCCI FIRST RAISED ISSUE WITH DEFMIN DURING COURSE OF TOUR DE HORIZON OF STRATEGIC AND REGIONAL ISSUES AND RECEIVED NO/NO RESPONSE AT ALL ON INF. HE WAS STRUCK DUMB WHEN TENG, QUITE WITHOUT PROMPTING (CARLUCCI HAD NOT/NOT YET RAISED INFO WITH HIM), IN CONTEXT OF REVIEW OF M.E. ISSUES, STATED EXPLICITLY CHINA WOULD ACT RESPONSIBLY IN ARMS SALES GENERALLY AND WOULD NOT/NOT PROVIDE TNF MISSILES TO OTHER COUNTRIES. INF MISSILES SOLD TO SAUDIS BECAUSE KSA WAS A RESPONSIBLE COUNTRY IMPORTANT TO A RESOLUTION OF THE ARAB-ISRAELI CONFLICT.

8. WHILE DELIGHTED WITH THIS LONG-SOUGHT AFTER COMMITMENT, USA INGENUITY BEING TESTED TO THE FULL TRYING TO EXPLAIN VERY UPBEAT PUBLIC REFERENCES BY CARLUCCI TO THIS AREA OF DISCUSSION WITHOUT ANGERING CHINESE BY CITING SPECIFIC ASSURANCES GIVEN. HE HAS THUS FAR GOTTEN BY WITH GENERAL DESCRIPTION OF TALKS, AS QUOTE BEST EVER UNQUOTE AND WITH SAYING PRC POSITION WOULD BE PRUDENT AND SERIOUS AND WOULD CONTRIBUTE TO STABILITY. USA ATTACHES PARTICULAR IMPORTANCE TO TENG ASSURANCES BECAUSE OF HIS POSITION AS CHAIRMAN OF MILITARY CTTEE.

9. BY HAPPY COINCIDENCE, CARLUCCI WAS ABLE TO ANNOUNCE (ALTFO

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PAGE FOUR UNGR2503 CONF CDN EYES ONLY

USA DENIES LINKAGE EVER DRAWN) THAT PRESIDENT INTENDS TO APPROVE EXPORT LICENCES FOR TWO CONSORTIA(AUSSAT AND ASIASAT) TO EXPORT TO PRC COMMUNICATIONS SATELLITES MANUFACTURED BY HUGHES AIRCRAFT SATELLITE DIVISION FOR LAUNCH BY CHINESE LONG MARCH MISSILES.PRIOR USA STATED POLICY(SINCE 1986)WAS TO EXAMINE APPLICATIONS ON CASE-BY-CASE BASIS BUT THIS WAS,IN FACT,FIRST ONE TO COME TO FRUITION.FINAL APPROVAL CONDITIONAL ON SUCCESSFUL NEGOTIATION OF AGREEMENT ON LIABILITY,ON FURTHER JUDGEMENTS IN RESPECT OF TECH TRANSFER IMPLICATIONS AND ON ACCEPTABLE ARRANGEMENTS BEING WORKED OUT WITH PEKIN ON FUTURE LAUNCH PRICING AND ORDERLY COMMERCIAL ARRANGEMENTS.

10.SIGNS OF TROUBLE WITH CONGRESS ON THIS ISSUE ALREADY IN VIEW.SIGNED EXPORT PERMIT MUST SIT ON THE HILL FOR 30 DAYS WITHOUT DRAWING RESOLUTION OF DISAPPROVAL.THEN IT PROCEEDS TO COCOM FOR APPROVAL.HOWEVER,HOUSE HAS ALREADY TABLED RESOLUTION OF DISAPPROVAL AND SENATE INTENDS TO DO LIKEWISE HOUNDED BY U.S.LAUNCH LOBBY COMPRISING MCDONNELL DOUGLAS, MARTIN MARIETTA AND GENERAL DYNAMICS.COUNTER-LOBBYING UNDER BY U.S.SATELLITE MANUFACTURERS.

11.TALKS ON OTHER ISSUES REVEALED SOME CHANGED NUANCES-ESPECIALLY ON SION-SOV RELS AND SOME REGIONAL SUBJECTS.WHILE HOPE VOICED BY TENG THAT RELS WITH USSR COULD BE NORMALIZED,DEFMIN JIWEI AGREED WITH CARLUCCI ASSESSMENT

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PAGE FIVE UNGR0503 CONF CDN EYES ONLY

THAT DESPITE PROGRESS ON THE POLITICAL SIDE, NO/NO SIGNS YET APPARENT OF FORCE STRUCTURES OR DEPLOYMENTS BEING ALTERED TO REFLECT GENERAL REDUCTION IN EAST-WEST TENSIONS. CHANGES HAD BEEN TACTICAL, NOT/NOT STRATEGIC. JIWEI REFERRED BRIEFLY TO BORDER DISPUTE WITH INDIA AS DID ZHU, SUGGESTING THAT WHILE RELS HAD IMPROVED, BORDER PROBLEM REMAINED UNRESOLVED AND THAT INDIANS APPEARED TO EXPECT UNILATERAL CONCESSIONS FM PRC RATHER THAN COOPERATIVELY NEGOTIATED AND BALANCED RESOLUTION THAT CHINA SEEKS. NO/NO REFERENCE TO DECEMBER VISIT BY GANDHI USA AWARE OF FM OTHER SOURCES.

12. USA SUSPECTS PERSPECTIVE ON TAIWAN MODESTLY CHANGED TO REFLECT MORE DETAILED STUDY APPLIED SINCE KMT CONGRESS. MAIN THRUST EVIDENT WAS DETERMINATION TO WATCH CLOSELY FORCES SYMPATHETIC TO TAIWAN INDEPENDENCE. THUS FAR, PRC DOES NOT/NOT APPEAR ALARMED. PEKING EXPECTS PRO-INDEPENDENCE AND PRO-REUNIFICATION INTERESTS TO TRACE PARALLEL PATHS AND WILL NOT/NOT GET ALARMED UNLESS PRO-INDEPENDENCE FORCES GAIN UPPER HAND. IF THAT OCCURRED QUOTE OPTIONS WOULD HAVE TO BE REVIEWED UNQUOTE.

13. CAMBODIA, ZHU REITERATED 4 POINT PROPOSAL AND COMMENTED ON JKRTA MTG, BLAMING VIETS FOR PRK GOVT LINKING WITHDRAWAL OF PAVN FORCES WITH REMOVAL OF POL POT CLIQUE FM PARTICIPATION IN POLITICAL SETTLEMENT. DEFMIN QIN STRESSED NEED TO MAINTAIN

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PAGE SIX UNGR0503 CONF CDN EYES ONLY

PRESSURE ON VIETS TO INSURE WITHDRAWAL SCHEDULE MAINTAINED.  
PEKIN SUPPORT FOR QUADRIPARTITE GOVT REITERATED.WHILE  
CONCEDING SITU UNLIKELY TO STABILIZE BY VIRTUE OF SIMPLE FACT  
OF VIET WITHDRAWAL,CHINESE QIN SAID IT WAS UP TO INNATL  
COMMUNITY TO ASSURE NEUTRALITY.CARLUCCI CAME AWAY WITH SENSE  
THAT PRC SUPPORT FOR KHMER ROUGE HAD SOLIDIFIED SINCE SHULTZ  
JULY VISIT.

14.QIN AND DENG MADE REMARKABLY SIMILAR COMMENTS ON LIBYA AND  
DPRK,FORMER IN CONTEXT OF REVIEW OF M.E.ISSUES,LATTER IN  
RESPONSE TO CARLUCCI COMMENTS ON STATE TERRORISM.QIN SAID,  
WITH REF TO CARLUCCI COMMENT ON LIBYAN DEVELOPMENT OF CW/THAT  
COUNTRIES THAT ARE DELIBERATELY ISOLATED BEHAVE STRANGELY AND  
IRRATIONALLY.TENG ADVISED USA TO BE MORE FLEXIBLE ON DPRK  
RATHER THAN SIMPLY TRYING TO QUARANTINE PYONYANG.HE ALSO  
SAID CHINA,WHILE PLEASED WITH DEVELOPING RELS WITH ROK,WOULD  
NOT/NOT SEEK DIPLO RELS FOR FEAR OF TRAUMATIZING DPRK AND  
ADDING FURTHER MAGNITUDE TO EXISTING SENSE OF ISOLATION.

CCC/085 201528Z UNGR0503

RETURN TO RENOYER AU		<b>BICO</b>		FOR FILING POUR - ETRE PORTE AU DOSSIER	
ACC	REF	DATE			
613579		890829			
FILE	20-Chine-1-3-USA			DOSSIER	

**CDN EYES ONLY**  
**ENTRE CDNS SEULEMENT**

**ACTION**  
**SUITE A DONNER**

~~C O N F I D E N T I A L~~ - CDN EYES ONLY

FM PEKIN WJGR3751 15SEP88

TO EXTOTT PNR DELIVER BY 150900

INFO HKONG WSHDC TOKYO BNATO SEOUL BONN LDN PARIS CNBRA JKRTA  
MANIL DELHI ISBAD KLMPR BNGKK TAVIV GENEV MOSCO PMOOTT/BURNEY  
CIDAHULL ESC

TT NDHQOTT/DIPOL/ DE CAF

BAG SHNGI DE PEK

DISTR USS PGB PND PNC INE INP URR URD GMR IFB IDD IDR RBR RBD

---CARLUCCI VISIT TO PRC:AN ALL-ROUND SUCCESS

SUMMARY:DURING VISIT TO PRC 05-10SEP USA DEFENSE SECRETARY CARLUCCI  
WAS GIVEN ASSURANCES BY DENG XIAOPING PERSONALLY THAT PRC WOULD BE  
PRUDENT ON ARMS SALES AND WILL NOT/NOT SELL ANY MORE INTERMEDIATE  
RANGE MISSILES.THIS INFO,GIVEN TO US IN CONFIDENCE,WAS NOT/NOT  
REPORTED IN PRESS WHICH WAS ONLY TOLD BY CARLUCCI THAT HE WAS  
TOTALLY SATISFIED WITH DISCUSSIONS WITH CHINESE LEADERSHIP AND  
HOPED QUOTE WE COULD NOW PUT THIS ISSUE BEHIND US UNQUOTE.DENG  
ALSO TOLD CARLUCCI HE HOPED CHINA WOULD BE ABLE TO NORMALIZE  
POLITICAL RELATIONS WITH USSR VERY SOON.WHILE IN SHNGI,CARLUCCI  
WAS ABLE TO ADVISE PRC LEADERSHIP THAT USA ADMINISTRATION HAD  
NO/NO PROBLEM WITH LAUNCHING OF USA-BUILT SATELLITES BY CHINESE  
ROCKETS SUBJECT TO CONCLUSION OF BILATERAL AGREEMENT ON COMMERCIAL  
TERMS AND LIABILITY)WHICH CHINESE INDICATE IS NO/NO PROBLEM  
FOR THEM)AND APPROVAL BY CONGRESS AND COCOM.DISCUSSIONS ALSO

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PAGE TWO WJGR3751 CONF CDN EYES ONLY

COVERED USA ARMS SALES TO TAIWAN, CAMBODIA, AFGHAN, KOREA, GULF SITUATION, BILATERAL MILITARY COOP, TIBET, NONE OF WHICH BROKE SIGNIFICANTLY NEW GROUND. INFO ON MISSILES SALES GIVEN TO US IN STRICT CONFIDENCE AND SHOULD BE PROTECTED ACCORDINGLY.

2. REPORT: CALLED ON MFA/WANG LI) COUNSELLOR AT AMERICAS DIVISION, JUST RETURNED FROM 4-YEAR POSTING IN WSHDC) AND USA EMB TO DISCUSS ABOVE VISIT. CARLUCCI HAD THREE AND A HALF HOUR WORKING SESSION WITH PRC DEFENCE MINISTER QIN JIWEI AND CALLED ON DENG XIAOPING, PREMIER LI PENG, VICE PREMIER WU XUEQIAN, AND ACTING FOREIGN MINISTER ZHU QIZHEN (FOREIGN MINISTER QIAN WAS IN PYONGYANG).

3. MISSILE SALES: WANG LI AT FIRST MOST RELUCTANT TO DISCUSS SUBJECT EXCEPT TO QUOTE XINHUA AND CARLUCCI PRESS CONF. HE SAID CHINESE HAD REITERATED POSITION ON ARMS SALES AND THAT THIS HAD SATISFIED CARLUCCI (IE, SALES FOR DEFENSIVE PURPOSES ONLY, SALES SHOULD ENHANCE REGIONAL STABILITY AND SHOULD NOT/NOT CONSTITUTE INTERFERENCE IN INTERIM AFFAIRS OF OTHER COUNTRIES). PRESSED TO EXPLAIN HOW CHINESE ASSURANCES WHICH HAD NOT/NOT SATISFIED SHULTZ SATISFIED CARLUCCI, WANG SAID THAT GIVEN BILATERAL FRIENDSHIP AND TRUST BETWEEN CDA AND PRC HE COULD VOLUNTEER QUOTE PERSONAL VIEW UNQUOTE THAT QUOTE THIS TIME ASSURANCES CAME FROM HIGHEST AUTHORITY UNQUOTE AND THAT USA HAD BEEN IN POSITION RECENTLY TO VERIFY VERACITY OF CHINESE DENIALS ABOUT MISSILE SALES TO QUOTE SOME

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PAGE THREE WJGR3751 CONF CDN EYES ONLY

MIDDLE EASTERN COUNTRIES UNQUOTE) SAUDI ARABIAN SALE BEING CASE  
APART). USA COLLEAGUE CONFIRMED THAT ASSURANCES WERE GIVEN AT  
END OF PEKIN PORTION OF VISIT BY DENG WHO TOOK USA DEL BY SURPRISE  
BY SAYING UNEQUIVOCALLY THAT CHINA WILL NOT/NOT SELL ANY MORE  
INTERMEDIATE MISSILES AND WILL CONTINUE TO ACT WITH PRUDENCE  
IN SELLING ARMS. COLLEAGUE ONLY PROVIDED THIS INFO TO UK AND  
AUSTRALIAN COLLEAGUES IN ADDITION TO OURSELVES AND SAID CHINESE  
HAD ASKED USA SIDE TO BE VERY DISCREET ABOUT WHO GAVE ASSURANCES  
AND IN WHAT TERMS. GRATEFUL PROTECT INFO ACCORDINGLY.

4. AMERICANS CONSIDER THIS AS MAJOR BREAKTHROUGH. IN PRESS CONF  
IN PEKIN, CARLUCCI SAID HE FELT ASSURED CHINA WILL TAKE RESPONSIBLE  
APPROACH TOWARDS ITS ARMS SALES OVERSEAS, THAT HE WAS TOTALLY  
SATISFIED WITH WHAT WERE QUOTE THE BEST DISCUSSIONS EVER HELD  
UNQUOTE WITH THE CHINESE ON THIS SUBJECT AND EXPRESSED HOPE  
BOTH SIDES WOULD NOW PUT THIS ISSUE BEHIND THEM. NEITHER CARLUCCI  
NOR MFA SPOKESMAN PUBLICLY EXPLAINED REASONS FOR THIS ASSESSMENT  
OF THE TALKS DESPITE PROMPTING BY REPORTERS.

5. SINO-SOVIET RELATIONS: WANG HAD LITTLE TO SAY ON SUBJECT (BEYOND  
THAT CHINA WELCOMED USA-USSR DETENTE AND WOULD CONTINUE EFFORTS  
TOWARD GLOBAL RELAXATION). HOWEVER USA COLLEAGUE SAID DENG EXPRESSED  
QUOTE HOPE THAT CHINA COULD NORMALIZE ITS RELATIONS WITH USSR  
VERY SOON UNQUOTE. USA EMB INTERPRETS THIS SIGNIFICANT STATEMENT

PAGE FOUR WJGR3751 CONFD CDN EYES ONLY

AS EVIDENCE THAT CHINESE HAVE NOW CONCLUDED THAT GIVEN STATE OF  
USA-USSR DETENTE, PRC SHOULD MOVE QUICKLY TOWARDS FULL NORMALIZATION  
WITH SOVIETS. JPNSE AMB VOICED HIS BELIEF THAT SINO-SOVIET SUMMIT  
WILL TAKE PLACE IN COMING YEAR. WE SHARE THESE ASSESSMENTS AND  
WOULD INTERPRET OPTIMISM EXPRESSED AT CONCLUSION OF SINO-SOVIET  
TALKS (SEE OURTEL WJGR3733 06SEP) MORE AS A MOVE TO ENABLE CHINA  
TO DECLARE CAMBODIAN OBSTACLE AS QUOTE SOLVED UNQUOTE WHEN TIME  
IS RIPE, THAN AS A REFLECTION OF BREAKTHROUGH ON CAMBODIAN ISSUE  
ITSELF (ON WHICH MFA CONFIRMS THAT DISAGREEMENT REMAINS ON VITAL  
POINTS). IN EFFECT, CHINESE ARE NOW SAYING LESS ON SINO-SOVIET  
TALKS THAN THEY DID WHEN TALKS CONCLUDED, SUGGESTING THEY WISH  
TO ENHANCE THEIR MARGIN OF MANOEUVRE. FOR EXAMPLE, MFA OFFICIAL  
(LI JING XIAN WHO PARTICIPATED IN TALKS) REFUSED TO ACKNOWLEDGE  
IN DISCUSSION WITH US THAT SOME ISSUES WHERE THERE ARE DIVERGENCES  
WERE RAISED DURING BILATERAL TALKS (IE, CONDITIONS FOR SUPERVISION/  
CONTROL AND FUTURE ROLE OF SIHANOUK). THIS DOES NOT/NOT TALLY  
WITH WHAT MFA REP TOLD MALAYSIANS NOR DOES IT SEEM CREDIBLE  
GIVEN THAT BILATERAL TALKS INCLUDED TWO LONG WORKING GROUP MTGS  
IN ADDITION TO FOUR PLENARY SESSIONS AT VICE FM LEVEL.

6. LAUNCHING OF USA SATELLITES BY PRC: WHILE IN PEKIN CARLUCCI  
SAID THAT FROM A NATL SECURITY POINT OF VIEW, HE HAD NO/NO PROBLEM  
WITH USA APPROVAL FOR LAUNCHING OF AMERICAN MADE SATELLITES

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PAGE FIVE WJGR3751 CONFD CDN EYES ONLY

BY CHINESE ROCKETS. WANG LI SAID CHINESE LEADERS REASSURED CARLUCCI THAT LAUNCHING SHOULD NOT/NOT WORRY USA FROM POINT OF VIEW OF TRANSFER OF TECHNOLOGY OR QUOTE UNFAIR COMPETITION UNQUOTE.

7. CHINESE SAID THAT ALL SATELLITES COULD BE OBSERVED BY HOST COUNTRY UNTIL THEIR LAUNCHING AND THAT CHINESE COMPETITION WOULD NOT/NOT BE MAJOR FACTOR (LIMITED ABILITY FOR LAUNCHINGS WHICH COULD NOT/NOT EXCEED QUOTE A FEW TIMES A YEAR UNQUOTE). WHILE FIRST LAUNCHINGS WOULD BE VERY CHEAP (OTHER COUNTRIES HAD DONE SAME FOR ADVERTISING PURPOSES), PRICE WOULD CHANGE IN FUTURE ALTHOUGH THEY WOULD REMAIN COMPETITIVE GIVEN LOW CHINESE LABOUR COSTS.

8. ON 10 SEP, WHILE CARLUCCI WAS IN SHANGHAI, HE REPORTEDLY RECEIVED MESSAGE THAT PRESIDENT REAGAN HAD ALLOWED IN PRINCIPLE LAUNCHING OF AUSSAT (BUILT BY HUGHES CORP) AND ASIASAT BY CHINESE ROCKETS. CHINESE ARE CONFIDENT THEY CAN COMPLY WITH USA REQUIREMENT FOR GOVT TO GOVT AGMT COVERING LIABILITY AND OTHER COMMERCIAL/LEGAL PROVISIONS. APPROVAL ALSO REQUIRED BY CONGRESS AND BY COCOM.

9. TAIWAN: ISSUE HAD NOT/NOT BEEN RAISED WITH SENIOR USA VISITORS FOR SOME TIME. THIS TIME IT WAS RAISED BY DENG AND ACTING FOREIGN MINISTER ZHU. ACCORDING TO WANG, BOTH REMINDED CARLUCCI THAT THIS QUOTE OBSTACLE UNQUOTE HAD YET TO BE SOLVED ACCORDING TO JOINT COMMUNIQUE, ESPECIALLY WITH REGARD TO MILITARY SALES

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PAGE SIX WJGR3751 CONFD CDN EYES ONLY

AND ASSISTANCE TO TAIWAN. WANG SAID CARLUCCI REITERATED USA COMMITMENT TO PRINCIPLE, BUT GAVE NO/NO REASSURANCE ON SPECIFIC COMPLAINTS. USA EMB IS NOT/NOT CONCERNED ABOUT MATTER AS THEY VIEW DENG'S DESCRIPTION OF SINO-USA RELATIONS AS QUOTE UPBEAT UNQUOTE. THEY VIEW DISCUSSION OF TAIWAN AS MEANS FOR CHINESE TO REMIND USA SIDE THAT MATTER REMAINS ON BILATERAL AGENDA. INDEED, DENG REITERATED BILATERAL RELATIONS WERE QUOTE STABLE UNQUOTE AND WANG CONFIRMED BOTH SIDES EMPHASIZED THE OVERWHELMING POSITIVE ASPECTS OF THE RELATIONSHIP. CHINESE PLAN CELEBRATIONS FOR ANNIVERSARY OF ANNOUNCEMENT OF SINO-USA NORMALIZATION NEXT DEC.

10. DEFENCE RELATIONS: BOTH SIDES EXPRESSED WILL TO FURTHER DEVELOP MILITARY EXCHANGES, COOP AND VISITS. QIN ACCEPTED INVITATION TO VISIT USA (POSSIBLY NEXT SPRING) AND USA CHIEF OF NAVAL OPS (CNO) SHOULD VISIT CHINA THIS FALL.

11. IN NATL ISSUES: DISCUSSIONS COVERED KOREAN PENINSULA (CHINESE REFERRED TO DPRK QUOTE UNDERTAKING QUOTE NOT/NOT TO DISRUPT SEOUL OLYMPICS), CAMBODIA (CHINESE DESCRIBED LINKAGE BETWEEN WITHDRAWAL AND KHMER ROUGE PROBLEM AS VIET TRICK TO LEGALIZE PUPPET REGIME), IRAN-IRAQ (CHINESE TOOK CREDIT QUOTE WITH OTHER COUNTRIES UNQUOTE IN PERSUADING BOTH SIDES TO ACCEPT CEASEFIRE), TIBET) USA SIDE EXPRESSED HOPE CHINA WOULD DEAL APPROPRIATELY

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PAGE SEVEN WJGR3751 CONF CDN EYES ONLY

WITH HUMAN RIGHTS SITU). BUT IT DOES NOT/NOT APPEAR THAT ANY  
SIGNIFICANT NEW GROUND WAS BROKEN.

12. CHINESE REFORMS: DISCUSSION WITH LI PENG LARGELY COVERED CHINESE  
DOMESTIC DEVELOPMENTS. SAYING CHINA WILL DEEPEN REFORMS, HE  
BRANDED AS QUOTE NOT/NOT TALLYING WITH THE FACTS UNQUOTE THE  
ASSERTION BY FOREIGN JOURNALISTS THAT CHINA IS BACKING AWAY  
FROM REFORM. LI CALLED UPON USA BUSINESSMEN TO INVEST IN CHINA.  
USA COLLEAGUE WHO TOOK NOTES AT DENG MTG SAID LATTER TENDED  
TO EMPHASIZE PRUDENCE AND STABILITY TO A GREATER EXTENT THAN  
IN RECENT PAST.

13. WE DID NOT/NOT OBTAIN DEFINITIVE ANSWER TO QUESTION AS TO  
WHY CARLUCCI DID NOT/NOT MEET WITH ZHAO ALTHOUGH MTG HAD BEEN  
REQUESTED. CHINESE STATEMENT THAT HE WAS BUSY WITH OTHER THINGS  
AND THERE WAS NO/NO TIME FOR MTG WITH SEC GEN SEEMS TO CONFIRM  
THAT ZHAO IS CONCENTRATING MORE ON PARTY MATTERS AND LESS ON  
ECON ISSUES. TOO EARLY YET TO SAY WHETHER THIS IS NORMAL CONSEQUENCE  
OF PARTY/STATE SEPARATION (AFTER ALL ZHAO WAS RESPONSIBLE FOR ECONOMY  
WHEN HE WAS PM AND IT IS NORMAL THAT LI PENG WOULD NOW BE TAKING  
OVER) OR REFLECTION OF RUMOURED DECREASE OF ZHAO'S STATUS AND  
AUTHORITY. AMERICANS SUGGEST ZHAO WILL CONTINUE TO MEET HEADS OF  
STATE, BUT NOT/NOT FOREIGN OR OTHER MINISTERS.

14. INFO IN THIS TEL PROVIDED TO US IN CONFIDENCE BY REPS OF  
FOREIGN GOVTS AND SHOULD BE PROTECTED.

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P R O T E C T E D

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TO EXTOTT PNR

INFO MOSCO PEKIN BNGKK

DISTR RBR IDR

---SINO-SOVIET TALKS ON KAMPUCHEA

CHAIRMAN OF POLITICAL CTTEE HAS REQUESTED NATIONAL VIEWS ON SUBJ  
TALKS WHICH WERE RECENTLY HELD IN PEKIN. HE WAS ALSO INTERESTED IN  
ASSESSMENT AS TO SIGNIFICANCE OF MTG FOR SINO-SOVIET RELATIONS.

GRATEFUL ANY COMMENT BY 19SEP.

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RETURN TO RENOYER AU		FOR FILING POUR - ETRE PORTE AU DOSSIER	
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C O N F I D E N T I A L

ACTION  
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FM PEKIN WJGR3590 22JUL88

TO EXTOTT (PNR DELIVER BY 220900

INFO WSHDC LDN PARIS BNATO TOKYO SEOUL HKONG JKRTA SPORE KLMPR MOSCO  
BNGKK MANIL DELHI CLMBO DHAKA ISBAD CNBRA WLGTN CIDA HULL BSC  
TT NDHQOTT/DIPOL/ DE CAF

DISTR USS PGB PND PNC PGP IDA CPP CPD INP INE URR LCR GMD PSD PSR GMR

---USA SEC STATE SHULTZ VISIT TO PEKIN

SUMMARY:DURING VISIT TO PEKIN 14-16JUL SHULTZ HAD MTGS WITH  
DENG XIAOPING,CPC GEN SEC ZHAO ZIYANG,PREMIER LI PENG AND  
FM QIAN QICHEN.MAJOR TOPICS OF DISCUSSION WAS CAMBODIA.CHINESE  
INDICATED POL POT AND OTHER LEADERS WOULD RETIRE AND GAVE STRONG  
IMPRESSION THEY WERE TIRED OF THE CONFLICT AND WANTED IT SOLVED.  
OTHER SUBJECTS DEALT AT LENGTH WERE ARMS SALES TO MIDEAST AND  
SECURITY ON KOREAN PENINSULA.TAIWAN ISSUE WAS GIVEN RELATIVELY  
LITTLE ATTN,TIBET WAS NOT/NOT RAISED.NOR WAS THERE TIME TO  
DISCUSS BROADER SITU IN MIDEAST OR CENTAM.DISCUSSION OF BILATERAL  
ISSUES WAS PRO FORMA AND ACCORDING TO USA EMB PEKIN HAD NO/NO  
DEFINITE FOCUS.

2.REPORT - CAMBODIA:DISCUSSIONS TOOK APPROX 30 PERCENT OF TIME  
SPENT WITH DENG,ZHAO AND QIAN.IT IS NOTEWORTHY THAT DENG  
WHO RECENTLY TENDED TO CONCENTRATE ON DOMESTIC AFFAIRS WITH  
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FOREIGN VISITORS SPENT 45 MINUTES OF ONE HOUR 15 MINUTE CALL  
TO REVIEW CHINESE POSITION ON CAMBODIA.

3.DENG EMPHASIZED THAT CONTENT OF CHINESE STATEMENT OF 21JUL WAS NOT/.  
NOT ENTIRELY NEW BUT WAS CONSISTENT WITH WHAT CHINESE HAVE OFTEN TOLD  
RESISTANCE LEADERS,ESP THAT SIHANOUK IS ONLY ACCEPTABLE CAMBODIAN  
LEADER.DENG INFORMED SHULTZ THAT POL POT AND QUOTE OTHER KR  
LEADERS UNQUOTE INTENDED TO RETIRE AND WOULD THEREFORE NOT/NOT  
BE PROPOSED AS MEMBERS OF EVENTUAL COALITION GOVT(POINT HINTED  
TO ON OTHER OCCASIONS,BUT NEVER AT THAT LEVEL).CHINESE SAID  
THEY COULD ACCEPT ANY MODALITY FOR INNATL SUPERVISION(IE,  
SUPERVISION COMMISSION,PEACEKEEPING FORCE ETC.)THAT INTERESTED  
PARTIES COULD AGREE UPON.

4.SHULTZ SAID SIHANOUK WAS MOST WORRIED ABOUT STRENGTH OR KR  
AND THAT CHINESE SHOULD DO UTMOST TO ALLEVIATE FEARS ABOUT THEIR  
RETURN TO POWER.DENG REPLIED CHINESE WERE MORE WORRIED BY  
STRENGTH OF HENG SAMRIN FORCES AND THAT VIETNAMESE WOULD USE  
THEM TO PERPETUATE CONTROL BY PROXY OVER CAMBODIA.DENG SAID  
CHINESE SUPPORT FOR KR WAS NOT/NOT INDICATOR OF SUPPORT FOR  
KR AS PROEMINENT PLAYER AFTER VIET WITHDRAWAL,BUT ONLY  
AVAILABLE MEANS TO PREVENT VIETNAMESE SUPREMACY AS KR WAS MOST  
EFFECTIVE RESISTANCE GROUP.NOT/NOT TO SUPPORT KR AS MAIN FIGHTING  
FORCE WOULD AMOUNT TO CONDONING VIETNAMESE AGGRESSION.

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PAGE THREE WJGR3590 CONF

5. CHINESE SIDE ARGUED THEY HAD GIVEN TO EACH RESISTANCE FACTION AID COMMENSURATE WITH RESPECTIVE MILITARY STRENGTH. WHAT THEY GAVE TO SIHANOUK AND SON SANN WAS IN EXCESS OF THEIR REQUIREMENTS AND QUOTE ABSORBATIVE CAPACITY UNQUOTE.

6. USA EMB OFFICIAL WHO ACTED AS NOTE TAKER THROUGHOUT ALL MTGS SAID TONE OF DISCUSSIONS WITH DENG, ZHAO AND QIAN INDICATED CHINESE WERE QUOTE TIRED AND FED UP UNQUOTE WITH CAMBODIAN CONFLICT AND READY TO SEE SOLUTION. THEY WERE SOMEWHAT MORE HOPEFUL NOW GIVEN SIGNALS FROM USSR AND VIETNAM NEAR ECON COLLAPSE. QIAN CONFIRMED SINO-SOVIET DISCUSSIONS ON CAMBODIA AT VICE FOREIGN MINISTER LEVEL WILL TAKE PLACE IN SECOND HALF OF AUG.

7. DENG SAID CHINA DOES NOT/NOT HAVE QUOTE AN IOTA OF SELF INTEREST IN KAMPUCHEA UNQUOTE. PRC IS NOT/NOT LOOKING FOR A SPHERE OF INFLUENCE THERE, IT HAS ENOUGH PROBLEMS TO SOLVE WITHIN ITS OWN BORDERS. DENG DENIED ALLEGATIONS THAT KR WAS STALKING HORSE OF CHINA IN CAMBODIA; IT HAD SIMPLY NO/NO CHOICE BUT TO SUPPORT KR MILITARILY SO AS TO DRIVE VIETNAMESE OUT. DENG CONCLUDED DISCUSSION ON SUPPORT FOR KR BY WORDS QUOTE YOU CAN BELIEVE WHAT I SAY; MY WORDS COUNT UNQUOTE. HE ALSO SAID HE HAD ADVISED CAMBODIANS THEY SHOULD ADOPT CAPITALISM, THAT SOCIALISM WAS NOT/NOT SUITED TO THEIR SITUATION. USA EMB ASSESSMENT IS THAT CHINESE REALLY DO NOT/NOT WANT KR TO TAKE OVER WHEN VIETNAM

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WITHDRAWS, BUT ARE NOT/NOT ABLE/WILLING TO DISCUSS SPECIFICS  
ON HOW TO AVOID IT.

8. MISSILE SALES TO MIDEAST: SHULTZ INTRODUCED ISSUE IN MANNER  
DESIGNED TO SECURE CHINESE CONFIDENCE ABOUT USA MOTIVES, SAYING  
USA DISCUSSED BALLISTIC MISSILE PROLIFERATION WITH USSR AND  
WITH SUMMIT PARTNERS. SO THEY WANTED TO DO SAME WITH PRC. SHULTZ  
REFERRED TO USA CONCERNS AS PART OF THREE THEMES (NUCLEAR PROLIFERA-  
TION, CHEMICAL WEAPONS, BALLISTIC MISSILES). CHINESE WERE MOST UN-  
COMMITTAL ABOUT SPECIFIC BILATERAL TALKS WITH USA ON BALLISTIC  
MISSILE PROLIFERATION. THEY SAID THEY WOULD THINK ABOUT IT, AND  
POINTED OUT THERE WERE ALREADY MANY CHANNELS OF COMMUNICATION FOR  
ISSUES OF MUTUAL CONCERN. EMB NOT/NOT SANGUINE ABOUT CHINESE  
AGREEMENT TO SPECIFIC TALKS.

9. IN RESPONSE ON SUBSTANCE, PRC SIDE GAVE SAME PRESENTATION  
GIVEN BY ZHU QICHEN TO USS (OURTEL WJGR3554 05JUL), VIZ CHINA  
WILL ACT RESPONSIBLY WITH RESPECT TO MILITARY SALES; THESE  
ARE SUBJECT TO THREE PRINCIPLES (CONDUCTIVE TO STRENGTHENING  
DEFENSIVE CAPABILITY OF RECIPIENT; TO PEACE AND SECURITY IN  
REGION; NOT/NOT CONSTITUTE INTERFERENCE IN INTERNAL AFFAIRS  
OF OTHER COUNTRIES - (LAST POINT SUBJECT TO VARIOUS INTERPRETATIONS;  
WE WILL TRY TO CLARIFY)).

10. KOREAN PENINSULA: DENG SAID MAJOR PRC INTEREST WAS STABILITY

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IN PENINSULA.CHINA WOULD NOT/NOT WANT TO SEE TROOPS CROSS DMZ SOUTHWARD NOR NORTHWARD(SHULTZ TOLD HIM NOT/NOT TO WORRY ABOUT NORTHWARD MOVEMENT AND MADE PITCH FOR SUPPORT OR FAVOURABLE CONSIDERATION OF LATEST ROK INITIATIVE).

11.DENG CAUTIONED AGAINST ISOLATING SMALL COUNTRIES SUCH AS NKOR(AND INTERESTINGLY MADE COMPARISON WITH NOT/NOT SO SMALL IRAN).IF ISOLATED,CANNOT/NOT PREDICT HOW THEY MIGHT REACT. CHINA WILL NOT/NOT ESTABLISH DIPLO TIES WITH ROK,BUT TRADE WILL CONTINUE TO DEVELOP THROUGH NON-GOVTL BODIES(DENG CITED CITIC AS POSSIBLE ACTOR).IN CRYPTIC REMARK,DENG SUGGESTED SHULTZ TELL SKORS THEY SHOULD NOT/NOT LOSE HOPE(BU YAO SHI WANG).

12.REFORM IN USSR IS SUBJ WHICH SHULTZ EXPRESSED CONSIDERABLE INTEREST IN.BOTH SIDES REPORTEDLY AGREED THAT ALTHOUGH GORBACHEV WAS SERIOUS ABOUT REFORM,RELATIONS WITH USSR SHOULD BE BASED ON REALITY AND PROTECTION OF USA/PRC INTERESTS,NOT/NOT ON EXPECTATION/HOPE ABOUT REFORM.

13.DENG SAID SOVIETS HAVE GREATER PROBLEM THAN CHINA BECAUSE THEY HAVE TO START WITH POLITICAL RATHER THAN ECON REFORM. WHEREAS ALL CHINESE LEADERS ARE IN BASIC AGREEMENT ON ECON REFORM,AND CAN IMPLEMENT IT BOLDLY,DIVISION OVER REFORM IN SOVIET HIERARCHY FORCES GORBACHEV TO CHANGE POLITICAL RULES

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OF THE GAME.

14.TAIWAN WAS DISCUSSED VERY BRIEFLY.CHINESE SIDE EXPRESSED OPTIMISM IN WAKE OF 13TH KMT CONGRESS(SEE OURTEL WJGR3582 18JUL)AND ARE PLEASED BY PROSPECTS OF INCREASED CONTACTS. THEY REITERATED STANDARD EXHORTATION FOR USA TO DO MORE TO HELP,BUT DID NOT/NOT RAISE ARMS SALES.SHULTZ REPLIED USA ENCOURAGED BY GREATER CONTACTS ACROSS STRAIT AND REITERATED ISSUE IS FOR CHINESE TO SOLVE THEMSELVES.

15.TRANSFER OF TECHNOLOGY:DENG/LI PENG SAID THEY HAD TOLD JPNSE THEY WERE QUOTE TOO CLEVER IN PURSUING THEIR OWN SELF INTEREST UNQUOTE AND GAVE EXAMPLE OF USA AS DOING BETTER IN TERMS OF TECH TRANSFER.BUT OF COURSE CHINESE URGED USA TO DO MORE. QIAN REPORTED AUSTRALIAN FM HAYDEN AS SAYING AUSTRALIAN COMPANIES HAD MENTIONED TO HIM THAT USA COMPANIES HAD LOBBIED AGAINST USE OF CHINESE LAUNCHING FACILITIES.

16.BILATERAL DISCUSSIONS WERE LARGELY PRO FORMA,WITHOUT FOCUS, LITTLE SUBSTANCE.LI PENG MADE PITCH FOR MORE USA INVESTMENT. SHLUTZ DID NOT/NOT RAISE TIBET.

17.GIVEN TIME SPENT ON ASIAN ISSUES,THERE WAS NO/NO TIME FOR SHLULTZ TO RAISE MIDEAST AND CENTAM AS HE HAD PLANNED TO.EVEN DISCUSSION OF AFGHANISTAN WAS VERY BRIEF(BOTH SIDES AGREED THAT SOVIETS WOULD CONTINUE TO WITHDRAW DESPITE COMPLAINTS ABOUT ALLEGED PAKISTANI VIOLATIONS).

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TO EXTOTT ~~PSA~~

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BAG SHNGI DE PEK

DISTR MINA USS PGB PND PNC PGP CMG XDAV CFX IDR IDA

---CHINESE ATTITUDES TOWARD:GLASNOST AND PERESTROYKA;TAWAIN

AND CAMBODIAN NATL REVOLUTION

SUMMARY:PRC APPEARS TO USA TO SUPPORT GORBACHEV ON PERESTROYKA BUT  
TO CONSIDER GLASNOST A SERIOUS ERROR THAT CARRIES SEEDS OF  
GORBACHEVS UNDOING.

2.CHINESE WILL PROCEED AT CONSTANT AND RELATIVELY RAPID PACE WITH  
ECONOMIC REFORMS,CONSCIOUS OF THEIR IMPORTANCE TO SUCCESSFUL INTEGRA-  
TION OF HKONG AND OVER LONGER TERM,TO HOPES FOR POLITICAL DIALOGUE  
WITH TAIWAN.MEANWHILE,COMMERCIAL RELS WITH TAIWAN ARE EXPANDING  
SUBSTANTIALLY.

3.STATE DEPT NOT/NOT AS ENCOURAGED BY 01JUL STATEMENT OUT OF  
PEKIN ON CAMBODIA,DEPT DOUBTS KHMER ROUGE CAN BE CONTROLLED  
EVEN BY CHINA,AND CAN DESTABILIZE EITHER OR BOTH CAMBODIA AND  
THAILAND IF DISSATISFIED WITH THEIR SHARE OF POWER IN ANY  
FUTURE POLITICAL SETTLEMENT.

REPORT:

4.WE HAD OPPORTUNITY OVER LUNCH TUE 05JUL TO REVIEW ABOVE SUBJECTS  
WITH ACTING DIR OF CHINA AND MONGOLIA DESK AND WITH SENIOR

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COUNTERPART FM A SISTER BUREAU WITHIN USA INTEL COMMUNITY.

5.STATE DEPT CONSENSUS GENERALLY SUPPORTS PRESS SPECULATION THAT WHILE PRC WELCOMES PERESTROYKA BECAUSE IT COMPORTS WELL WITH CHINAS OWN ECONOMIC REFORMS(BUT DOES NOT/NOT GO AS FAR) LEADERSHIP BELIEVES GLASNOST IS A VERY DESTABLIZING ERROR. ULTIMATELY,CHINESE INTERLOCUTORS FEEL GLASNOST WILL UNDERMINE PERESTROYKA EITHER BY ALLOWING CHAOS TO REIGN OR BY INVITING CONSERVATIVE BACKLASH THAT WILL ONCE AGAIN BIND SOVIET ECONOMY WITHIN STULTIFYING ECONOMIC PRECEPTS OF BREZHNEV ERA.

6.PRC WILL CONTINUE TO CONSTRAIN POLITICAL AND SOCIAL REFORM WHILE ACCELERATING ECONOMIC REFORMS,PARTICULARLY IN COASTAL ZONE STRATEGY.CHINESE LEADERSHIP ALSO APPEARS ACUTELY AWARE THAT SUCCESS OF ECONOMIC REFORM,INTEGRATION OF HKONG AND COMMERCIAL RELS WITH TAIWAN(NOW APPARENTLY TAKING PLACE DIRECTLY AT ACCELERATING RATE)HAVE POTENTIAL CONSIDERABLY TO ADVANCE WAY IN WHICH PEKING AND TAIPEI REGARD ANOTHER.

7.RE POLITICAL RELS,CHINESE HAVE TOLD USA THEY WERE ENCOURAGED BY POLITICAL LIBERALIZATION INAUGURATED IN TAIWAN BY THE LATE CHIANG CHING-KUO I.E. LIFTING MARTIAL LAW,LEGALIZING NEW POLITICAL PARTIES AND STARTING NEW ERA OF FLEXIBLE INTERACTION WITH THE MAINLAND.THEY BELIEVE LI TENG-HUI WILL CONTINUE TREND BY SETTING KMT ON EVOLUTIONARY PATH TOWARD GREATER LIBERALISM AND MORE TRANSPARENT POLITICAL

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THINKING. PEKING ACUTELY AWARE OF TAIPEI SENSITIVITIES,  
HOWEVER, AND WILL ALLOW KMT PROCESS TO EVOLVE FROM WITHIN WHILE  
UTILIZING COMMERCIAL (AND POTENTIALLY INVESTMENT) RELATIONSHIP  
TO ENCOURAGE SUBTLE MULTIPLICITY OF TIES-IN EFFECT, A QUOTE  
BIND WITH A THOUSAND GOSSAMER THREADS UNQUOTE STRATEGY.

8. ON CAMBODIA, STATE DEPT NOT/NOT AS SANGUINE AS MIGHT BE  
EXPECTED, FOLLOWING PEKIN STATEMENT OF 01JUL THAT MANY ARE  
INTERPRETING AS MAJOR ADVANCE. PROBLEM AS SENIOR DEPTAL LEVELS  
SEE IT, IS THAT NO/NO ONE REALLY CONTROLS KHMER ROUGE (KR). ANY  
ABANDONMENT BY PRC IN RESPONSE TO KR INTRANSIGENCE ABOUT ROLE IN  
NATL RECONCILIATION COULD REBOUND IN TWO WAYS. FIRST, KR  
COULD USE STOCKPILES OF WEAPONS CACHED THROUGHOUT CAMBODIA AND  
IN AREAS NEAR THAI BASE CAMPS, TO WAGE MISCHIEF FOR YRS TO  
COME. SECONDLY, THEY COULD ESTABLISH REALM IN NORTHERN THAILAND  
AKIN TO AREAS OF BURMA UNDER CONTROL OF PRIVATE ARMIES OF  
OPIUM MAGNATES. IN SUCH A SCENARIO, RTG SIMPLY DOES NOT/NOT  
HAVE SUFFICIENT MILITARY FORCE TO DISLODGE THEM. FURTHER, USA  
HAS SEEN NO/NO INDICATION THAT KR HAVE LEARNED ANYTHING IN  
DECADE THEY HAVE BEEN OUT OF POWER.

6. OUR INTERLOCUTORS (PSE PROTECT) EXPRESSED SOME FRUSTRATION  
AT DEGREE OF DISENGAGEMENT APPARENT IN THIS ADMIN'S ATTITUDE TO  
CAMBODIA QUESTION. SHULTZ IS NOT/NOT GOING TO ASEAN MTGS WITH GREAT  
EXPECTATIONS OR A USA PLAN. HE WILL LISTEN CAREFULLY AND MAKE  
ENCOURAGING NOISES AT THE APPROPRIATE TIMES BUT IS UNLIKELY TO PUT  
ANY PRESTIGE ON THE LINE IN WANING DAYS OF THIS ADMIN.

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(U5) Briefing Paper

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given to USS May 1988  
by USEmb.

Chinese Missile Exports to Saudi Arabia  
and the Middle East

- As you are aware, the CSS-2, intermediate range ballistic missiles that the Peoples Republic of China is supplying to Saudi Arabia have a range of some 3,000 KM and are capable of carrying a 1,000 KG warhead. Because of their low accuracy, these missiles are best suited for use with a nuclear warhead. The Saudi Arabian and Chinese governments have nonetheless assured the United States that the missiles in Saudi Arabia will not be equipped with nuclear warheads.

- The Saudi-Chinese deal is the result of an agreement probably reached in late 1986 or early 1987 which called for military cooperation focused on unspecified missiles. In July or August, 1987 construction began on two launch bases at Al Jufair (southwest of Riyadh). The U.S. has since identified two other launch bases near Al Sulayl and a completed training facility at Al Lidam. The launch bases are expected to be complete in four months' time.

- In addition to this particular agreement, Iran may be providing financing for development of the Chinese M-9 SRBM (200-600 KM) in return for some of the missiles when produced. There are also reports that China is considering selling the M-9 missile to Syria and Egypt.

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As you are aware, the PRC is supplying Saudi Arabia with nuclear capable CSS-2 intermediate range ballistic missiles capable of covering the whole of the Middle East as well as portions of the Soviet Union and Southeastern Europe. Details of the Saudi-Chinese deal are provided in the attachment to this paper. This development has brought long-standing U.S. concerns about PRC missile transfer policies to a head.

PRC missile exports present a threat to the stability of the Middle East, or other regions into which such systems are introduced, and threaten our mutual interests in those regions. Indiscriminate PRC missile sales also threaten the missile non-proliferation policies the U.S. and Canada share. They are also likely to encourage additional international sales and indigenous production efforts by third countries.

Accordingly, the U.S. has approached the PRC to register concern about Chinese missile transfer policy. We understand that other countries have also raised this issue with the PRC. In our approach, we stressed the threat missile proliferation poses to all countries in the world and did not limit our expressions of concern to PRC missile exports to the Middle East. The PRC has responded that "special consultations between our countries on the subject of missile sales are neither necessary nor appropriate." We still seek to engage the Chinese in a dialogue on a responsible approach to the problem of missile proliferation.

Because your government shares our concern about missile proliferation, as expressed in your subscription to the Missile Technology Control Guidelines in April 1987, we request your views as to how to deal with the issue of PRC missile exports; one possibility might be coordinated demarches to the Chinese to express concern about such sales and to urge restraint. Given our impression that missile export decisions have largely been made by the PRC military, we believe we should pay particular attention to devising an approach best designed to ensure our concerns get through to the appropriate Chinese officials.

The U.S. does not wish to discourage your government from now undertaking any steps which you consider appropriate and may be planning and which might reinforce our own efforts.

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Talking Points

-- I would like to discuss with you the potentially destabilizing transfer of CSS-2 IRBM's from China to Saudi Arabia, and the issue of Chinese policy towards missile sales in general.

-- Chinese missile export policy has concerned the U.S. for some time. This latest transfer has refocused our attention on this issue and on the need to redouble our efforts at preventing missile proliferation worldwide.

-- Secretary Shultz raised the issue of the CSS-2 sale to Saudi Arabia with Foreign Minister Wu during the Foreign Minister's visit to Washington in March. The Secretary recently followed this up with a letter to the Foreign Minister on the general issue of PRC missile sales. The letter stressed the importance of establishing a dialogue on the important issue of missile proliferation in this region, or any region.

-- The Chinese responded negatively to the Secretary's letter, declining our call for a special dialogue.

-- It is important for the achievement of our shared missile non-proliferation concerns, including strengthening the MTCR, that we deal effectively with the issue of PRC missile sales.

-- We believe it is important to move quickly on this issue. We are very interested in your views as to what efforts may be desirable in attempting to deal with this problem. One possibility might be an approach coordinated between adherents of the Missile Technology Control Regime. We would also be interested in your view of whether any countries not adherent to the MTCR would be particularly effective in approaching the PRC on this issue.

-- We look forward to hearing your views on this important problem soon.

-- Finally, I would like to make clear that the U.S. does not wish to discourage your government from now taking any steps it considers appropriate and which would reinforce our own contacts with Beijing.

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## MESSAGE

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SUBJ/SUJ	OTSTR GMR GMD PND PGG IDE ISE ESN UKRS GGE GMD INP		
---PRC-SAUDI MISSILE SALE:EMB CALL			
YUE JUNGING, COUNSELLOR AND NUMBER TWO IN PRC EMB CALLED ON PND			
06APR TO EXPLAIN CHINESE SIDE OF MISSILE SALE TO SAUDIS REPORTED			
RECENTLY IN PRESS. ACCORDING TO YUE, PRC SOLD SURFACE-TO-SURFACE			
MISSILES TO SAUDIS WITH CONVENTIONAL WARHEADS AT REQUEST OF SAUDIS			
GOVT. PRC AND SAUDIS HAVE QUOTE AGREEMENT UNQUOTE THAT THE MISSILES			
WILL BE USED FOR QUOTE DEFENCE ONLY AND SAUDIS AGREED THEY WILL			
NOT/NOT USE MISSILES FIRST UNQUOTE. AGREEMENT ALSO STIPULATES			
MISSILES WILL NOT/NOT BE TRANSFERRED TO THIRD COUNTRY. YUE DID			
NOT/NOT RESPOND TO PND'S QUERY WHETHER AGREEMENT WAS IN WRITING OR			
AN ORAL UNDERSTANDING. WE HAD IMPRESSION YUE MAY NOT/NOT HAVE KNOWN			
HIMSELF.			
2. YUE TOOK SOME PAINS TO EXPLAIN THAT PRC WAS CONCERNED THAT ITS			
QUOTE FRIENDS LIKE CDA UNQUOTE UNDERSTAND THE QUOTE OFFICIAL			
UNQUOTE REASON PRC HAD SOLD MISSILES TO KSA. SPECIFICALLY, PRC			
RECOGNIZED IMPORTANCE OF KSA IN GULF REGION AND PRC BELIEVES IT IS			
QUOTE GOOD THAT ROYAL SAUDI GOVT IMPROVES ITS DEFENSIVE			

DRAFTER/RÉDACTEUR	DIVISION/DIRECTION	TELEPHONE	APPROVED/APPROUVÉ
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CAPABILITY. THE PRC IS AGAINST NUCLEAR PROLIFERATION AND CHINA DOES NOT/NOT INTEND TO SPREAD ITS NUCLEAR TECHNOLOGY. THE WARHEADS PROVIDED TO KSA WERE CONVENTIONAL ~~(THEY WERE NOT INTEND TO KNOW~~ TUNIS

~~EXACTLY WHAT TYPE MISSILES WERE SOLD EXCEPT THAT THEY WERE OF THE DELHI TYPE~~

~~SURFACE TO AIR MISSILE~~). YUE SAID USA HAD INITIALLY EXPRESSED CONCERN TO PRC OVER SALE BUT CLAIMED THAT QUOTE AFTER PRC EXPLANATION AND DISCUSSION THE USA GOVT NOW IS NOT/NOT CONCERNED UNQUOTE. ISRAELI THREAT TO DESTROY MISSILES IN PREEMPTIVE STRIKE YUE DISMISSED AS QUOTE NOT/NOT NECESSARY UNQUOTE SINCE THE MISSILES ARE ONLY FOR DEFENCE. IN CLOSING YUE MENTIONED THAT A PRC VICE MIN WAS PRESENTLY VISITING SAUDI AND REMARKED ON THE OVERALL GOOD TRADING RELATIONSHIP WHICH HAS DEVELOPED BETWEEN KSA AND PRC.

3. FOR LBN, PARIS, MOSCO, CNBRA, WLGTN, STKLN: WE ASSUME PRC HAVE MADE SIMILAR CALLS IN OTHER CAPITALS AND WLD APPRECIATE ANY COMMENTS YOUR MFA CONTACTS MAY HAVE. WLD PARTICULARLY APPRECIATE ~~AGREEMENT~~ OF MISSILE SALE AND REACTION TO YUE'S COMMENTS FROM WSHDC

PERSPECTIVE. FURTHER TO YOUR RECENT RE FORT ~~WASMA/STKLN~~ UNDER REF.

# Saudi Purchase of Chinese Missiles Changes Middle East Military Balance

✓ H.  
Ballou

WASHINGTON

The purchase of Chinese CSS-2 intermediate-range missiles by Saudi Arabia gives that country the capability to strike deep into the territory of all its neighbors and raises new concerns about Middle East stability among U.S. officials.

The 67-ft., inertially guided missiles are mobile and have a basic surface-to-surface range of 1,550 mi. with up to 2,200 mi. in the improved versions that the Saudis are purchasing. The missiles are capable of delivering nuclear warheads, but Saudi officials insist that they will limit their payloads to conventional explosives.

Neither Saudi Arabia nor the People's Republic of China have indicated how many missiles are involved in the deal or their value. U.S. officials said they do not know the size of the sale but that the missiles are not yet operational.

The sale marks the first time that an outside power has provided a Middle East nation with medium-range missiles. The Saudis believe that no Western power would have sold them the missiles.

The CSS-2s are expected to be dispersed in Saudi Arabia's "Empty Quar-

ter," the vast open desert region that stretches south of Riyadh between Yemen and the United Arab Emirates. Such positioning would make them less vulnerable to Iranian or Iraqi attack by Soviet-supplied SS-1C Scud-B missiles, or by strikes by Israeli fighters or Jericho 2 missiles.

Improved versions of the Scud-B have ranges in excess of 300 mi. Iraq has used them in its missile attacks against Tehran, and Iran is believed to have used them in its counter-attacks on Bagdad. Israel will not discuss development of its Jericho 2 missile. It reportedly has been tested at 500 mi., enough to reach the Saudi air base at Tabuk, but not the air defense center in Riyadh. The Saudis do not consider the Jericho 2 a threat to Riyadh.

Saudi ambassador Prince Bandar bin Sultan and a close adviser spent last week assuring members of Congress that the CSS-2 purchase was required for long-range defense and poses no offensive threat to Israel. Their message was that Saudi Arabia is ringed by neighbors which have been threats in the past 15-20 years, such as Iraq, South Yemen and Egypt, or which are now threats, namely Iran.

Iran has threatened the Saudis because they are aligned with Iraq in the Iran-Iraq war.

Despite Prince Bandar's explanation, Senate Foreign Relations Committee Chairman Claiborne Pell (D.-R. I.) said the missiles are a threat to Israel and that there is no defensive need apparent. "But they see a need for it," he said. "So we verbally agreed to disagree."

Saudi military planners see the missiles as providing a "psychological edge" to deter attacks by giving them a "second-strike capability," meaning certain retaliation to an attack. Saudi Arabia's Panavia Tornado fighters would have sufficient range to strike Tehran, but they would be subject to ground attack.

In a radio interview last week in Israel, Yosi Ben Aharon, an aide to Prime Minister Yitzhak Shamir, threatened that Israel might launch a preemptive strike to eliminate the CSS-2 threat, although Israeli officials later renounced his statement.

Saudi officials have warned Israel against attempting a preemptive strike.

Such talk underscores heightened concern by U.S. officials about the political and military implications of the introduction of the missiles. At the State Dept., Charles E. Redman said the missile acquisition "is not in the interests of peace and stability in the region." U.S. officials have protested the Aharon statements. "We don't believe they're helpful," Redman said.

Announcement of the CSS-2 acquisition came only a week after China's Foreign Minister Wu Xueqian visited President Reagan and the U.S. announced that negotiations with the Chinese on export of advanced technology will resume (AW&T Mar. 14, p. 247). Those talks had been stymied by the sale of Chinese Silkworm missiles to Iran.

Saudi Arabia had negotiated with the Chinese for two years. When U.S. officials became aware of the deal, they pressed Wu for assurances that China would not transfer nuclear warheads to Saudi Arabia. The Chinese gave those assurances and the Saudis said they do not want a nuclear capability.

It is unlikely that the Saudis will purchase other Chinese weapon systems. The Saudis said they would not have purchased the missiles if the U.S. had offered them the new McDonnell Douglas F-15E dual-role fighters. But Congress has limited recent Saudi weapons requests because of fear that they would be used (AW&T Nov. 2, 1987, p. 35).

## High-Powered Laser Fired Into Space

WASHINGTON

An 800-megawatt excimer laser, an SDI-funded directed-energy research project, was fired into space several times earlier this month from a laboratory in San Diego, Calif.

The laser is located at Western Research Corp. Researchers involved in the project believe it is the highest-power laser pulse ever to be beamed into space. The raman-shifted excimer beam was first fired into space in the early hours of Mar. 11, and was fired again on Mar. 15. The laser was not fired at a target.

The laser's pulse energy was 400 joules, duration was 0.5 microseconds and beam width was 20 cm. The laser's wavelength was 353 nanometers, which cannot be seen by the unaided eye, but the transmission does appear as a blue beam in photographs of the Mar. 15 firing.

Excimer lasers are of interest to SDI officials for their possible use as exotic ballistic missile defense weapons, and to Air Force officials as potential ground-based antisatellite weapons. A second excimer laser project called EMRLD is expected to begin lasing in early May. □

SDI excimer laser is beamed into space.

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C O N F I D E N T I A L

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---VIA OF VICE PREMIER TIAN JIYUN TO USA 07-18MAY

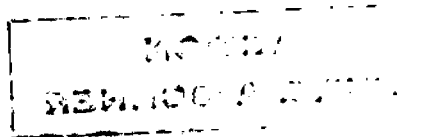
SUMMARY:ALTHO VISIT NOT/NOT YET COMPLETE,WSHDC PORTION OVER.FOLLOWING  
OBSERVATIONS CONTRIBUTED BY POLIT AND ECON SECTIONS STATE DEPT CHINA  
DESK.

2.IT WAS EVIDENT PARAMOUNT PRC PRIORITIES WERE TO INTRODUCE TIAN TO  
COMMERCIAL,INDUSTRIAL AND POLITICAL STRUCTURE THAT SUSTAIN USA SYSTEM  
AND TO EXPLAIN CHINESE ECONOMIC AND POLITICAL REFORMS TO USA LEADERS.

3.USA HOPED TO LEARN MORE ABOUT RESPONSIBILITIES,PERSONALITY,AND  
PRIMARY INTERESTS OF A VICE PREMIER THEY EXPECT WILL PLAY MAJOR ROLE  
IN EVOLVING ECONOMIC REFORM PROCESS.

4.ALTHO OSTENSIBLY LEADING CHINESE DEL TO JOINT COMMISSION ON  
COMMERCE AND TRADE(JCCT),TIAN ATTENDED ONLY OPENING AND CLOSING  
SESSIONS,USING 09,10 AND 11MAY TO CALL ON PRES,VP,SECTSTATE AND  
SECDEF.USA USED CALLS ON SENIOR LEADERSHIP TO REAFFIRM IMPORTANCE OF  
POSITION USA/PRC RELATIONSHIP HOLDS IN USA FOREIGN POLICY AND TO  
UNDERLINE CONCERNS ABOUT MISSILE PROLIFERATION AROUND THE WORLD.

...2



PAGE TWO UNGR2483 CONF

5. IN USA VIEW, VISIT SUCCESSFULLY MET ITS OBJECTIVES FROM BOTH COUNTRIES PERSPECTIVES. TIAN WAS PLEASED AT RECEPTION HE RECEIVED AND AT OPPORTUNITIES TO DELIVER PUBLIC MESSAGES AT OUTSIDE WSHDC VENUES. NO/NO NEW INITIATIVES HAD BEEN ANTICIPATED AND NONE EMERGED. REPORT: USA GOVT MODESTLY PLEASED WITH SUCCESS OF TIAN JI YUN VISIT. WHILE IT DID NOT/NOT RESOLVE OUTSTANDING BILATERAL ISSUES AS DID MAR88 VISIT BY FORMIN WU XUEQIAN, IT DID INTRODUCE USA LEADERSHIP TO V.P. EXPECTED TO SHARE DETERMINING ROLE IN HOW ECONOMIC REFORMS EVOLVE AND ARE IMPLEMENTED. OFFICIALS ALSO BELIEVE TIAN ACCOMPLISHED HIS PERSONAL OBJECTIVES-EXPOSURE TO SENIOR LEADERSHIP IN USA GOVT, COMMERCE AND INVESTMENT REALMS AND OPPORTUNITY TO SEE SOME MAJOR HITECH INDUSTRIES IN ACTION. HE ALSO OBTAINED SIGNIFICANT PUBLIC EXPOSURE, <sup>(1)</sup>MEETING CHINESE COMMUNITY LEADERS, <sup>(2)</sup>BEING INTERVIEWED BY FORBES MAGAZINE AND GIVING KEYNOTE SPEECH 12MAY AT NYORK LUNCHEON HOSTED BY NATL COUNCIL ON USA-CHINA TRADE. IN ADDITION TO SELECTION OF SENIORMOST GOVT LEADERS, HE MET HENRY KISSINGER, PRES OF EXXON AND AT AND T MANAGEMENT.

6. MOST IMPORTANT SYMBOLIC EVENT WAS CALL ON PRES REAGAN WHO MAINTAINED HIGH LEVEL OF AFFABILITY FOR WHICH HE IS RIGHTLY FAMOUS. PRES STRESSED IMPORTANT POSITION USA/CHINA RELATIONS HOLD IN USA FOREIGN POLICY CONSTELLATION AND REAFFIRMED ADHERENCE TO PRINCIPALS GOVERNING RELATIONSHIP, SPECIFICALLY MENTIONING TAIWAN POLICY. HE WELCOMED AND ENCOURAGED POSITIVE TRENDS RECENTLY VISIBLE IN PRC

...3

PAGE THREE UNGR0483 CONF

STATEMENTS ABOUT TAIWAN. HUMAN RIGHTS IN TIBET RAISED QUOTE EVER SO GENTLY UNQUOTE LARGELY TO REMIND VISITOR OF PUBLIC SCRUTINY ISSUE IS SUPJ TO IN USA. WHILE LEAVING BULK OF DISCUSSION ON CONTENTIOUS ISSUE OF CHINESE INF MISSILE SALES TO SECSTATE SHULTZ, PRES NEVERTHELESS EXPRESSED USA GENERAL GLOBAL CONCERNS ABOUT INF PROLIFERATION. AT SAME TIME HE TOOK NOTE OF CHINESE REASSURANCES ON ANTI-SHIP MISSILE SALES PROVIDED DURING WU XUEQIAN VISIT.

7. TIAN HAD LONGER MTG AND DINNER WITH VP BUSH THAT FOCUSSED ON GENERAL ECONOMIC THEMES AND INCLUDED HEAVYWEIGHT ECONOMIC INVITEES SUCH AS CHAIRMAN OF THE FED AND OF THE COUNCIL OF ECONOMIC ADVISORS. BUSH TOOK PARTICULAR CARE TO STATE EMPHATICALLY THAT USA/PRC FRIENDSHIP HAD BROAD BIPARTISAN SUPPORT AND WOULD MAINTAIN ITS STRONG POSITION REGARDLESS OF WHO ELECTED PRESIDENT.

8. MOST SUBSTANTIVE DIALOGUE WAS WITH SHULTZ ALTHO (PERHAPS INTENTIONALLY ON PRC SIDE) IT AMOUNTED TO A TIAN MONOLOGUE AND DWELT MOSTLY ON CHINAS ECONOMIC REFORMS, REFLECTING BOTH TIAN RESPONSIBILITIES AND PRIMARY INTEREST. SHULTZ INTENDED TO RAISE USA CONCERNS ABOUT SILKWORM SALES TO IRAN AND IRAQ AND TO DISCUSS CAMBODIA, BUT WAS CONSTRAINED BY TIME LIMITATIONS TO GENERAL MESSAGE ON PRC ARMS SALES. HE SAID PRC WAS FREE TO SELL ARMS WHERE IT WISHED PROVIDED IT LIVED UP TO SELF-IMPOSED NUCLEAR NON-PROLIFERATION RESTRICTIONS. NEVERTHELESS, ARMS SALES AROUND THE WORLD WERE OF INTEREST TO USA INCLUDING, IN PARTICULAR, SALES TO PERSIAN GULF

...4

PAGE FOUR UNGR0483 CONF

COMBATANTS AND CSS 2 SALE TO SAUDI ARABIA.HE REFLECTED ON IRONY THAT AT MOMENT USA AND USSR WERE ON VERGE OF ACHIEVING UNPRECEDENTED AGMT TO ELIMINATE ENTIRE INF CATEGORY OF MISSILES,CHINA CONCLUDED DEAL WITH SAUDIS INTRODUCING NEW INF CAPABILITY INTO VOLATILE MIDEAST.TIAN RESPONDED WITH NY NOW FAMILIAR REVIEW OF SAFEGUARDS POLICY AND NON-NUCLEAR CAPABILITY OF INF SOLD OUTSIDE CHINA.HE DID NOT/NOT RESPOND POSITIVELY TO INVITATION-FIRST OFFERED BY SHULTZ TO WU XUEQIAN VERBALLY AND SUBSEQUENTLY IN LET,AND REPEATED TO TIAN-TO ENGAGE WITH USA IN DIALOGUE ABOUT GLOBAL MISSILE PROLIFERATION.HE SAW NO/NO NEED,SUGGESTING IF PROBLEMS AROSE THEY COULD BE COVERED ALONG WITH OTHER ISSUES ON BILATERAL AGENDA.

9.VERY BRIEF CALL ON CARLUCCI USED BY SECDEF TO HIGHLIGHT USA CONCERN ABOUT POTENTIAL OF MISSILE PROLIFERATION IN SUBCONTINENT TO DESTABILIZE DELICATE POLITICAL/STRATEGIC BALANCE THERE.

10.JCCT CONSULTATIONS THAT PARALLELED TIAN CALLS ON LEADERS LARGELY FEATURED,ON PRC SIDE,LIU ZEPU OF 3RD REGIONAL AFFAIRS DEPT,WITH SOME CONTRIBUTIONS BY DIR HE CHUN LIN,OF OFFICE OF SPECIAL ECONOMIC ZONES. ASIDE FROM ELABORATION OF SPECIAL ZONES POLICIES,MOST ATTN DEVOTED TO LONG STANDING PROBLEMS THAT REMAIN UNRESOLVED.THESE INCLUDE,INTER ALIA,USA CONCERNS ABOUT PRC LACK OF INTELLECTUAL PROPERTY REGIME IN COPYRIGHT LAW AND INSUFFICIENT PATENT LAW PROTECTION OF PHARMACEUTICALS AND AGROC-CHEMICALS.PRC REVIEWED TRADE IRRITANTS, MAINLY FOCUSSING ON USA PROTECTIONISM.MAIN GRIPE WAS TEXTILES WHERE,

...5

PAGE FIVE UNGR0483 CONFD

AFTER DOUBBLE-DIGIT GROWTH OVER PAST TWO YEARS, BILATERAL TEXTILE AGMT  
SIGNED IN FEB88 LIMITS GROWTH TO 3 PCENT OVER 4YRS OF AGMT. USA VIEW  
IS THAT THIS IS QUOTE STABILIZING UNQUOTE.

11. INTERLOCUTORS CLOSED WITH FOLLOWING REMARKS YOU MAY FIND HELPFUL  
IN LAST MINUTE PREPARATIONS FOR TIAN VISIT TO CDA:

-TIAN DEMONSTRATED HIGH INTEREST AND BROAD CONCEPTUAL GRASP OF HIS  
AREAS OF ECONOMIC RESPONSIBILITY, APPEARING MOST FASCINATED BY  
OPPORTUNITIES OFFERED BY SPECIAL ECONOMIC ZONE REFORMS:

-HE GAVE IMPRESSION OF BEING AFFABLE AND APPROACHABLE ALTHO FACT HE  
SPEAKS NO/NO ENGLISH HAMPERS SPONTANEITY; USA JUDGEMENT THAT HE CLOSE  
TIES TO ZHAO ZHIYANG SUSTAINED BY IMPRESSION TIAN CREATED;

-USA INTERLOCUTORS HAVE HEARD REPORTS TIAN WOULD BE GIVEN  
RESPONSIBILITY FOR AGRIC BUT WERE UNABLE TO QUOTE SMOKE HIM OUT  
UNQUOTE ON SUBJ. THEY HOPE <sup>WE</sup> HE WILL BE MORE SUCCESSFUL.

CCC/230 131634Z UNGR0483

*Add  
specific  
question?  
for MINT?*





Office of the Under-  
Secretary of State  
for External Affairs,

Cabinet du Sous-  
secrétaire d'État  
aux Affaires extérieures,

Ottawa

*R. 17 mai*

19 *88*

Memorandum for:  
Mémoire pour:

*PNR / H. Balloch*

*Howard,*

*S.V.P. prendre connaissance  
des commentaires de M. Taylor  
et me communiquer les  
réponses / informations quant  
aux interrogations soulevées  
par M. Taylor.*

*Merci!*

*Gra*



TO/A USS (through PGB)  
FROM/DE PNR (through PND)

REFERENCE •  
RÉFÉRENCE

SUBJECT • PRC Missile Sales to Saudi Arabia  
SUJET

PNR/H. Balloch/995-1186

Security/Sécurité <b>SECRET</b>
Accession/Référence 640186
File/Dossier 20-CHINA-1-3-USA
Date May 11, 1988
Number/Numéro PNR-1138

ENCLOSURES  
ANNEXES

~~DIS~~TRIBUTION

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IND, IDD, GMD and ourselves have collectively reviewed the documents left by Dwight Mason during his call on you last month. We are proposing in this memorandum that we not take an active role in criticizing the Chinese sale of CSS-2 missiles to Saudi Arabia, but that we continue to raise with the PRC our concerns over its relatively indiscriminate arms sales, and especially those involving the proliferation of long-range weaponry. Two occasions to do so will present themselves over the next two months; the visit of Vice Premier Tian Jiyun and the planned political consultations in Beijing in July.

The major considerations which have led us to our recommendation are:

1. The missile sales are not particularly destabilizing in regional security terms, we have no reason or evidence to challenge the KSA assertion that the missiles are defensive with Iran primarily in mind, and configured for relatively short distances;
2. The Saudi relationship with Israel is not bellicose, the Saudis have never been in the forefront of aggressive military actions against Israel;
3. Although Israel is clearly opposed to the missile installations, their strategic impact is so marginal as to be unlikely to elicit a preemptive strike on military or security grounds;

...2

4. There is no evidence or indication that the Saudis have any interest in arming the missiles with nuclear warheads - they have in fact indicated a willingness to sign the NPT:
5. At the same time, we are generally concerned about both the introduction of a potentially long-range and inherently inaccurate weapons system in the Middle East, and the proliferation of long-range missile systems per se, as witnessed by our association with the Missile Technology Control Regime.

If you agree, we will develop a standard talking point for use with senior Chinese leaders, making clear our general concern with their apparently indiscriminate arms exports and our specific concerns over the further proliferation of long-range missile systems, without objecting directly to their sale of CSS-2s to Saudi Arabia. We will find an appropriate time to advise the U.S.A. Embassy of the approach we are taking.



H.R. Balloch  
Director  
North Asia Relations



14B

TO/A PNR IDA INP

FROM/DE • GMR

REFERENCE • PNR-0995, April  
RÉFÉRENCE

SUBJECT • USA Démarche on  
SUJET to Saudi Arabia

RETURN TO RENVOYER AU		FOR FILING POUR - ETRE PORTE AU DOSSIER	
ACC	REF	DATE	
FILE 20 - China - 1-3 - USA		DOSSIER 26; INP(M)-0466, April 29	

GMR/J.F.GOULD/0-5994/df

Security/Sécurité	SECRET
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Accession/Référence	
File/Dossier	
Date May 2, 1988	
Number/Numéro GMR-0696	

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DMC

Noting the arguments made in INP(M)-0466, GMR would be hard put to criticize the Saudi authorities for their procurement of the CSS-2 missile system from the PRC (as described in PNR-0995 and its attachments). Although the Saudi relationship with Israel may fairly be described as hostile, it is not bellicose, nor have the Saudis historically been in the forefront of aggressive military actions by the Arab states against Israel. Similarly, the Saudis are not in a state of war with any of their Arab neighbours. They do, however, have an obvious defensive need given the declared threat from Iran and actions in support of that threat. It should be noted that Canada has been prepared to sell defensive military equipment to the Kingdom.

DATE RECEIVED	DATE REÇU
MAY 3	1988

M.S.  
J.C.E. Garrard  
Director  
Middle East Relations  
Division

SA  
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P R O T E C T E D

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---BUSH POLITICKING AT GREAT WALL

USA AMB CONFIRMED SAT THAT ACTIVE CONSIDERATION NOW BEING GIVEN TO  
TRIP BY VP GEORGE BUSH TO JPN, SKOR AND PRC IN MID-JUNE. IF BUSH DOES  
NOT/NOT VISIT PRC THEN SECTY SCHULTZ WILL VISIT PRC AFTER ASEAN MTG  
EARLY JULY IN BNGKK.

CCC/078 020602Z WJGR3353

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Dossier  
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INP/JASims/2-0552/cd/lmj

TO/À                    PNR GMR IDA

FROM/DE              •    INP

REFERENCE •    Memorandum PNR-0995 of April 26, 1988  
RÉFÉRENCE

SUBJECT •    USA Démarche on PRC Missile Sales to Saudi Arabia  
SUJET

Security/Sécurité	Secret : CEO
Accession/Référence	
File/Dossier	20 China - 1-3 USA
	37-22-2
Date	April 29, 1988
Number/Numéro	INP(M) - 0466

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Further to a meeting of 27 April 1988 attended by representatives of PNR, GMR, IDA and INP, the purpose of this memorandum is to evaluate the impact on the regional strategic balance in the Middle East of the sale to the Kingdom of Saudi Arabia (KSA) of the CSS-2 missile system by the People's Republic of China.

2. While the KSA purchase may be deplored as contributing to the general proliferation of missiles in the Middle East it represents, in our view, more of a symbolic development than one of any particular strategic significance.

3. There were in excess of one thousand generally similar missiles in the region before the KSA purchase, which has added at most a few dozen to the total. Syria, Libya, Iraq, Iran and Israel hold the rest.

4. The KSA is demonstrably the least aggressive of any of these countries. Although it has reluctantly taken a very small part in the Arab-Israeli conflicts, the KSA has posed little more than a symbolic threat to Israel in the past 40 years and nor do we believe that it has any intention of posing more of one now. The KSA's concern about the threat it faces from Iran is entirely credible. Also credible, in our view, are the assurances the KSA has given to the USA that it intends the missiles for defence only. Unlike Israel, which the Canadian intelligence community estimates to have more than 60 serviceable atomic weapons, the KSA has agreed to sign the nuclear non-proliferation treaty. As evidence of its major concern with Iran it announced on April 26 the severing of diplomatic relations (although this move is probably more directly associated with recent Iranian sponsored terrorist attacks on Saudi and Kuwaiti oil facilities). Both Saudi Arabia and the PRC have given independent assurances to the USA that only conventional explosive warheads will be provided. No US intelligence assessments that we have seen contradict these assurances. The PRC further stated that the version supplied to the KSA has a range of only some 900 kilometres versus the 3000 claimed in the USA's démarche. If this is true, the missiles would not reach Israel from their bases south of Riyadh (although again, we have seen of late how "flexibly" the range of missiles can be manipulated). In our view, on balance, the purchase of the missiles itself does not alter the strategic balance in the Middle East nor the security of Israel in a significant way.

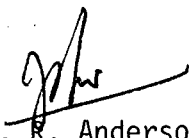
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S e c r e t : CEO

5. A preemptive strike by Israel against the KSA's CSS-2 sites would serve only slight military purpose and would, we believe, have a disproportionately adverse effect politically. Nonetheless, a preemptive attack for public relations purposes in the run up to Israel's general election cannot be ruled out. Such an attack could well result in Egypt's abrogation of the Camp David Accords and a re-uniting of the Arab world against Israel.

6. With regard to this particular sale, at least, the PRC has -- since the KSA is not at war -- apparently acted in accordance with one of Canada's own policies: that of not selling war material to countries directly involved in conflicts, and it may be worth noting that the PRC currently ranks fourth behind the USSR, the USA and France as a supplier of arms to Third World countries, and only slightly ahead of West Germany and the UK. The PRC is not a signatory to the Missile Technology Control Agreement.

  
P. R. Anderson  
Director  
Political Intelligence  
Division



PNR/H. BALLOCH/5-1186/ek

TO/À INP GMR IDA  
FROM/DE PNR

REFERENCE •  
RÉFÉRENCE

SUBJECT • USA Démarche on PRC Missile  
SUJET Sales to Saudi Arabia

Security/Sécurité
SECRET - CEO
Accession/Référence
592116/1890225
File/Dossier
20-China-1-3-USA
Date
April 26, 1988
Number/Numéro
PNR-0995

ENCLOSURES  
ANNEXES

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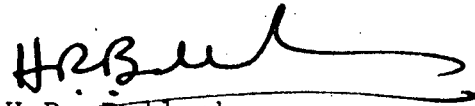
Chargé d'Affaires Dwight Mason and Charlie Dudley of the U.S.A. Embassy called on the Under-Secretary on April 25 to discuss USA displeasure over the sale of Chinese IRBMs to Saudi Arabia. As our Embassy in Washington has reported, this issue was a major focus of recent meetings between Secretary of State Shultz and then Foreign Minister Wu Xueqian (now Vice-Premier).

2. The attached USA Briefing paper and Talking Points are largely self-evident. The degree to which the USA Administration is concerned with the sale as a destabilizing event per se (either due to its effect on the regional power balance or as a provocation to Israel), or as a further example of an apparent Chinese disinterest in the political impact of their seemingly indiscriminate arms export policy, was not clear. It can, however, be surmised from their own approach to us that the PRC government is well aware of the impact of at least this particular sale of CSS-2s, and of the fact that Foreign Minister Wu did not allay USA concerns during his recent Washington visit.

3. Mr. Taylor assured Mason that we would review the pieces of paper left with us, and that we would be back in touch with them on our views in due course.

4. Prior to consideration of any action on our part, Mr. Taylor has suggested that we evaluate what impact the CSS-2s are likely to have on the regional strategic balance in the Middle East. Of particular interest would be the Israeli attitude towards the missile sales and emplacements. Situating the sale in the context of Chinese arms export policy would also be appropriate.

5. If it is agreeable, we would propose a brief meeting of ourselves and action divisions in A-5-154 on Wednesday, April 27 at 11:00 a.m.

  
H.R. Balloch  
Director  
North Asia Relations Division



SECRET

Briefing Paper

Chinese Missile Exports to Saudi Arabia  
and the Middle East

- As you are aware, the CSS-2, intermediate range ballistic missiles that the Peoples Republic of China is supplying to Saudi Arabia have a range of some 3,000 KM and are capable of carrying a 1,000 KG warhead. Because of their low accuracy, these missiles are best suited for use with a nuclear warhead. The Saudi Arabian and Chinese governments have nonetheless assured the United States that the missiles in Saudi Arabia will not be equipped with nuclear warheads.

- The Saudi-Chinese deal is the result of an agreement probably reached in late 1986 or early 1987 which called for military cooperation focused on unspecified missiles. In July or August, 1987 construction began on two launch bases at Al Jufair (southwest of Riyadh). The U.S. has since identified two other launch bases near Al Sulayl and a completed training facility at Al Lidam. The launch bases are expected to be complete in four months' time.

- In addition to this particular agreement, Iran may be providing financing for development of the Chinese M-9 SRBM (200-600 KM) in return for some of the missiles when produced. There are also reports that China is considering selling the M-9 missile to Syria and Egypt.

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SECRET

As you are aware, the PRC is supplying Saudi Arabia with nuclear capable CSS-2 intermediate range ballistic missiles capable of covering the whole of the Middle East as well as portions of the Soviet Union and Southeastern Europe. Details of the Saudi-Chinese deal are provided in the attachment to this paper. This development has brought long-standing U.S. concerns about PRC missile transfer policies to a head.

PRC missile exports present a threat to the stability of the Middle East, or other regions into which such systems are introduced, and threaten our mutual interests in those regions. Indiscriminate PRC missile sales also threaten the missile non-proliferation policies the U.S. and Canada share. They are also likely to encourage additional international sales and indigenous production efforts by third countries.

Accordingly, the U.S. has approached the PRC to register concern about Chinese missile transfer policy. We understand that other countries have also raised this issue with the PRC. In our approach, we stressed the threat missile proliferation poses to all countries in the world and did not limit our expressions of concern to PRC missile exports to the Middle east. The PRC has responded that "special consultations between our countries on the subject of missile sales are neither necessary nor appropriate." We still seek to engage the Chinese in a dialogue on a responsible approach to the problem of missile proliferation.

Because your government shares our concern about missile proliferation, as expressed in your subscription to the Missile Technology Control Guidelines in April 1987, we request your views as to how to deal with the issue of PRC missile exports; one possibility might be coordinated demarches to the Chinese to express concern about such sales and to urge restraint. Given our impression that missile export decisions have largely been made by the PRC military, we believe we should pay particular attention to devising an approach best designed to ensure our concerns get through to the appropriate Chinese officials.

The U.S. does not wish to discourage your government from now undertaking any steps which you consider appropriate and may be planning and which might reinforce our own efforts.

SECRET

SECRET

Talking Points

-- I would like to discuss with you the potentially destabilizing transfer of CSS-2 IRBM's from China to Saudi Arabia, and the issue of Chinese policy towards missile sales in general.

-- Chinese missile export policy has concerned the U.S. for some time. This latest transfer has refocused our attention on this issue and on the need to redouble our efforts at preventing missile proliferation worldwide.

-- Secretary Shultz raised the issue of the CSS-2 sale to Saudi Arabia with Foreign Minister Wu during the Foreign Minister's visit to Washington in March. The Secretary recently followed this up with a letter to the Foreign Minister on the general issue of PRC missile sales. The letter stressed the importance of establishing a dialogue on the important issue of missile proliferation in this region, or any region.

-- The Chinese responded negatively to the Secretary's letter, declining our call for a special dialogue.

-- It is important for the achievement of our shared missile non-proliferation concerns, including strengthening the MTCR, that we deal effectively with the issue of PRC missile sales.

-- We believe it is important to move quickly on this issue. We are very interested in your views as to what efforts may be desirable in attempting to deal with this problem. One possibility might be an approach coordinated between adherents of the Missile Technology Control Regime. We would also be interested in your view of whether any countries not adherent to the MTCR would be particularly effective in approaching the PRC on this issue.

-- We look forward to hearing your views on this important problem soon.

-- Finally, I would like to make clear that the U.S. does not wish to discourage your government from now taking any steps it considers appropriate and which would reinforce our own contacts with Beijing.

SECRET

**ACTION  
SUITE A DONNER**

RETURN TO RENOYER AU		<b>BICO</b>	FOR FILING POUR - ETRE PORTE AU DOSSIER
ACC	REF	DATE	
589001		890131	
FILE			DOSSIER
37-22-2			
20-China-1-3-USA			

MA 15-14 EP  
HBIC

C O N F I D E N T I A L

FM WSHDC UNGR0479 12APR88

TO EXTOT PNR

INFO PEKIN EKONG RYADH LDN PARIS AMMAN BGHDD MOSCO BNATO TUNIS  
CNERA WLGTN STKHM CAIRO TAVIV DMCUS KWAIT TOKYO SEOUL DELHI SPORE  
BAG SHNGI DE PEKIN

DISTR GMD GMR PND PGB IDR ISE ESN UURG GGB GMRD INP URR

REF OURTEL UNGR0475 31MAR AND YRTEL PNR0847 07APR

---PRC-SAUDI MISSILE SALE:EMB CALL

WE SOUGHT STATE DEPT CHINA DESK REACTION TO YUE COMMENTS DURING  
CALL ON PND. IN ESSENCE, POINTS HE COVERED DO NOT/NOT DEPART FROM MSG  
TO ARMACOST CONVEYED BY PRC AMBASSADOR HERE WHO QUOTE FROM A TEXT  
BUT DID NOT/NOT LEAVE A WRITTEN VERSION. NOTES TAKEN DURING MTC CORRES-  
POND ALMOST EXACTLY WITH YUE COMMENTS WITH ONE MAJOR EXCEPTION.

2. THAT WAS SUGGESTION YR PARA TWO THAT USA GOVT WAS NO/NO LONGER  
CONCERNED FOLLOWING AMBASSADORS EXPLANATIONS. IN FACT USA CONCERN  
MOTIVATED SHULTZ LETTER TO WU XUEQIAN REQUESTING INTER ALIA, BILATERAL  
DIALOGUE ON ISSUE OF MISSILE PROLIFERATION. NO/NO RESPONSE TO LETTER  
RECEIVED TO DATE.

3. (PLSE PROTECT) STATE DEPT DISCUSSING AT THIS MOMENT APPROACHING  
MISSILE TECHNOLOGY CONTROL REGIME PARTNERS TO CONSULT INFORMALLY,  
I.E. NOT/NOT NECESSARILY STRICTLY WITHIN TECHNICAL CONFINES OF  
REGIME ITSELF ABOUT WHAT TO DO NEXT IN RESPECT OF PRC/SAUDI SALE.  
INITIATIVE WILL HOWEVER, PROBABLY AWAIT WU RESPONSE TO SHULTZ LETTER.

CCC/029 122048Z UNGR0479



External Affairs  
Canada

Affaires extérieures  
Canada

MESSAGE

Accession/Référence

592110 / 1810225

File/Dossier

20-China-1-3-USA

Align first character of Security Classification under this arrow  
 Alignez le premier caractère de la Sécurité sous cette flèche

SECURITY SÉCURITÉ	CONFIDENTIAL
FM/DE	FM EXTOTT PNR0847 07APR88
TO/À	TO PEKIN WSHDC
INFO	INFO <del>HKONG</del> <sup>BAG</sup> HKONG RYADH LDN PARIS AMMAN SHNGI BGHDD MOSCO BNATO <sup>L DE PER</sup> TUNIS
DISTR	CNBRA WLGTH STKLM <sup>CAIRO</sup> TAVIN <sup>DMCUS</sup> KUWAIT <sup>TOKYO</sup> SEOUL <sup>DELHI</sup> SPORE
REF	REF: WSHDC UNGR 0475 31MAR88
SUBJ/SUJ	DISTR GMR GMD PND PGB IDR ISE ESN URRG <sup>GGB</sup> GMRD <sup>INP</sup>
<p>---PRC-SAUDI MISSILE SALE:EMB CALL</p> <p>YUE JUNQING,COUNSELLOR AND NUMBER TWO IN PRC EMB CALLED ON PND 06APR TO EXPLAIN CHINESE SIDE OF MISSILE SALE TO SAUDIS REPORTED RECENTLY IN PRESS.ACCORDING TO YUE,PRC SOLD SUFACE-TO-SURFACE MISSILES TO SAUDIS WITH CONVENTIONAL WARHEADS AT REQUEST OF SAUDIS GOVT.PRC AND SAUDIS HAVE QUOTE AGREEMENT UNQUOTE THAT THE MISSILES WILL BE USED FOR QUOTE DEFENCE ONLY AND SAUDIS AGREED THEY WILL NOT/NOT USE MISSILES FIRST UNQUOTE.AGREEMENT ALSO STIPULATES MISSILES WILL NOT/NOT BE TRANSFERRED TO THIRD COUNTRY.YUE DID NOT/NOT RESPOND TO PND'S QUERY WHETHER AGREEMENT WAS IN WRITING OR AN ORAL UNDERSTANDING.WE HAD IMPRESSION YUE MAY NOT/NOT HAVE KNOWN HIMSELF.</p> <p>2.YUE TOOK SOME PAINS TO EXPLAIN THAT PRC WAS CONCERNED THAT ITS QUOTE FRIENDS LIKE CDA UNQUOTE UNDERSTAND THE QUOTE OFFICIAL UNQUOTE REASON PRC HAD SOLD MISSILES TO KSA.SPECIFICALLY,PRC RECOGNIZED IMPORTANCE OF KSA IN GULF REGION AND PRC BELIEVES IT IS QUOTE GOOD THAT ROYAL SAUDI GOVT IMPROVES ITS DEFENSIVE</p>	

DRAFTER/RÉDACTEUR

DIVISION/DIRECTION

TELEPHONE

APPROVED/APPROUVÉ

J. MAKIN  
SIG

PNR

996-2807

H.R.BALLOCH

SIG

H.R.BALLOCH

000631

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Alignez le premier caractère du mot "PAGE" sous cette flèche

PAGE TWO PNR0847 CONFD

12

10

CAPABILITY.THE PRC IS AGAINST NUCLEAR PROLIFERATION AND CHINA DOES NOT/NOT INTEND TO SPREAD ITS NUCLEAR TECHNOLOGY.THE WARHEADS PROVIDED TO KSA WERE CONVENTIONAL (~~YUE CLAIMED NOT/NOT TO KNOW EXACTLY WHAT TYPE MISSILES WERE SOLD EXCEPT THAT THEY WERE SURFACE TO SURFACE~~).YUE SAID USA HAD INITIALLY EXPRESSED CONCERN TO PRC OVER SALE BUT CLAIMED THAT QUOTE AFTER PRC EXPLANATION AND DISCUSSION THE USA GOVT NOW IS NOT/NOT CONCERNED UNQUOTE.ISRAELI THREAT TO DESTROY MISSILES IN PREEMPTIVE STRIKE YUE DISMISSED AS QUOTE NOT/NOT NECESSARY UNQUOTE SINCE THE MISSILES ARE ONLY FOR DEFENCE.IN CLOSING YUE MENTIONED THAT A PRC VICE MIN WAS PRESENTLY VISITING SAUDI AND REMARKED ON THE OVERALL GOOD TRADING RELATIONSHIP WHICH HAS DEVELOPED BETWEEN KSA AND PRC.

3.FOR LDN,PARIS,MOSCO,CNBRA,WLGTN,STKLM:WE ASSUME PRC HAVE MADE SIMILAR CALLS IN OTHER CAPITALS AND WLD APPRECIATE ANY COMMENTS YOUR MFA CONTACTS MAY HAVE<sup>H</sup>WLD PARTICULARLY APPRECIATE ~~ASSESSMENT OF MISSILE SALE AND~~ REACTION TO YUES COMMENTS FROM WSHDC

PERSPECTIVE **FURTHER TO YOUR RECENT REPORT** ~~UNCLASSIFIED~~ **UNDER REF.**  
~~UNCLASSIFIED~~ **UNCLASSIFIED**

**ACTION**  
**SUITE A DONNER**

C O N F I D E N T I A L

FM WSHDC UNGR0477 07APR88

TO EXTOTT PNR DELIVER BY 080900

INFO PEKIN HKONG TOKYO PCOOTT CIDA HULL/BSC

TT NDHQOTT/DIPOL/ DE CAF

DISTR USS PGB XCD PND PNC PGP INP

OURTEL UNGR0474 31MAR

BICO

RETURN TO REMYOYER AU	<b>BICO</b>	FOR FILING POUR - ETRE PORTE AU DOSSIER
ACC	REF	DATE
588006	890127	
FILE	DOSSIER	
20 - China - 1-3 - US		

---VISIT OF VICE PREMIER TIAN JIYUN TO USA, 07-18MAY

STATE DEPT CHINA DESK HAS JUST ADVISED US OF CHANGES TO TIAN  
SCHEDULE OCCASIONED BY JUGGLING OF ITINERARY TO ACCOMMODATE USA  
VENUES OUTSIDE WSHDC. VISIT WILL NOW COMMENCE WITH ARRIVAL 08MAY  
(NOTHING SCHEDULED THAT DATE), FOLLOWED BY JOINT COMMISSION ON  
COMMERCE AND TRADE (JCCT) 09, 10, 11MAY.

2. TIAN ITINERARY, AS CONVEYED THIS DATE BY U.S. EMB/PEKIN AS FOLLOWS:

02-07MAY MXICO VISIT;

07MAY ARRIVES HOUSTON. CALL ON PRC CONSUL GEN AND OVERNIGHT

08MAY TRAVEL TO WSHDC

09-11MAY JCCT INTERSPERSED WITH CALLS ON SENIOR OFFICIALS INDICATED  
REFTEL

12MAY TRAVEL WSHDC TO MINNEAPOLIS TO MEET REPS FRM COMMERCIAL AND  
FINANCIAL COMMUNITY 12, 13MAY

14MAY FLY TO LA TO VISIT CONSUL GEN AND CALL ON COMMERCIAL/  
FINANCIAL DIGNITARIES AND ORGANIZATIONS 15-17MAY INCL.

17MAY PROCEED TO HONOLULU FOR REST STOP. NO/NO OFFICIAL CALLS.

...2

RECEIVED  
24-11-1977



PAGE TWO UNGR0477 CONED

18AY ON TO PEKIN.

3.U.S.EMB/PEKIN TEL INDICATES TIAN TRAVELLING WITH ENTOURAGE OF 14-15 MEMBERS.NO/NO NAMES OR AGENCIES IDENTIFIED BUT MFA ADVISED EMB DEL INCLUDED:MORE THAN ONE VICE MINISTER,REPS OF MINISTRY OF FOREIGN ECONOMIC AND TRADE RELS AND SOMEONE FM MFA.

4.ROUTING INDICATES TIAN INTENDS TO FLY HOME DIRECTLY.SHOULD YOU EXTEND AND HE ACCEPT INVITATION TO VISIT CDA AFTER 18MAY,HE WOULD PROBABLY BE ACCOMPANIED BY AT LEAST ONE OF VICE MINS AND REP OF FORMIN.CHINA DESK HAS PROMISED TO CONVEY NAMES OF PRC DEL WHEN AVAILABLE.

CCC/143 072047Z UNGR0477

[ ]



**ACTION**  
**SUITE A DONNER**

~~CORRECTED COPY~~  
~~EXEMPLAIRE CORRIGE~~

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ACC	REF	DATE	
FILE		DOSSIER	
20-China-1-3-US A			

C O N F I D E N T I A L

///CORRECTED COPY///

FM WSHDC UNGR0474 31MAR88

TO EYTOTT L PNR DELIVER BY 311730

INFO PEKIN HKONG TOKYO PCOOTT CIDA HULL BSC

TT NDHQOTT/DIPOL/ DE CAF

DISTR USS PGB XDC PND PNC PGP INP

---VISIT OF VICE PREMIER TIAN JIYUN TO WSHDC ///09-11MAY///

WE SOUGHT LATEST NEWS ON TIAN JIYUN VISIT AND FOLLOWING EMERGED.

HE WILL HEAD PRC DEL AT ANNUAL JOINT COMMISSION ON COMMERCE AND  
TRADE (JCCT) WHICH HE WILL CO-CHAIR WITH USA SECTY OF COMMERCE.

CHINESE INDICATE HE WILL VISIT MEXICO IMMED PRIOR AND HOPES TO ARRIVE

USA APPROX ONE WEEK EARLY TO TOUR INDUSTRIAL PLANTS IN AREAS OF  
INTEREST (THUS FAR NOT/NOT SPECIFIED BY CHINESE). HE WOULD ALSO,

PRIOR TO JCCT, WISH ONE OR TWO DAYS SET ASIDE FOR CALLS ON APPROPRIATE

USA LEADERS. BADER SUGGESTED, WITH CAVEAT THAT HIS REMARKS

BE HELD IN STRICTEST CONFIDENCE, THAT TIAN WILL DEFINITELY SEE

SHULTZ, PROBABLY THE PRESIDENT AND IF NOT, THE VICE PRES, THE SECTY

OF COMMERCE, AND POSSIBLY THE SECTIES OF TREASURY AND ENERGY. HE

ADDED NONE OF THE FOREGOING IS FORMALIZED EXCEPT DATES FOR JCCT BUT

THAT USA CONVEYED SUFFICIENT ASSURANCES INFORMALLY FOR CHINESE TO

PROCEED TO FINAL PLANNING STAGES. HE SUGGESTED IF CDA STILL

CONSIDERING VISIT BY TIAN AFTER ///11///MAY, WE SHOULD SUGGEST IT TO

CHINESE SOON SINCE HIS IMPRESSION WAS THAT THEY WERE MOVING

RAPIDLY TO FINALIZE PLANS.

CC/095 312152Z UNGR0474

CCC/095 051805Z UNGR0474

RETURN TO RENOYER AU		BICO		POUR - ETRE PORTÉ AU DOSSIER	
ACC	REF	DATE		RECEIVED IN GMR	
FILE	20-China-1-3-USA		DOSSIER 1988		

C O N F I D E N T I A L

FM WSHDC UNGR0475 31MAR88

TO EXTOTT PNR DELIVER BY 050900

INFO SEOUL DELHI HKONG TOKYO CNBRA LDN PARIS BNATO BNGKK

KLMR SPORE JKRTA MANIL WLGTN TAVIV RYADH AMMAN TT JEDDAH DE RYA

DMCUS BGHDD CAIRO TUNIS ALGERS RABAT KWAIT

DISTR USS PGB IFB PGP PND PNC GMD GMR GMT CPD CPP INP PSR

PSD RBR IMH IDR IDA

---PRC MISSILE SALES TO KINGDOM OF SAUDI ARABIA (KSA)

SUMMARY: A/DIR CHINESE AND MONGOLIAN AFFAIRS, JEFFREY BADER, BRIEFED US 30MAR ON USA POSITION SHULTZ ENDORSED 29MAR VIS INTERMEDIATE RANGE BALLISTIC MISSILE (IRBM) SALE OF REF.

2. ASSURANCES SOUGHT AND OBTAINED FROM BOTH KSA AND PRC THAT WARHEADS NOT/NOT NUCLEAR AND SECSTATE SHULTZ SIGNED LETTER (NOT YET DELIVERED-PLSE PROTECT) TO PRC FORMIN EXPRESSING CONCERN.

3. THEME OF LETTER IS BUILT AROUND VOLATILITY OF ME AND RISK TO STABILITY POSED BY INTRODUCTION OF NEW CAPABILITY INTO REGION.

4. USA OVERALL RESPONSE RESTRAINED DUE, INTER ALIA, TO UNCERTAINTY WHETHER CSS-2 SALE IN QUEST WOULD HAVE BEEN PRECLUDED UNDER TERMS OF MISSILE TECHNOLOGY CONTROL REGIME.

5. INITIAL PHASE OF USA FORMAL RESPONSE VERY AD HOC. CHINA DESK CONCEDES GOVT SIMPLY DOES NOT/NOT YET HAVE ACT TOGETHER (PLSE PROTECT) AND MORE CONSIDERED POLICY MAY EMERGE.

6. IN RESPONSE TO ISRAELI SABRE-RATTLING, USA CONVEYED MSG TO

...2

PAGE TWO UNGR0475 CONF

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REPORT:

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CONSTRUCTION, FINAL JUDGEMENTS ARRIVED AT ONLY ON EVE OF WU XUEGUAN  
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UNAWARE OF OTHER THAN NUCLEAR WARHEAD FOR CSS-2. WU CLAIMED IGNORANCE  
BUT PRC CHARGE SUBSEQUENTLY CALLED ON ARMACOST AND READ NOTE  
AFFIRMING PRC HAD NOT/NOT PROVIDED NUCLEAR WARHEADS AND WOULD NOT/NOT  
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9. TO FOLLOW UP ON INITIAL DISCUSSIONS WITH CHINESE, SHULTZ SIGNED  
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PAGE THREE UNGR0475 CONF

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10. BADER OFFERED IN STRICTEST CONFIDENCE, DIVISIONAL VIEW OF HOW SALE EMERGED. NOT LONG AFTER USA TURNED DOWN CHINESE REQUEST FOR LANCE MISSILES IN 1985, PRC BEGAN TO DISCUSS SILKWORM MISSILE SALES WITH IRAN. SINCE CONCLUSION OF SILKWORM DEALS WITH FIRST IRAN AND LATER IRAQ (FOR AIR-LAUNCHED VERSION) ARMS SALES TO TWO PERSIAN GULF COMBATANTS REACHED 25% OF PLA PROCUREMENT BUDGET. GIVEN RESULTS OF THIS EVOLUTION AND CONTINUING NEED FOR FOREIGN EXCHANGE, SALE OF CSS-2 TO KSAMUST HAVE BEEN TOO ATTRACTIVE TO IGNORE. FURTHER, CHINESE MAY HAVE UNDERSTIMATED USA SENSITIVITY, GIVEN REASONABLY SOUND FOUNDATIONS UNDERLYING USA-SAUDI RELATIONS. FACT THAT PRC LACKS COHERENT MECHANISM FOR EITHER CONTROLLING OR RESTRICTING FOREIGN ARMS SALES MAY ALSO HAVE BEEN EXACERBATING FACTOR.

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PAGE FOUR UNGR0475 CONF

SILKWORM SALES, FOR EXAMPLE, WERE AUTHORIZED THRU DIRECT POLYTECHNIC (BAOLI) LINK TO POLITBURO PATRONS AND BYPASSED FOREIGN MINISTRY ENTIRELY IN EARLY STAGES. CSS-2 SALE TO KSA MAY BE RESULT OF SIMILAR INCOHERENCE COMBINED WITH DEGREE OF RECKLESS ABANDON CHARACTERISTIC OF CHINESE ARMS SALES AND BASED ON PREMISE THAT COUNTRIES DO NOT NORMALLY PURCHASE CHINESE WEAPONS IF MORE SOPHISTICATED SUPPLIERS AVAILABLE. RESULT IS THAT BULK OF CHINESE ARMS SALES ARE BOUND UP WITH RENEGADES, ROGUES AND MISFITS OF GLOBAL COMMUNITY. USA EXPECTS ISSUES ARISING FROM CHINESE ARMS SALES TO RECUR. AT SAME TIME, THERE IS HOPE THAT PERSISTENT USA ENGAGEMENT THROUGH ONG ING DIALOGUE AND STERN RESPONSE WHEN THINGS GO AWRY, WILL RESTRAIN MOST PERNICIOUS OPTIONS. ULTIMATE LEVER WILL BE ASTUTE USE OF CARRO AND STICK TYPE SUASION THAT RECENTLY RESURRECTED USA ADVOCACY (WITH COCOM) OF TECHNOLOGY TRANSFER TO CHINA AFFORDS OPPORTUNITY FOR.

COMMENT.

11. IF USA CONGRESS REFUSES TO COUNTERANCE ARMS SALES TO SAUDIS, CHINESE ARE NOT/NOT BOUND BY SAME CONSIDERATIONS. T AT THEY WOULD SELL WEAPONS TO SAUDIS SHOULD NOT/NOT SHOCK ANYONE, LEAST OF ALL USA ADMIN.

CCC/095 010003Z UNGR0475

**ACTION**  
**SUITE A DONNER**

C O N F I D E N T I A L

FM WSHDC UNGR0475 31MAR88

TO EXTOTT (PNR)

DELIVER BY 050900

INFO SEOUL DELHI HKONG TOKYO CNBRA LDN PARIS BNATO BNGKK

KLMR SPORE JKRTA MANIL WLGTH TAVIV RYADH AMMAN TT JEDDAH DE RYA

DMCUS BGHDD CAIRO TUNIS ALGERS RABAT KWAIT

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RETURN TO RENYOYER AU		<b>BICO</b>		FOR FILING POUR - ETRE PORTE AU DOSSIER	
ACC	REF	DATE			
588997		890121			
FILE	20-CHINA-1-3-USA			DOSSIER	
0900					

7-IV-88  
+ BICO  
Michele - pls note  
that Pelin  
omitted from  
ink line  
I have  
checked WSHDC  
As keep  
eye out  
for  
repend.  
J.

PAGE TWO UNGR0475 CONFD

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PAGE THREE UNGR0475 CONF

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PAGE FOUR UNGR0475 CONF

SILKWORM SALES, FOR EXAMPLE, WERE AUTHORIZED THRU DIRECT POLYTECHNIC (BAOLI) LINK TO POLITBURO PATRONS AND BYPASSED FOREIGN MINISTRY ENTIRELY IN EARLY STAGES. CSS-2 SALE TO KSA MAY BE RESULT OF SIMILAR INCOHERENCE COMBINED WITH DEGREE OF RECKLESS ABANDON CHARACTERISTIC OF CHINESE ARMS SALES AND BASED ON PREMISE THAT COUNTRIES DO NOT NORMALLY PURCHASE CHINESE WEAPONS IF MORE SOPHISTICATED SUPPLIERS AVAILABLE. RESULT IS THAT BULK OF CHINESE ARMS SALES ARE BOUND UP WITH RENEGADES, ROGUES AND MISFITS OF GLOBAL COMMUNITY. USA EXPECTS ISSUES ARISING FROM CHINESE ARMS SALES TO RECUR. AT SAME TIME, THERE IS HOPE THAT PERSISTENT USA ENGAGEMENT THROUGH ONG ING DIALOGUE AND STERN RESPONSE WHEN THINGS GO AWRY, WILL RESTRAIN MOST PERNICIOUS OPTIONS. ULTIMATE LEVER WILL BE ASTUTE USE OF CARROT AND STICK TYPE SUASION. THAT RECENTLY RESURRECTED USA ADVOCACY (WITH COCOM) OF TECHNOLOGY TRANSFER TO CHINA AFFORDS OPPORTUNITY FOR.

COMMENT.

11. IF USA CONGRESS REFUSES TO COUNTERANCE ARMS SALES TO SAUDIS, CHINESE ARE NOT/NOT BOUND BY SAME CONSIDERATIONS. T AT THEY WOULD SELL WEAPONS TO SAUDIS SHOULD NOT/NOT SHOCK ANYONE, LEAST OF ALL USA ADMIN.

CCC/095 010003Z UNGR0475

# Saudi Purchase of Chinese Missiles Changes Middle East Military Balance

WASHINGTON

The purchase of Chinese CSS-2 intermediate-range missiles by Saudi Arabia gives that country the capability to strike deep into the territory of all its neighbors and raises new concerns about Middle East stability among U.S. officials.

The 67-ft., inertially guided missiles are mobile and have a basic surface-to-surface range of 1,550 mi. with up to 2,200 mi. in the improved versions that the Saudis are purchasing. The missiles are capable of delivering nuclear warheads, but Saudi officials insist that they will limit their payloads to conventional explosives.

Neither Saudi Arabia nor the People's Republic of China have indicated how many missiles are involved in the deal or their value. U.S. officials said they do not know the size of the sale but that the missiles are not yet operational.

The sale marks the first time that an outside power has provided a Middle East nation with medium-range missiles. The Saudis believe that no Western power would have sold them the missiles.

The CSS-2s are expected to be dispersed in Saudi Arabia's "Empty Quar-

ter," the vast open desert region that stretches south of Riyadh between Yemen and the United Arab Emirates. Such positioning would make them less vulnerable to Iranian or Iraqi attack by Soviet-supplied SS-1C Scud-B missiles, or by strikes by Israeli fighters or Jericho 2 missiles.

Improved versions of the Scud-B have ranges in excess of 300 mi. Iraq has used them in its missile attacks against Tehran, and Iran is believed to have used them in its counter-attacks on Bagdad. Israel will not discuss development of its Jericho 2 missile. It reportedly has been tested at 500 mi., enough to reach the Saudi air base at Tabuk, but not the air defense center in Riyadh. The Saudis do not consider the Jericho 2 a threat to Riyadh.

Saudi ambassador Prince Bandar bin Sultan and a close adviser spent last week assuring members of Congress that the CSS-2 purchase was required for long-range defense and poses no offensive threat to Israel. Their message was that Saudi Arabia is ringed by neighbors which have been threats in the past 15-20 years, such as Iraq, South Yemen and Egypt, or which are now threats, namely Iran.

Iran has threatened the Saudis because they are aligned with Iraq in the Iran-Iraq war.

Despite Prince Bandar's explanation, Senate Foreign Relations Committee Chairman Claiborne Pell (D-R.I.) said the missiles are a threat to Israel and that there is no defensive need apparent. "But they see a need for it," he said. "So we verbally agreed to disagree."

Saudi military planners see the missiles as providing a "psychological edge" to deter attacks by giving them a "second-strike capability," meaning certain retaliation to an attack. Saudi Arabia's Panavia Tornado fighters would have sufficient range to strike Tehran, but they would be subject to ground attack.

In a radio interview last week in Israel, Yosi Ben Aharon, an aide to Prime Minister Yitzhak Shamir, threatened that Israel might launch a preemptive strike to eliminate the CSS-2 threat, although Israeli officials later renounced his statement.

Saudi officials have warned Israel against attempting a preemptive strike.

Such talk underscores heightened concern by U.S. officials about the political and military implications of the introduction of the missiles. At the State Dept., Charles E. Redman said the missile acquisition "is not in the interests of peace and stability in the region." U.S. officials have protested the Aharon statements. "We don't believe they're helpful," Redman said.

Announcement of the CSS-2 acquisition came only a week after China's Foreign Minister Wu Xueqian visited President Reagan and the U.S. announced that negotiations with the Chinese on export of advanced technologies will resume (AW&T Mar. 14, p. 247). Those talks had been stymied by the sale of Chinese Silkworm missiles to Iran.

Saudi Arabia had negotiated with the Chinese for two years. When U.S. officials became aware of the deal, they pressed Wu for assurances that China would not transfer nuclear warheads to Saudi Arabia. The Chinese gave those assurances and the Saudis said they do not want a nuclear capability.

It is unlikely that the Saudis will purchase other Chinese weapon systems. The Saudis said they would not have purchased the missiles if the U.S. had offered them new McDonnell Douglas F-15E dual-role fighters. But Congress has limited recent Saudi weapons requests because of fear that they would be used against Israel (AW&T Nov. 2, 1987, p. 35).

## High-Powered Laser Fired Into Space

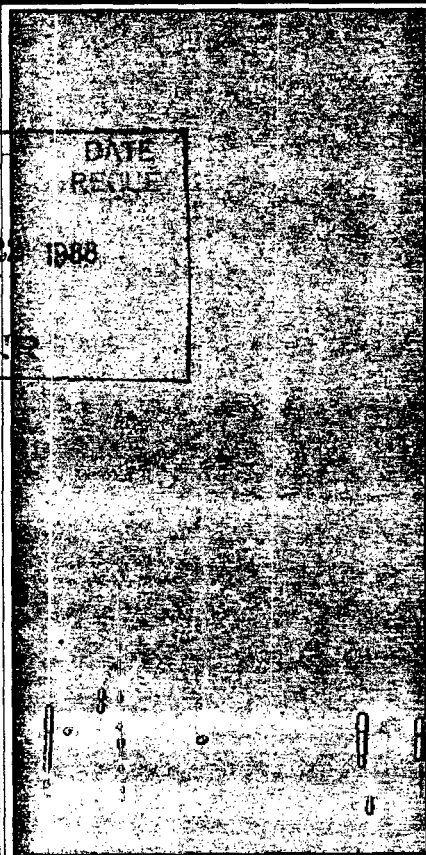
WASHINGTON

An 800-megawatt excimer laser, an ASDI-funded directed-energy research project, was fired into space several times earlier this month from a laboratory in San Diego, Calif.

The laser is located at Western Research Corp. Researchers involved in the project believe it is the highest-power laser pulse ever to be beamed into space. The raman-shifted excimer beam was first fired into space in the early hours of Mar. 11, and was fired again on Mar. 15. The laser was not fired at a target.

The laser's pulse energy was 400 joules, duration was 0.5 microseconds and beam width was 20 cm. The laser's wavelength was 353 nanometers, which cannot be seen by the unaided eye, but the transmission does appear as a blue beam in photographs of the Mar. 15 firing.

Excimer lasers are of interest to SDI officials for their possible use as exotic ballistic missile defense weapons, and to Air Force officials as potential ground-based antisatellite weapons. A second excimer laser project called EMRLD is expected to begin lasing in early May. □



SDI excimer laser is beamed into space.

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18 FEB

---SINO-USA RELATIONS

YOU WILL ~~BY NOW HAVE~~ RECEIVED COPY OF 1988 STATE DEPT  
AUTHORIZATION ACT VIA. UNCLASS 67 LVS WSHDC MAR 1.

BY FACSIMILE ITEMSREFERRED TO PARA 6 OUR REPTTEL ABOUT  
TAIWAN AND ASIA DEVELOPMENT BANK.

FOLLOWING ITEMS ARE FROM CONFERENCE REPORT ON CONTINUING  
APPROPRIATIONS FY 1988 AND FROM CONGRESSIONAL RECORD RESP:  
(COMCENTRE PLS TRANSMIT INDICATED ITEMS BY FACSIMILE)

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P.E. BARTON

tary Assistance", "Economic Support Fund", and "Foreign Military Credit Sales" (excluding loans for which liability for repayment is released pursuant to this Act), not more than 33 1/4 percent of amounts remaining unobligated for each respective account on the date of enactment of this Act may be obligated prior to April 1, 1988, unless an Act authorizing appropriations for such account has been enacted.

#### NOTIFICATION CONCERNING EL SALVADOR

Sec. 561. (a) The Congress expects that—  
(1) the Government of El Salvador and the armed opposition forces and their political representatives will be willing to pursue a dialogue for the purposes of achieving an equitable political settlement of the conflict, including free and fair elections;

(2) the elected civilian government will be in control of the Salvadoran military and security forces, and those forces will comply with applicable rules of international law and with Presidential directives pertaining to the protection of civilians during combat operations, including Presidential directive C-111-03-284 (relating to aerial fire support);

(3) the Government of El Salvador will make demonstrated progress, during the period covered by each report pursuant to subsection (b), in ending the activities of the death squads;

(4) the Government of El Salvador will make demonstrated progress, during the period covered by each report pursuant to subsection (b), in establishing an effective judicial system; and

(5) the Government of El Salvador will make demonstrated progress, during the period covered by each report pursuant to subsection (b), in implementing the land reform program.

(b) **REPORTS.**—On April 1, 1988, and September 30, 1988, the President shall report to the Speaker of the House of Representatives, the Committees on Appropriations and the chairman of the Committee on Foreign Relations of the Senate on the extent to which the objectives described in subsection (a) are being met. With respect to the objective described in paragraph (4) of that subsection, each report shall specify the status of all cases presented to the Salvadoran courts involving human rights violations against civilians by members of the Salvadoran security forces, including military officers and other military personnel and civil patrolmen.

#### TURKISH AND GREEK MILITARY FORCES ON CYPRUS

Sec. 562. Section 620C of the Foreign Assistance Act of 1961 is amended by adding at the end the following:

"(c)(1) Any agreement for the sale or provision of any article on the United States Munitions List (established pursuant to section 38 of the Arms Export Control Act) entered into by the United States after the enactment of this provision shall expressly state that the article is being provided by the United States only with the understanding that it will not be transferred to Cyprus or otherwise used to further the severance or division of Cyprus.

"(2) The President shall report to Congress any substantial evidence that equipment provided under any such agreement has been used in a manner inconsistent with the purposes of this subsection."

#### NOTIFICATION TO CONGRESS ON DEBT RELIEF AGREEMENTS

Sec. 563. The Secretary of State shall transmit to the Appropriations Committee of the Congress and to such other Committees as appropriate, a copy of the text of any agreement with any foreign govern-

ment which would result in any debt relief no less than thirty days prior to its entry into force, other than one entered into pursuant to this Act, together with a detailed justification of the interest of the United States in the proposed debt relief: *Provided*, That the term "debt relief" shall include any and all debt prepayment, debt rescheduling, and debt restructuring proposals and agreements.

#### MIDDLE EAST REGIONAL COOPERATION

Sec. 564. Middle East regional cooperative programs which have been carried out in accordance with section 202(c) of the International Security and Development Cooperation Act of 1985 shall continue to be funded at a level of not less than \$5,000,000 from funds appropriated under the heading "Economic Support Fund": *Provided*, That of this amount not less than \$500,000 shall be made available for scholarships for support of Israeli students studying in institutions of higher education in Arab countries and not less than \$500,000 shall be made available for scholarships for support of Arab students studying in institutions of higher education in Israel: *Provided further*, That such scholarships shall be called "Arab-Israeli Peace Scholarships".

#### ASSISTANCE FOR THE PEOPLE OF LEBANON

Sec. 565. The Congress recognizes that the people of Lebanon have suffered greatly during much of the past two decades from the effects of natural disasters and civil strife. The Congress further recognizes that assistance provided through nongovernmental organizations has had a significant impact in mitigating the adverse consequences of these unfortunate events on the Lebanese people. Therefore, up to \$5,000,000 of the funds appropriated by this Act to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961 shall be made available to provide assistance for the people of Lebanon. Such assistance shall be made available only through the United Nations Children's Fund, indigenous nongovernmental organizations, or international organizations, and shall be provided in accordance with the general authorities contained in section 491 of the Foreign Assistance Act of 1961.

#### MEMBERSHIP DESIGNATION IN ASIAN DEVELOPMENT BANK

Sec. 566. It is the sense of the Congress that the United States Government should use its influence in the Asian Development Bank to secure reconsideration of that institution's decision to designate Taiwan (the Republic of China) as "Taipei, China". It is further the sense of the Congress, that the Asian Development Bank should resolve this dispute in a fashion that is acceptable to Taiwan (the Republic of China).

#### DEPLETED URANIUM

Sec. 567. None of the funds provided in this or any other Act may be made available to facilitate in any way the sale of M-823 antitank shells or any comparable antitank shells containing a depleted uranium penetrating component to any country other than (1) countries which are members of NATO, or (2) countries which have been designated as a major non-NATO ally for purposes of section 1108 of the National Defense Authorization Act for Fiscal Year 1987.

#### earmarks

Sec. 568. Funds appropriated by this Act which are earmarked may be reprogrammed for other programs within the same account notwithstanding the earmark if compliance with the earmark is made impossible by operation of any provision of this or any other Act: *Provided*, That any such reprogram-

ming shall be subject to the regular notification procedures of the Committees on Appropriations.

#### HAITI

Sec. 569. (a) **Suspension of Assistance.**—During fiscal year 1988, none of the funds made available by this Act or by any other Act or joint resolution may be obligated or expended to provide United States assistance (including any such assistance appropriated and previously obligated) for Haiti (other than the assistance described in subsection (b) of this section) unless the democratic process set forth in the Haitian Constitution approved by the Haitian people on March 29, 1987, especially those provisions relating to the provisional Electoral Council, is being fully and faithfully adhered to by the Government of Haiti.

(b) **Exceptions.**—The term "United States assistance" does not include—

(1) assistance under chapter 1 of part I of the Foreign Assistance Act of 1961 insofar as such assistance is provided through private and voluntary organizations or other nongovernmental agencies;

(2) assistance which involves the donations of food or medicine;

(3) disaster relief assistance (including any assistance under chapter 9 of part I of the Foreign Assistance Act of 1961);

(4) assistance for refugees;

(5) assistance under the Inter-American Foundation Act;

(6) assistance necessary for the continued financing of education for Haitians in the United States; or

(7) assistance provided in order to enable the continuation of migrant and narcotics interdiction operations.

(c) **Other Sanctions.**—It is the sense of the Congress that, in order to further encourage the Government of Haiti to adhere to the constitutionally mandated transition to democracy, the President should—

(1) suspend Haiti's eligibility for benefits under the Caribbean Basin Economic Recovery Act; and

(2) seek international cooperation to encourage such adherence by the Government of Haiti through the imposition of an international arms embargo and comprehensive trade and financial sanctions.

#### ASSISTANCE FOR PANAMA

Sec. 570. (a) Unless the President certifies to Congress that—

(1) the Government of Panama has demonstrated substantial progress in assuring civilian control of the armed forces and that the Panama Defense Forces and its leaders have been removed from non-military activities and institutions;

(2) the Government of Panama is conducting an impartial investigation into allegations of illegal actions by members of the Panama Defense Forces;

(3) a satisfactory agreement has been reached between the governing authorities and representatives of the opposition forces on conditions for free and fair elections; and

(4) freedom of the press and other constitutional guarantees, including due process of law, are restored to the Panamanian people;

then no United States assistance (including any such assistance appropriated and previously obligated) shall be obligated or expended for Panama in this fiscal year and any fiscal year thereafter, and none of the funds appropriated or otherwise made available in this Act, or any other Act, shall be used to finance any participation of the United States in joint military exercises conducted in Panama during the period January 1, 1988, through December 31, 1988.

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has been used in a manner inconsistent with the purposes of this subsection.

**NOTIFICATION TO CONGRESS ON DEBT RELIEF AGREEMENTS (SEC. 563)**

The conferees agree to require notification of all debt relief, prepayment, restructuring and rescheduling agreements except those specifically included in this Act.

**MIDDLE EAST REGIONAL COOPERATION (SEC. 564)**

The conferees agree to the Senate provision which provides \$5,000,000 for Middle East Regional Cooperation programs from economic support funds. The conference agreement includes a provision for Arab-Israeli Peace Scholarships, as proposed in the Senate bill.

**ASSISTANCE TO THE PEOPLE OF LEBANON (SEC. 565)**

The conferees agree to provide up to \$5,000,000 of ESF funds for the people of Lebanon. These funds are to be utilized through UNICEF, other international organizations, and indigenous non-governmental organizations. The conferees have specifically excluded U.S. non-governmental organizations due to security problems. However, PVOs which are technically American but are staffed in-country entirely by non-U.S. citizens may participate in this funding.

**MEMBERSHIP DESIGNATION IN THE ASIAN DEVELOPMENT BANK (SEC. 566)**

The conferees agree to include a sense of Congress provision that the United States should use its influence to secure reconsideration of Taiwan's designation in the Asian Development Bank.

The Secretary of the Treasury shall report to the Appropriations Committees of the Congress on the progress being made to resolve the issue of the designation of the People's Republic of China and its participation in the Asian Development Bank. This report shall be submitted no later than March 1, 1988.

**DEPLETED URANIUM (SEC. 567)**

The conferees agree to a provision prohibiting the use of funds for M-833 antitank shells to other than NATO countries or countries designated as major non-NATO allies.

**BARMARKS (SEC. 568)**

The conferees agree to a provision allowing flexibility on country earmarked funds within the same account if these funds cannot be used due to other legislative restrictions.

**DEMOCRACY IN HAITI (SEC. 569)**

The conferees agree to the provision suspending all United States assistance to the Government of Haiti until the democratic

**ACTION**  
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---SINO-<sup>6</sup>USA RELATIONS

SUMMARY:

WE CALLED ON DEPUTY DIRECTOR, OFFICE OF CHINESE AND MONGOLIAN AFFAIRS AT THE DEPT OF STATE, JEFF BADER, TO OBTAIN RESPONSE TO QUESTIONS CONVEYED IN TESSIER/BARTON TELECON. NO/NO DATES FIXED YET FOR TIAN JI YUN VISIT TO WSHDC AS WHITE HOUSE HAS NOT/NOT RESPONDED TO JUNE DATES SUGGESTED BY STATE DEPT.

2. PRC FORMIN WU XUEGIAN WILL VISIT 07-09MAR. USA WILL FOCUS ON PRC ARMS TO IRAN ISSUE WHILE CHINESE WILL WORK THROUGH LIST OF RECENT USA CRITICISMS OF CHINA, RANGING FROM HUMAN RIGHTS POLICY AND PRACTICE TO BIRTH CONTROL MEASURES. USA AT A LOSS TO UNDERSTAND WHY CHINESE ARE SO PIQUED AT CONGRESSIONAL EXPRESSIONS OF SUPPORT FOR DEMOCRATIC REFORMS IN TAIWAN.

3. PERSUADING CHINESE OF BENEFITS OF PLAYING MORE CONSTRUCTIVE

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ROLE IN GULF WAR" AND EXPLAINING CONGRESSIONAL PROCESS IN A WAY THAT  
WILL REMOVE OFFENCE TAKEN WILL BE A WORTHY TEST OF U.S. DIPLOMACY.

5. VISIT OF PRC FORMIN WU XUEQIAN IS SET FOR 07-09MAR IN WSHDC. WU WILL ARRIVE SFRAN 02MAR IN TRANSIT TO LNGLS WHERE HE WILL OPEN NEW CHINESE CONSULATE. HE WILL THEN PROCEED TO NEW ORLEANS AND HENCE TO RALEIGH, DURHAM AND CHAPEL HILL, NORTH CAROLINA TO TOUR HIGH TECH INDUSTRY COMPLEXES. HE ARRIVES IN WSHDC PM OF 06 MAR FOR TALKS ON 07MAR AND 08MAR AND WILL DEPART 09MAR. PRINCIPAL USA OBJECTIVE WILL BE TO RESOLVE ISSUE OF CHINESE SILKWORM MISSILE SALES TO IRAN AND INDUCE GENERALLY GREATER CHINESE RESTRAINT ON ARMS SALES TO IRAN. OTHER SUBJS WILL BE LARGELY DICTATED BY CHINESE PRIORITIES, MOST OF WHICH ARE BASED ON INTERPRETATIONS OF USA STATEMENTS AND POSITIONS WHICH HAVE UPSET THE CHINESE AND LED TO SOME OF THE

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STATEMENTS DESCRIBED IN PEKIN REFTTEL.MOST OF THESE MISUNDERSTANDINGS APPEAR TO DERIVE FROM VARIOUS CONGRESSIONAL BILLS PUBLICIZED DURING THE LAST QUARTER OF 1987 AND FIRST QUARTER OF 1988, MAJORITY OF WHICH ARE CONTAINED IN 1988 STATE DEPT AUTHORIZATION ACT.LATTER INCLUDES CRITICISMS OF HUMAN RIGHTS POLICY IN THE PRC AND FOCUSES PARTICULARLY ON ABUSES IN TIBET DURING 1987 TROUBLES.ITEMS CRITICAL OF CHINAS FAMILY PLANNING PROGRAMME HAVE ALSO AROUSED CHINESE IRE AS HAS SPECIFIC REFERENCE TO THE CASE OF YANG WEI, CHINESE STUDENT WHO,UPON COMPLETING HIS COURSE OF STUDIES IN THE UNITED STATES,RETURNED TO CHINA,PARTICIPATED IN A DEMONSTRATION AND WAS SENTENCED TO TWO YEARS IMPRISONMENT FOR CREATING A PUBLIC NUISANCE.

6.THE SAME CONGRESSIONAL ACT CONTAINED REFERENCES TO TAIWAN WHICH THE CHINESE FOUND OFFENSIVE,ALTHOUGH AMONG USA OFFICIALS THERE IS A LACK OF COMPREHENSION AS TO WHY ARE SO EXCITED.REFERENCES SIMPLY ENDORSE RECENT OPENING TOWARDS FULLER DEMOCRATIC PROCESS WITHIN TAIWAN AND APPLAUD HUMAN RIGHTS PROGRESS THERE.OUR INTER-LOCUTOR SAW NO/NO REFERENCE,DIRECT OR IMPLIED,THAT COULD BE READ AS ENDORSING TAIWANESE INDEPENDENCE.THERE WAS,APPARENTLY,IN THE FOREIGN ASSISTANCE APPROPRIATION BILL,HOWEVER,SOME REFERENCE IN A PARAGRAPH ON THE ASIA DEVELOPMENT BANK WHICH THE CHINESE SEE AS THREATENING TO REOPEN THE QUOTE NAMES UNQUOTE QUESTION AS ...4



PAGE FOUR UNGR0464 CONF

BETWEEN PEOPLES REPUBLIC AND THE REPUBLIC OF CHINA.WE ARE TRYING  
TO OBTAIN COPIES OF BOTH PIECES OF LEGISLATION,THE RELEVANT SECTIONS  
OF WHICH WILL BE TRANSMITTED BY FACSIMILE.

7.FIVE OF THE PRECEDING ISSUES WHICH THE CHINESE HAVE FOCUSED ON  
DERIVE FROM SENSE OF THE CONGRESS STATEMENTS WITHIN THE ACT AND  
REFLECT A BASIC CHINESE MISCONCEPTION ABOUT THE ROLE OF CONGRESS  
AND THE PROCESS BY WHICH ITS ENDS ARE ACHIEVED.

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ACTION  
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---POSSIBLE VISIT TO CDA BY SENIOR CHINESE LEADER

STATE DEPT BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS CONFIRMS USA AND PRC CURRENTLY EXPLORING CONVENIENT DATES FOR VISIT OF TIAN JI YUN TO USA.OBJECTIVE IS TO COINCIDE WITH ANNUAL JOINT COMMISSION ON COMMERCE AND TRADE(JCCT)MTG AND HAVE TIAN HEAD CHINESE DEL.USA JCCT CHAIRMAN IS USUALLY SECTY OF COMMERCE.INITIALY,CHINESE SUGGESTED MAY DATE WHICH WAS NOT/NOT CONVENIENT FOR SENIOR USA OFFICIALS TIAN WOULD WANT TO SEE OUTSIDE JCCT CONTEXT-SUCH AS PRES AND SECSTATE.JUN SCHEIULING NOW BEING CONSIDERED BUT DATES HAVE NOT/NOT BEEN SUBMITTED TO WHITE HOUSE OR CHINESE.INTERESTINGLY USA HAD ALSO BEEN THINKING IN TERMS OF VISIT BY LI PENG AND CHINESE HAD MANOEUVRED THEM TOWARD TIAN.

2.IN PASSING,OUR INTERLOCUTOR ADVISED THAT FORMIN WU XUEQIAN WILL VISIT WSHDC 07-09MAR,FIRST SUCH VISIT SINCE 1983.PRINCIPAL ISSUE TO BE DISCUSSED IS CHINESE SILKWORM MISSILE SALES TO IRAN,AND IN SIMILAR,THOUGH LESS CONTROVERSIAL VEIN,PRC SALES OF MORE CONVENTIONAL BATTLEFIELD WEAPONS AND MUNITIONS TO TEHRAN.USA CLAIMS PRC ANI LPRK

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to note possible Sr. Chinese visit in June.

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to note possible Sr. Chinese visit in June.

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PAGE TWO UNGR0459 CONF

COMBINEI ACCOUNT FOR 70 PCENT OF IRANIAN ARMS PURCHASES. SUCCESSFUL  
RESOLUTION OF ISSUE IS PREREQUISITE TO LIFTING USA FREEZE ON  
LIBERALIZATION OF TRADE WITH PRC IN COCOM-SCHEDULED ITEMS. FOR  
PROGRESS, CHINA WOULD HAVE TO CEASE SILKWORM SALES TO TEHRAN AND MAKE  
SOME COMMITMENT TO OVERALL RESTRAINT IN WEAPONS SALES TO IRAN.  
PROGRESS WOULD ALSO BE HELPED BY SOME SIGNS OF CHANGEI BEHAVIOUR  
IN RESPECT OF SECURITY COUNCIL SANCTIONS RESOLUTION (SEQUEL TO 598)  
SINCE, IN USA VIEW, PRC IS SECONDING SOVIETS IN HOLDING PROGRESS ON  
SUCH A RESOLUTION.

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