

Originally Processed With FOIA(s):
2012-1098-F

FOIA Number:
2012-1098-F

FOIA MARKER

**This is not a textual record. This is used as an
administrative marker by the George Bush Presidential
Library Staff.**

Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Legislative Affairs, White House Office of
Series: Dyer, James W., Files
Subseries:

OA/ID Number: 08451
Folder ID Number: 08451-007

Folder Title:
China MFN [3]

Stack:	Row:	Section:	Shelf:	Position:
G	20	11	6	1

Withdrawal/Redaction Sheet (George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01. Paper	[Supplement to the Committee's Questionnaire Concerning the Nominee's Knowledge of the Iran-Contra Affair - pages 12-13 only] (2 pp.)	n.d.	(b)(1)	
02. Paper	Supplement to the Committee's Questionnaire Concerning the Nominee's Knowledge of the Iran-Contra Affair (56 pp.)	n.d.	(b)(1)	

Page 1 of 1

Collection:

Record Group: Bush Presidential Records
Office: Legislative Affairs, White House Office of
Series: Dyer, James W., Files
Subseries:
WHORM Cat.:
File Location: China MFN [3]

Pinksheet Number: MB4340
OA/ID Number: 08451-007
Date Closed: 9/24/2012
FOIA/Sys Case #: 2012-1098-F
Re-review Case #:
P-2/P-5 Review Case #:

UNCLASSIFIED**FAX TRANSMITTAL SHEET**

FROM: Douglas Paal**TELEPHONE:** 395-5746**FAX NUMBER:** 395-3380

	TO	PHONE	FAX NUMBER
1.	<u>Mary Sophos</u>	<u>566-5736</u>	<u>535-3639</u>
2.	<u>Jon Huntsman</u>	<u>377-5251</u>	<u>377-4453</u>
3.	<u>Desaix Anderson</u>	<u>647-6910</u>	<u>647-7350</u>
4.	<u>Chuck Morris</u>	<u>647-9037</u>	<u>647-5095</u>
5.	<u>Joe Massey</u>	<u>Ext. 3900</u>	<u>395-3911</u>
6.	<u>Warren Maruyama</u>	<u>" 2929</u>	<u>395-7739</u>
7.	<u>Bobbie Kilberg</u>	<u>" 7900</u>	<u>456-1647</u>
8.	<u>Sichan Siv</u>	<u>" 7120</u>	<u>456-1647</u>
9.	<u>David Demarest</u>	<u>" 7620</u>	<u>456-2983</u>
10.	<u>Jim Dyer</u>	<u>" 7054</u>	<u>456-6221</u>
11.	<u>Dorrance Smith</u>	<u>" 1660</u>	<u>456-2878</u>

UNCLASSIFIED



Dear Senator Mitchell:

As debate on most-favored-nation status for China proceeds, I want to underscore for you and your colleagues in Congress those existing sanctions and measures that President Bush has authorized to register American disapproval of that nation's unacceptable human rights, trade and weapons proliferation practices. The President has used legal authorities in place to target abuses in each area of concern by employing appropriate countermeasures, as we do against other countries that violate international norms of behavior. Proposals to deny or condition MFN for China not only seek to punish all Chinese, including those we most wish to encourage, but take away from us the most effective instrument we now have to penetrate and promote change in China, that is open trade and the exchange of people and ideas.

Following the crackdown at Tiananmen, the President immediately authorized a number of measures to express American abhorrence of this needless violence against the pro-democracy movement. There were:

- Suspension of senior-level contacts, except those essential to pursue strategic, nonproliferation or human rights interests.
- Termination of the military relationship, including weapons programs and military exchanges.
- Denial of all export licenses for equipment used by the Chinese military and police.
- Termination of support for multilateral development loans to China, except for basic human needs projects.
- Suspension of grants from our Trade and Development Program (TDP) and the Overseas Private Insurance Corporation (OPIC).
- Opposition to talks within COCOM on liberalizing controls on high-technology exports to China.

As new issues have emerged in the nonproliferation and trade areas, the President has taken further strong steps, using existing legal authorities:

- In April, the President denied licenses for export of components critical for the launch of a Chinese domestic satellite.
- The President will not seek any further satellite waivers for China until missile proliferation concerns are satisfied.

- Similarly, he instructed the Commerce Department not to license exports of high-speed computers to China until these concerns are satisfied.
- The President announced on May 27 his intention to deny licenses to any Chinese company found to exceed international standards in the transfer of missile equipment. Two Chinese companies, the Chinese Precision Machinery Import-Export Corporation and the Great Industries Corporation, have been found to have violated these standards. These companies will be sanctioned under the authorities in the National Defense Authorization Act.

The Administration is also taking steps to address the protection of intellectual property rights in China and the bilateral trade imbalance:

- In April, the President authorized the designation of China under the Special 301 provision for violation of U.S. intellectual property rights. A formal investigation of Chinese practices is underway and action will follow if adequate progress does not occur.
- Assistant U.S. Trade Representative Joseph Massey is in Beijing this week to press concerns about market access with senior Chinese officials.

This Administration has actively applied sanctions against China since the tragedy at Tiananmen Square. The United States now stands alone as the only country that still has its original sanctions in place and is actively pursuing additional measures.

I continue to believe that selective application of existing legal mechanisms to specific issues of concern will yield the most gains with China. To deny MFN to China will destroy our dialogue with the Chinese on these issues and dismantle our leverage. To employ such a blunt instrument at this time will succeed only in hurting the millions of people in China who seek economic and political reform and who look to the U.S. for compassion and support.

Sincerely

James Baker

Attachments:

- 1) Fact Sheet on U.S. Sanctions against China
- 2) Achievements of the President's Strategy of Engagement

Baker Warns China Against Selling New Missiles

By KEITH BRADSHER

Special to The New York Times

WASHINGTON, June 12 — Secretary of State James A. Baker 3d warned China today that there would be "profound consequences" for Chinese-American relations if Beijing sold newly developed ballistic missiles to Syria and Pakistan.

China's arms exports have become a matter of controversy as Congress considers President Bush's proposal to renew Beijing's preferential trade status. Mr. Baker said the United States had no "evidence or any indication" that China had actually shipped surface-to-surface missiles to Syria, despite a recent press report suggesting that a deal was near completion.

He said the Bush Administration had also cautioned Beijing against sending sophisticated new missiles to Pakistan, asserting that this "would constitute grave threats to the region and could

have bilateral consequences." Mr. Baker did not elaborate further.

A group of Republican and Democratic senators is seeking concessions from the Administration in exchange for legislative support for President Bush's decision to renew trade privileges for China for another year.

Bitter Rift With Lawmakers

The White House and Congress are bitterly divided over how to handle relations with China. Many Republican and Democratic lawmakers are concerned that Mr. Bush has reacted too mildly to Beijing's crackdown on the democracy movement two years ago.

Mr. Bush prevailed last year in extending trade privileges to China, but he faces stronger opposition this year in both the House and the Senate. The renewal of China's trade status has become one of the most contentious foreign policy and trade issues facing Congress this summer.

Corrections

Because of an editing error, an article in *Business Day* on May 27 about Colombia's coffee exports misstated the type of coffee grown in Kenya. It is arabica, not robusta.

The Entertainment Events listing on Monday and a music listing in the Arts and Leisure Guide on Sunday misstated the date of a performance by the rock group Chicago at Radio City Music Hall. It is July 10, the group did not appear on Monday night.

The Chess column on April 23 characterized the Mechanics Institute of San Francisco incorrectly. A letter dated April 24, delayed in reaching the columnist, points out that the institute, which sponsored the Pacific Grandmaster Tournament, is a nonprofit organization open to all applicants for a \$10 application fee and \$45 a year in dues.

At a meeting this morning with Mr. Baker and Brent Scowcroft, the national security adviser, Senator Bob Dole, Republican of Kansas, presented a proposed letter to Mr. Bush that was drafted by Senator Max S. Baucus and co-signed by three other Democratic senators.

The letter calls for five concessions from the Administration, a participant in the negotiations between the White House and Congress said. The biggest concession would be for the United States to end its opposition to Taiwan's immediate entry into the General Agreement on Tariffs and Trade.

Proposal to Block Loans

Such a move would infuriate China, Deputy Secretary of State Lawrence S. Eagleburger told a House panel today.

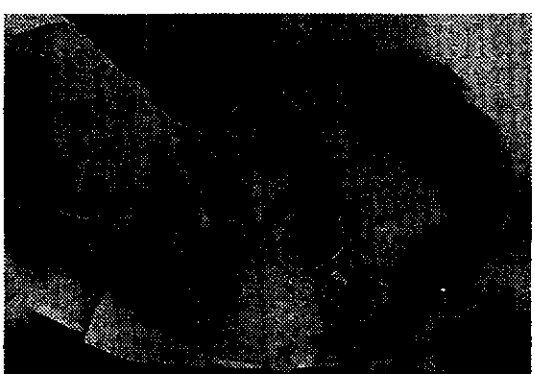
The letter also suggests that the Administration take legal steps to fight China's import barriers, insure that Chinese products made with prison labor are kept out of the United States market, block loans to China by multilateral agencies until the country's human rights record improves, and enter negotiations to curb the spread of ballistic missiles in the third world.

"My understanding is they are willing to make virtually all the concessions I've asked for in my letter," Senator Baucus, the chairman of the Senate's International Trade Subcommittee, said in an interview today.

Several Administration officials, speaking on the condition of anonymity, said that no final deal had been struck. They said White House officials were divided on whether to risk China's anger by supporting Taiwan's application to GATT.

Senator Baucus said he had not decided whether he would support the renewal of China's so-called "most-favored-nation" status if the Administration refused to grant the concessions.

A Congressional resolution canceling the renewal of China's trade privileges is considered likely. To sustain a Presidential veto of such a resolution, Mr. Bush would need the votes of nearly a



JOSE R. LOPEZ/THE NEW YORK TIMES

Deputy Secretary of State Lawrence S. Eagleburger told a House panel yesterday that trade concessions to Taiwan would infuriate China.

dozen Democratic senators led by Senator Baucus who strongly support free trade but are troubled by China's human rights record.

The participant in congressional negotiations with the Administration said that Senator Dole was asking other Republican senators to co-sign Senator Baucus's letter, which is to be released on Thursday. The participant, who insisted on anonymity, said the proposed concession on Taiwan's application to GATT would be cited in seeking the backing of conservative Republicans for renewal of China's trade status.

Senator Baucus said that 8 to 12 Democratic senators and 25 to 30 Republican senators were likely to support the renewal of China's preferential trade status if the Administration granted the concessions.

Bush Library Photocopy

Because father knows best...

about domestic duties. Treat him to some imports.

From France, Charvet's collection of handmade pure silk bow ties, \$75.

Mens Furnishings, Street Floor and on Six in New York.

Jako Fifth Avenue



BERT PULTZER

The Heritage Foundation **Backgrounder**

UPDATE

214 Massachusetts Avenue N.E.

Washington, D.C. 20002

(202)546-4400

5/9/91

Number 160

THE CASE FOR RENEWING CHINA'S TRADE STATUS

(Updating Asian Studies Center *Backgrounder* No.104, "Washington's Agonizing Decision: To Extend or Revoke China's Most-Favored-Nation Status," May 8, 1990.)

The Washington-Beijing relationship is beset by problems. The People's Republic of China's 1990 trade surplus with the United States was \$10.4 billion, up \$4.2 billion from 1989, and could leap to \$15 billion by the end of this year. This would make the U.S. deficit with China greater than with any country except Japan. The trouble with the mushrooming trade deficit with China is that there is a growing feeling that it is caused in part by Beijing's refusal to open China's markets fully to American goods. To make matters worse, the Chinese refuse to protect U.S. patents and copyrights, and apparently use prison labor to lower the price of their exports. Then there is significant evidence that the Chinese are peddling missiles and nuclear technology to Algeria, Pakistan and other Third World customers in defiance of multilateral efforts to ban such sales. And Beijing has yet to make a full accounting of what has happened to the pro-democracy demonstrators arrested after the 1989 Tiananmen Square massacre.

It is in this environment that George Bush will be challenged to decide by June 3 whether to renew China's most-favored-nation (MFN) trading status. Such status, granted to China in 1980 and approved annually since then, gives Chinese goods exported to the U.S. the same tariff treatment as that received by the some 180 other nations to which Washington accords MFN status, including Iraq and Syria and a host of other unpleasant regimes.

Equal Treatment. Although the expression "most-favored-nation" suggests that a country is accorded special trading privileges, the term actually means something quite different. Specifically, a country that receives MFN status merely is entitled to those trade benefits and concessions granted to any other MFN country. MFN thus confers no special trading status; it simply treats all MFN recipients equally.

Generally, MFN is a permanent status. The only exceptions are communist countries which, under the Trade Act of 1974, either annually or semi-annually must seek renewal. Specifically, Title 4 of the Act, known as the Jackson-Vanik Amendment, named after the late Senator Henry M. Jackson of Washington and former Representative Charles A. Vanik of Ohio, both Democrats, states that MFN status can be given to "non-market economies" if their countries permit substantially free emigration of their citizens. The law works like this: If the President wants to extend MFN status he must either certify to Congress that the country under consideration is not in violation of the Amendment's human rights criteria or waive the criteria for the country involved on an annual basis because such a move would "substantially promote the objectives" of Jackson-Vanik. Once George Bush certifies that China over the past year has allowed free emigration, Congress effectively has ninety days to approve or disapprove China's MFN status. Their vote is then subject to presidential veto.

America's problems with China thus fall into two categories – the economic and the political. Washington should deal with them accordingly: economic problems should be addressed with economic mechanisms; political problems with political ones.

Trade Retaliation. If Beijing refuses to assure copyright, patent and trademark protection to American business, for instance, then China should be identified under the 1988 Omnibus Trade and Competitiveness Act as a so-called “priority” country that has established “systematic” barriers to U.S. exports. This law sets procedures for dealing with unfair “priority” foreign trade practices through trade retaliation. The Bush Administration, in fact, on April 26 cited China as a “priority” nation for pirating U.S. copyrights and patents.

Conversely, the current political problems in the Sino-American relationship should be addressed through political mechanisms. China's continuing human rights abuses in Tibet, its likely use of some prison labor to manufacture goods for export and its sales of advanced weapons to dangerous nations should elicit vigorous condemnation from the highest levels of the U.S. government. Under Secretary Robert Kimmitt, the State Department's third-ranking official, traveled to China this week to convey U.S. dismay over Beijing's trade practices and human rights violations. Even tougher American political and diplomatic actions against China may be warranted by Beijing's transgressions.

What is not warranted is mixing the economic and political issues. China no more should be punished economically for its unacceptable political actions than Japan should be exempted for political reasons from economic punishment for its unacceptable economic actions against American products.

If Beijing violates the Jackson-Vanik amendment's “freedom-of-emigration” provision, then China's MFN status should be revoked. Otherwise, the issue should be subject to the same considerations by which Washington has deemed it proper to extend MFN to 180 other nations.

Other factors also argue against ending China's MFN status. To do so would:

- ◆ Dramatically raise duties on Chinese exports to America and thus hike the prices that working class and other Americans pay for these goods. Products from China now account for one-third of the American toy market, 10 percent of the American footwear market and 15 percent of the imported American apparel market.
- ◆ Cost the export industries of South China up to two million jobs. It is this area in which the free market and pro-democratic forces are strongest. Ending MFN thus would penalize those Chinese whom American policy ostensibly seeks to help.
- ◆ Reduce China's access to hard currency, further squeezing Beijing's ability to service its \$45.8 billion international debt.
- ◆ Close Chinese markets to American exporters. Last year, U.S. exports to China totaled \$4.8 billion. Among the biggest American losers would be wheat growers, whose 1990 sales approached \$1 billion; commercial aircraft manufacturers, for whom China has become a dependable \$500 million a year market; and phosphate fertilizer manufacturers, who consistently sell one-sixth of their entire annual output to China.
- ◆ Create enormous new problems for Hong Kong at a time when the colony can least afford anything that undermines confidence in its future. Some 70 percent of American imports from China are shipped through Hong Kong. As Hong Kong's largest foreign market and one of its principal investors, U.S. interests lie in a politically assured and economically healthy

Hong Kong. Uncertain about their future, 60,000 Hong Kong citizens leave the territory each year. Denying China MFN status may well speed the exodus.

- ◆ Increase Beijing's dependence on arms sales for cash. Cutting off American markets to Chinese goods could force Beijing to rely even more on the international weapons market for hard currency.
- ◆ Threaten to abandon the China market to the Japanese, the Europeans and others who automatically give China MFN status.

Almost two years after the violence in Beijing, Washington policy makers confront a recalcitrant, unapologetic and defiant China. A long and potent list of U.S. grievances daily increases. In such light, it is emotionally easy to make a case for punishing Beijing. If so, then appropriate punishment should be sought, and inflicted. Yet ending China's MFN status is not appropriate. If it is, then Washington must review the domestic political behavior of scores of other countries and prepare to revoke their U.S. MFN status. To end MFN for mainland China, moreover, barely will pinch Beijing's aging leaders who are the authors of the repression. Instead, it will hurt reformers in China, consumers in America and deal a heavy blow to Hong Kong.

Washington should recognize this. It should separate the economic and political issues at stake. And then it should conclude that there are no grounds for revoking U.S. MFN trade status for China.

Andrew B. Brick
Policy Analyst

Lawrence S. Eagleburger

How to Get China to Change

Mr. Eagleburger is deputy secretary of state. These are excerpts from testimony he gave yesterday before the Senate Finance Committee.

There should be no misunderstanding about U.S. policy toward China. The promotion of fundamental human rights is and will persist as a cornerstone of that policy. Top administration officials have stated this forcefully and repeatedly to senior representatives of the Chinese government. The president was the first major world leader to condemn the crackdown at Tiananmen and promptly indicated that, in such circumstances, there could be no "business as usual" with the Chinese.

The United States today remains alone among Western democracies in maintaining its Tiananmen sanctions against China and in refusing to restore normal relations until China makes substantial progress in addressing our human rights concerns.

We do not accept, therefore, the premise that what is at stake in the debate over most favored nation trading status for China is the administration's concern for human rights in that country or its desire to promote democratic reform. All Americans—in the administration, Congress and the public at large—are in agreement on these matters, as we are on the need to seek a stronger commitment from the Chinese on nonproliferation and on fair trade. The real issue, of course, is how we achieve these objectives. We firmly believe that renewing China's MFN waiver—without conditions—provides our best instrument for promoting positive change and U.S. interests in China.

I would urge that the Congress resist the temptation to seek a middle-ground solution by extending MFN with conditions. . . . Throwing down the gauntlet with a public ultimatum on MFN—indeed, one specific to China—would only make it easier, not harder, for conservative Chinese leaders to claim that national honor and sovereignty precluded any concessions. Our credibility would then require us six months or one year from now to terminate MFN if China failed to meet each and every condition imposed. Let us confront today the real issue which the debate on conditionality would only delay for a short period of time—namely, whether to extend MFN on its own merits and without conditions, or to terminate it.

The administration supports the extension of MFN because it believes that an open China is key to our eventual hopes for a more democratic China. MFN has become over the past 11 years an underlying structural component of our relationship, which has facilitated our ability to engage the Chinese on a broad range of issues, and has allowed us selec-

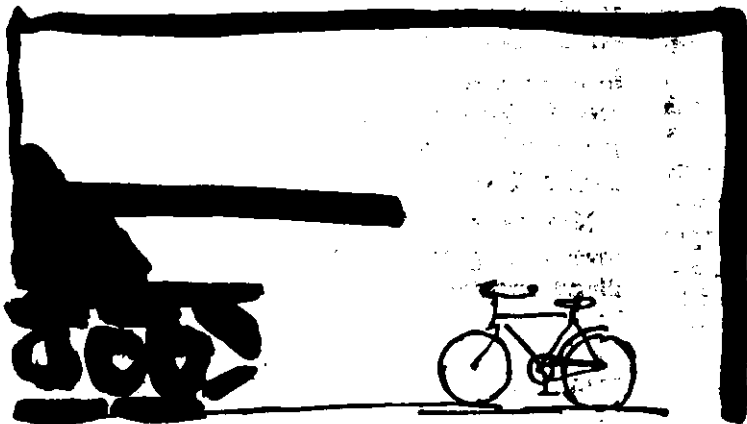
tively to apply sanctions targeted to our specific differences. MFN itself is simply not the vehicle we should use to exert pressure on the Chinese with regard to particular issues. To place conditions on MFN would hold our single most powerful instrument for promoting reform hostage to the reactions of the hard-liners in Beijing.

China was in 1980 a truly totalitarian state. Despite that, the Carter administration and the U.S. Congress approved MFN for China, not as a reward for its human rights performance but in order to demonstrate the benefits of trade and commerce, to expose the Chinese to Americans and American institutions and to encourage the process of economic reform that China's post-Mao leader-

ous harm on those within China . . . who continue to struggle for reform and for a China open to the outside world. It would hurt those segments of the Chinese economy that are most dynamic, most Western-oriented and most committed to the marketplace.

The way to deal with our problems with China is not to dismantle the structure that has opened up that country to us and contributed to a decade of growth and higher living standards. Once undone, the rebuilding of our commercial relationship with China would be a long and difficult process, especially as other countries would be quick to fill in behind us.

All of this is not to minimize the



TIANANMEN SQUARE JUNE 1989

BY ORLSON

ship seemed intent on pursuing. The decision to grant MFN and to pursue a policy of engagement at a time when Chinese human rights practices were worse than they are today has helped to stimulate changes within China that few would have thought possible over a decade ago.

Indeed, trade has represented much more than just a series of financial transactions between our two countries. It has led to a phenomenal improvement in living standards for hundreds of millions of Chinese citizens. It has also been a primary channel for contact between Americans and Chinese, and for the sharing of the ideas and values that have contributed to progressive developments within China. We have seen—and contributed to—the emergence of a new generation of Chinese entrepreneurs, managers, technicians and consumers, all with expectations that ultimately cannot be contained within China's authoritarian political institutions. Awareness of Western ideas and concepts has spread from small groups of the intellectual elite to the bureaucracy, the urban work force and even the rural population. It is these very forces of reform that generated the pressures that exploded in Tiananmen Square two years ago.

Denial of MFN would inflict seri-

ous problems that we have with certain Chinese policies and practices. Both you and we are frustrated by the reluctance of China's leaders to take all the steps necessary to heal the wounds inflicted by the brutal crackdown at Tiananmen two years ago.

Since the tragic events of June 1989, we have sought, by exercising a mix of incentives and constraints, to establish a process of interaction with the Chinese in which each side could address the other's concerns, so as to arrest the steep decline in our relations. The results of our policy, to be quite candid, have been less than we would have liked. But there has been tangible movement in a positive direction. The fact of the matter is that we have the necessary policy instruments to address aggressively and in a targeted fashion each of the issues of concern to us—and we are doing just that.

That does not mean that we can guarantee a fixed amount of progress on human rights or other issues within a fixed time frame. But we are confident that, over time, the forces of an open economy and a free market will prove to be irresistible. Our goal is to remain engaged over the long term with China in order to foster its return to the path of freedom.

Washington Post June 20, 1991

but
ay'

tes assume re-
f failed institu-
ay not be real-
s which affect
ant and include
ss in the econo-
overbuilt real
Due to these
estimates for
today could be
ed and expecta-
les could dra-
s's needs some-

that his office
mplete its audit
1990, financial
ose statements
efore mid-May
er pointed out,
TC to produce
ore timely man-
to the problems
lity and with es-
ry values.

ntroller General
s also caused by
ol and organiza-
Bowsher went on
initiated a series
ope will produce
next year."

s incorrectly in-
s statement that
to provide Con-
lit opinion by the
orting date. What
as follows: "[W]e
to the Congress
wn in the financial
in and subject to
the amount of
ably estimated."

unable to produce
on June 30 not
sloppy accounting
ause of the uncer-
iously. The RTC
vsher that these
elieve RTC of the
ning to produce
expected asset
Congress to use

neral's testimony
mmendations for
on of the RTC.
vsher identified
in the organiza-
agement systems
ivate sector con-
ces, Mr. Bowsher
n the process of
improvements.

l the suggestions
sher's testimony
useful and hope
ions of his com-
er public recogni-
tress.

an of both the
rp. and the
rance Corp.

ugh and Ready

evolution. On July 4, 1850, his re-
put in the monument's foundation.)
ypical high-summer day in 19th cen-
tury—sunny, hot, humid and dan-
gerous—is natural to this river town.

"Old Rough and Ready," as his troops affec-
tionately called him, was the hero of the battle
of Buena Vista in 1847. He was a southerner
who owned 140 slaves, but he was a strong-
willed military nationalist who said he would

non-swing leader in a former Illinois congress-
man who had opposed the war that had made
T. Jefferson a hero and hence president.

His story is a rich weave of many threads.
Many of them, if pulled out, could cause a radi-

their July 1-
course, will
11th-hour
matic econo-
but to save

But the C
if it frustrat
men and TV
ing for a he
around the
should not b
on July 17.

The opti
later to G
calm discus
with their
ters—woul
help, desig
investment
cash or cre
in stages an

The real
are three:

First, the
so preoccup
they will be
the hard
economies,
ure of the
negotiations
economic gr

Second,
accompanie
Union's pro
fact that E
already put
reforms tha
crying for h

Third, the
of the G-7
with the ec
own region
global probl
contributing

Trade p
casualty in
Houston ec
Chancellor
President F
with the ot
ment in a pe
Uruguay R
sion by a De

Both went
worried abou
own political
protectionist
deal to cut
the "fast-tra
in effect ga
reprieve uni
tional trade
points out.
London sum
the Uruguay
bility of the
shattered be

The bum
seems to b
sense, espe
enormous at
Soviet Uni
Czechoslov
pate in the
nity have be

While G
bied to be
ers of the th
were not
Robert Hor
Invite pres
kia and Wa
Minister An
President Bu
prior to the E

Western E
cupation is
and insecure
year ago, ha
pected cost
entering a
more inward

And as a
consumed
scribed in
pophobia"
leaders fear
most adv
threat

MFN MEETINGS

Participants -- June 4, 1991

Senator Bob Dole
Senator Alan Simpson
Senator Max Baucus
Senator Lloyd Bentsen
Senator Hank Brown
Senator Dan Coats
Senator Charles Grassley
Senator John Kerry
Senator Joseph Lieberman
Senator Richard Lugar
Senator John McCain
Senator Frank Murkowski
Senator John Seymour

Friday (includes Leadership)

Lott ✓	Nickles ✓
Smith ✓	Wallop Murkowski ✓
Mack	Thurmond ✓
Craig	Gramm ✓
Kasten ✓	Simpson ✓
Cochran ✓	Symms
	Wallop

Group 2

Bond	Domenici
Burns	Durenberger ✓
*Cohen	Garn
Chafee ✓	Hatch ✓
Danforth ✓	Murkowski Wallop

Group 3

Hatfield	Pressler
Jeffords	Roth ✓
Kassebaum ✓	Rudman
McConnell ✓	Specter
Warner	Stevens

Not Included

Gorton
D'Amato
Helms
Packwood

G-19-71
DRAFT

POINTS TO BE MADE FOR MEETING WITH
BIPARTISAN CONGRESSIONAL MEETING

- In my message to the Congress arguing the case for MFN for China, I told you I want to work with you.
- Today, I would like to begin with a few points and then get your views.
- First, I remain as deeply concerned as anyone with the continuing human rights abuses in China. I have told China's leaders in no uncertain terms. We all seek progress there -- I firmly believe MFN is the strongest tool we have to bring about long-term positive change in China. Ten years of trade and openness set in motion the forces we saw in those protests at Tiananmen.
- We should not put this tremendous advantage at risk. We should not give the hardliners in China an opportunity -- by placing conditions on MFN -- to use conditionality as a nationalist pretext to turn away from the West.
- Our China policy is a package approach. When there are opportunities to cooperate with China -- in the UN, Korea, Cambodia -- we will do so.
- Since I announced this year's decision on MFN at Yale, and because of that decision, the Chinese have responded positively. They will join the talks in Paris on my Middle East Arms Control initiative. This will help us tackle the issue of missile proliferation.
- Nonetheless, where there are problems in China I will not kowtow, I will take action. I have already done so on human rights, trade, and missile proliferation.

- You know we still have sanctions on OFIC, TDP, international lending that is not for Basic Human Needs, all military sales and high-level exchanges.
- We have designated China a priority country under Special 301 for copyright pirating; we have lifted Chinese textile visas in retaliation for illegal third-country transfers; we will soon begin market access talks.
- The Chinese have responded with a mission that contracted for over a billion dollars in U.S. exports, and they say more will follow.
- We have acted to press China to conform to international standards on missile transfers. There will be no new satellite licenses or high-speed computer transfers to China until it meets those standards. There will be no transfers of missile technology or equipment to Chinese companies engaged in proliferation.
- I am not sitting on my hands. I am prepared to do more when circumstances require.
- We also need to step back from the emotions of the moment and calculate our long-term national interests.
- We are the only trading nation in the world that would contemplate removing or conditioning MFN. If we pull back, we isolate ourselves, not China. We hurt our businesses and help our competitors.
- We may not like it, but China is a necessary part of the solution to some important problems. It has a veto in the UN Security Council.

3

- The system that rules China today will not change dramatically overnight. But that system cannot insulate itself from inevitable change.
- I believe the best course is to use economic involvement -- and all the human interchanges that go with it -- to encourage long-term evolution in China. I think the announcement on Middle East arms control helps prove the point.
- Now I would like to hear your views.

SENATOR BROCK ADAMS		4
SENATOR DANIEL AKAKA	4	4
SENATOR MAX BAUCUS	2	1
SENATOR LLOYD BENTSEN	2	2
SENATOR JOSEPH BIDEN	4	4
SENATOR JEFF BINGAMAN		1
SENATOR DAVID BOREN	2	2
SENATOR BILL BRADLEY	4	4
SENATOR JOHN BREAUX		4 2
SENATOR RICHARD BRYAN	4	4
SENATOR DALE BUMPERS		
SENATOR QUENTIN BURDICK		1
SENATOR ROBERT BYRD		
SENATOR KENT CONRAD		1
SENATOR ALAN CRANSTON	4	4
SENATOR THOMAS DASCHLE	2	2
SENATOR DENNIS DECONCINI	4	4
SENATOR ALAN DIXON	4	4
SENATOR CHRISTOPHER DODD	4	4
SENATOR JAMES EXON	4	4 2
SENATOR WENDELL FORD	4	4
SENATOR WYCHE FOWLER		
SENATOR JOHN GLENN	4	4
SENATOR AL GORE		
SENATOR ROBERT GRAHAM	4	4
SENATOR TOM HARKIN		
SENATOR HOWELL HEFLIN		
SENATOR FRITZ HOLLINGS	4	4
SENATOR DANIEL INOUE	4	4
SENATOR BENNETT JOHNSTON	2	1
SENATOR TED KENNEDY	4	4
SENATOR JOHN KERRY	4	4
SENATOR BOB KERREY		
SENATOR HERB KOHL		
SENATOR FRANK LAUTENBERG		
SENATOR PATRICK LEAHY	4	4
SENATOR CARL LEVIN	4	4
SENATOR JOSEPH LIEBERMAN	3	3
SENATOR HOWARD METZENBAUM	4	4
SENATOR BARBARA MIKULSKI	4	4
SENATOR GEORGE MITCHELL	4	4
SENATOR DANIEL MOYNIHAN	4	4
SENATOR SAM NUNN		
SENATOR CLAIBORNE PELL	4	4
SENATOR DAVID PRYOR	2	2
SENATOR HARRY REID		
SENATOR DONALD RIEGLE	3	3
SENATOR CHARLES ROBB	2	2 cover
SENATOR JOHN ROCKEFELLER		
SENATOR TERRY SANFORD	2	2
SENATOR PAUL SARBANES	4	4
SENATOR JIM SASSER	4	4
SENATOR RICHARD SHELBY		1
SENATOR PAUL SIMON		

SENATOR PAUL WELLSTONE	4	4
SENATOR TIMOTHY WIRTH	4	4
SENATOR HARRIS WOFFORD	4	4

TOTALS	
1. No Conditions	
2. Undecided on Conditions	8
3. Mild Condition	2
4. Supports Mitchell	20
5. Opposes MFN	

86
188
28

- Baucus letter

SENATOR CHRISTOPHER BOND	1	1
SENATOR HANK BROWN	2	2
SENATOR CONRAD BURNS	1	1
SENATOR JOHN CHAFEE	1	1
SENATOR DAN COATS	2	2
SENATOR THAD COCHRAN	1	1
SENATOR WILLIAM COHEN	3	3
-SENATOR LARRY CRAIG	2	1
SENATOR ALFONSE D'AMATO	4	4
SENATOR JOHN DANFORTH	1	1
-SENATOR ROBERT DOLE	1	1
SENATOR PETE DOMENICI	1	1
SENATOR DAVE DURENBERGER	1	1
SENATOR JAKE GARN	1	1
SENATOR SLADE GORTON	5	5
SENATOR PHIL GRAMM	1	1
SENATOR CHARLES GRASSLEY	2	2
-SENATOR ORRIN HATCH	1	1
SENATOR MARK HATFIELD	2	2
SENATOR JESSE HELMS	5	5
SENATOR JAMES JEFFORDS	3	3
-SENATOR NANCY KASSEBAUM	1	1
SENATOR ROBERT KASTEN	2	2
SENATOR TRENT LOTT	2	2
-SENATOR RICHARD LUGAR	1	1
✓SENATOR CONNIE MACK	2	2
-SENATOR JOHN MCCAIN	3	1
SENATOR MITCH MCCONNELL	2	2
-SENATOR FRANK MURKOWSKI	1	1
SENATOR DON NICKLES	1	1
SENATOR BOB PACKWOOD	3	3
SENATOR LARRY PRESSLER +	3	3
-SENATOR WILLIAM ROTH	2	1
SENATOR WARREN RUDMAN	1	1
SENATOR JOHN SEYMOUR	2	2
-SENATOR ALAN SIMPSON	1	1
SENATOR ROBERT SMITH	3	3
SENATOR ARLEN SPECTER	2	2
SENATOR TED STEVENS	1	1
SENATOR STEVEN SYMMS	2	2
SENATOR STROM THURMOND	1	1
SENATOR MALCOLM WALLOP	4	4
SENATOR JOHN WARNER	1	1

cover/studs
cover - almost

almost there


TOTALS

1. No Conditions	20	23
2. Undecided on Conditions	13	11
3. Mild Condition	6	5
4. Supports Mitchell	2	
5. Opposes MFN	2	2

THE WHITE HOUSE

WASHINGTON

MEETING WITH SELECT BIPARTISAN SENATORS

DATE: June 26, 1991
LOCATION: Cabinet Room
TIME: 10:15 a.m. (60 minutes)
FROM: Frederick D. McClure 

I. PURPOSE

To meet with key Senators to discuss the resolution to grant China Most Favored Nation status.

II. BACKGROUND

This meeting is another in the series of consultations with Members of Congress on the subject of extending Most Favored Nation trade status to China. Today's group consists largely of Senators from both parties who have not made up their mind on Most Favored Nation sanctions.

The process is going forward in Congress with resolutions of disapproval scheduled to be marked up in both Houses this week. This meeting gives you the opportunity to make the case for a simple Most Favored Nation extension and to assure Senators that we are working on a bipartisan basis to answer the concerns Senators have about our China policy.

III. PARTICIPANTS

See Attachment A.

IV. PRESS PLAN

White House Press Pool.

V. SEQUENCE OF EVENTS

Members will be met in the West Lobby and escorted to the Cabinet Room for the meeting with you.

Attachment A: Participants List
Attachment B: Talking Points (to be provided by NSC)

Participants List

The President

James Baker, Secretary of State
Richard Darman, Director, Office of Management and Budget
Carla Hills, United States Trade Representative

Congressional Participation

Senator Robert Dole (R-KS), Republican Leader
Senator Max Baucus (D-MT)
Senator Jeff Bingaman (D-NM)
Senator Conrad Burns (R-MT)
Senator William Cohen (R-ME)
Senator Mark Hatfield (R-OR)
Senator Howell Heflin (D-AL)
Senator James Jeffords (R-VT)
Senator ~~Bob Packwood (R-OR)~~
Senator Richard Shelby (D-AL)
Senator Arlen Specter (R-PA)
Senator Steve Symms (R-ID)
Herbert Kohl (D-MS)
Kent Conrad (D-WV)

White House Participation

John Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Andy Card, Assistant to the President and Deputy Chief of Staff
Phil Brady, Assistant to the President and Staff Secretary
Dave Demarest, Assistant to the President for Communications
Marlin Fitzwater, Assistant to the President and Press Secretary
C. Boyden Gray, Counsel to the President
Ede Holiday, Assistant to the President and Secretary of the Cabinet
Fred McClure, Assistant to the President for Legislative Affairs
Roger Porter, Assistant to the President for Economic and Domestic Policy
Dorrance Smith, Assistant to the President for Media Affairs
James W. Dyer, Deputy Assistant to the President for Legislative Affairs (Senate)
Steve Hart, Deputy Assistant to the President and Director of Legislative Affairs
Virginia Lampley, Special Assistant to the President and Senior Director of Legislative Affairs, National Security Council
Douglas Paal, Director, Asian Affairs, National Security Council

Others

Bill Gribbin, Assistant to the Vice President for Legislative
Affairs

Janet Mullins, Assistant Secretary of State for Legislative
Affairs

Mary Tinsley, Assistant United States Trade Representative for
Legislative Affairs

SEN. BENTSEN: Thank you very much, Senator Baucus.

Gentlemen, we're appreciative of your testimony. Thank you very much. A tough issue. Thank you.

We're very pleased to have Senator Biden, who is with us this morning. And we look forward to his statement.

SEN. BIDEN: Mr. Chairman, rather than taking seat -- the seat down there, I have a very brief statement I'd like to make and thank you for accommodating my testifying and from this end.

Mr. Chairman, obviously much emotion on the question of renewing MFN status for China is involved here. And in light of the horrors of Tiananmen Square -- and those passions are quite understandable -- but I'd like to urge this Committee to craft a resolution on MFN that is above all realistic. And by that, I mean a resolution setting forth realistic conditions for MFN renewal this year and next. And I'd urge this Committee to resist those who would propose legislative language that amounts to a formula for denying MFN status to China, and instead, Mr. Chairman, I'd respectfully suggest that the Committee and the Congress adopt a two-part approach:

First, setting out realistic steps on human rights and international behaviour, that the Chinese must take over the next year in order for MFN to be renewed in the summer of 1992. And second, specific stipulations that if China proceeds to proliferate dangerous new weapons systems that MFN will be terminated immediately.

These stipulations must be clearly defined actions that are so inimical to the international order, and so dangerous in their consequences that we are prepared to terminate China's MFN status immediately.

And in that category, I would place the transfer of modern ballistic missiles, like the M-9 and M-11, to unstable regions or to terrorist states. And I have in mind missile transfers to Syria, Iran and Pakistan.

In the case of Syria, I know that no one in this body can be sanguine about the prospects of Mr. Assad, a man, in my view, just as dangerous as Mr. Hussein, possessing M-9 missiles with a range and accuracy that would enable them to threaten the entire state of Israel and the bulk of the Middle East.

And in the case of Pakistan, I hope no one would deny the dangers of introducing a missile like the M-11 into South Asia, where several wars have already been fought, and where both Pakistan and India apparently have nuclear weapons, and where hostility, irrationality and instability still prevail to this day.

And the case of Iran, I believe, needs no elaboration.

In conclusion, Mr. Chairman, let me say that the approach I've outlined, I believe, is realistic, and it is not asking too much of Beijing to face a hard-headed calculation: Which is more important to China; the tens of billions of dollars referred to by you and others here today that they earn from trade with the United States or the millions of dollars they earn from sales of dangerous weapons to dangerous dictators? Politically, an approach such as this will demonstrate our realism and practicality. MFN can be renewed this year so long as the missile sales don't -- do not occur, and MFN can be renewed next year so long as China takes simple and reasonable steps on the path to human rights, trade, and other matters.

And I thank the chair for giving me the opportunity to take these few minutes to make my point.

SEN. BENTSEN: Senator, you have long been concerned with this issue, and we value your judgment, and your counsel, and that will be noted for the record. I ask any questions of Senator Baucus? Thank you very much.

SEN. BIDEN: Thank you very much, Mr. Chairman.

END

Do you wish to store these transcripts in a LEGI-SLATE

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01. Paper	[Supplement to the Committee's Questionnaire Concerning the Nominee's Knowledge of the Iran-Contra Affair - pages 12-13 only] (2 pp.)	n.d.	(b)(1)	

Collection:

Record Group: Bush Presidential Records
Office: Legislative Affairs, White House Office of
Series: Dyer, James W., Files
Subseries:
WHORM Cat.:
File Location: China MFN [3]

Date Closed: 9/24/2012	OA/ID Number: 08451-007
FOIA/SYS Case #: 2012-1098-F	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

- (b)(1) National security classified information [(b)(1) of the FOIA]
- (b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- (b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- (b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- (b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- (b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- (b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- (b)(9) Release would disclose geological or geophysical information

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02. Paper	Supplement to the Committee's Questionnaire Concerning the Nominee's Knowledge of the Iran-Contra Affair (56 pp.)	n.d.	(b)(1)	

Collection:

Record Group: Bush Presidential Records
Office: Legislative Affairs, White House Office of
Series: Dyer, James W., Files
Subseries:
WHORM Cat.:
File Location: China MFN [3]

Date Closed: 9/24/2012	OA/ID Number: 08451-007
FOIA/SYS Case #: 2012-1098-F	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

- (b)(1) National security classified information [(b)(1) of the FOIA]
- (b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- (b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- (b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- (b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- (b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- (b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- (b)(9) Release would disclose geological or geophysical information

June 13, 1991

Honorable Brock Adams
United States Senate
Washington, DC 20510

Dear Senator Adams:

The United States has been an active exporter of farm products to the People's Republic of China since relations were normalized in the 1970's. Barring any disruption to current trade flows and buying patterns, we firmly believe that China will remain one of our top customers through the end of the century. Continuation of China's most-favored nation trading status is of paramount importance to American agriculture.

In FY1990, the value of U.S. farm exports to China was over \$900 million. Cessation of U.S. trade relations with China, which revocation of China's MFN would amount to, will have an enormous negative impact on U.S. farmers.

The 1990 Farm Bill, like its predecessor, strongly advocates a market-oriented U.S. agricultural policy. Our farmers are vitally dependent on free trade and reliable access to markets. At this time, China represents one of our best markets. It is one we cannot afford to lose.

We, the undersigned organizations, believe that solid commercial trading relations between the U.S. and China can foster both economic and political development. We urge your support for the renewal of MFN trade treatment for the People's Republic of China.

Sincerely,

American Farm Bureau Federation
American Seed Trade Association
American Soybean Association
Export Processing Industry Coalition
Millers' National Federation
National Association of Wheat Growers
National Barley Growers Association
National Corn Growers Association
National Council of Farmer Cooperatives
National Grain and Feed Association
National Grain Sorghum Producers Association
National Grain Trade Council
National Oilseeds Processors Association
National Turkey Federation
North American Export Grain Association
The Corn Coalition
The Fertilizer Institute
United Egg Producers

United States Senate

WASHINGTON, DC 20510-0804

June 19, 1991

The Honorable George H. W. Bush
President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President:

A recently released Asia Watch report details the use of forced labor by the People's Republic of China to produce goods exported to the United States, Germany and Japan. A separate Business Week investigation conducted over six months and described in the April 22nd edition details many of the same findings: the Chinese government systematically uses forced labor to make inexpensive goods for export. Business Week related that:

"While American prisoners make license plates and other goods for sale by state governments, China is crossing the line by using its prisoners for commercial gain overseas. Moreover, many forced laborers are political detainees. Most are not tried or convicted."

It is chilling to think that Americans are unknowingly purchasing goods manufactured by students imprisoned for their brave stand for democracy in Tiananmen Square. Americans have not forgotten these freedom-loving men and women in the two short years since the tanks rolled into Beijing.

Section 307 of the Smoot-Hawley Tariff Act of 1930 has prohibited the importation of prison-made goods for 60 years, yet only in one instance has its application been successful. Although in the past a clear link to the Chinese government's intent to use forced labor was not easily apparent, the documents included in the attached Asia Watch report, if correct, clarify the current situation: the Chinese government is carrying-out a systematic effort to use forced labor to produce a wide range of exports.

With the evidence mounting, we ask that the Administration investigate these reports, especially concerning the use of political detainees "not tried or convicted" to produce goods for export.

The Honorable George H. W. Bush
June 19, 1991
page 2

Should the reports be accurate, the Chinese government must be made to understand by swift, unambiguous actions that the American people will not sit silently while the human rights of freedom-loving men and women are violated. Only an immediate end to the importation of any goods made by forced labor in China will suffice.

Sincerely,



Don Nickles



Hank Brown



Malcolm Wallop



Jesse Helms



Charles S. Robb



Alan Dixon




Tom Harkin



Alfonse M. D'Amato



Dan Coats



Albert Gore, Jr.

LLOYD BENTSEN, TEXAS, CHAIRMAN

248768

DANIEL PATRICK MOYNIHAN, NEW YORK
MAY BAUCUS, MONTANA
DAVID L. BORAH, OKLAHOMA
BIL BRADLEY, NEW JERSEY
GEORGE J. MITCHELL, MAINE
DAVID PRYOR, ARKANSAS
DONALD W. RIEGLE, JR., MICHIGAN
JOHN D. ROCKEFELLER IV, WEST VIRGINIA
TOM DASCHLE, SOUTH DAKOTA
JOHN BREAUX, LOUISIANA

BOB PACKWOOD, OREGON
BOB DOLE, KANSAS
WILLIAM V. ROTH, JR., DELAWARE
JOHN C. DANFORTH, MISSOURI
JOHN H. CHAFEE, RHODE ISLAND
JOHN HEINZ, PENNSYLVANIA
DAVID DURENBERGER, MINNESOTA
WILLIAM L. ARMSTRONG, COLORADO
STEVE SYMMS, IDAHO

United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

VANDA B. McMURTRY, STAFF DIRECTOR AND CHIEF COUNSEL
EDMUND J. MIHALSKI, MINORITY CHIEF OF STAFF

June 19, 1991

Dear Mr. President:

Congress will decide in the next few weeks whether to accept your recommendation and extend most favored nation trade status to China. We are writing to share our concerns.

In the debate over the appropriate U.S. policy towards China, one thing is clear: China's behavior must change. The United States has serious human rights and foreign policy concerns with China. Every American remembers the vivid images of the Tiananmen massacre. In the two years since Tiananmen Square, evidence of democratic reform has been scant at best. We also have learned of Chinese sales of advanced missiles to Syria and Pakistan, and of nuclear technology sales to Algeria. There are credible reports that China has forced political prisoners to produce goods for export to the U.S.

The United States also has serious economic concerns with China. The U.S. Trade Representative's annual report on foreign trade barriers lists ten pages of Chinese barriers. China maintains restrictions including a preclusive licensing system, discriminatory testing and certification standards, and outright import bans. China also fails to protect U.S. intellectual property, resulting in enormous losses to U.S. producers of films, books, chemicals and pharmaceuticals. Moreover, the Administration has allowed China to dictate U.S. policy towards Taiwan, declining to support Taiwan's GATT application despite clear economic benefits to the U.S.

The United States cannot continue to tolerate Chinese intransigence. We must tailor active responses to our wide ranging concerns. But MFN is the wrong tool for the job. Revoking MFN would not promote human rights in China. Instead, it would punish China's most progressive regions and Hong Kong.

Revoking MFN also would hurt Americans. China is an important market for U.S. goods ranging from wheat to airplanes. If MFN were revoked, China almost certainly would retaliate against U.S. exports. The Australians, Canadians, Europeans and Japanese are ready to fill the void. No other country is contemplating cutting off China's MFN status.

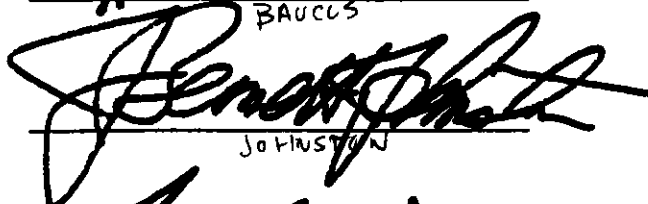
We believe the Administration must be more active in addressing American concerns with China. You have taken meaningful steps in some areas. You have moved to protect U.S. intellectual property under provisions of the 1988 Trade Act. You also have taken steps to restrict certain technology transfers to China in response to its missile and nuclear sales. These steps are examples of the types of actions the U.S. should take.

We urge you to take appropriate actions in other areas. Human rights is a foremost concern. Revoking MFN would be counterproductive. But other steps can be taken. For example, the U.S. could reinvigorate its opposition to multilateral loans for China. The U.S. also could take strong action under U.S. law to address China's unfair trade barriers and imports produced by prison labor. In the area of nuclear and missile proliferation, the U.S. could immediately negotiate for strict, multilateral technology restrictions conditioned upon Chinese adherence to accepted international standards. As for Taiwan, the U.S. could immediately give strong support to Taiwan's GATT application.

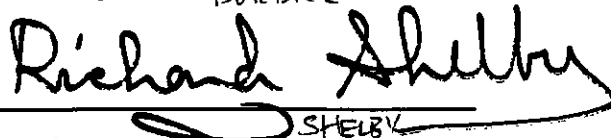
These measures do not represent an exhaustive list. But it is essential that the Administration take concrete steps. If Congress is to extend China's MFN, we must see tangible evidence that the Administration is taking action. We look forward to hearing your response to our concerns.

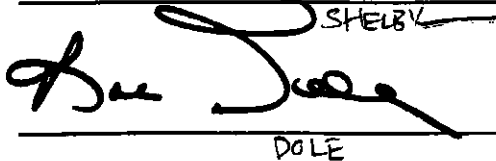
Sincerely,


BAUCUS

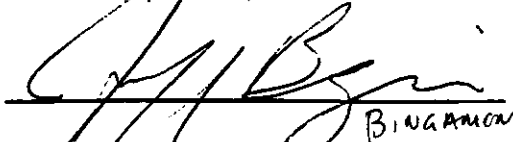

JOHNSTON

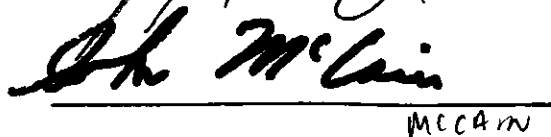

BINGAMAN


SHELBY


DOLE

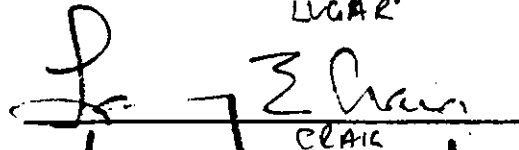

KASSEBAUM

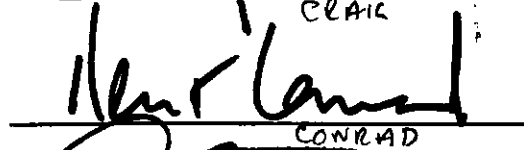

BINGAMAN

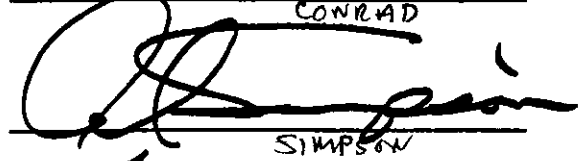

MCCAUN

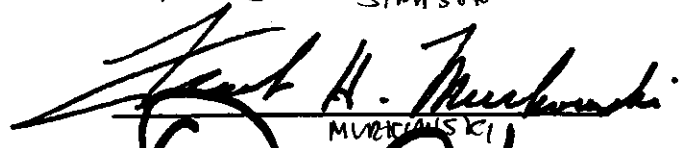

RIFE

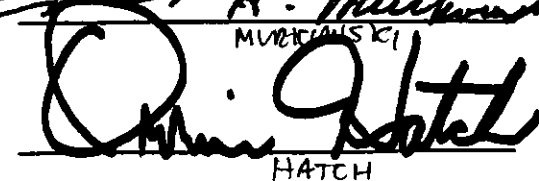

LUGAR


CLARK


CONRAD


SIMPSON


MURKOWSKI


HATCH

WILLIAM V. ROTH, JR.
DELAWARE

104 HART SENATE OFFICE BUILDING
TELEPHONE: 202-224-2441

COMMITTEES:
GOVERNMENTAL AFFAIRS
FINANCE
BANKING, HOUSING AND URBAN AFFAIRS
JOINT ECONOMIC COMMITTEE

United States Senate

WASHINGTON, DC 20510-0801

June 21, 1991

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

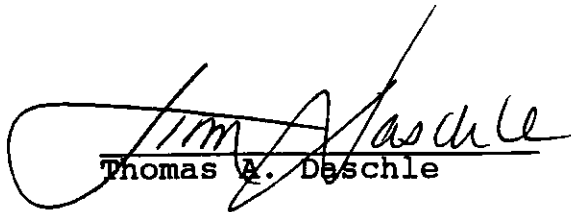
As cosponsors of S. Res. 116, we are writing to urge you to support the application of Taiwan to become a Contracting Party to the General Agreement on Tariffs and Trade (GATT).

We are troubled by the fact that the GATT has taken no action on Taiwan's accession request since it was initiated in January 1990, despite the overwhelming merits of Taiwan's GATT application and standard GATT Council practice of promptly placing accession requests on its agenda. Although the application may be politically sensitive, it should be based on economic and trade considerations, not political ones. In that regard, it is noteworthy that national sovereignty is not a prerequisite to joining the GATT, which Taiwan has recognized by applying as a separate customs territory. Allowing a non-GATT member, namely the People's Republic of China, to determine the terms and timing of another territory's entry into the GATT is unacceptable.

Taiwan has made remarkable economic strides, and is now our sixth largest trading partner and the 13th largest trading entity worldwide. Taiwan is also the largest market-based economy still outside of the GATT. Clearly, such a key U.S. trading partner and major participant in the world economy should not remain isolated from the world trade community by being kept outside of the world's premier trade regime. The anticipated successful conclusion to the Uruguay Round makes the case for Taiwan's GATT membership all the more compelling for it would further liberalize Taiwan's economy in areas of critical importance to the United States.

We believe that without the leadership of the United States, Taiwan's GATT application will remain dormant. We strongly urge you to move in this direction by demonstrating support for the accession of Taiwan to the GATT.

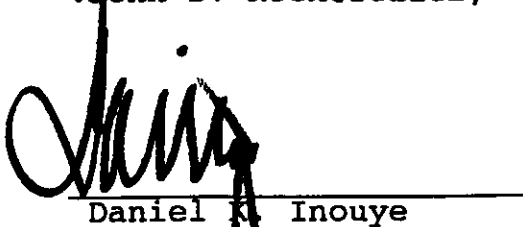
Sincerely,

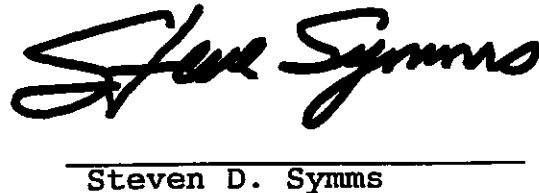

Thomas A. Daschle


William V. Roth, Jr.


John D. Rockefeller, IV


John McCain

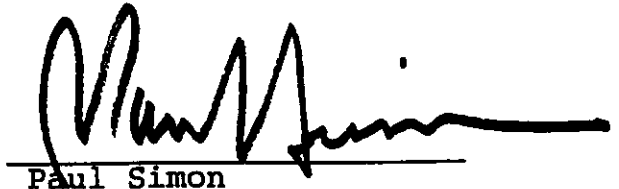

Daniel K. Inouye


Steven D. Symms


Joseph I. Lieberman


Robert Dole


Frank H. Murkowski



Paul Simon


Howell Heflin


Slade Gorton



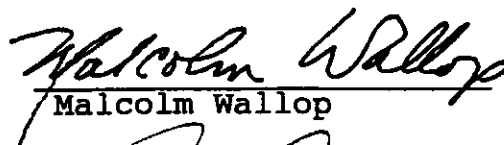
John C. Danforth



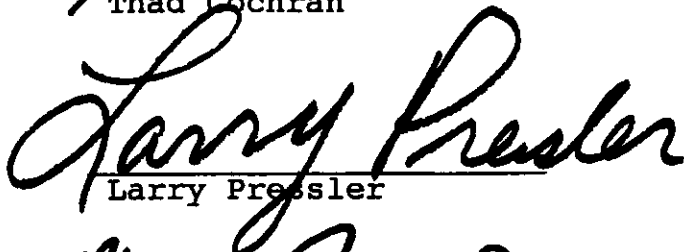
David L. Boren



Thad Cochran



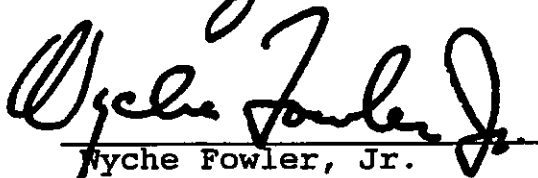
Malcolm Wallop



Larry Pressler



Dan Coats



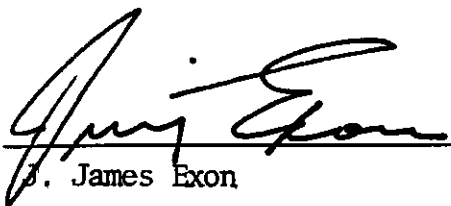
Wyche Fowler, Jr.



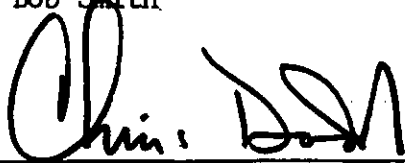
Bob Packwood



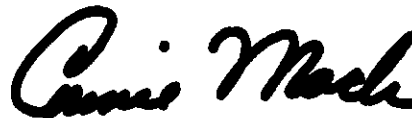
Bob Smith



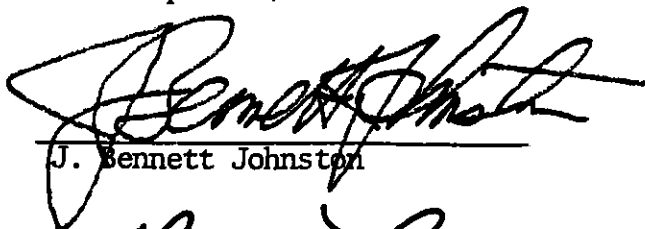
J. James Exon



Christopher J. Dodd



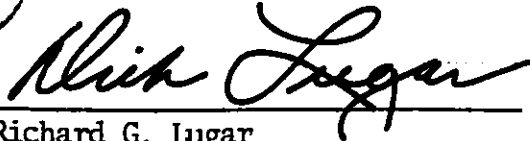
Connie Mack




J. Bennett Johnston



Dan Durenberger




Richard G. Lugar




Charles E. Grassley

The President
June 21, 1991
Page 4



Alan J. Dixon



William S. Cohen



Trent Lott

June 6, 1991

Hon. President Bush
c/o Hon. Siclan Siv
The White House
Washington, D.C. 20500

Dear President Bush:

We, the undersigned Chinese students and scholars currently studying in the U.S., learned that the U.S. Congress recently raised the issue of the continuation of the Sino-U.S. mutual MFN treatment. We are greatly concerned and feel a sense of urgency regarding the significance of this friendly relationship between the P.R.C. and the U.S.. A stable and prosperous China, which is carrying out the open-door policy, will play an important role in the establishment of a New Order of a peaceful, progressive and developmental world.

The consolidation and development of the Sino-U.S. relations are beneficial to the peace and stability of these two countries and the world as well. To deny China the most-favoured-nation status by terminating or withdrawing the provisions which regard the nondiscriminatory principle in the Sino-U.S. Trade Agreement will have a severely adverse effect on the bilateral economic and trade ties, and might cause a serious regression in Sino-U.S. relations. We believe that the sagacious leaders and individual citizens of both countries will cherish the hard-earned friendly relationship and that all concerned will regret any undesirable retreats.

Mr. President, your grand decision to extend the MFN treatment for another year is the most correct decision. It is good for America, good for Hong Kong, good for China and Good for Taiwan.

We strong support your decision and want all members in the Congress know it.

Jing Feng
Cal Poly, Pomona, CA
Sincerely yours,

Thomas Siv
Cal Poly, Pomona, CA

Hon. President Bush
C/O Hon. Sihan Siv
The White House
Washington, D.C. 20500

Dear President Bush:

We, the undersigned Chinese students and scholars currently studying in the U.S., learned that U.S. Congress recently raised the issue of the continuation of the Sino-U.S. mutual MFN treatment. We are greatly concerned and feel a sense of urgency regarding the significance of this friendly relationship between the P.R.C. and the U.S.. A stable and prosperous China, which is carrying out the open-door policy, will play an important role in the establishment of a New Order of a peaceful, progressive and developmental world.

The consolidation and development of the Sino-U.S. relations are beneficial to the peace and stability of these two countries and the world as well. To deny China the most-favoured-nation status by terminating or withdrawing the provisions which regard the nondiscriminatory principle in the Sino-U.S. Trade Agreement will have a severely adverse effect on the bilateral economic and trade ties, and might cause a serious regression in Sino-U.S. relations. We believe that the sagacious leaders and individual citizens of both countries will cherish the hard-earned friendly relationship and that all concerned will regret any undesirable retreats.

Mr. President, your grand decision to extend the MFN treatment for another year is the most correct decision. It is good for America, good for China as well as Hong Kong region and Taiwan Province.

We strongly support your decision and want all members in the Congress know it.

Sincerely yours,

Du Li (USC)

Jingyue (Vanderbilt Univ)

C. Hong (UCLA)

Chen Wenji (UCLA)

Hao Zeng (USC)

Shengjun Zhang

OSC. Li Haijun (UCLA)

Final copy

Zhang De Qing San Francisco State University

Yu Xun Xun

~~So Peng~~

~~Wang~~

Xiao Chi

Cheng Wei,

~~Zhu Tiansheng~~

~~Meng~~

~~Xie Shen Shen~~

Jinggui Wang

Daniel Wang

~~Zhang~~

Garden Sun

~~Junming~~

Chang De

Wang Xiaoming

~~Wang Xin Jian~~

Hua Bing Sun

~~Chen Meidong~~

Sun Lin Kang

Hong Gui Gao

~~Ma Jun~~

Edward C. D. Zhou

Guang-Yuan Zou

Xiang Huang

1982年10月24日 于 北京 于 北京

~~Hong Yan~~ (UCLA)

(K... ..)

Feng-yu Liu (UCLA)

Wu Han (UCLA)

(H... ..) (UCLA)

(L... ..) (UCLA)

Li Haijun (UCLA)

Huang Huey Ping (UCLA)

Jin Li (UCLA)

AI-Ling Lu (USC)

Guanghan Wu (UCLA)

Gangyi Mao

Gongming Tao (UCLA)

(J... ..) (USC)

JIM Nie (USC)

Hengli Ma (APU)

Li Huan (UCLA)

Jiangzhong Li (Caltech)

Jianhui Zhou (..)

Xiaoyu Yuan (..)

Steven Wu (USC)

Jun Tazuy (Nagoya Uni)

Jisheng

Dehua Tang
U.S.C

Bangwei

Zhenfu Sun (UCLA)

Honghu Lin (UCLA)

Ji Sen (..)

Yuan Weibang (UCLA)