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FOIA MARKER

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Record Group/Collection:	George H.W. Bush Presidential Records
Collection/Office of Origin:	Scowcroft, Brent, Collection
Series:	Special Separate China Notes Files
Subseries:	China Files
OA/ID Number:	91137
Folder ID Number:	91137-003

Folder Title:
China 1990 (Sensitive) [3]

Stack:	Row:	Section:	Shelf:	Position:
G	34	3	5	2

Withdrawal/Redaction Sheet
(George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01. Memcon	Re: Meeting Between General Scowcroft and Chinese Ambassador Zhu Qizhen (2 pp.)	4/6/90	(b)(1)	S
02a. Handwritten Note	Brent [Scowcroft] to Dick (1 pp.)	n.d.	(b)(1)	
02b. Non-Paper	Re: The U.S. side… (2 pp.)	n.d.	(b)(1)	
02c. Non-Paper	Re: Schedule of Action (3 pp.)	n.d.	(b)(1)	
02d. List	Re: The package… (1 pp.)	n.d.	(b)(1)	
03. Statement	Re: Statement of The Honorable Lawrence S. Eagleburger Deputy Secretary of State Before the Senate Committee on Foreign Relations (23 pp.)	2/7/90	(b)(1)	
04. Cable	James R. Lilley to Brent Scowcroft Re: [Unreadable copy] (5 pp.)	2/90	(b)(1)	S
05. Memcon	Re: Meeting with Chinese Ambassador Zhu Qizhen (4 pp.)	1/31/90	(b)(1)	S
06. Cable	From White House Re: Eyes Only for Ambassador Lilley from Brent Scowcroft (2 pp.)	1/24/90	(b)(1)	S

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WHORM Cat.:
File Location: China 1990 (Sensitive) [3]

Pinksheet Number: cap1136
OA/ID Number: 91137-003
Date Closed: 5/8/2009
FOIA/Sys Case #: 2009-0275-S
Re-review Case #:
P-2/P-5 Review Case #:

Withdrawal/Redaction Sheet
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Doc. No. / Type	Subject/Title	Date	Restriction	Classification
07a. Talking Points	Re: Talking Points (2 pp.)	n.d.	(b)(1)	
07b. Talking Points	Re: Talking Points (2 pp.)	n.d.	(b)(1)	
08. Cable	Ambassador Lilley to General Scowcroft Re: Begin Text: (2 pp.)	1/19/90	(b)(1)	S
09a. Memo	Douglas H. Paal to Distibution List Re: Chinese Release Prisoners (1 pp.)	1/18/90	(b)(1)	C
09b. Cable	Re: China Announces Release of 573 Detainees (2 pp.)	1/18/90	(b)(1)	C
10. Cable	Ambassador Lilley to General Scowcroft Re: Begin Text: (1 pp.)	1/18/90	(b)(1)	S
11. Cable	Ambassador Lilley to General Scowcroft Re: American Embassy Beijing (2 pp.)	1/17/90	(b)(1)	S
12a. Cable	From White House Re: Message to Ambassador Lilley from Brent Scowcroft (3 pp.)	1/16/90	(b)(1)	S
12b. Draft Cable	White House to American Embassy Beijing Re: Ambassador Lilley from Brent Scowcroft (2 pp.)	n.d.	(b)(1)	S
13. Talking Points	Re: Positive Steps by China (2 pp.)	n.d.	(b)(1)	
14a. Memcon	Re: Meeting with Chinese Ambassador Zhu Qizhen, (3 pp.)	1/13/90	(b)(1)	S

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Doc. No. / Type	Subject/Title	Date	Restriction	Classification
14b. Draft Cable	To Beijing Re: Ambassador Lilley from Deputy Secretary Eagleburger (2 pp.)	n.d.	(b)(1)	S
15. Letter	General Secretary Jiang Zeming to President Bush (2 pp.)	1/6/90	(b)(1)	
16a. Memo	Douglas H. Paal to Florence Gantt Re: Saturday memcon - jzmltr (3 pp.)	1/6/90	(b)(1)	S
16b. Memo	Douglas H. Paal to Florence Gantt Re: second memcon (3 pp.)	1/8/90	(b)(1)	S
17a. Letter	President Bush to Deng Xiaoping (3 pp.)	1/3/90	(b)(1)	
17b. Draft Letter	President Bush to Deng Xiaoping (6 pp.)	n.d.	(b)(1)	

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THE WHITE HOUSE
WASHINGTON

Florence --

Doug Paal brought this by -
he said this is basically
for your file.

de/7Apr

~~SECRET~~/MARKET/NODIS THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting Between General Scowcroft and Chinese Ambassador Zhu Qizhen, April 6, 1990, 5:05 p.m. - 5:16 p.m. EDT

PARTICIPANTS: Brent Scowcroft, Assistant to the President for National Security Affairs
Douglas Paal, Director of Asian Affairs, NSC, Notetaker

Ambassador Zhu Qizhen
Counselor Liu Xiaoming, Notetaker

Ambassador Zhu's office called the morning of April 6. 1990, seeking an "urgent meeting" to pass a letter from General Secretary Jiang Zemin to the President through General Scowcroft.

Ambassador Zhu: Thank you for receiving me on such short notice. I know you are very busy.

General Scowcroft: If you need to see me, I am happy to make time available.

Ambassador Zhu: I am instructed by General Secretary Jiang Zemin to call on you and to pass a letter to the President from Jiang Zemin.

General Scowcroft: I will get it to the President right away.

Ambassador Zhu: Will you please read it now?

General Scowcroft: (After reading letter) Well, I appreciate the tone of the letter very much. We will, of course, respond. You know that the stalemate in making progress in our relations is evident on both sides. As for the World Bank loans, if I may say so, it is more remarkable that we have been able to approve some loans at all, than that there have been too few.

On the Most Favored Nation issue, the General Secretary says that pressure will not work. I must say it is not a matter of putting on more pressure, it is a response to a lack of progress in our relations. I hope denial of MFN will not pass in the Congress, but to be honest, if MFN were up for renewal right now, I would say it will not be renewed. The atmosphere right now... you have

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seen the papers, the stories about the President's "executive order" -- you and I know that it is ridiculous. (Zhu: "right") The President's order was implemented. All this shows the intensity of feeling. That is what we have to grapple with. The President cannot do any more. I hope, as General Secretary Jiang says, that both sides will continue to strive to get back on to the course we thought we were starting in December. Things have stopped, but then we understand each other...

Ambassador Zhu: I want to inform you that the day before yesterday, we told your U.S. Embassy in Beijing, that we are now ready to proceed with the Fulbright program, with sixteen scholars on each side to be exchanged, and to proceed with the Peace Corps, the Friendship Volunteers. The Volunteers will be welcome in September, twenty people, in Sichuan Province. These are two things I wanted to relay.

General Scowcroft: Two things, I hope they are signs of spring.

Ambassador Zhu: After January, I had hoped to see you soon. Jiang Zemin wants his envoy to come here, and the envoy can discuss the package. It is a very important and constructive step we are taking. You need time to consider it.

General Scowcroft: We will take the General Secretary's proposal very seriously. I can assure you that we want nothing more than to get our relations back on track.

Ambassador Zhu: Anytime you have a response, I will come here to your office for it.

---------- END OF CONVERSATION ----------

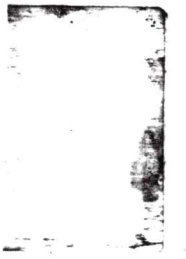
THE WHITE HOUSE
WASHINGTON

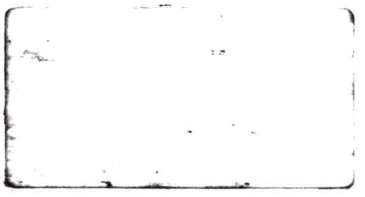
Dick -

This is the practical outcome of my Chinese trip. It remains to be seen whether they will actually go through with it.

Please keep to yourself for now & return the papers after you have read

Brent





The U.S. side has closely examined the package proposal as detailed by Foreign Minister Qian and wishes to present a response.

As discussed in preliminary form during the visit to China of National Security Advisor Scowcroft and Deputy Secretary Eagleburger, the U.S. side is willing, in principle, to accept each of the four elements proposed in the package presented by Deng Xiaoping and Foreign Minister Qian, with some qualifications detailed below.

First, as discussed in Beijing, the U.S. side believes it is important that the details involved in the release of Dr. Fang Lizhi and his family and their safe departure for a third country be discussed between Ambassador Lilley and your representative in Beijing to satisfy the mutual interests of all concerned. To the extent possible, the issue of the Fang family should be kept separate and distinct from other measures intended to lead eventually to normalization of U.S.-China relations. The U.S. side believes it has received Chinese agreement to these two points.

Second, other aspects of relations between the U.S. and China should be discussed through your ambassador and U.S. representatives in Washington.

Third, the U.S. side agrees in principle to make serious efforts to reach agreement on cooperative ventures and would welcome proposals from the Chinese side on the ventures.

Fourth, the U.S. side agrees in principle to extend an invitation for General Secretary Jiang Zemin to visit the United States at an appropriate time next year as the culmination of the process of normalization of relations.

Fifth, the U.S. side wishes to present its proposal for a schedule of actions by both sides that would facilitate normalization of relations.

SCHEDULE OF ACTION

The US side has already taken a major step by sending special Presidential emissaries to China for a public visit, and also agreed to measures regarding the Peace Pearl project and vetoed the Pelosi Bill. The US side notes that the PRC Foreign Ministry spokesman has spoken on missile sales to the Middle East, that anti-US propaganda has abated in the Chinese media, that the PRC has accredited a VOA correspondent, and that the PRC has indicated a desire to discuss the Fulbright Program with the U.S. Embassy in Beijing.

The US wishes to inform the Chinese side that the President has decided to issue waivers for the licensing of the Aussat and Asiasat satellites to be launched on Chinese rockets and for Exim Bank lending for China. The Department of State, moreover, will soon modify its travel warning for China.

With a view to further step-by-step progress toward a normalization of relations the US side proposes the following sequence of actions for consideration by the government of the PRC:

The Chinese side would cease its jamming of VOA, resume Fulbright and student exchanges, and implement the Peace Corps pilot project. The US believes that these steps will mark a step forward in our relations recognizable by a broad portion of the US and Chinese people.

The US side believes that amnesty before January 1, 1990, for those Chinese involved in the activities surrounding the events of June 3-4 in China, would permit the US side to include that significant development in its Human Rights Report to Congress for 1989 due in late January. The US side expects the Congress to draw heavily on the Human Rights Report, a factual compilation of data required by law on this subject, in considering any legislation relevant to the PRC. Moreover, following such an improvement in the atmosphere, the US side would not continue to discourage lending by international financial institutions to the PRC.

The US side believes that the release of Dr. Fang Lizhi and his family during or before the Christmas season would be a major step toward improving the atmosphere between the two countries. In the short term, such a step would permit the US to take a positive attitude toward FMS talks in February. It would also permit the US side to begin encouraging consideration of lending to China by international financial institutions, although US votes in those financial institutions will continue to be governed by US law.

At an appropriate time, the US side would also be willing to meet with the Chinese Foreign Minister with a view to determining a date for the visit of the General Secretary and to identifying prospective joint ventures. The US would be similarly prepared to sign a Science and Technology Agreement, subject to the successful completion of the negotiations of the agreement.

The US side has noted the remarks of a Chinese leader to the effect that martial law will not be lifted before January 27, 1990. The US side believes that martial law should be lifted in Beijing and Tibet. If martial law is lifted on or before January 27, 1990, the US side will be in a position to cancel any travel advisory to China. If it were lifted before January 1, 1990, that significant development could also be included in the 1989 Human Rights Report. The US would also be willing to resume military sales and contacts and high level exchanges after successful negotiation of the February FMS talks.

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02d. List	Re: The package… (1 pp.)	n.d.	(b)(1)	

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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.

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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]
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(b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
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(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

STATEMENT OF

THE HONORABLE LAWRENCE S. EAGLEBURGER

DEPUTY SECRETARY OF STATE

BEFORE THE

SENATE COMMITTEE ON FOREIGN RELATIONS

February 7, 1990

Mr. Chairman and Members of the Committee:

I know that many of you and your colleagues in the Congress have serious concerns about the Administration's actions toward China. I believe, however, that we have a strong case to make for the policy we are pursuing. I am here today to make that case to the best of my ability.

In the early 1970s, China was still gripped by the repression of the Cultural Revolution. Yet, as the normalization process began, we Americans were charmed by ping pong diplomacy, panda bears, and the exotic banquet cuisine of sea slugs and mao tai. Somehow, the political repression of that time received scant attention here -- until the Chinese themselves made a critical assessment of Chairman Mao's rule.

The China of the 1980s -- despite the appalling tragedy of Tiananmen Square -- has come a long way from the era of the Gang of Four. China, under Deng Xiaoping's modernization program, opened itself to foreign news media -- and it largely remains open today, with some important exceptions. It encouraged foreign investment and joint ventures -- and still does so today. It sent tens of thousands of students abroad -- and, despite the events of last June, they are still coming. Indeed, the children of senior Communist Party leaders continue to work and study abroad -- not in the countries of the East Bloc, but in the United States, Western Europe, and Japan.

Yet, these changes -- in a country long isolated from world trends -- seem to escape our attention as we focus on the violence of last June. Today, in the eyes of many foreign observers, China's leaders seem unable to do anything right, even as many of them seek to sustain key elements of Deng Xiaoping's modernization program.

As we reassess our China policy, we should keep in mind that the PRC has changed over the past two decades. We need a better balance between our fascination with the China of the early 1970s, and today's mood of disappointment and hostility. Scholars of U.S.-China relations have long noted the pendulum swings in public attitudes toward China: the "good China" wartime ally that all too easily became the "bad China" of Red

Guards and revolutionary repression. In the real world, we need to see that China is less completely charming than the land of panda bears and the Great Wall, and also less completely evil than a night in June when the "Goddess of Democracy" was crushed by tanks in Tiananmen.

I. U.S. INTERESTS AND POLICY OBJECTIVES

Through five administrations, representing both parties, the United States has pursued a consistent set of policy objectives with regard to China.

First, we have sought to nurture a strategic relationship with China aimed at drawing the Chinese out of their isolation and encouraging their cooperation on major international issues. While initially China was clearly perceived as a counterbalance to Soviet expansionism, its strategic role has evolved over the years to encompass a number of global issues.

Second, we have sought to encourage China to use its influence in the East Asian region to reduce tensions and to promote stability. Here, too, there has been an evolution from our initial preoccupation with differences over Taiwan and the conflict in Vietnam to a broader range of regional concerns -- including our concern that there be peace in Cambodia and in Korea.

Third, we have sought to engage the Chinese in a wide variety of exchanges and other activities that will bolster political and economic reform, and the promotion of human rights.

And fourth, we have sought to increase economic and commercial relations with China, so as to advance the movement toward a market-oriented economy.

These objectives have guided U.S. policy for the past twenty years, and will continue to do so for the foreseeable future. Why? Because a secure, stable, modernizing, and reforming China, at peace with itself and with its neighbors, is in America's best interests.

A. The Strategic Dimension

Much has been said and written about China's strategic value to the United States. There has been talk of "the China card" and the "strategic triangle." Indeed, in the eyes of many, China's value to the United States has been as a strategic counterweight to the Soviet Union. For some, therefore, a decline in U.S.-Soviet tensions apparently diminishes the importance of the relationship between the United States and the People's Republic of China.

But that is emphatically not the view of this Administration. While U.S.-Soviet tensions may be declining, the strategic value of our relationship with China is not. In an earlier time, both the United States and China were justifiably alarmed by the expansionist appetite of the Brezhnev regime. Quite naturally, the United States and China found common cause in seeking to stem this adventurism. We readily found parallel interests in Cambodia, Afghanistan, the Horn of Africa, and elsewhere.

Today, we cannot yet say that those regional crises have been fully resolved, or that our parallel interests with China in resolving them have come to an end. At the same time, however, we all recognize that the dramatic reforms occurring in Eastern Europe and the Soviet Union have altered the strategic scene. But such changes have not reduced the importance of China to the United States so much as they have transformed the way in which we must view the international significance of the PRC.

Yes, China remains relevant in resolving the conflicts left over from an earlier time of Soviet expansionism. But of even greater importance is the fact that, as the world's most populous nation, a country with great economic potential, and the possessor of a significant military capability, China's participation is essential to coping successfully with a number

of transnational issues. These include, among others, the proliferation of missiles and nuclear weapons, chemical weapons proliferation, and environmental pollution. Thus, China's strategic significance needs to be seen not simply through the narrow prism of the Soviet factor, but on the far broader scale of its place in an increasingly polycentric world.

B. The Regional Dimension

Even were we to decide that China's world role is not critical to global stability, it should be self-evident that the same could not be said about its impact on regional tranquility. Peaceful resolution of border disputes, restraint on the Korean peninsula, and political settlement in Cambodia, for example, are all matters of consequence for regional stability in Asia. As our own web of relationships with the countries of Asia continues to grow, our stake in the peaceful development of that region is obvious. Neither we nor our friends in the region wish to see an isolated China return to a "spoiler role" in Asia, supporting subversive activities as it did in the 1950s and 1960s. This Administration therefore believes that dialogue with China on important regional issues is both desirable and inevitable.

C. Internal Reform and Respect for Human Rights

Dialogue with the Chinese is essential for other reasons as well. Since the beginning of our post-World War II

relationship with China, we have witnessed substantial, though not always steady, progress in the material and spiritual well-being of the Chinese people. As the Chinese moved to put the excesses of the Cultural Revolution behind them in the late 1970s, political relaxation at home and the opening to the outside world gradually increased.

We and the Chinese agreed to normalize relations in December 1978, a watershed period in Chinese history. At the time, Deng Xiaoping redirected the path of China's modernization effort at the "Third Plenum," a party meeting that charted a dramatically new course of economic and political reform. The benefits of that new course soon spread throughout the country, bringing freedom to publish, to speak, to travel, and to engage in private economic enterprise. The Chinese opened their universities, Chinese students came to our shores, and American scholars traveled to theirs. Indeed, as a measure of the popular influence of these reforms, Deng Xiaoping became Time magazine's Man of the Year -- not once, but twice.

One of the features of this period was the deliberate and painstaking effort by people in the United States and in China to create as broad and deep a set of institutional relationships between our two countries as possible. The impulse to building these relationships was the realization

that historically the Chinese political process has performed unevenly. That is to say that China has been subject to episodic convulsions, that these convulsions have sometimes directed Chinese energies inward and sometimes outward, and that there is no guarantee of consistency or evenness in our relations with the Chinese.

It was precisely with these considerations in mind that those who normalized U.S.-China relations sought to develop quickly as many relationships -- economic, political, educational, scientific, cultural, athletic, and social -- as possible. Contacts and relationships such as these could only help promote reform within China and enhance respect for human rights. Such contacts and relationships could also help to shorten the periods of tension between China and the United States that experience suggested would likely occur from time to time.

D. Economic and Commercial Ties

Finally, since we have normalized relations with the Chinese, we have sought to expand our economic and commercial ties through trade and investment. U.S.-China trade has jumped from $2.3 billion in 1979 to approximately $18 billion in 1989. And U.S. investment in China has grown from virtually

nothing in 1979 to $4 billion in 1989. This U.S. support for economic development has greatly enhanced progress in the PRC toward market-oriented reforms.

II. THE CONSTANCY OF U.S. EFFORTS TO ACHIEVE OUR POLICY OBJECTIVES

It is this set of objectives that has guided U.S. policy over the past two decades. It was not always that way, however. Our opening to China in 1971 was preceded by the difficult experience of the 1950s and 1960s, when our policy of isolation and sanctions against China led to frequent confrontations, expensive defense precautions, periodic threats to regional stability, and a notable absence in China of internal reform or respect for human rights. Some of the very same voices now condemning us for seeking to maintain a relationship with the PRC were criticizing the United States twenty years ago for refusing to recognize the regime of Mao Zedong and for ignoring the Chinese people.

When we opened relations with China in 1971, it was not because of the promise of internal reform or positive external behavior by the Chinese. Rather, it was because of our own assessment that we could best pursue our national interests by beginning a dialogue with them.

The same is true today, and for the same reasons. A balanced, step-by-step approach to China, exercising a mix of incentives and constraints, and avoiding the extremes of our policy of the 1950s and 1960s, has well served U.S. objectives.

To be sure, problems have arisen along the way. The Chinese -- a people who historically have harbored within themselves a struggle between internationalist forces seeking contact with the outside world and nativist, xenophobic forces inclined toward isolationism -- have exhibited a strong tendency to take two steps forward and then one step back. For example, in the 1970s, we witnessed a backward plunge during the so-called anti-Confucius campaign, the short-lived ascendancy of the Gang of Four, and the closing of Democracy Wall. In the 1980s, there were the campaigns against "spiritual pollution" and "bourgeois liberalization," and now, far more seriously -- and far more visibly -- the brutal suppression of protest in Beijing.

Our effort -- always -- has been to try to shorten the time required for China to work its way through its internal crises. No matter how much the current critics of our policy may try to portray it otherwise, the issue has never been whether or how fervently we support reform and respect for human rights in China. Of course we support those objectives, and with as much fervor as our critics. Rather, the issue is how best to

transform rhetoric into reality. Do we seek to isolate China and cause it to turn inward, or do we seek to facilitate its return to reform and openness by continuing to pursue the contacts and ties that encouraged such reform in the first place? To President Bush the answer is clear. The very same framework we have used in managing our relations with China since 1971 is the one that continues to guide us today.

III. THE U.S. RESPONSE TO TIANANMEN

The terrible tragedy that occurred in China's capital city last June is fresh in all our memories. The sight of millions of China's young and not so young in the streets of Beijing and other major cities demonstrating peacefully for reform and democracy inspired all Americans and freedom loving people everywhere. The "Goddess of Democracy" moved us deeply, as did the heroism of the young man who confronted the column of tanks approaching Tiananmen Square. This made the tragic bloodshed of the government's assault -- vividly conveyed by television to the entire world -- all the more immediate and appalling to us.

This Administration's opposition to the outbreak of violence in Beijing on June 3 and 4 was swift and firm. The President was the first major world leader to condemn the crackdown at Tiananmen, and promptly indicated that there would be no "business as usual" with the Chinese. In speaking out

against the violence directed toward peaceful demonstrators, the President stated that we stand with those who seek greater freedom and democracy.

On June 5, the President ordered a suspension of all visits between military leaders of the two countries, and of government sales and commercial exports of weapons. In addition, the President announced that he would review sympathetically all requests by Chinese students in the United States to extend their stays. The President also offered humanitarian and medical assistance through the Red Cross to the Chinese people, and ordered an inter-agency review of other aspects of the bilateral relationship in response to developments in China.

The President followed those measures with additional ones on June 20. At that time, he ordered the suspension of high-level exchanges of government officials with China, which promptly led to the cancellation of scheduled trips to Beijing by Commerce Secretary Mosbacher and Treasury Secretary Brady. The Administration also sought successfully to postpone consideration of all new loans to China by international financial institutions.

Basically, these sanctions remain in place today, with only a few adjustments that have been made in support of U.S. interests. Along with these sanctions, however, the President

made clear that he did not want to take actions that would unnecessarily harm the Chinese people -- actions that would only victimize the victims once again. He knew, for historical as well as practical reasons, that we had only limited leverage on the Chinese leadership. The challenge was to make clear American revulsion at and condemnation of the bloodshed at Tiananmen, yet express it in a way that would maintain, to the extent possible, our ability to influence events within China and encourage a return to reform of the economy and society. The Administration has therefore sought to demonstrate its repugnance for the actions taken by the Beijing government, while preserving the framework of our relationship with the Chinese people -- links wisely forged in a spirit of bipartisan consensus in the 1970s and 1980s.

IV. THE FIRST TRIP TO BEIJING

The secret trip that General Scowcroft and I made to Beijing last July was intended precisely to convey an undiluted message from the President to the Chinese leadership about America's horror over Tiananmen. As we all know only too well, messages delivered below the level of the top leaders often get softened or altered on the way up the chain of command. Moreover, actions taken in the glare of publicity often engender public posturing, in which saving "face" becomes more important than a sober consideration of the issues.

Accordingly, the President decided to send a quiet mission directly to China's leaders. Our purpose was to convey to the Chinese, without ambiguity, a clear sense of the reaction in this country, beginning with that of the President, to what had happened. We firmly communicated that the United States does not condone the appalling violence used to suppress the peaceful demonstrations, nor do we condone the repression that has followed. I can tell you that our July visit was neither easy nor pleasant.

I have heard some say that the first trip may have stiffened the spines of China's leaders and delayed the day of relaxation. I do not believe that. I believe that the first trip demonstrated the seriousness of American purpose, made clear the stakes involved in a worsening of our relations, and, ultimately, provided an incentive for a return to the path of reform.

A few months after the trip, the President had to decide whether to sign the Pelosi bill, a well-intentioned and broadly supported legislative act that sought to provide ironclad protections for Chinese students in this country from being forced to return to their homeland. Obviously, the easy and popular choice for the President would have been to sign the bill into law.

But there were other considerations. The President could take administrative action that would accomplish all of the objectives of the Pelosi bill, yet reduce the likelihood of retaliation by the Chinese against exchange programs with the United States.

Accordingly, the President issued a directive that included the substantive measures in the Pelosi bill -- and more. Indeed, some of the protections under the President's directive, such as the authorization for employment in this country, are actually broader than those in the Pelosi bill.

The subsequent debate over whether to override the President's veto demonstrated that this was not a popular decision. Yet, the sustaining of that veto in the Senate should assure us not only that the Chinese students and scholars in this country may remain here, but that the door will still be open for more to come. Thus, the process of exchange so vital to strengthening the forces of reform in China will continue.

V. THE SECOND TRIP TO BEIJING

In December, the President decided that it was time for a bold move to try to begin a process leading to better conditions in China and better U.S.-China relations. Having heard over and over again that it was up to the United States to "untie the

knot" in our relations, we noted that, after visits to China by former President Nixon and former Secretary of State Kissinger, China's spokesmen had begun to join us in talking of both sides taking steps to improve relations, a subtle but distinct signal.

A. Our Message to the Chinese

The President decided to act. Again, he ordered Brent Scowcroft and me to be his special emissaries to the Chinese leadership. Again, our mission was to deliver an undiluted message of the need for China to take steps to improve our relations. We also briefed the Chinese on the Malta Summit, in accordance with our general practice of consulting with them after our summits with the Soviets.

The President knew that he would be taking this action in the face of popular opposition and at substantial political risk. But it was a risk he was willing to take because of his experience over the years in dealing with China and the Chinese, because of his personal acquaintance with many of China's leaders, and because of his judgment that it just might begin a process which would lead to improvements in the lot of the Chinese people. All the talk of clinking glasses, surprise announcements, and warm toasts misses the point. The Chinese leadership needed to know how they could improve their relations with the United States, and we told them.

B. The Results

The first thing that needs to be said about assessing the results of that second trip is that it is far too early to come to conclusions. Again, the goal was not a specific result, but to give impetus to a process of interaction, where each side would address the other's concerns and establish the basis for resolving our differences. That process has only just begun.

Steps have been taken. They represent movement in a direction I believe most Americans recognize as favorable. Nonetheless, much more needs to be done.

In bilateral U.S.-China relations, Beijing has agreed to resume discussions on the Fulbright program of scholarly exchanges. Beijing has also agreed to receive Peace Corps volunteers for the first time. Even before Tiananmen, the agreement to receive those volunteers was a difficult and sensitive matter for the Chinese. We see movement today as a symbolically important step to deepen relations at the grass roots level.

Beijing has also accredited a resident correspondent from the Voice of America. You all know that U.S. reporters were expelled last year. This step to renew VOA's presence in Beijing is welcome.

More broadly, China's foreign ministry spokesman issued a statement that China would not sell medium-range ballistic missiles to any Middle East countries, and denied plans that China would sell M-9 missiles to Syria. This statement, and the related denial, went beyond previous Chinese pronouncements on the subject and addressed specific U.S. concerns. The Chinese statements are positive, but we will remain vigilant on the issue of missile sales, especially to unstable regions of the world.

Internally, too, there has been guarded, cautious, even grudging movement in a direction we see as right for the people of China, as well as right for U.S. interests. Early last month, China lifted the martial law regime imposed in Beijing last May. Many observers regard this action by the Chinese as "cosmetic." We wish it had been far less ambiguous than it was. But it is, nonetheless, an achievement of some significance. The process of reducing tensions has to begin somewhere, and I do not believe we should give the back of our hand to what was evidently a difficult Chinese decision to begin to respond to foreign and domestic calls for moderation. We should seek to build on it, to urge that it be made less "cosmetic," and not reject it and risk providing a pretext for darker forces to block China's movement toward positive reforms.

On January 18, Beijing took another step by releasing 573 detainees. We wish that detailed information about these cases had been provided for the world to examine, for it would have greatly increased the impact of this act of leniency. Naturally, we will press for the fullest possible accounting of all those detained and sentenced since the Tiananmen events, and for further acts of leniency and amnesty by the authorities. Nevertheless, the act of releasing hundreds of people may be the beginning of efforts at reconciliation that are sorely needed in China today.

C. U.S. Moves

Subsequent to our second trip, the President also faced a series of decisions -- some forced by legislative action, some by timetables for projects, and some by the steps taken by the Chinese themselves. The United States has decided to respond in a carefully calibrated way designed to promote the process of change and reform. There is still no "business as usual" with China, and our sanctions of last June essentially remain in place. But we have taken a series of steps to try to put relations back on a positive track, and to try to prevent any further retrogression.

In December, for example, the President exercised his authority to permit the export of U.S.-made, Australian-owned

satellites for launch on Chinese rockets. This benefits our ally Australia, it demonstrates that we remain reliable suppliers, and it benefits our own manufacturers.

The President also invoked his authority to determine that it is in the national interest to maintain our modest Export-Import Bank programs with U.S. companies competing for business in China.

In response to the lifting of martial law in Beijing and to our own observation of the general security situation in China, the State Department has modified its travel advisory for Americans resident in and visiting China. The standing travel advisory is now approximately at the level of that prevailing prior to Tiananmen.

Finally, as I have noted, the President, along with leaders of other countries, had earlier moved to postpone consideration by international financial institutions of loans to China. As a result, neither the World Bank nor the Asian Development Bank had proposed any new loans to China between June and December 1989. However, in light of our belief that we should avoid actions which harm the Chinese people, we have indicated that the United States would be prepared, on a case-by-case basis, to have the World Bank consider earthquake aid and other

basic-human-needs loans to China. This is a humanitarian action, which conforms with our human rights legislation. We still do not support a general resumption of World Bank lending.

Overall, I hope it can be said that the steep decline in U.S.-China relations has been arrested, and that there is movement in a positive direction. Indeed, I would note that there has been more movement since our second trip to Beijing than during the first six months following Tiananmen.

The danger is that this incremental process will stall or that it will be set back. Since December, the Chinese have done things, bilaterally and domestically, that few in this country would agree are enough to restore our relations to what they were a year ago. The Administration knows that not enough has been done. What we have done is to initiate a process that we hope will lead to further meaningful actions by the Chinese to help improve relations. We never expected to reverse events overnight.

VI. THE FUTURE OF THE RELATIONSHIP

So where do we go from here?

We shall not surrender our values. We shall seek to preserve the linkages that we have painstakingly forged with the

Chinese over the past twenty years. We shall continue to encourage the flow of people, ideas, information, and commerce between our two nations -- those activities that constitute the lifeblood of material progress and spiritual advance. In our view, we need to keep faith with the people and the institutions of China that can move the society toward reform. Our efforts to maintain economic and commercial relations, and to keep alive exchange programs, are among the policy instruments at our disposal for keeping that faith.

In short, we seek to soften the blow to the Chinese people brought about by the crisis in China. We have tried to be as ready as we can for the day when it would be appropriate once again to normalize relations. We are convinced that this is the right course. China is not a benighted society from top to bottom. Indeed, the forces favoring reform have not disappeared. We owe them an approach that strengthens their hand, not the hand of those who would welcome isolation.

Having acted to express the outrage of the American people and yet to soften the blow to the Chinese people, we must also pause to consider the limits of our ability to affect the course of events in China. We need to remain cognizant of Chinese realities. China's traditions of centralized authority, hierarchy, anti-individualism, and life-and-death politics exist amid much greater poverty and backwardness than we have ever

known. To recognize this is not to say that we would accept less in the way of human dignity and freedom for the Chinese people than for ourselves. But experience suggests that we have to be patient while China finds its own path to a freer, more prosperous society.

Our ability to adhere to the course of improving relations is, obviously, not dependent on us alone. China bears its own responsibility for advancing the process. Greater relaxation and reform, long advocated by China's present leaders in other circumstances, need to be realized. A China moving toward peace with itself is a China with which we can cooperate in peace.

Mr. Chairman, Members of this Committee, the policies pursued during the last two decades by five administrations, along with those of a sometimes daring Chinese leadership, have made an important difference to the Chinese people, and have helped to make the region and the world more stable. There have been setbacks -- some of them, as in the case of Tiananmen Square, tragic setbacks. There may be more setbacks in the decades ahead. But American policy should look forward, not backward. With steadiness of purpose, we must seek to build on the constructive ties we have developed with the Chinese and, thereby, encourage the ongoing process of reform and development.

Thank you.

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FM AMEMBASSY BEIJING

TO THE WHITE HOUSE
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CITE BEIJING SECTION 01 OF 02
I ~~S E C R E T~~ 030800Z FEB 90 PRIVACY CHANNELS
FM AMBASSADOR JAMES R. LILLEY, BEIJING 015
TO THE WHITE HOUSE, EYES ONLY FOR LTG BRENT SCOWCROFT AND
TO THE DEPARTMENT OF STATE EYES ONLY FOR SECRETARY BAKER
BEGIN TEXT
BRENT, THE 3.3(b)(6) CHINESE PUBLIC PROTEST YESTERDAY WAS PREDICTABLE. THE BILL PASSED BY THE SENATE 98-0 USED A LOT OF LANGUAGE WHICH STUCK IT RIGHT IN THEIR EYE EIGHT MONTHS AFTER TIANANMEN. AND WHILE THE CRITICISM OF OTHER COUNTRIES WAS MUTING, WHAT IS DISTURBING IS 3.3(b)(6)
3.3(b)(6)

3.3(b)(6) THE FACT THEY HAVE NOT DELIVERED ON DENG'S FORMULA ON FANG WHILE RAISING NEW ISSUES THROUGHOUT THE PROCESS. 3.3(b)(6)
3.3(b)(6)

3.3(b)(6)

WE NEED NOW, IN MY VIEW, TO SHIFT THE VENUE OF NEGOTIATIONS, NARROW THE FOCUS TO A SERIES OF SPECIFIC ISSUES WHICH CAN BE USED TO DEMONSTRATE TO THE CHINESE QUIETLY BUT

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PAGE 02 OF 05

UNMISTAKABLY THE COSTS OF THEIR ACTIONS, AND REGAIN SOME OF THE INITIATIVE. THIS IS WHAT I PROPOSE.

2. THE NEGOTIATIONS ON THE "PACKAGE" BE SHIFTED FROM NSC TO STATE. 3.3(b)(6)

THE ISSUES WE WILL HAVE TO ADDRESS IN THE NEXT THREE MONTHS ARE IMMENSELY COMPLICATED, WILL REQUIRE SKULL-CRACKING WORK, ATTENTION TO DETAIL, TIMING AND COORDINATION THAT A LARGER SPECIALIZED STAFF IS BEST ABLE TO HANDLE. THE NSC CLEARLY HAS AN IMPORTANT ROLE IN THIS AND SHOULD BE PREPARED TO INTERVENE AT A HIGH LEVEL TO BREAK DEADLOCKS, BUT I SUGGEST THE NEGOTIATING SESSIONS SHOULD BE AT A DEPUTY SECRETARY AND ASSISTANT SECRETARY LEVEL. THIS WOULD REPRESENT A SETBACK FOR THE HARDLINERS NOW CALLING THE SHOTS, BECAUSE THEIR TACTICS HAVE FAILED.

3. THE ISSUES WE HAVE TO ADDRESS ARE THESE:

(A) FMS AVIONICS AND MILITARY DELIVERIES; IFI LENDING; THE CHINESE TRADE SURPLUS; GATT ENTRY; 3.3(b)(6) THE FULBRIGHT PROGRAM; PEACE CORPS AND THE CHENGDU CONSULATE GENERAL; THE CHINESE ROLE IN CAMBODIA, SIHANOUK AND OUR RELATIONS WITH VIETNAM. ALSO WE HAVE HUMAN RIGHTS ISSUES; ACCESS TO TIBET, FUTURE PROPERTY TALKS, AND FANG LIZHI.

4. ON FMS, THIS IS COMPLEX AND CRUCIAL TO THE CHINESE AND TO OURSELVES. IT OFFERS US LIMITED NEGOTIATING FLEXIBILITY, BUT REQUIRES MASTERY OF MASSIVE DETAIL. IF MISHANDLED, IT COULD CAUSE SEVERE DAMAGE TO THE OVERALL RELATIONSHIP. IT SHOULD BE USED TO GAIN CHINESE COOPERATION, BUT ALSO AS LEVERAGE TO EXTRACT MOVEMENT FROM THEM ON OTHER FRONTS, SUCH AS HUMAN RIGHTS. WHAT WE CAN WORK OUT TOGETHER TO ELIMINATE FROM COST OVERRUNS SHOULD BE RECOGNIZED BY THEM AND RECIPROCATED. DON'T LET THEM GET THE INITIATIVE ON THIS ONE.

5. INTERNATIONAL FINANCE INSTITUTION LENDING IS EQUALLY CRUCIAL TO THE CHINESE, PERHAPS EVEN MORE THAN FMS. OUR HANDLING OF THIS ISSUE TO DATE HAS HIT HOME HERE. THEY ARE DEEPLY WORRIED. JAPANESE EQUIVOCATION ON THE THIRD YEN LOAN

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PACKAGE HAS FRUSTRATED AND ANGERED THEM 3.3(b)(6)
3.3(b)(6)
3.3(b)(6)
ON IFI. BASIC HUMAN NEED LOANS TANTALIZE THEM. WITH THE BIG PRIZE STILL ALOOF. OUR HANDLING OF THIS WAS EXCELLENT, BUT WE MUST MAKE SURE OUR POSITION IS BOTH COORDINATED WITH OUR ALLIES AND AS SUBTLE AS POSSIBLE. BUT WE SHOULD STILL HOLD BACK IN THE BIG LOANS.

6. THE TRADE SURPLUS ISSUE IS LOOMING ON THE HORIZON. IT HAS BEEN ADDRESSED IN A SERIES OF TELEGRAMS FROM HERE, AND NOW I UNDERSTAND WE HAVE AN INTER-AGENCY TASK FORCE BEING FORMED AT HOME. A SUPER 301 COULD AFFECT CRUCIAL CHINESE EXPORTS. AND COULD BE JUSTIFIABLY IMPOSED ON THEM BASED ON THEIR INCREASINGLY RESTRICTIVE IMPORT POLICIES. THE TIMING OF THEIR GATT ENTRY FOLDS INTO THIS VERY WELL, BECAUSE GATT IS THE INTERNATIONAL INSTRUMENT TO INFLUENCE THEIR ECONOMIC POLICIES ACCORDING TO SOUND, ACCEPTABLE, INTERNATIONAL STANDARDS. THE MAMCO/CATIC TIMING COULD BE FORTUITOUS AS THE CHINESE WILL VIEW IT AS OUR PLAYING TOUGH. SOME FORM OF RETALIATION SHOULD BE ANTICIPATED.

7. FULBRIGHT. BECAUSE WE WANT TO KEEP THE DOOR OPEN 3.3(b)(6)
3.3(b)(6)
THIS PROGRAM SHOULD GO THROUGH EVEN IN TRUNCATED FORM. WE SHOULD EMPHASIZE THAT WE WANT IT RESUMED IN FULL AS SOON AS POSSIBLE.

8. PEACE CORPS AND THE CHENGDU CONSULATE. THE PEACE CORPS IN MY VIEW IS EXPENDABLE. MY STAFF WILL TRY TO GET THIS GOING BUT IF THE CHINESE DRAG THEIR FEET, WE DO NOT WANT TO BEG THEM TO TAKE OUR PAID VOLUNTEERS TO GIVE THEM FREE ENGLISH LANGUAGE LESSONS. ALSO, IF FOR OTHER SOUND REASONS WE DECIDED TO CLOSE CHENGDU, THIS WOULD CERTAINLY BE EVIDENCE TO THEM OF DECLINING AMERICAN INTEREST IN WORKING IN A PROHIBITIVE ENVIRONMENT (WE CANNOT GET TO TIBET).

3.3(b)(6)

10. I BELIEVE WE HAVE SCORED TEMPORARILY WITH SIHANOUK,

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WHO HAS NOW TURNED HIS VOLATILE WRATH ON THE KHMER ROUGE. I INTEND TO WRITE HIM AND APPLAUD HIS STAND AND TO ENCOURAGE HIM TO DEMAND MORE FROM THE KHMER ROUGE. AT THE SAME TIME I WOULD LIKE US TO CEASE OUR BAN ON CONTACT WITH THE VIETNAMESE HERE IN BEIJING. A NEW AND REPORTEDLY SOPHISTICATED AND TALENTED AMBASSADOR, ACCORDING TO THE MALAYSIANS, IS ARRIVING HERE SOON. MOST OF OUR ALLIES -- JAPANESE, AUSTRALIANS, EC COMMUNITY, HAVE REGULAR CONTACT WITH THE VIETNAMESE EMBASSY. I

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CITE BEIJING FINAL SECTION OF 02
WHITE HOUSE EYES ONLY FOR LTG BRENT SCOWCROFT AND
DEPARTMENT OF STATE EYES ONLY FOR SECRETARY BAKER
FROM AMBASSADOR JAMES R. LILLEY, EMBASSY BEIJING
PAGE 04 BEIJING ~~S E C R E T~~
SHOULD BE ABLE TO DO THIS. THE CHINESE WILL GET THE MESSAGE. IT WILL BE UNCONNECTED TO OUR OTHER MOVES AND WILL INDICATE THEY WILL HAVE SUFFERED ANOTHER MINOR SETBACK.

11. LOUD, HOSTILE, PUBLIC DECLARATIONS AND 3.3(b)(6) 3.3(b)(6) ARE NOT THE WAY TO HANDLE THE CHINESE AT THIS POINT. OUR SYSTEM REQUIRES SOME OF THE FORMER, 3.3(b)(6) 3.3(b)(6) WE NEED TO INSTITUTIONALIZE THE NEGOTIATING PROCESS AND GAIN CONGRESSIONAL AND PUBLIC SUPPORT FOR IT, BUT I REITERATE, WE MUST MAKE IT DIFFICULT FOR THE CHINESE TO GET THEIR HANDS ON ANY SINGLE ISSUE WHICH THEY CAN FOCUS ON 3.3(b)(6)

12. FINALLY ON FANG. I WILL HANDLE THIS IN DETAIL SEPARATELY, BUT SUFFICE IT TO SAY IT IS NOW TIME TO BEGIN PREPARING FOR THE LONG HAUL, WHILE AT THE SAME TIME SETTING UP DISINCENTIVES FOR THE CHINESE TO KEEP HIM HERE. ALSO WE SHOULD USE THE POSITIVE INCENTIVE OF A JIANG ZEMIN VISIT TO ENCOURAGE CHINESE MOVEMENT ON FANG. WE SHOULD BE PREPARED TO MOVE HIM INTO MORE PERMANENT QUARTERS ON THE CHANCERY GROUNDS, GRADUALLY

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OPEN HIM UP TO THE WORLD (THE AFL/CIO AWARD ACCEPTANCE AND SELECTED CONTACTS FOR HIM HERE IN BEIJING). WE ALSO NEED TO DE-MYSTIFY HIS BEING HERE TO A DEGREE. WE NEED TO BEGIN TO MAKE THE CASE FOR HIS EARLY RELEASE: UNATTRIBUTABLE PRESS BACKGROUNDS AND POSSIBLY IN SELECTED INTERVIEWS.

13. I ALSO BELIEVE THAT WE SHOULD KEEP OPEN THE OKSENBERG HU QIAO MU CHANNELS. 3.3(b)(6) 3.3(b)(6) WE WERE ABLE TO DELIVER OUR POSITION THROUGH THIS INFORMAL CHANNEL AND IT MAY HAVE CONTRIBUTED TO THE EVENTUAL SUCCESSFUL CONCLUSION.

14. KEEP IN MIND THIS IS A FRAGILE AND FRIGHTENED LEADERSHIP. THE TIDE IS RUNNING AGAINST THEM IN CHINA AND OUTSIDE OF CHINA. THEY STILL HAVE POWER IN THEIR HANDS, THEY HAVE SOME STAYABILITY, AND THEY CAN LASH OUT. YOU HAVE SUCCEEDED THUS FAR IN MAKING THEM BEND SOME. THEY ARE TRYING TO WALK THE FINE LINE BETWEEN SUPERFICIALLY MAKING CONCESSIONS TO LIBERALIZATION AND TO US CHINESE RELATIONS, WHILE IN FACT

KEEPING THE ECONOMY UNDER TIGHT CONTROL AND THE PEOPLE SUPPRESSED. WE HAVE A LOT AT STAKE HERE, AND WE WANT TO PRESERVE THE ESSENCE OF OUR POSITION. I BELIEVE THIS APPROACH WILL ALLOW US TO DO SO.

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

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MEMORANDUM OF CONVERSATION

Meeting with Chinese Ambassador Zhu Qizhen

January 31, 1990, 5:48 p.m. - 6:15 p.m. EST

Participants:
Brent Scowcroft, Assistant to the President for National Security Affairs
Douglas Paal, Director of Asian Affairs, NSC

Ambassador Zhu Qizhen
Counselor Chen Mingming

Ambassador Zhu: When we talked on the telephone last Friday, you said that on the 31st or anytime when ready I would be free to call on you and discuss the present situation and what to do in the future.

General Scowcroft: We have had a major event (failure to override the President's veto of the Pelosi Bill). We were quite successful. It was costly, but we did better than I expected we would do. As I said in our telephone call, the President worked very, very hard to get the votes. Now, that was a major step, but it was only to avoid disaster. We will have uncomfortable events to deal with ahead. You are aware of the State Department's human rights report, the UN human rights commission will meet next month. The press is writing in a way that says now that the President has won, let's see what happens.

It is important that we stay on the course we have set out. I have nothing particular to add to our previous conversation. Let me give you one example from Congressman Solarz a few evenings ago. He complained about our policy. I told him he is not taking note of the things that have been done. Solarz said that there are thousands still in jail, they are still being arrested. All I suggest is that the more you can add -- the names of the 573, that they constitute such and such a percentage. I am not telling you what to do. I hope the discussions on Mr. Fang, back in Beijing, will make some progress. This would be a big help, especially with the human rights reports, etc.

There are good reports circulating in the Congress on China's participation in the last Cambodia conference. I hope your representative can attend the next one. This will be helpful, especially with Solarz and people who are influential.

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Both sides should move forward.

Ambassador Zhu: Is there anything from the American side, any steps the American side can take?

General Scowcroft: We have taken a number of them. We have the FMS issue coming up next month. We still have to be exceedingly careful about Congress. While the President had a victory, and that will have some impact, a perception that he will take advantage of that and move too fast could be harmful. The situation is better than the last time we met.

Ambassador Zhu: When I informed Beijing that I would see you, I was asked to convey a few points. First, we hope to see the speedy restoration and development of China-U.S. relations. China still adheres to the package formula. But the responsibility does not lie on the Chinese side for the lack of due progress. We hope the U.S. side will take due steps, corresponding steps to improve China-U.S. relations.

Second, the U.S. took the lead in imposing sanctions on China. Others take their cue from the U.S. We hope the U.S. can take more substantive steps. Once again the Congress has passed an amendment against China. We ask the Administration to make an explicit statement to oppose the amendment. This is the same representation as we made to you in Beijing in December. Our Vice Foreign Minister asked Ambassador Lilley to take a clear cut measure to oppose the sanctions. Particularly since the recess of the Congress, the Chinese side has taken many major steps. We hope the U.S. side, the Administration will take a clear cut stance that it will be unnecessary to take that kind of sanctions. I don't know what the President will do when the bill is put on his desk. As we discussed several weeks ago, there were two bills. One, the Pelosi Bill, after hard efforts, efforts by the Chinese students and the Democrats to override the President's veto, was defeated.

On the World Bank, the bank recently proposed two projects. We have learned from sources in the Bank that the U.S. will oppose the Jiangxi agricultural project loan. We were surprised to learn this. You and I have talked over and over again on this subject. This has a psychological effect in China. The loans are not large, less than $19 million (actually $90 million). You said the U.S. proposed that the two loans would go ahead, one in early February, one in late February or early the next month. World Bank sources say that the American representative is still against that. I have to tell you this has a big psychological impact in China.

General Scowcroft: I will look into that.

Ambassador Zhu: I want to emphasize the psychological impact, after China has done so much, if the U.S. opposes these two small projects. Our position of course is for resumption of all loans. This is something Premier Li Peng raised with you personally. It is a point I have been asked to raise.

On Fang Lizhi and Li Shuxian, our position remains that they must plead guilty and cooperate with the Chinese authorities. If your side does not cooperate, we will face great difficulties on this issue. Under current circumstances, it is still not easy to resolve this problem. Let us hope the U.S. side will make further efforts in this regard and help to resolve this issue.

I have one more point. There are two reactionary organizations in this country, the Federation for Democracy in China and the Chinese Alliance for Democracy. They are running rampant in the U.S., not only to oppose China, but also to seek to undermine U.S.-China relations.

General Scowcroft: I am not familiar with either. You know that in this country, as long as they do not violate the law, there is not much we can do.

Ambassador Zhu: These organizations are behind the students who lobbied against President Bush.

General Scowcroft: I would like to say a few words in response. On the State Authorization Bill, I really do not know what our position will be. In fact, it is relatively harmless. It allows the President to waive the effects of the Bill. We have to weigh the impact of calling attention to it versus just letting it go. We will probably be governed by our needs to move Congress along the lines we want to proceed on. I understand what you say and will take it seriously into account.

Overall, the Chinese government took a number of steps that were helpful on the Hill with the Pelosi Bill. There are some things that would help the mood, that would not be costly. We should take advantage of the Pelosi Bill to move to remove sanctions in place without calling down additional sanctions. The Chinese side could do things that could be very helpful. I am not saying you have not done a lot. But I hope you will not sit back after the Pelosi Bill.

Ambassador Zhu: On our side, there are two important matters. One, the sanction bill, whether the U.S. President can make a very clear statement opposing passage of the bill. After passing the bill, if the President signs without saying anything, it will be very difficult for the Chinese people to understand.

Second, I hope you understand what I have said about the World Bank, after Li Peng spoke to you personally about the loans.

General Scowcroft: You are very skillful, Mr. Ambassador. The importance of your message has not escaped me.

Ambassador Zhu: We were told by the World Bank, if the two loans are brought up together, the U.S. will vote against. This will have a very damaging effect.

General Scowcroft: One place where you are misinformed is in the G-7. The U.S. is in the forefront, along with the Japanese, in trying to move the loans, the rest are way behind. We have talked about it.

Ambassador Zhu: The last thing I have, I know it was not easy to win over the Pelosi Bill. There still are anti-Chinese activities in COngress. We hope the U.S. administration will see that no anti-Chinese actions are taken in the Congress.

General Scowcroft: You know we will try.

Ambassador Zhu: I hope the two sides will work together to resolve the Fang Lizhi issue.

General Scowcroft: I understand, if we both approach it in good will and have a common goal. Each side is to do what it can do to advance to our common goal.

Ambassador Zhu: The message is clear that we cannot resolve this issue without he and his wife having pled guilty and showing repentance.

General Scowcroft: We will get to Ambassador Lilley. He understands, but we will get to him.

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06. Cable	From White House Re: Eyes Only for Ambassador Lilley from Brent Scowcroft (2 pp.)	1/24/90	(b)(1)	S

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Office: Scowcroft, Brent, Files
Series: Special Separate China Notes Files
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WHORM Cat.:
File Location: China 1990 (Sensitive) [3]

Document Partially Declassified
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Re-review Case #:		**Appeal Disposition:**	
P-2/P-5 Review Case #:		**Disposition Date:**	
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<TEXT>ZEM
~~S E C R E T~~ VIA PRIVACY CHANNELS
QQQQ
EYES ONLY FOR AMB. LILLEY FROM BRENT SCOWCROFT
-
1. JIM: LARRY AND I MET WITH ZHU QIZHEN ON SATURDAY, JANUARY 20, TO PASS AN ORAL MESSAGE FROM THE PRESIDENT ON THE NEED TO BREAK THE IMPASSE OVER FANG LIZHI. ZHU RETURNED WITH A RESPONSE TODAY, THE CORE OF WHICH IS REPEATED BELOW. IN OUR PREVIOUS TWO MEETINGS, I HAD URGED THE CHINESE TO BE MORE POSITIVE IN THE PUBLIC CHARACTERIZATION OF THEIR MOVES. I ALSO TRIED TO GET THEM TO SEE OUR DECISION ON WORLD BANK BHN LOANS AS AN IMPORTANT FIRST STEP TO LIFTING THE SANCTIONS, GIVEN THE LEGAL RESTRICTIONS ON FURTHER STEPS BY US AT THIS TIME. THIS TIME, TO SUMMARIZE, I TOLD HIM THAT I WAS VERY DISAPPOINTED WITH THE RESPONSE FROM BEIJING AND THAT THE PRESIDENT WILL NONETHELESS TRY TO PREVENT THE PELOSI BILL PASSING. I WOULD APPRECIATE ANY THOUGHTS YOU MAY HAVE.
-
2. (TEXT) I HAVE REPORTED BACK TO BEIJING THE REMARKS YOU MADE TO ME ON JAN. 18 AND 20. I AM NOW INSTRUCTED TO CONVEY THE FOLLOWING TO THE US ADMINISTRATION.
-
THE CHINESE LEADERS TREASURE THE HARD-WON CHINA-US RELATIONS. IT IS WITH THIS IN MIND THAT THE PACKAGE SETTLEMENT PROPOSAL WAS PUT FORWARD. TO BRING ABOUT THE EARLY RESTORATION OF CHINA-US RELATIONS, THE CHINESE SIDE HAS EXERTED ITS UTMOST EFFORTS AND TAKEN A SERIES OF MAJOR AND POSITIVE STEPS. IT IS TRUE THAT THE US SIDE HAS ALSO TAKEN SOME STEPS. HOWEVER, FOLLOWING THE LIFTING OF MARTIAL LAW AND RELEASE OF 573 DETAINEES BY THE CHINESE GOVERNMENT, THE US SIDE ONLY MADE QUITE INSUFFICIENT RESPONSES. WHAT IS MORE, THE US SIDE CONTINUES TO PRESSURE CHINA TO MAKE FURTHER CONCESSIONS ON MATTERS FALLING WITHIN ITS INTERNAL AFFAIRS. ON THE RESUMPTION OF WORLD BANK LOANS TO CHINA, THE UNITED STATES HAS FAILED TO HONOR ITS PROMISE AND DELIBERATELY COMPLICATED THE MATTER. THE US SIDE DELIBERATELY PLAYS DOWN THE RELEASE OF A NUMBER OF DETAINEES WHO HAVE BEEN GIVEN LENIENT TREATMENT BY THE CHINESE PUBLIC SECURITY DEPARTMENTS. BASING ITSELF ON A TOTALLY UNFOUNDED AMERICAN NEWSPAPER REPORT, THE US SIDE MAKES UNWARRANTED CHARGES AGAINST AND RAISES UNREASONABLE DEMANDS ON THE CHINESE SIDE. SUCH ACTS ON THE PART OF THE US SIDE CAN HARDLY BE EXPLAINED AWAY AS WORKING ON THE CONGRESS. IT IS JUST OPEN INTERFERENCE IN CHINA'S INTERNAL AFFAIRS. THE US SIDE SHOULD BE CLEARLY AWARE THAT CHINA WILL NEVER YIELD TO OUTSIDE PRESSURE. UNDER SUCH CIRCUMSTANCES, CHINA CANNOT TAKE ANY FURTHER STEP.
-
ON THE FANG LIZHI ISSUE, THE CHINESE SIDE, IN RESPONSE TO US REQUEST, HAS INDICATED ITS WILLINGNESS TO WORK FOR ITS SETTLEMENT. IT SHOULD BE POINTED OUT THAT THE RESPONSIBILITY

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FOR FAILING TO RESOLVE THIS ISSUE DOES NOT LIE WITH THE CHINESE SIDE. THE US SIDE SHOULD UNDERSTAND THAT THE ISSUE IS THE SOLE MAKING OF THE US SIDE. THE SETTLEMENT OF THE ISSUE HINGES ON US RESPECT FOR CHINA'S SOVEREIGNTY. TO THE AVERAGE CHINESE, BECAUSE OF WHAT IT DID IN PANAMA, THE UNITED STATES DOES NOT HAVE ANY RIGHT TO TALK ABOUT HUMAN RIGHTS. THIS CANNOT BUT MAKE IT MORE DIFFICULT FOR THE ISSUE TO BE RESOLVED.

-

HOW TO WORK ON THE US CONGRESS IS THE BUSINESS OF THE US ADMINISTRATION. WE CAN EXPLICITLY TELL THE US ADMINISTRATION THAT SHOULD THE US CONGRESS ONCE AGAIN PASS LEGISLATION HARMING CHINA'S INTEREST, CHINA AS A SOVEREIGN STATE WILL HAVE NO CHOICE BUT TO REACT STRONGLY. IF AS A RESULT THE PROCESS OF RESTORING CHINA-US RELATIONS SUFFERS HINDRANCE OR EVEN SETBACK, THE US SIDE MUST BEAR ALL THE SERIOUS CONSEQUENCES ARISING THEREFROM.

-

THE CHINESE SIDE ONCE AGAIN MAKES CLEAR THAT IT WISHES TO SEE THE EARLY RESTORATION OF CHINA-US RELATIONS AND THAT IT HAS MADE MAJOR EFFORTS FOR THIS PURPOSE. HOWEVER, WE HOPE THE US SIDE WILL NOT HAVE THE MISTAKEN IMPRESSION THAT THE CHINESE SIDE BEGS THE US SIDE FOR HELP. THE CHINESE HAVE BACKBONES, AND WE WILL DEFINITELY NOT TRADE AWAY OUR SOVEREIGNTY. WE HAVE TO BE PREPARED FOR A SITUATION THAT THE CHINESE SIDE PREFERS NOT TO SEE EMERGING. (END TEXT)

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Talking Points

I have reported back to Beijing the remarks you made to me on Jan. 18 and 20. I am now instructed to convey the following to the US administration:

1. The Chinese leaders treasure the hard-won china-US relations. It is with this in mind that the package settlement proposal was put forward. To bring about the early restoration of China-US relations, the Chinese side has exerted its utmost efforts and taken a series of major and positive steps. It is true that the US side has also taken some steps. However, following the lifting of martial law and release of 573 detainees by the Chinese Government, the US side only made quite insufficient response. What is more, the US side continues to pressure China to make further concession on matters falling within its internal affairs. On the resumption of World Bank loan to China, the United States has failed to honor its promise and deliberately complicated the matter. The US side deliberately plays down the release of a number of detainees who have been given lenient treatment by the Chinese public security departments. Basing itself on a totally unfounded American newspaper report, the US side makes unwarranted charges against and raise unreasonable demand on the Chinese side. Such acts on the part of the US side can hardly be explained away as working on the Congress. It is just open interference in China's internal affairs. The US side should be clearly aware that China will never yield to outside pressure. Under such circumstances, China cannot take any further step.

2. On the Fang Lizhi issue, the Chinese side, in response to US request, has indicated its willingness to work for its settlement. It should be pointed out that the responsibility for failing to resolve this issue does not lie with the Chinese side. The US side should understand that the issue is the sole making of the US side. The settlement of the issue hinges on US respect

for China's sovereignty. To the average Chinese, because of what it did in Panama, the United States simply does not have any right to talk about human right. This cannot but makes it more difficult for the issue to be resolved.

3. How to work on the US congress is the business of the US Administration. We can explicitly tell the US administration that should the US Congress once again pass legislation harming China's interest, China as a sovereign state will have no choice but to react strongly. If as a result the process of restoring China-US relations suffers hindrance or even setback, the US side must bear all the serious consequences arising therefrom.

The Chinese side once again makes it clear that it wishes to see the early restoration of China-US relations and that it has made major effort for this purpose. However, we hope the US side will not have the mistaken impression that the Chinese sides begs the US side for help. The Chinese have backbones, and we will definitely not trade away our sovereignty. We have to be prepared for a situation that the Chinese side prefers not to see emerging.

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PAGE 01 OF 02

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FM AMEMBASSY BEIJING

TO THE WHITE HOUSE

~~S E C R E T~~ 191012Z JAN 90 PRIVACY CHANNELS
FM AMBASSADOR LILLEY, BEIJING 012
TO THE WHITE HOUSE, IMMEDIATE EYES ONLY FOR
GENERAL SCOWCROFT.
BEGIN TEXT

1. I JUST CAME BACK FROM A TOUGH SESSION WITH LIU ON FANG LIZHI WHICH I WILL REPORT IN DETAIL IN STATE CHANNELS. LIU WAS ARMED WITH A WRITTEN SPEECH REJECTING FANG'S SEVERAL STATEMENTS AS FALLING SHORT OF PRC DEMANDS AND INSISTING FANG AND LI: 1) ADMIT TO THEIR "CRIMES" OF OPPOSING THE PRC GOVERNMENT AND 2) PROMISE TO FORSWEAR FUTURE POLITICAL ACTIVITIES AGAINST THE PRC. LIU ALSO CLAIMED THE U.S. HAD TAKEN UNHELPFUL STEPS IN RECENT DAYS, POINTING IN PARTICULAR TO AN ALLEGED DAVID MULFORD STATEMENT AT A PARIS G-7 MEETING THAT THE U.S. OPPOSED CONSIDERATION OF WORLD BANK PRC LOANS FOR EARTHQUAKE RELIEF AND A JIANGSI AGRICULTURAL PROJECT UNTIL FEBRUARY. LIU ARGUED THE FANG CASE HAD TO BE SEEN AS PART OF THE OVERALL PACKAGE. HE OBVIOUSLY HAD NO FLEXIBILITY TO RESPOND TO MY POINT THAT FANG'S STATEMENTS WENT FAR TO MEETING THEIR NEEDS. I ALSO EXPRESSED ONCE AGAIN OUR DESIRE TO MOVE FORWARD QUICKLY AND MY CONCERN THAT THE CHINESE POSITION COULD LEAD TO A MAJOR DOWNTURN IN OUR RELATIONSHIP AND ENDANGER COOPERATIVE UNDERTAKINGS.

2. IT IS NOT NECESSARILY UNEXPECTED THAT THE CHINESE WOULD TAKE A TOUGH LINE -- THEY OFTEN DO SO TO TEST THE WATERS BEFORE MOVING ON TO AN AGREEMENT -- BUT IT IS NOW TIME TO APPLY THE SHOCK TREATMENT TO ZHU IN WASHINGTON TO BREAK LOOSE A MORE ACCOMMODATING CHINESE POSITION HERE. I RECOMMEND YOU CALL IN ZHU TO REINFORCE MY POINTS HERE. I SUGGEST YOU COME DOWN HARD ON THE NEED FOR A QUICK RELEASE

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OF THE FANG FAMILY BEFORE CONGRESS RETURNS. THE LINK BETWEEN THIS ACTION AND ANY DISCUSSION OF A JIANG ZEMIN TRIP, AND THE PROBABILITY OF LONG-TERM CONGRESSIONAL RESTRICTIONS ON OUR ECONOMIC, MILITARY AND INTELLIGENCE COOPERATION IF THE CHINESE MISS THIS OPPORTUNITY TO SOLVE THE ISSUE. IT IS WORTH NOTING THEIR MILITARY AND INTELLIGENCE PEOPLE HAVE BEEN ALL OVER OUR GUYS IN RECENT DAYS, A SURE SIGN THAT PEOPLE RUNNING THESE PROGRAMS ARE WORRIED.

3. ON THE IFI LOANS, I RECOMMEND YOU MAKE VERY CLEAR THE CONNECTION BETWEEN HUMAN RIGHTS AND INTERNATIONAL LOANS IN U.S. LEGISLATION. THE RELEASE OF FANG IS CRITICAL TO ANY U.S. ASSESSMENT OF AN IMPROVING CHINESE HUMAN RIGHTS RECORD. WE SHOULD NOT, HOWEVER, GET IN TO ANY QUESTION OF APPROVING LOANS FOR HOSTAGES. THE EMPHASIS MUST BE ON THE CRITICAL NEED TO RELEASE THE FANG FAMILY FOR ALL ELEMENTS OF THE RELATIONSHIP AND, IN PARTICULAR, ANY CONSIDERATION OF A JIANG TRIP TO THE U.S.

4. PLEASE PASS THIS MESSAGE TO SECRETARY BAKER.

END TEXT.

#0108

AN UPDATE ON U.S. POLICY TOWARD CHINA

Douglas H. Paal
Director, Asian Affairs
National Security Council
Washington, D.C.
At the Asia Society
January 19, 1990

I am especially grateful to the Asia Society and to Leo Orleans and Judy Sloan for inviting me to speak here today. A great deal has been said about our policy toward China in the months since Tiananmen. We have all seen an extraordinary run of editorial opinions -- and cartoons -- that have criticized the Administration, sometimes in astonishingly emotional terms, as well as some commentary supporting the President's actions.

I see this gathering today as a chance to present what I believe is the very strong case for the policy this Administration is pursuing. At the outset I will lay out, if you will, the philosophical underpinnings of our approach. Then I will turn to some of the developments of the last few months. Finally, I will close with some remarks about the course ahead.

It was my privilege to witness during the late 1970s the efforts of my predecessors and their colleagues to set about the institutionalization of normal US-China relations. One of the features of that period that remains vivid for me was the deliberate and painstaking effort to create as deep and broad a set of institutional relationships between our two countries as possible.

Then, as now, the motivating factors for pursuing improved relations with China across such a wide spectrum of organizations and bureaucracies included a belief that a secure, modernizing, stable, and reforming China is in the interests of the United States. Those motivating factors also included the painful experience of the previous twenty years, during which our policy of isolation and sanctions against China led to frequent confrontations, expensive defense precautions, and periodic threats to regional stability.

Another and less well-known motivation for creating as thick a set of relationships as possible was the realization that historically the Chinese political process has performed very unevenly. That is to say that China has been subject to episodic convulsions, that these convulsions have sometimes redirected Chinese energies inward and sometimes outward, and that there is no guarantee of continuity and evenness in our

relations with the People's Republic. It was precisely with these considerations in mind that those who built normalized US-China relations sought to develop quickly as many relationships -- economic, bureaucratic, institutional, inter-personal, scientific, educational, cultural, athletic and social -- as possible. Contacts and relationships such as these could, in this line of thinking, only help to shorten the periods of difficulty and estrangement between China and the US that experience suggested were very likely to occur at some time.

This is all by way of background to the President's response to the outrageous events in Beijing last June. The terrible tragedy that occurred in China's capital city is fresh in all our memories. The sight of millions of China's young and not so young people in the streets of Beijing and other major cities demonstrating for reform and democracy inspired all Americans and freedom loving people everywhere. The tragic memory of the bloodshed caused by the People's Liberation Army's assault remains with us still.

In responding to these events the President made clear where the American people stood from the very start. In speaking out against the violence used against peaceful demonstrators, the President said that throughout the world we stand with those who seek greater freedom

and democracy. We must keep faith with those courageous people, who understand that China will achieve the dreams of its great patriotic reformers, dreams of a strong and rich China, only when China unleashes the enormous creative power of its people, whose genius is second to none.

Our opposition to the outbreak of violence took the form of actions as well as words. When the President suspended key aspects of our relations with China in June and took effective steps to protect Chinese students in this country, he made clear that the U.S. government and the American people condoned neither the violent path that had been chosen nor the repression that followed. Our message was sent clearly and firmly, publicly and privately.

At the same time the President made clear that he did not want to take actions that would unnecessarily hurt the Chinese people, that would victimize the victims once again. The Administration has sought to preserve the framework of our relationship with China -- those links wisely forged in a spirit of bipartisan consensus in the late 1970s. The President has sought to preserve the free flow of people, ideas, information and commerce between our two nations, those activities that constitute the lifeblood of modernization and reform.

In short, we have tried to soften the blow to the Chinese people brought about by the crisis in China. We have tried to shorten the time required for China to work its way through its crisis. And we have tried to be as ready as we can be for the day when it would be appropriate to begin to renormalize relations.

We are convinced this is the right course. It should be obvious to everyone here that China is not a benighted society from top to bottom. The forces favoring reform have not disappeared, and they deserve a strategy that does not weaken them. We must also recognize that if we overplay our hand, we may actually worsen the situation.

Many of those sectors of Chinese society most vigorous in promoting reform came to their beliefs through experience with international exchange and exposure to ideas tested and proved valuable in the world beyond China. China's business circles engaged in foreign trade; its scholars and scientists involved in dialogue and research with foreign counterparts; its tens of thousands of students sent abroad to study -- these have been the engine of material progress and spiritual enlightenment in post-Mao China.

We need to keep faith with the people and institutions of China who will move that society toward the reforms recently reaffirmed by China's top leaders. Our moves to maintain economic and commercial relations and to keep alive our student exchange programs are the material means of keeping that faith.

Since last November, the Administration has been faced with a series of decisions -- some forced by legislative action, some by timetables for projects, and some by indications from the Chinese themselves -- that caused the President to weigh the potential benefit of further sanctions against China against the risk they might pose to the forces for reform I have just spoken about.

The first of these decisions involved the Pelosi Bill, a well-intentioned and broadly supported act of Congress that sought to provide ironclad protections for Chinese students in this country from being forcibly returned to their homeland. Obviously, the easy and popular choice for the President would have been to sign this bill into law.

But there was another factor. Experience has taught us, after all, that unilaterally breaking agreements between governments -- in this case,

an understanding on official student exchanges -- inevitably invites retaliation. In this case, that retaliation could only be at the expense of those Chinese students and scholars who have yet to arrive on our shores. Signing the Pelosi Bill would have shut down the very process of exchange that remains so vital to strengthening the forces of reform in China.

The President therefore sought to create an alternative to signing the formal legislation. The President instead ordered administrative actions that accomplished all the objectives of the Pelosi Bill, and more. Some protections, such as those for people fearing forced abortion or sterilization at home and for employment authorization in this country, are actually broader protections than those offered by the Pelosi Bill itself. The President ordered these measures, as he vetoed the Bill, in the judgment and expectation that China would stay its hand at retaliation. That is, the President acted both to protect the students who are already here and to keep the door open for more to come. That door has not yet been closed.

This was not a popular decision, as everyone here knows. However, what the President chose to do was to lead rather than to follow public opinion, to risk part of his popularity by betting that sustaining a

relationship with China would eventually be seen as in the best, long-term interests of the United States. It pains me to think of the cartoons and the talk of "kowtowing" aimed at this decent President that followed his decision, a decision to do something constructive for the young people of China who have yet to know the benefits of time and study in our country. The cartoons and the talk of kowtowing were a cheap shot and the President did not deserve it.

More boldly yet, the President recognized in early December that it was time to determine whether a process could be started that would end the free fall in US-China relations and perhaps put those relations on an upward trajectory. Having heard over and over again that it was up to the United States to "untie the knot," as the Chinese often irritatingly put it, the President decided to step up to the challenge. As you know, he ordered General Scowcroft and Deputy Secretary Eagleburger to be his special emissaries to the Chinese leadership. Their mission had two elements: first, to brief China's leaders on the Malta Summit -- a recognition that China has not fallen out of the universe or become irrelevant to global and regional security. Second, they went to Beijing to tell the Chinese leaders unambiguously and directly -- not through intermediaries who might have their own reasons to soften or alter the

message -- of the harm that the events since Tiananmen have done to what had been a reservoir of good will toward China in the US.

By taking this action, in the sure knowledge that it would be very badly received in this country in many quarters, the President took a risk. It was a risk taken based on his experience over the years dealing with China, based on his personal acquaintance with many of China's leaders, and based on his judgment that it just might begin a process that will lead eventually to improvements in US-China relations that can be justified to the American people and to visible improvements in the lot of the people of China.

Well, what are the results? So far they are positive; modest, yes, but they represent concrete and symbolic movement in a direction most Americans I believe would recognize as favorable.

Let me cite some examples. In bilateral US-China relations, Beijing has agreed to resume discussions on the Fulbright program of scholarly exchanges. I very much doubt that our two countries' scholars would be moving forward in this well-regarded program had the Pelosi Bill become law.

Beijing has also agreed to accept Peace Corps volunteers for the first time, starting in September in Sichuan Province. Those of us who have nurtured this program along have known how sensitive it was for China to agree to it before Tiananmen, and we see it as a symbolically important step.

Beijing also accredited a resident correspondent from the Voice of America in Beijing. After all that was said to criticize our VOA's excellent staff and broadcast services in the months preceding, this step by the Chinese government is welcome.

Finally, on the bilateral front, we have chronicled a significant muting of hostile propaganda about the United States.

On the international plane, China's foreign ministry spokesman issued a statement that China will not sell medium range ballistic missiles to any Middle East countries and denied that China plans to sell M-9 missiles to Syria. This statement broadened previous Chinese statements on this subject, and addressed specific US concerns. While we will remain continuously watchful with regard to the issue of missile proliferation, especially to unstable regions, we view the Chinese statements as positive steps.

Internally, too, there is guarded, cautious movement in a direction which we see as right for our interests and right for the people of China. Early this month, China lifted the martial law regime imposed in Beijing last May. I know that many observers regard this action as largely "cosmetic." Despite the apparent additional precautionary measures taken by the Beijing authorities about the time of the lifting, however, the act itself is not without significance. After all, the process of reducing tensions has to begin somewhere, and I for one do not believe we should dismiss out of hand what was evidently a difficult Chinese decision to begin to respond to domestic and foreign calls for moderation. To do so, in fact, would provide a ready pretext for any in China who may want to prevent China's return to the path of reform.

I might add, as a footnote, that Congressional sanctions legislation which is still pending enactment specifically urged that martial law be lifted. We, like the Congress, support the call for lifting martial law in Tibet as well.

Just yesterday, Beijing took another internal step in releasing 573 people whom Beijing termed "lawbreakers who took part in the turmoil." Naturally we hope for the fullest possible accounting of all those

detained and sentenced since the Tiananmen events and for further acts of leniency and amnesty by the authorities. At the same time, we recognize that this action is another move in a direction we would like to see continued. It has some symbolic importance overall, and I suspect it was welcomed by the 573 people involved.

For our part, we have sought in very measured ways to promote the process we hope to see develop of preventing further deterioration and of putting our relations on a positive track. In December, for example, the President exercised his authority to permit the export of US-made, Australian-owned satellites for launch on Chinese rockets. This benefits our ally Australia; it demonstrates that we remain reliable suppliers; and it benefits our manufacturers.

The President also used his authority under the law to determine that it is in the national interest to maintain our modest Exim Bank programs with US companies doing business in the People's Republic of China.

In response to the lifting of martial law and to our observations of the general security situation in China, the State Department has modified its travel advisory for Americans resident in and visiting China. The standing travel advisory is now approximately at the level of that

prevailing prior to Tiananmen. This is of significance to US corporations responsible for employees and dependents in China and to tour operators and insurers.

Finally, since the President urged the suspension of international financial institution lending to China last June 20, no industrial or infrastructural loans have been processed for China by the World Bank and other similar lenders. During that interval, however, new loan proposals that may meet US criteria for what are called basic human needs have emerged, such as a relatively small earthquake relief loan package comparable to non-controversial loans issued in the past to Chile, for example. The Administration again has weighed its need to express American outrage over last year's events against our desire not to hurt the Chinese people. As a result, the US will not now discourage certain loans that meet basic human needs criteria and will examine them on a case-by-case basis.

Overall, I believe it is reasonable to say that the free fall in US-China relations has been arrested for the moment and that movement has begun in the right direction for US-China relations. The steps so far have been small, admittedly, and perhaps inevitably, given the

circumstances and mood in China and the prevailing feelings in the United States.

The danger is that this incremental progress will stall or that it will be set back. Since the Scowcroft-Eagleburger mission to Beijing in December, the Chinese have done things bilaterally and domestically that few in this country would agree are enough to restore our relations to what they were. The Administration knows that not enough has been done and will keep pressing for more.

To keep this process from derailing, however, requires consistency in our purpose and in the signals we send. Next week, I understand, the Congress plans to vote on whether to override the President's veto of the Pelosi Bill. As I pointed out earlier, a vote to override, however well-intentioned it may be, will not improve the protections afforded Chinese students or scholars here. A vote to override may, however, provide just the pretext needed for those in China long eager to stamp out these educational opportunities. The price of passing the Pelosi Bill may well be the lost chance for the Chinese students and scholars of the future.

Our ability to adhere to the longer term course of improving relations is not dependent on us alone. China has its responsibilities in advancing the process. Greater relaxation and reform, long advocated by China's present leaders in other circumstances, need to be realized. A China moving toward peace with itself is a China with which we can cooperate in peace.

China's behavior beyond its borders is equally important. It is vital for China to fulfill its responsibilities on the international scene. Destabilizing weapons and missile sales will not help; China is expected to honor the letter and spirit of its word. A China which desires advanced technology should protect the terms of its transfer and the rights of its producers. A China which seeks to enjoy the benefits of the international marketplace should subscribe to its rules.

China has an indispensable role in maintaining stability in the Asian region in particular. Key Asian and Pacific partners such as Japan, Australia and Hong Kong have supported our efforts to restore a stabilizing dialogue with Beijing. The ASEAN states likewise wish to see China peacefully integrated into the region. For these nations and the US, the conflict in Cambodia requires constructive participation by all concerned to bring about a comprehensive settlement.

Similarly, it is important that China continue to promote stability on the Korean peninsula. China's fundamental policy of seeking reunification with Taiwan by peaceful means remains a major consideration. Moderate policies in Beijing play a part in the evolution of peaceful interchange across the Taiwan Strait, lowering tensions and fostering a stable Asian and international environment.

A wise scholar on China, Jonathan Spence, wrote a book entitled To Change China , in which he chronicled the attempts of many well-meaning foreigners to bring the benefits of their way of thinking -- whether it was Christianity, or science, or philosophy or politics -- to China. The consistent finding of Spence's research was that the results obtained bore no resemblance to the glorious intentions motivating those who would change China. This history should sober all of us today as we measure our own prescriptions for US policy toward this ancient giant of Asia.

I have described this administration's approach, which seeks to reinforce those trends in China toward opening to the outside world, toward reform, toward modernization. I am convinced that this approach is

more likely to favor the forces of relaxation within China than a policy built solely on isolation, embargo and sanction.

The policies pursued in the last decade by five administrations of both parties, consonant with those of a daring and clear-thinking Chinese leadership, made an important difference to the Chinese people, and helped make the region and world safer. There have been setbacks, and a most sorrowful one occurred last year, and there will probably be more setbacks in the decades ahead. Our policy, however, should view China with realism, with patience and with an eye to the future and not the past.

NATIONAL SECURITY COUNCIL

18-Jan-1990 03:53 EDT

MEMORANDUM FOR:
JNET%"MOORER@VAXC"@WHSR"@MRGATE

FROM: VMSMail User _JNET%"WHSR
(_JNET%"WHSR@WHSR"@MRGATE)

SUBJECT:

Received: From WHSR(WHSR) by VAXC with Jnet id 6049
for MOORER@VAXC; Thu, 18 Jan 90 03:53 EST
Date: Thu, 18 Jan 90 03:49 EST
From: <WHSR@WHSR>
To: MOORER@VAXC
Original_To: JNET%"MOORER@VAXC"

<DIST>
SIT: MOORER

<ORIG>
FBIS

<TOR>
900118034612

<TEXT>
FBIS 026
UNCLAS 1K
PRC: SECURITY MINISTRY SAYS 573 INVOLVED IN RIOTS RELEASED
OW1801084390 BEIJING XINHUA IN ENGLISH 0825 GMT 18 JAN 90
[TEXT] BEIJING, JANUARY 18 (XINHUA)--A TOTAL OF 573 LAW-BREAKERS WHO TOOK PART IN THE TURMOIL WHICH OCURRED IN APRIL AND DEVELOPED INTO COUNTER-REVOLUTIONARY REBELLION IN EARLY JUNE LAST YEAR HAVE BEEN RELEASED RECENTLY BECAUSE DURING INVESTIGATIONS THEY PLEADED GUILTY AND SHOWED REPENTANCE, A SPOKESMAN FOR THE MINISTRY OF PUBLIC SECURITY SAID HERE TODAY.

THE SPOKESMAN SAID THAT THE PUBLIC SECURITY DEPARTMENTS HAVE ALWAYS STRICTLY OBSERVED THE LAW AND PROCEEDED FROM FACTS IN DEALING WITH THESE LAW-BREAKERS WHO TOOK PART IN THE COUNTER-REVOLUTIONARY RIOTS.

"OUR POLICY," HE SAID, "IS TO EDUCATE ANYONE WHO CAN BE EDUCATED AND TEMPER PUNISHMENT WITH LENIENCY."

HE HOPED THAT THOSE WHO TOOK PART IN THE TURMOIL AND COUNTER-REVOLUTIONARY RIOTS, BROKE THE LAW AND OBSTINATELY STUCK TO THE WRONG COURSE WOULD UNDERSTAND THE SITUATION, REPENT IMMEDIATELY AND

PLEAD GUILTY FOR LENIENCY.
18 JAN 0844Z WJM
NNNN

NATIONAL SECURITY COUNCIL

18-Jan-1990 10:38 EDT

~~CONFIDENTIAL~~

MEMORANDUM FOR: SEE BELOW

FROM: Douglas H. Paal
(PAAL)

SUBJECT: Chinese release prisoners

Please ensure the General sees this cable ASAP. Thanks.

Distribution:

FOR:	Florence E. Gantt	(GANTT)
FOR:	Wilma G. Hall	(HALL)
CC:	Karl Jackson	(JACKSON)
CC:	Virginia A. Lampley	(LAMPLEY)
CC:	Roman Popadiuk	(POPADIUK)
CC:	William Harlow	(HARLOW)

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White House Guidelines
E.O. 13526, SEC 3.4 (b), September 11, 2006
By [illegible] NARA, Date 11/27/12

NATIONAL SECURITY COUNCIL

18-Jan-1990 06:19 EDT

MEMORANDUM FOR:
JNET%"PAAL@VAXC"@WHSR"@MRGATE

FROM: VMSMail User _JNET%"WHSR
(_JNET%"WHSR@WHSR"@MRGATE)

SUBJECT:

Received: From WHSR(WHSR) by VAXC with Jnet id 2593
for PAAL@VAXC; Thu, 18 Jan 90 06:19 EST
Date: Thu, 18 Jan 90 06:15 EST
From: <WHSR@WHSR>
To: PAAL@VAXC
Original_To: JNET%"PAAL@VAXC"

<DIST>
PRT: SIT
SIT: PAAL MOORER SIT SUM VAX

<PREC>
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~~CONFIDENTIAL~~
<OSRI>
RUEHBJ
<DTG>
181051Z JAN 90

<ORIG>
FM AMEMBASSY BEIJING

<TO>
TO RUEHC/SECSTATE WASHDC IMMEDIATE 9266
INFO RUEHSH/AMCONSUL SHENYANG 0205
RUEHHK/AMCONSUL HONG KONG 6947
RUEHGZ/AMCONSUL GUANGZHOU 1074
RUMJSA/AMCONSUL SHANGHAI 2546
RUEHIN/AIT TAIPEI
RUEHMO/AMEMBASSY MOSCOW 3669
RUEHUL/AMEMBASSY SEOUL 0925
RUEHKO/AMEMBASSY TOKYO 1576
RUHQHQA/USCINCPAC HONOLULU HI
ZEN/AMCONSUL CHENGDU POUCH

DECLASSIFIED
PER E.O. 13526
2009-1171-MR
Ej 3110115

THE PRESIDENT HAS SEEN

<SUBJ>
SUBJECT: CHINA ANNOUNCES RELEASE OF 573 DETAINEES

<TEXT>
BT
~~C O N F I D E N T I A L~~
LIMITED OFFICIAL USE BEIJING 01939
USCINCPAC FOR KILLION
NSC FOR DOUG PAAL
DEPARTMENT ALSO PASS TO HA, PA, EAP/CM
E.O.12356: NA
TAGS: PHUM, PREL, PGOV, CH, US
SUBJECT: CHINA ANNOUNCES RELEASE OF 573 DETAINEES
REF: 89 BEIJING 35417
1. A SPOKESMAN FOR THE MINISTRY OF PUBLIC SECURITY ANNOUNCED JANUARY 18 THAT 573 "LAWBREAKERS INVOLVED IN THE TURMOIL" LAST SPRING WERE RECENTLY RELEASED, ACCORDING TO THE OFFICIAL XINHUA NEWS SERVICE. THE SPOKESMAN WAS REPORTED TO HAVE SAID THE DEMONSTRATORS WERE RELEASED AFTER "THEY PLEADED GUILTY AND SHOWED REPENTANCE." THE SPOKESMAN STATED THAT THE "LAWBREAKERS" WERE DEALT WITH ACCORDING TO THE LAWS OF CHINA. HE EXPRESSED THE HOPE THAT OTHERS WHO PARTICIPATED IN THE "TURMOIL AND COUNTER-REVOLUTIONARY RIOTS" WOULD "REPENT IMMEDIATELY AND PLEAD GUILTY FOR LENIENCY."
2. COMMENT: WE AND THE RESIDENT FOREIGN PRESS ARE UNABLE TO OBTAIN FURTHER INFORMATION FROM THE MINISTRY ON THE NAMES OF THOSE RELEASED, WHEN THEY WERE FREED, THE NATURE OF THEIR "OFFENSE," AND HOW MANY REMAIN IN PRISON. THE MFA GAVE NO INDICATION THAT THE GOVERNMENT WOULD ANNOUNCE THE RELEASE OF PRISONERS DURING ITS REGULAR THURSDAY FOREIGN PRESS BRIEFING. WE HAVE REPORTED ON A FEW WHO WERE RECENTLY RELEASED (REFTEL), BUT THEY DID NOT PLAY AN ACTIVE ROLE IN THE SPRING DEMONSTRATIONS. END COMMENT.
LILLEY
BT
#1939

<SECT>
SECTION: 01 OF 01
<SSN>
1939
<TOR>
900118061352 MSG000253952032

IMMEDIATE

~~SECRET~~

WHITE HOUSE SITUATION ROOM

PAGE 01

PRT: SCOWCROFT SDO
SIT: PRIVACY-IN FILE SIT

<PREC> IMMEDIATE <CLAS> ~~SECRET~~ <DTG> 180257Z JAN 90

FM AMEMBASSY BEIJING

TO THE WHITE HOUSE

~~S E C R E T~~ 180255Z JAN 90 PRIVACY CHANNELS
FM AMBASSADOR LILLEY, BEIJING 011
TO THE WHITE HOUSE, IMMEDIATE EYES ONLY FOR
GENERAL SCOWCROFT.
BEGIN TEXT
1. OUR ADDITIONAL SUGGESTION FOR YOUR NEXT MEETING WITH AMBASSADOR ZHU QIZHEN:

THE NATURAL QUID PRO QUO FOR A CHINESE AMNESTY IS INTERNATIONAL FINANCIAL INSTITUTION (IFI) LOANS, NOT MILITARY DELIVERIES, MILITARY VISITS, OR HIGH-LEVEL EXCHANGES. WE HAVE A LAW WHICH MANDATES THAT THE U.S. VOTE AGAINST LOANS OF IFI TO COUNTRIES WITH A CONSISTENT RECORD OF VIOLATING HUMAN RIGHTS. CHINA IS SUCH A COUNTRY. HOWEVER, THERE CAN BE A DIFFERENCE BETWEEN REALITY AND PERCEPTION. IF CHINA WORKS SUCCESSFULLY TO CHANGE ITS IMAGE ON HUMAN RIGHTS, IFI LOANS WILL EXPAND FROM BASIC HUMAN NEEDS. THIS IS SOMETHING THE CHINESE SHOULD UNDERSTAND CLEARLY: MONEY FOR DEFINITE PROGRESS.

2. PLEASE PASS THIS AND MY OTHER MESSAGE TO SECRETARY BAKER.
END TEXT.
#0031

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PER E.O. 13526
2009-1171-MR
Ej 3/10/15

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
11. Cable	Ambassador Lilley to General Scowcroft Re: American Embassy Beijing (2 pp.)	1/17/90	(b)(1)	S

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Files
Series: Special Separate China Notes Files
Subseries: China Files
WHORM Cat.:
File Location: China 1990 (Sensitive) [3]

Document Partially Declassified
(Copy of Document Follows)
By ES On 4/26/22

Date Closed:	5/8/2009	**OA/ID Number:**	91137-003
FOIA/SYS Case #:	2009-0275-S	**Appeal Case #:**	
Re-review Case #:		**Appeal Disposition:**	
P-2/P-5 Review Case #:		**Disposition Date:**	
AR Case #:		**MR Case #:**	2009-1170-MR (500)
AR Disposition:		**MR Disposition:**	Released in Part
AR Disposition Date:		**MR Disposition Date:**	6/4/2015

RESTRICTION CODES

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

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

Deed of Gift Restrictions

C(1) Closed by Executive Order 13526, governing access to national security information
C(2) Closed by statute or by the agency which originated the information
C(3) Closed in accordance with restrictions contained in donor's deed of gift [formerly listed as only C]
PRM. Removed as a personal record misfile

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

P-2 Relating to the appointment to Federal office [(a)(2) 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]

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<PREC> IMMEDIATE <CLAS> ~~SECRET~~ <DTG> 171102Z JAN 90

FM [1.4(c)] BEIJING

TO THE WHITE HOUSE

~~S E C R E T~~ 171045ZZ JAN 90 PRIVACY CHANNELS
FM AMBASSADOR LILLEY, BEIJING 011
TO THE WHITE HOUSE, IMMEDIATE EYES ONLY FOR
GENERAL SCOWCROFT.
BEGIN TEXT

REF: AMEMBASSY BEIJING 01559

1. ZHU'S NEXT CALL OFFERS YOU AN EXCELLENT CHANCE TO MAKE TIMELY POINTS. BUT FIRST, WE MUST SEPARATE FMS AND EXCHANGES OF MILITARY VISITS FROM RESUMPTION OF HIGH-LEVEL VISITS. THE CHINESE, BY PRESSING HARD IN WASHINGTON ON THESE ISSUES AT THIS TIME AND DRAGGING THEIR FEET HERE, ARE PROBABLY TRYING TO LINK INDIRECTLY THEIR RELEASE OF FANG TO A COMMITMENT FROM YOU ON LIFTING THESE SANCTIONS. WE CANNOT ACCEPT THIS. I PROPOSE YOU TELL ZHU THAT:

-- FANG'S RELEASE, AS POINTED OUT TO ZHU BY SECRETARY BAKER ON 27 NOVEMBER 1989, WOULD FACILITATE A HIGH-LEVEL VISIT BY SECRETARY GENERAL JIANG ZEMIN. THE MOOD IN THE U.S. NEEDS TO BE CHANGED FOR THE BETTER FOR SUCH A VISIT TO SUCCEED. WE CAN AFFORD THIS PARTICULAR LINKAGE, AND WE HAVE USED THIS TYPE OF LEVERAGE EFFECTIVELY BEFORE--AS IN KOREA WITH PRESIDENT CHUN AND KIM DAE JUNG.

-- OUR TALKS ON FANG'S RELEASE IN BEIJING HAVE ALMOST REACHED AGREEMENT. FANG HAS SHOWN FLEXIBILITY IN MEETING CHINESE REQUIREMENTS, AND THESE TALKS SHOULD BE CONCLUDED IMMEDIATELY AND SUCCESSFULLY.

2. AS FOR TIMING, I SUGGEST YOU SEE ZHU AFTER OUR NEXT MEETING WITH THE CHINESE HERE WHICH WE HOPE TO SCHEDULE FOR 19 JANUARY

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2009-1170-MR
ES 6/14/15

A.M. I WILL NEED COMMENTS FROM STATE IN RESPONSE TO MY RECOMMENDATIONS IN REFTEL. PRIOR TO THE MEETING.

3. I SUGGEST YOU POINT OUT TO ZHU THAT MILITARY PROGRAMS AND HIGH LEVEL EXCHANGES MUST BE HANDLED SEPARATELY. AND THESE PROGRAMS COULD BE IN JEOPARDY. THE MOOD OF CONGRESS MUST BE CHANGED OR WE COULD FACE LONG-TERM CONGRESSIONAL RESTRICTIONS ON MILITARY DELIVERIES PASSED OVER A PRESIDENTIAL VETO. IT IS THEREFORE PREMATURE TO DISCUSS A TIME SCHEDULE FOR MILITARY VISITS OR FMS DELIVERIES UNTIL WE HAVE WORKED TOGETHER TO CHANGE THE MOOD.

4. ON LENIENCY, THE CHINESE, IN CHARACTERISTIC FASHION, ARE LEAKING THE NEWS IN TOKYO AND HONG KONG AND AMONG FOREIGN NEWSMEN IN BEIJING TO BUILD UP POPULAR INTEREST IN THEIR PENDING ANNOUNCEMENT. THEY DID THIS WITH MARTIAL LAW LIFTING. WE CANNOT CONTROL THIS. VICE FOREIGN MINISTER LIU HUAQIU TOLD ME OF THE AMNESTY TALKS WITH YOU IN OUR MEETING ON 15 JANUARY. THIS WAS THE FIRST OFFICIAL WORD WE HAD OF IT, AND WE REPORTED THIS IN NODIS/MARKET CHANNELS. WE HAVE SAID NOTHING ELSE, BUT THE SPECULATION HERE IS RAMPANT, FED BY THE CHINESE DELIBERATE LEAKS.

END TEXT.

~~S E C R E T~~

#1247

January 16, 1990

General --

The Chinese have again asked Doug Paal about the dinner they wish to host for you and the people that accompanied you to China. They have now come back saying that perhaps they can host two dinners:

One for Mr. Eagleburger and the approprite people from State

One for you and the appropriate people from your staff

Doug says you probably will say it is too soon but he wanted to run it by you again.

Too soon ✓ Suggest _____

Other _____

Florence

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
12a. Cable	From White House Re: Message to Ambassador Lilley from Brent Scowcroft (3 pp.)	1/16/90	(b)(1)	S

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Files
Series: Special Separate China Notes Files
Subseries: China Files
WHORM Cat.:
File Location: China 1990 (Sensitive) [3]

Document Partially Declassified
(Copy of Document Follows)
By ES On 4/26/22

Date Closed:	5/8/2009	**OA/ID Number:**	91137-003
FOIA/SYS Case #:	2009-0275-S	**Appeal Case #:**	
Re-review Case #:		**Appeal Disposition:**	
P-2/P-5 Review Case #:		**Disposition Date:**	
AR Case #:		**MR Case #:**	2009-1170-MR (501)
AR Disposition:		**MR Disposition:**	Released in Part
AR Disposition Date:		**MR Disposition Date:**	6/4/2015

RESTRICTION CODES

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

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(b)(3) Release would violate a Federal statute
(b)(4) Release would disclose trade secrets or confidential or financial information
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(b)(7) Release would disclose information compiled for law enforcement purposes
(b)(8) Release would disclose information concerning the regulation of financial institutions
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Deed of Gift Restrictions

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C(2) Closed by statute or by the agency which originated the information
C(3) Closed in accordance with restrictions contained in donor's deed of gift [formerly listed as only C]
PRM. Removed as a personal record misfile

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

P-2 Relating to the appointment to Federal office [(a)(2) 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]

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PRT: COMM OLEARY SIGLER SCOWCROFT
SIT: COO PRIVACY OUT FILE SIT

PREC> IMMEDIATE <CLAS> ~~SECRET~~ <DTG> 161651Z JAN 90

FM WHITE HOUSE

TO 1.4(c) BEIJING

~~S E C R E T~~ VIA PRIVACY CHANNELS
QQQQ
PLEASE DELIVER THE FOLLOWING EYES ONLY MESSAGE TO AMBASSADOR LILLEY FROM BRENT SCOWCROFT.

1. ON SATURDAY, JANUARY 13, ZHU QIZHEN CALLED ON ME TO PRESENT AN ORAL MESSAGE (TEXT IN PARA. 5 BELOW) RESPONDING TO OUR CALL FOR CHINA TO ISSUE AN AMNESTY. THIS IS ANOTHER POSITIVE STEP BY THE CHINESE SIDE IN ADVANCE OF THE RETURN OF CONGRESS. I STRESSED TO ZHU HOW IMPORTANT IT WILL BE TO ANNOUNCE "LENIENCY" FOR THE PROTESTORS IN TERMS THAT ARE AS POSITIVE AS POSSIBLE. DOUG PAAL FOLLOWED UP WITH A CALL TO THE EMBASSY URGING THAT THE WORD "AMNESTY" BE USED IN ANY CHINESE ANNOUNCEMENT, SO AS TO REDUCE THE KIND OF NEGATIVE NEWS THAT THE MEASURES FOLLOWING MARTIAL LAW PRODUCED.

2. ZHU STRESSED THAT THE STEPS ON MARTIAL LAW AND "LENIENCY" FOR PROTESTORS WERE NOT EASY. HE SAID HE HOPES THERE WILL BE A PACKAGE SOLUTION AND ASKED WHETHER THERE WILL BE CORRESPONDING STEPS TAKEN BY THE US. I EMPHASIZED THE NEED TO CALCULATE THE PACE AT WHICH WE MOVE SO AS TO BRING THE CONGRESS ALONG WITH THE PRESIDENT'S POLICY. I MADE CLEAR THAT THE WORLD BANK LOAN DECISION HAS EVENTUAL BROAD IMPLICATIONS FOR LENDING BEYOND THE BHN CATEGORY.

3. AT THE END OF THE MEETING, ZHU AGAIN ASKED, "CAN I EXPECT, BECAUSE IT IS VERY UNCLEAR ABOUT THE TIMETABLE FROM THE AMERICAN

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2009-1170-MR
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SIDE ON THE SANCTIONS, AND HOPE THAT IN THE NEXT FEW DAYS TIME, YOU OR SECRETARY EAGLEBURGER CAN MEET WITH ME ON A TIMETABLE FOR, FOR EXAMPLE, THE FMS PROGRAMS, EXCHANGES OF MILITARY VISITS, RESUMPTION OF HIGH LEVEL VISITS? WHAT IS GENERALLY YOUR TIMETABLE ON WHAT WILL BE DONE?" I SAID WE WOULD GET BACK TO ZHU.

4. I WOULD APPRECIATE ANY THOUGHTS YOU MAY HAVE ON THE NEXT STEPS. FYI, WE ARE TREATING THE IMPENDING ANNOUNCEMENT OF "LENIENCY" AS VERY SENSITIVE AND HAVE LIMITED THE INFORMATION TO ONLY A FEW PEOPLE HERE. I DO NOT WANT ANY LEAKS ON THIS SUBJECT FROM OUR SIDE, AS YOU CAN UNDERSTAND. ALSO FYI, LARRY EAGLEBURGER KNOWS OF THIS MESSAGE AND ASKED ME TO SEND IT.

5. TEXT OF ORAL MESSAGE: "FOLLOWING THE JUNE 4 INCIDENT, IT WAS MAINLY THE ORGANIZERS, AGITATORS AND THOSE WHO INSTIGATED THE RIOTS, AS WELL AS THOSE WHO COMMITTED SERIOUS CRIMES SUCH AS BEATING, SMASHING AND LOOTING, WHO WERE DETAINED BY THE BEIJING MUNICIPAL SECURITY AUTHORITIES IN ACCORDANCE WITH THE LAW. EXCEPT FOR A VERY SMALL NUMBER WHO WERE ARRESTED AND PUNISHED BY LAW FOR SERIOUS OFFENSE, MOST HAVE BEEN AND WILL BE RELEASED IN A SPIRIT OF LENIENCY.

"THIS IS THE FULL EXPRESSION OF OUR POLICY OF LENIENCY TOWARD THOSE WHO PARTICIPATED IN THE TURMOIL AND RIOTS. IT IS ALSO AN EXPRESSION OF CHINA'S POLITICAL STABILITY. FURTHERMORE, IT IS ANOTHER MAJOR STEP BY THE CHINESE SIDE TO IMPROVE U.S.-CHINA RELATIONS. IT WILL BE MADE PUBLIC AT AN APPROPRIATE TIME. WE APPRECIATE THE REACTION OF THE UNITED STATES GOVERNMENT AND PRESIDENT BUSH HIMSELF TOWARD LIFTING OF MARTIAL LAW. WE REGRET AND FIND UNACCEPTABLE STATEMENTS BY SOME SENIOR AMERICAN OFFICIALS AND U.S. SIDE'S POSITION THAT THE U.S. WILL CONTINUE TO DISCOURAGE WORLD BANK INDUSTRIAL LOANS TO CHINA. WE HOPE THAT YOUR SIDE WILL TAKE FURTHER STEPS FOR RESTORING AND DEVELOPING U.S.-CHINA RELATIONS.

WHITE HOUSE SITUATION ROOM

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"ACCORDING TO VARIOUS REPORTS, VICE PRESIDENT QUAYLE ADVISED A JAPANESE MINISTER AGAINST RESUMING LOANS AND IMPROVING RELATIONS WITH CHINA. IF TRUE, THIS WOULD BE INCONSISTENT WITH THE REPEATEDLY EXPRESSED DESIRE IN THE STATEMENTS OF PRESIDENT BUSH AND THE USG TO IMPROVE AND RESTORE RELATIONS. WE HOPE THE U.S. POSITION WILL NOT DEVIATE FROM THE STATED POSITION." END TEXT.

.

DECL: OADR
#0105

~~SECRET~~

To AMEMBASSY BEIJING
From WHITE HOUSE

VIA PRIVACY CHANNELS

EYES ONLY FOR AMBASSADOR LILLEY FROM BRENT SCOWCROFT

1. On Saturday, January 13, Zhu Qizhen called on me to present an oral message (text in para. 5 below) responding to our call for China to issue an amnesty. This is another positive step by the Chinese side in advance of the return of Congress. I stressed to Zhu how important it will be to announce "leniency" for the protestors in terms that are as positive as possible. Doug Paal followed up with a call to the Embassy urging that the word "amnesty" be used in any Chinese announcement, so as to reduce the kind of negative news that the measures following martial law produced.

2. Zhu stressed that the steps on martial law and "leniency" for protestors were not easy. He said he hopes there will be a package solution and asked whether there will be corresponding steps taken by the US. I emphasized the need to calculate the pace at which we move so as to bring the Congress along with the President's policy. I made clear that the World Bank loan decision has eventual broad implications for lending beyond the BHN category.

3. At the end of the meeting, Zhu again asked, "Can I expect, because it is very unclear about the timetable from the American side on the sanctions, and hope that in the next few days time, you or Secretary Eagleburger can meet with me on a timetable for, for example, the FMS programs, exchanges of military visits, resumption of high level visits? What is generally your timetable on what will be done?" I said we would get back to Zhu.

4. I would appreciate any thoughts you may have on the next steps. FYI, we are treating the impending announcement of "leniency" as very sensitive and have limited the information to only a few people here. I do not want any leaks on this subject from our side, as you can understand. Also FYI, Larry Eagleburger knows of this message and asked me to send it.

~~SECRET~~

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ES 6/4/15

~~SECRET~~

5. Text of oral message: "Following the June 4 incident, it was mainly the organizers, agitators and those who instigated the riots, as well as those who committed serious crimes such as beating, smashing and looting, who were detained by the Beijing municipal security authorities in accordance with the law. Except for a very small number who were arrested and punished by law for serious offense, most have been and will be released in a spirit of leniency.

"This is the full expression of our policy of leniency toward those who participated in the turmoil and riots. It is also an expression of China's political stability. Furthermore, it is another major step by the Chinese side to improve U.S.-China relations. It will be made public at an appropriate time. We appreciate the reaction of the United States Government and President Bush himself toward the lifting of martial law. We regret and find unacceptable statements by some senior American officials and the U.S. side's position that the U.S. will continue to discourage World Bank industrial loans to China. We hope that your side will take further steps for restoring and developing U.S.-China relations.

"According to various reports, Vice President Quayle advised a Japanese minister against resuming loans and improving relations with China. If true, this would be inconsistent with the repeatedly expressed desire in the statements of President Bush and the USG to improve and restore relations. We hope the U.S. position will not deviate from the stated position." End text.

BT

Office of the Attorney General
Washington, D. C. 20530

7 PM 1:06

January 16, 1990

The President
The White House
Washington

My dear Mr. President:

On November 30, 1989, you directed me to take certain actions to improve the immigration status of nationals of the People's Republic of China ("PRC") currently in the United States. You requested that I report to you on the status of these actions. This letter sets forth the actions I have taken. In each instance, the action I have taken affords relief equivalent to, or greater than, the relief that would have been provided by H.R. 2712 (the "bill"). (I have attached copies of my letter to the Immigration and Naturalization Service ("INS") of December 1, 1989, and INS' cable to its field offices of the same date, implementing your directives).

1. You directed that I provide PRC nationals with an irrevocable waiver, that they may exercise until January 1, 1994, of the foreign residence requirement of 8 U.S.C. § 1182(e).

I have waived this requirement for all PRC aliens present in the United States as of December 1, 1989. This waiver is irrevocable. Any such alien who makes a nonfrivolous application for adjustment or any change of status may avail himself of the waiver until January 1, 1994. This action provides adjustment relief equivalent to that provided by the bill.

2. You directed that I take steps to assure the continued lawful status of PRC aliens lawfully present in the United States on June 5, 1989.

I have directed that PRC aliens who were in lawful status as of June 5, 1989, be considered to have maintained lawful status for the purposes of adjustment or change of nonimmigrant status. Again, this action provides relief equivalent to that provided by the bill.

3. You directed that I provide authorization for employment of PRC nationals present in the United States on June 5, 1989.

I have directed that INS grant all PRC aliens who were present in the United States as of June 5, 1989, the necessary authorization to engage in employment. This action provides employment opportunities greater than those afforded by the bill which would have granted employment authorization only to certain PRC aliens, i.e., Chinese students in the F, J, or M visa categories.

4. You directed that I provide notice of expiration of nonimmigrant status, rather than institution of deportation proceedings, to PRC aliens who are eligible for deferral of enforced departure and whose nonimmigrant status has expired.

I have directed that any PRC aliens who are eligible for deferral of enforced departure and whose authorized period of stay has expired be given notice of expiration of nonimmigrant status. This notice will be nonadversarial in nature and will explain the options available. This action provides for notification equivalent to that required by the bill.

5. Finally, you directed that I provide for enhanced consideration under the immigration laws for individuals from any country who express a fear of persecution upon return to their country related to that country's policy of forced abortion or sterilization.

I have directed that, with respect to all applications for asylum, withholding of deportation, and refugee status, careful consideration be given to applicants expressing fear of persecution related to family planning policies of forced abortion or sterilization. If an applicant establishes that the applicant has refused to abort or to be sterilized, he or she will be considered to have established a well-founded fear of persecution. All other factors that may contribute to a determination of eligibility for asylum, withholding of deportation, and refugee status, will also be given additional weight. These actions provide broader relief to persons fearing coercive family planning policies than that provided by the bill, which extended only to PRC aliens. Draft regulations to implement this directive, effective upon publication, will be available within a week.

In addition to these measures, INS has established an Outreach Program to assist PRC aliens in the United States. INS has held briefings and consultations with representatives of PRC student leaders, the National Association of Foreign Student Affairs, and private groups interested in the PRC, to inform them of available options. Many INS district offices have also arranged meetings with local Chinese community and educational

institutions. Each INS District Office has designated a point of contact specifically to assist PRC nationals under this program.

INS field offices are also making every effort to expedite the processing of applications for benefits provided under the emergency relief measures. As of January 12, 1990, INS has granted work authorization to 2,779 PRC nationals; granted adjustment to permanent resident status for 87, with 108 cases still pending; authorized a change in temporary status for 225; and granted waivers of the foreign residence requirement of section 1182(e) for 70.

Initial results of the program indicate that these outreach efforts have been successful and that PRC aliens are aware of the available options and are filing applications. Of course, I will continue to monitor developments to assure the success of your policy of providing necessary relief to PRC nationals present in the United States.

Sincerely,

Dick Thornburgh
Attorney General

Office of the Attorney General
Washington, D. C. 20530

December 1, 1989

Honorable Gene McNary
Commissioner
Immigration and Naturalization Service
7100 Chester Arthur Building
425 Eye Street
Washington, D.C. 20536

Dear Commissioner:

I am writing to you with regard to an issue of great concern to the President and this Department: the status of Chinese nationals who, as of June 5, 1989, were present in the United States ("Chinese aliens"). In order to eliminate any concern about their status and to make clear that they are entitled to remain in the United States, I am directing the Immigration and Naturalization Service (INS) to undertake the following steps.

First, I have received a favorable recommendation from the United States Information Agency that I waive the two-year foreign residency requirement found in 8 U.S.C. § 1182(e) for Chinese aliens who, as of June 5, 1989, were present in the United States. I have determined that the admission of these aliens into the United States is in the public interest. Therefore, I hereby waive the two-year residency requirement for any such alien. These waivers are irrevocable and may be exercised until January 1, 1994 by any such alien who makes a nonfrivolous application for adjustment or any change of status. 8 U.S.C. § 1182(e).

Second, I direct that Chinese aliens who were in lawful status as of June 5, 1989 shall be considered to have maintained lawful status for purposes of adjustment of status or change of nonimmigrant status.

Third, INS shall grant all Chinese aliens the necessary authorization to engage in employment.

Fourth, any Chinese aliens who are eligible for deferral of enforced departure and whose authorized period of stay has expired shall be given a notice of expiration of nonimmigrant status. Such notice shall be nonadversarial in nature and shall contain an explanation of the options available to such aliens pursuant to my directives and those of INS.

Finally, with respect to the adjudication of all applications to the Executive Branch for asylum, withholding of deportation, or refugee status, careful consideration shall now be given to such an applicant who expresses a fear of persecution upon return to their country related to that country's family planning policy of forced abortion or coerced sterilization. If the applicant establishes that such an applicant has refused to abort or be sterilized, then the applicant will now be considered to have established a well-founded fear of persecution on the basis of political opinion. 8 U.S.C. § 1101(a)(42). All other factors (such as overt political activities, membership in an ethnic or religious minority, and family background and history) which may contribute to a determination that an applicant is eligible for asylum, withholding of deportation, or refugee status, are also to be given additional weight. INS shall, in consultation with the Executive Office for Immigration Review and the Department of State, issue any necessary implementing regulations.

Sincerely,

Dick Thornburgh
Attorney General

cc: David L. Milhollan

POSITIVE STEPS BY CHINA

-- Following the Scowcroft trip, China muted its propaganda attacks on the US.

-- Beijing publicly denied it will sell M-9 missiles to Syria and added a broader assurance for the first time that it will sell no medium range ballistic missile to any Middle East country.

-- The Chinese reopened discussions to resume the Fulbright exchange program. Beijing had suspended it last summer in response to Chinese hardliners who see the program as an agency of "bourgeois" influence.

-- The Chinese reversed themselves and agreed to receive the first Peace Corps volunteers, on schedule in Sichuan Province next September. Again this has been a sensitive issue inside China, with hardliners arguing that the volunteers are spies or carriers of "bourgeois democracy."

-- More importantly, China lifted martial law in Beijing. The implications of this move are complex, and the action has not fundamentally changed the situation at one stroke. But hardliners were anxious to retain the extra powers given them by martial law, and symbolically it is very significant

that the regime has shown it is willing to bend to foreign pressure. To declare that the lifting of martial law is anything other than a positive step runs the risk of strengthening those who refuse to bend.

-- On January 18, Beijing announced it had recently released 573 people termed "lawbreakers who took part in the turmoil." While we still seek the fullest possible accounting of all those detained and sentenced since Tiananmen and seek further acts of amnesty and leniency, we see this as a move in the right direction.

-- Our Embassy in Beijing is no longer being harrassed by security forces and is back to the situation prior to Tiananmen. Our Ambassador's access is greatly improved.

COMPARISON OF PRESIDENT'S DIRECTIVE AND PELOSI BILL

Topic	Pelosi Bill	President's Directive
o Foreign residency waiver for exchange scholars (J visa holders)	When J visa holder applies for change of status to some other non-immigrant or immigrant status, foreign residency requirement is waived by INS	Same as Pelosi Bill
-- Who may obtain foreign residency waiver	All J visa holders in U.S. on date of enactment	All J visa holders in U.S. on December 1, 1989
-- Period during which foreign residency waiver may be obtained	Must be exercised by November 30, 1993	Must be exercised by January 1, 1994
o Employment authorization	Only to certain PRC nationals in lawful status on June 5, 1989	To <u>all</u> PRC nationals in U.S. on June 5, 1989
o Extension of lawful status (until application for adjustment of status) to PRC non-immigrant visa holders whose visas expire	To all PRC nationals in lawful status on June 5, 1989	Same as Pelosi Bill
o Nonadversarial notice of expiration of visa status, with no enforced departure	Applies to those PRC nationals eligible for deferral of enforced departure under Attorney General's directive	Same as Pelosi Bill
o Enhanced consideration for asylum cases arising in connection with policies of forced abortion and sterilization	Applies only to PRC nationals	Applies to <u>all</u> foreign nationals

~~SECRET~~

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Chinese Ambassador Zhu Qizhen, January 13, 1990

PARTICIPANTS: Brent Scowcroft, National Security Advisor
Robert M. Gates, Deputy National Security Advisor
Douglas H. Paal, NSC, Notetaker

Ambassador Zhu Qizhen
Counselor Chen Mingming, Interpreter

DATE, TIME AND PLACE: Saturday, January 13, 1990, 11:28 a.m.- 11:45 a.m. EST, West Wing

General Scowcroft and Ambassador briefly exchanged greetings.

Ambassador Zhu: I have been instructed to pass to you an oral message, and if I may, I will just read it: "We have stated on numerous occasions that those who merely participated in the turmoil and riots last June will not be punished. Even those who have pled guilty to crimes will be treated leniently.

"Following the June 4 incident, it was mainly the organizers, agitators and those who instigated the riots, as well as those who committed serious crimes such as beating, smashing and looting, who were detained by the Beijing municipal security authorities (prompting by Chen Mingming) in accordance with the law. Except for a very small number who were arrested and punished by law for serious offense, most have been and will be released in a spirit of leniency." The total number may well exceed 500, although we do not have the exact number, the number of those who have been and will be released.

(Continuing to read) "This is the full expression of our policy of leniency toward those who participated in the turmoil and riots. It is also an expression of China's political stability. Furthermore, it is another major step by the Chinese side to improve US-China relations. It will be made public at an appropriate time." I don't know when it will be made public.

~~SECRET~~
Declassify on: OADR

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(Continuing to read) "We appreciate the reaction of the United States Government and President Bush himself toward the lifting of martial law. We regret and find unacceptable statements by some senior American officials and the US side's position that the US will continue to discourage World Bank industrial loans to China. We hope that your side will take further steps for restoring and developing US-China relations.

"According to various reports, Vice President Quayle advised a Japanese minister against resuming loans and improving relations with China. If true, this would be inconsistent with the repeatedly expressed desire in the statements of President Bush and the USG to improve and restore relations. We hope the US position will not deviate from the stated position." That is all I have to say.

General Scowcroft: This is another positive step, which the President will welcome very much. It is in the spirit of dialogue that we have begun. I am very much encouraged by this move on the part of your leaders. You have seen in the reaction to lifting martial law the emotion in the American public and the Congress.

I can assure you we have not deviated from the goal I spoke to your leaders about. Our sole objective is restoring relations and bringing about the visit by General Secretary Jiang Zemin, but we must move at a pace that pulls the Congress along.

I don't know what comments by Administration officials you referred to. We view it positively. We will move as rapidly as we feel we can to pull the Congress along and not produce a negative reaction. On the loans, we have moved in a positive direction on basic human need loans. We will move on all loans as fast as we can to sustain support and not produce legislation that will affect the loans. We have to calculate the pace at which to move. We are very much determined to move.

As for the reported remarks by the Vice President, it is not my impression that he made any comment like that, but I will find out. We have been in close touch with the Japanese, well, since the day we left Beijing. We will encourage them to follow our lead.

Ambassador Zhu: If I may make a personal observation. Since your trip, there have been many positive steps by our side, for example, our restrained reaction on the Administration's actions regarding the Chinese students, resumption of the Fulbright program, approval for the Peace Corps, which we refer to as Friendship Volunteers -- this was by no means a small step -- accrediting a Voice of America correspondent, and lifting martial

law. Now we are offering leniency. Especially the latter two, they are China's internal affairs, but they are also major steps by our country to put relations with the US on track. The last time we met, I said that lifting martial law was not an easy step. I hope there will be a package solution. May we expect corresponding major steps will be taken by the American side?

General Scowcroft: You can be assured we will work in exactly just the same spirit you described. I am much more optimistic now. Now, if the two sides can come to successful resolution of the Fang issue, it is hard to predict, and the Congress is very difficult, but it will help a great deal.

Ambassador Zhu: On the Fang issue, as agreed in Beijing, this is an issue to be discussed with Ambassador Lilley.

General Scowcroft: I know. The discussions are fundamentally between Fang Lizhi and the Chinese government. We will move just as rapidly as we think is possible. Congress is out, and will be back on the 23rd. We need to calculate to move as fast as we possibly can, but at a rate which will not produce new sanctions. That is the sole restraint we have. I do believe you have responded in the spirit in which we discussed a package deal.

If I can add a small point, when you announce leniency, it would be good to couch it in positive terms. Do it with an eye to how it will be viewed by Congress.

Ambassador Zhu: Can I expect, because it is very unclear about the timetable from the American side on the sanctions, and hope that in the next few days time, you or Secretary Eagleburger can meet with me on a timetable for, for example, the FMS programs, exchanges of military visits, resumption of high level visits? What is generally your timetable on what will be done? I hope we can have some clarification.

General Scowcroft: On the World Bank, we have already moved. It is just a matter of the rate at which we move. We will get back to you. What we need is to calculate with the Congressional leadership how much freedom we will have. On some issues, we may not get back to you with precise answers, but we will get back to you and give estimates. I assure you we will move as rapidly as we can. I will call the President right away with this news. He is up at Camp David.

~~SECRET~~

~~SECRET~~/NOFORN/MARKET

TO BEIJING

EYES ONLY FOR AMBASSADOR LILLEY FROM DEPSEC EAGLEBURGER

JIM:

BRENT AND I ARE CONCERNED THAT WE ARE NOT MOVING FAST ENOUGH TO OBTAIN THE RELEASE OF FANG LIZHI AND LI SHUXIAN, AS WELL AS SAFE PASSAGE OUT FOR THEIR SON FANG ZHE. SO FAR THE MATTER APPEARS STALLED OVER FANG'S "CONFESSION," HIS INTENTION WITH RESPECT TO FUTURE ACTIVITIES, AND YOUR DEMAND FOR "EVIDENCE OF HIS CRIMES."

IN AN EARLIER CABLE FROM YOU (BEIJING 89 36320), FANG INDICATED HE WOULD BE PREPARED TO CONSIDER A "FINAL FACE-SAVING WAY" TO ALTER HIS LANGUAGE. IN OUR VIEW, THE TIME FOR THAT IS NOW. IF WE ARE TO SUSTAIN THE PROCESS LEADING TO A PACKAGE SETTLEMENT, SWIFT PROGRESS ON FANG IS REQUIRED. IF WE STUMBLE NOW, THE ATMOSPHERE HERE AND IN BEIJING MAY WORSEN MORE THAN IT DID DURING THE CHRISTMAS HOLIDAYS, LEAVING FANG IN THE EMBASSY FOR THE FORESEEABLE FUTURE.

FANG AND LI, OF COURSE, MUST NOT FEEL COMPELLED TO DO OR SAY ANYTHING THEY DO NOT WISH. NEVERTHELESS, THEY MUST UNDERSTAND THE IMPORTANCE OF THE CURRENT WINDOW OF OPPORTUNITY. YOU MUST TELL THEM THAT WE JUDGE NOW TO BE THE TIME TO MOVE. THE FANGS MAY NOT BE ALLOWED TO CONTROL OUR TACTICS.

~~SECRET~~

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IT MAY BE HELPFUL FOR YOU TO BROADEN THE FOCUS OF YOUR CONVERSATIONS WITH LIU HUAQIU. INSTEAD OF GOING OVER THE SAME TERRITORY ON FANG'S ADMISSION OF GUILT, YOU SHOULD consider BEGINNING IMMEDIATELY TO DISCUSS THE MODALITIES OF THE RELEASE OF THE FANGS AND THE DEPARTURE OF THEIR SON. THESE INCLUDE: HOW THEY WILL PHYSICALLY RETURN TO THEIR RESIDENCE, WHAT THE CHINESE AUTHORITIES WILL SAY OR DO TO THEM, THE PLANNED TEXT OF THE CHINESE PRESS STATEMENT (TEXT CIRCULATED AMONG US IN BEIJING, BUT DID NOT RETURN TO WASHINGTON), MEANS OF DEPARTURE, DESTINATION.

LET US PUSH HARD AS WE CAN -- BOTH THE USG AND FANG -- TO REMOVE ANY POTENTIAL OBSTACLES TO HIS RELEASE ON ACCEPTABLE TERMS.

Jan.6, 1989

His Excellency George Bush
President of the United States
The White House
Washington, DC

Mr. President,

Mr. Deng Xiaoping has received the letter you wrote to him on January 3, and he has asked me to write back and send his cordial regards to you.

Although we haven't met each other yet, I have known much about you. I appreciate the importance you place on China-US relations, your determination to bring them back on normal course and the steps you have taken in this regard.

Both other Chinese leaders and I myself value China-US relations that haven't come by easily, and we sincerely hope that our two countries will speedily restore their normal ties, as this is in our shared interests. Towards this end, we have made a lot of efforts and will continue to make efforts. As indicated by the Chinese side on Dec. 18 last year, while the enforcement of martial law falls within China's internal affairs. , we will strive to create conditions for its early lifting. The Chinese leaders have publicly stated on numerous occasions that those students who were involved in the turmoils and riots in a general way will not be held accountable. Even those who committed criminal offenses but have pled guilty will be dealt with leniently. I wish to tell you with candor that if the United States does not change its practice of imposing sanctions on China, it will make it extremely difficult for us to take corresponding steps. In particular, following the recent regrettable US military activities in Panama, the Chinese public has shown increasing resentment over US intervention in the internal affairs of another country. Under these circumstances, the Chinese Government will have to pay a considerable price for improving China-US relations. China has put forward a package settlement proposal, and we still stick to it. I am sure you

understand this and that you have sufficient wisdom and power to continue taking swift steps on matters of our concern and control the course of events so as to create conditions for China-US relations to speedily return to their normal course.

Mr. President, I wish to assure you that we Chinese act on principle and in good faith, and that we are sincere in our desire for improving China-US relations. I am ready to maintain continued communication with you.

Jiang Zeming

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2009-1170-MR
ES 6/4/15

NATIONAL SECURITY COUNCIL

06-Jan-1990 16:54 EDT

~~SECRET~~

MEMORANDUM FOR: Florence E. Gantt (GANTT)

FROM: Douglas H. Paal
(PAAL)

SUBJECT: Saturday memcom - jzmltr

~~SECRET~~

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Chinese Ambassador Zhu Qizhen, Saturday, January 6, 1990, 11:55 a.m.- 12:10 p.m. EST

PARTICIPANTS: Brent Scowcroft, National Security Advisor
Robert Gates, Deputy National Security Advisor
Douglas Paal, Director, Asian Affairs, NSC

Ambassador Zhu Qizhen
Chen Mingming, Interpreter

DATE, TIME AND PLACE: January 6, 1990, 11:55 a.m. - 12:10 p.m., West Wing

General Scowcroft: Welcome. I am sorry for the delay. I did not mean to keep you waiting. I thought I would be free at 11:45.

Ambassador Zhu: Not at all. I have brought a letter for President Bush from General Secretary Jiang Zemin. maybe you would like to read it, then I will have one or two points to make. (Two minutes pass while reading.) Deng Xiaoping told you he would not write to the President on matters of substance, now

that he is retired.

General Scowcroft: The President understands completely, it is just that he has never met General Secretary Jiang Zemin. It is not a problem. We wished that it would be handled in precisely this way.

Ambassador Zhu: I would like to call your attention to two points in the third paragraph of the letter. (Reading:) "while enforcement of martial law falls within China's internal affairs, we will strive to create conditions for its early lifting. The Chinese leaders have publicly stated on numerous occasions that students involved in the turmoil and riots in a general way will not be held accountable. Even those who have committed criminal offenses but pled guilty will be dealt with leniently. I wish to tell you with candor that if the United States change its practice of imposing sanctions on China, it will make it extremely difficult for us to take corresponding steps."

~~SECRET~~
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General Scowcroft: I noted it very carefully.

Ambassador Zhu: Another point: "China stated in the past, and continues to insist, that it should be a package. We hope the U.S. side will take swift steps."

General Scowcroft: We agree with the package settlement, but the package has to be such that the President is able to resolve the package. The package has to be such that the President cannot be made powerless by the Congress. Your leaders have to know that on issues where Congress can override the President, the President is powerless. We want to get rid of these dangerous sanctions. But Congress will impose them over his strenuous objections. The Chinese side of the package can make a difference with the Congress. You have to make this clear. The issues have a significance beyond the specific measures, for example martial law. Something done there will have an enormous impact. Something done in public with the students will have a big impact.

Ambassador Zhu: I understand completely. Jiang Zemin has made a lot of efforts, and will continue to make efforts, to explain the difficulties. But it is extremely difficult for China if the U.S. does not lift its sanctions. Under present circumstances, it is difficult for the Chinese side to explain these actions to the Chinese people.

General Scowcroft: I understand and I took the point on Panama. I took this response as a positive response. The letter is in

the spirit with which the President wrote his letter. I hope we can move in a way that will... this is a good letter.

Ambassador Zhu: I hope the situation will improve. I hope the more you and I see each other, the more progress we can make.

At the conclusion of the meeting, Ambassador Zhu pulled General Scowcroft aside to say that he would like to call on the General again early in the next week. The General responded that would be fine, anytime, day or night.

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2009-1170-MR
ES 6/14/15

NATIONAL SECURITY COUNCIL

08-Jan-1990 11:38 EDT

~~SECRET~~

MEMORANDUM FOR: Florence E. Gantt (GANTT)

FROM: Douglas H. Paal
(PAAL)

SUBJECT: second memcon

~~SECRET~~

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Chinese Ambassador Zhu Qizhen, January 3, 1990

PARTICIPANTS: Brent Scowcroft, National Security Advisor
Robert M. Gates, Deputy National Security Advisor
Douglas H. Paal, NSC, Notetaker

Ambassador Zhu Qizhen
Minister Zhao Xixin, Deputy Chief of Mission, PRC Embassy
Counsellor Chen Mingming, Interpreter

DATE, TIME AND PLACE: January 3, 1990, 5:45 p.m.- 6:05 p.m., West Wing Office of General Scowcroft

General Scowcroft: I have a fairly simple mission today, to give you a letter for Mr. Deng Xiaoping from the President.

Ambassador Zhu: Another letter! I am becoming a messenger.

General Scowcroft: When we were there in December, Mr. Deng made clear that he is not part of the government any more and that he did not deal with matters of substance. We are operating under unusual circumstances, and there is growing concern, with

Congress coming back, so the President took the liberty to write to his old friend once again.

Ambassador Zhu: Do you have anything additional?

General Scowcroft: It is the same message as before. We need to make some visible progress before the Congress comes back. The President is very worried about it. He's worried because of the great store he puts in these relations, especially after all the optimism after President Nixon and Henry Kissinger's trips. I am not at all displeased with what's happened since my trip. But we are faced with the return of Congress; it is almost certain that absent significant steps, the Congress will return in a punitive mood.

Ambassador Zhu: I will transmit this letter to Mr. Deng Xiaoping. At the same time I would like to make some personal

comments. (In Chinese) For some time, there has been a steady exchange of correspondence between the President and Deng Xiaoping. President Nixon and Henry Kissinger visited China. All these developments helped set in motion for both sides to improve relations. I am sure that you have taken note of the fact that the Chinese side has made great efforts. Take for example the issue of Fang Lizhi and his wife Li Shuxian. The Chinese side has once again stated that this issue falls within its domestic affairs. Your giving him refuge violates international law and interferes in China's domestic affairs.

Despite all this, the Chinese side has shown willingness to resolve the issue. This shows that the Chinese side has made great concessions. On the other hand, the Chinese side has to make an explanation to the Chinese people. Because Fang Lizhi is in the U.S. Embassy, I believe the U.S. government will be crucial to resolving this issue. During the course of our discussions, the U.S. side indicated it would like to see China lift martial law and grant amnesty to those involved in those events. Our response is that these are Chinese domestic affairs. On the other hand, during conversations with you, General Brent Scowcroft, we understand that the U.S. side has some difficulties. We have our own difficulties, which perhaps are of greater magnitude.

Take martial law, for example, we have to take into account both domestic and international factors. As to the question of amnesty for those involved in the troubles, we have to take into regard the dignity of Chinese law and whether the Chinese people will understand this. What is more, these two points are not

within the framework of the four points put forward between the two sides. The fact that they are introduced make more difficult the resolution of the issue.

Both sides have taken several steps. We hope the two sides will take continued steps. We hope at this point that the U.S. will make even greater efforts to resolve this issue. We hope this will help the leaders of the two countries to realize improvements in their relations. (Returning to English) I have no instructions, these are just some personal remarks. If there is a response after Beijing receives your message, I will report it to you.

General Scowcroft: I understand fully what you said. Nothing I said or in the President's letter is meant as criticism of your steps at all. The concern on our side is with Congress, The kind of unanimity it has shown gives it a power that overrides the President. Both sides are moving in good faith. You have seen the reaction to my trip (Zhu smiles acknowledgement). It's this other force that might impinge negatively. We need actions that will indirectly affect what Congress does.

Ambassador Zhu: I will report to Beijing, and respond if there is an answer.

~~SECRET~~

Clinton

REQUEST FOR APPOINTMENTS

To: Officer-in-charge
Appointments Center
Room 060, OEOB

Please admit the following appointments on January 3, 1990

for BRENT SCOWCROFT (NAME OF PERSON TO BE VISITED) of NSC (AGENCY):

ZHU, Qizhen
DOB: 12/19/27
PRC Ambassador to the U.S.

CHEN Mingming
DOB: 8/18/50
Interpreter, PRC Embassy

ZHAO, XIXIN 3-15-30

Driver of vehicle who will enter via SW Gate and who will stay with vehicle:

ZHANG, Qingwang License of Vehicle: DCY 001
DOB: 3/5/43

NOTE: Last name is in all caps.

MEETING LOCATION

Building White House Requested by Douglas Paal

Room No. 1Flr WW Room No. 493 Telephone 5746

Time of Meeting 5:45 p.m. Date of request January 3, 1990

Additions and/or changes made by telephone should be limited to five (5) names or less.

APPOINTMENTS CENTER: SIG/OEOB – 395-6046 or WHITE HOUSE – 456-6742

UNITED STATES SECRET SERVICE SSF 2037 (03-81)

THE WHITE HOUSE

WASHINGTON

January 3, 1990

Dear Friend:

General Scowcroft told me that you are still willing to receive messages from me, despite your recent retirement. You and your colleagues, previous U.S. Presidents, and I have all worked diligently over the years to build positive relations between the United States and China. I recognize your admonition to General Scowcroft that you wished to separate yourself from issues of substance; but once again I write to you not only as a friend but as one who dramatically led China into an era of improved relations with my country, indeed an era of dramatic change and reform.

As you know, we have made some suggestions to your government which I sincerely believe would put our troubled relations on a more positive course if implemented. I believe our suggestions, if implemented, would help China's relationship with many other countries as well. Among these suggestions are: release of Dr. Fang Lizhi and his wife, lifting of martial law, and efforts to heal the wounds of Tiananmen. The students, China's precious sons and daughters, have enormous world-wide sympathy. Any expression of forgiveness and amnesty would evoke immediate favorable reaction. You have seen practical evidence of my determination to improve relations, at considerable political cost to me, and I have also noted movement on your side, including the Fulbright program, accreditation of a VOA correspondent, discussions of American Peace Corp volunteers, and helpful statements on the proliferation of ballistic missiles.

In this month of January we are approaching a critical juncture in U.S.-China relations, and I would be less than completely frank if I did not share with you my belief that more movement is absolutely essential if we are to preserve the U.S.-China relationship, a relationship that I feel is very important to both sides.

I am very sensitive about appearing to interfere in your domestic affairs, but in all candor I must tell you that in my judgment it will not be possible to arrest the negative trends in our relations and to help create an environment of stability unless further prompt action is taken by the Chinese side. By acting with a vision that sees beyond current problems and that recognizes that events in Eastern Europe do not relate to U.S.-China relations, we can together restore our two countries to a steady course of increased cooperation in China's modernization and in international affairs. I continue to recognize and applaud the historic achievement of China's ten years of reform and the underlying need for stability to continue those reforms.

For us not to seize the opportunity presented at this moment would be a loss of historic proportions, almost certainly resulting in an unmanageable worsening of our relations.

I do not want to take any actions that would hurt the Chinese people. However, I would be less than frank if I did not tell you that the mood in our Congress, given the events we all deplore, is quite negative, but that would change dramatically if appropriate action is taken.

I earnestly appeal to you and your associates to move promptly forward on the matters discussed with you by General Scowcroft.

Sincerely, With Respect –

Your Friend,

George Bush

His Excellency
Deng Xiaoping
People's Republic of China
Beijing

Dear Friend:

General Scowcroft told me that you are still willing to receive messages from me, despite your recent retirement. You and your colleagues, previous U.S. Presidents, and I have all worked diligently over the years to build positive relations between the United States and China. ~~If we are to resume the positive momentum in this historically vital relationship, you and I must communicate directly.~~ I Recognizing your admonition to General Scowcroft that you wished to separate yourself from issues of substance, ~~however, I am also sending a copy of this letter to Chairman Jiang Zemin.~~ I suggest to Hanbar But once again I write to you not only as a friend but as one who dramatically led China into an era of improved relations with my country, indeed an era of dramatic change + reform. As you know, we have made some suggestions to your government which I sincerely believe would put our troubled relations on a more positive course if

The students, China's precious sons and daughters, have enormous world wide sympathy. Any expression of forgiveness and amnesty would help evoke immediate favorable reaction.

I believe our suggestions, if implemented, would help China's relationships with many other countries as well.

implemented. Among these suggestions are: release of Dr. Fang Lizhi and his wife, lifting of martial law, and efforts to heal the wounds of Tiananmen. You have seen practical evidence of my determination to improve relations, at considerable political cost to me, and I have also noted movement on your side, including the Fulbright program, accreditation of a VOA correspondent, and discussions of American Peace Corp volunteers, and helpful statements on the proliferation of ballistic missiles.

~~I believe that~~ In this month of January we are approaching a critical juncture in U.S.-China relations, and I would be less than completely frank if I did not share with you my belief that more movement is absolutely essential if we are ~~will be necessary~~ to preserve the U.S.-China relationship. ~~Expectations in the United States will be increasingly difficult~~ to a relationship that I feel is very important to both sides

satisfy as time passes without significant movement in our relationship.

I am very sensitive about appearing to interfere in your domestic affairs, but in all candor I must tell you that in my judgment it will not be possible to arrest the negative trends in our relations and to help create an environment of stability unless further prompt action is taken by the Chinese side. By acting with a vision that sees beyond current problems and that recognizes that events in Eastern Europe do not relate to U.S.-China relations, we can together restore our two countries to a steady course of increased cooperation in China's modernization and in international affairs. I continue to recognize and applaud the historic achievement of China's ten years of reform and the underlying need for stability to continue those reforms.

For us not to seize the opportunity presented at this moment would be a loss of historic

proportions, almost certainly resulting in an unmanageable worsening of our relations.

I do not want to take any actions that would hurt ~~Sincerely,~~ the Chinese people. However I would be less than frank if I did not tell you that the mood in our Congress, given ~~the recent~~ events we all deplore, is quite negative but that would change dramatically if appropriate action is taken ~~not good~~. I earnestly appeal to you and your associates to move promptly forward on the matters discussed ~~by~~ with you by General Scowcroft. ~~I am prepared to take~~

His Excellency

Deng Xiaoping

People's Republic of China

Beijing

~~Dear~~

I am sending a copy of this letter to Chairman Jiang Zemin.

Dear ~~Chairman Deng~~ Friend:

General Scowcroft told me that you are still willing to receive messages from me, despite your recent retirement. You and your colleagues, previous U.S. Presidents, and I have all worked diligently over the years to build positive relations between the United States and China. If we are to resume the positive momentum in this historically vital relationship, you and I must communicate directly. Recognizing your admonition to General Scowcroft that you wished to separate yourself from issues of substance, however, As you know, we have made some suggestions to your government which I sincerely believe would put our relations on a more positive course if implemented. Among these suggestions are: release of Dr. Fang Lizhi and his wife, lifting of martial law, and efforts to heal the wounds of Tiananmen. You have seen practical evidence of my determination to improve relations, and I have also noted ~~evidence of some~~ movement on your side, including the Fulbright program, accreditation of a VOA correspondent, and discussions of American Peace Corp volunteers.

I believe that in ~~the~~ this month of January we are approaching a critical juncture in U.S.-China relations, and I would be less than completely frank if I did not share with you my belief that more movement will be necessary to preserve the U.S.-China relationship. Expectations in the United States will be increasingly difficult to satisfy as time passes without significant results in our relationship.

at considerable political cost to me,

~~I believe it is in our power~~ to arrest the negative trends in our relations and to help create an environment of stability ~~if~~ unless further prompt action is taken by the Chinese side. By acting with a vision that sees beyond current problems and that recognizes that events in Eastern Europe ~~need not impede~~ do not relate to U.S.-China relations, together we can restore our two countries to a steady course ~~toward greater~~ of increased cooperation in China's modernization and in international affairs. ~~After all~~, I continue to recognize, and applaud the historic achievement of China's ten years of reform and the underlying need for stability to continue those reforms.

For us not to seize the opportunity presented at this moment would ~~amount to an~~ be a loss of historic ~~loss, and guarantee~~ opportunities, almost certainly resulting in an unmanageable worsening of our relations.

Sincerely,

I am very sensitive about appearing to interfere in your domestic affairs, but in all candor I must tell you that in my judgment it will not be possible