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THE WHITE HOUSE

Office of the Press Secretary
(Kennebunkport, Maine)

For Immediate Release

May 27, 1991

REMARKS BY THE PRESIDENT
IN COMMENCEMENT ADDRESS TO YALE UNIVERSITY

Yale University Quadrangle
New Haven, Connecticut

11:55 A.M.

THE PRESIDENT: Thank you very, very much. President Schmidt and members of the faculty, and the Yale community, fellows of the Yale Corporation, and especially with congratulations to my fellow honorands -- it is an honor to be here today. Mayor Daniels, it's nice to be back in the city. And most importantly, to the graduating students -- congratulate each and every one of you. (Applause.) May I single out Yale's band. They've cleaned up for today, and they've never been better under Mr. Tom Duffy. Thank you, sir. (Applause.) And thank you for the warm welcome. Si res prehensio en cano est non oves sic vacio. That means, if you're holding up the sign, you can't throw eggs. (Laughter and applause.)

I remember my own commencement. Like so many of my classmates, I'd come to Yale fresh from war -- ready to make up for "lost time." I remember our impatience and our optimism. And we sensed upcoming adventure. I imagine it's the same today for all of you. It's almost as if life is about to begin -- that is, if the commencement speech ever ends. (Laughter.)

Twenty-nine years ago, President Kennedy stood right here, and my dad was honored with him. And he said, "I have the best of all worlds -- a Yale degree and a Harvard education." (Laughter.) He had it wrong. I've got the best of all worlds -- a Yale education and a Yale degree. (Applause.)

My day was no different. There's an excitement in the air, and Barbara and I spent a good part of our senior year thinking about, literally, becoming farmers. We talked about life on the land and rising early and working hard and raising a crop and a family. And we looked into the finances of running a farm. In the end, we decided against the whole idea. We realized that when it came to pigs and chickens and cattle or corn, we didn't know the first thing about farming.

So, of course, there was only one alternative: I went west and became an oilman. (Laughter.) The days after -- the day -- the very day after the ceremony like this one, I traded the familiar surroundings of this beautiful old campus for the dust and grit and searing heat of the Lone Star State.

Odessa, Texas, became my world. And yet far beyond 37 Hillhouse Avenue where Barbara and I lived, or the Flatlands of West Texas, change rocked the whole world in ways that would affect us all for more than 40 years. On June 20th, 1948 -- my graduation day -- the United Nations sent out its first peacekeeping force -- 49 men from the United States and six other nations -- to bring the promise of peace to the Middle East. And on that day, the Soviet Union tried to clamp down on the free sectors of Berlin -- the Berlin Blockade had begun. And on that day, Congress, after an all-night session, passed a bill to help the nations of war-torn Europe. That package would become known, as we all know, as the Marshall Plan.

Today's world -- your world -- is every bit as

MORE

astonishing. Back in my day, opportunity knocked. And yours -- your pager beeps.

We have seen in two short years the end of a long era of Cold War and conflict. The Iron Curtain collapsed -- it's gone, the wall is down. (Applause.) And with it the myth of an ideology called communism. On the barren ground that once separated East and West, the democratic idea sprouted anew.

As a nation, we can take great pride in this triumph. It vindicates more than 40 years of American vigilance -- a lesson learned on the battlefields of Europe and the seas of the South Pacific -- that this nation could no longer pursue a policy of "splendid isolation."

The democratic renaissance in Central and Eastern Europe -- the blossoming of democracy here in the Americas -- the emerging consensus on the African Continent that democracy is the road to development -- none of this would have taken place if America had turned inward, away from the challenges of a new world.

So today, as we seek to promote freedom and democracy and human rights -- as we seek to strengthen stability within the international community -- an America confident enough to engage the world remains our best hope for peace, security and shared prosperity. (Applause.)

Look in every corner of the globe and you will find that the American example has consequences. When we reach out, we offer more than cars or grain or MTV. We exemplify an ideal -- an ideal that conquers circumstance and suspicion, that conquers despots and empowers people. Some argue that a nation as moral and just as ours should not taint itself by dealing with nations less moral, less just. But this counsel offers up self-righteousness draped in a false morality. You do not reform a world by ignoring it. (Applause.)

East Asia is a case in point. Today, this dynamic region plays an important role in the world economy. As it has grown more prosperous, it has also grown more free. Driven forward by the engine of economic growth and trade, especially with the U.S., South Korea and Taiwan have shed their once authoritarian rule in favor of democracy and freer trade.

This same approach guides our policy toward the People's Republic of China, home to fully one-fifth of the world's people. China easily can affect the stability of the Asian-Pacific region -- and therefore, affect the entire world's peace and prosperity. The Chinese play a central role in working to resolve the conflict in Cambodia and relax tensions on the Korean Peninsula. China has a voice now in the multinational organizations. And its votes in the United Nations Security Council against Iraq's brutal aggression helped us forge the broad coalition that brought us victory in the Gulf. (Applause.)

And so when we find opportunities to cooperate with China, we will explore them. When problems arise with China's behavior, we will take appropriate action.

After the tragedy of Tiananmen, the United States was the first nation to condemn the use of violence against the peacefully demonstrating people of Beijing. We were the first to guarantee the rights of Chinese students studying on campuses across the country -- including here at Yale. (Applause.)

The United States was the first nation to impose sanctions -- and we are now the last, alone among the Western democracies, to keep those original sanctions in place. At every high-level meeting with the Chinese government, U.S. officials reiterate our position on human rights violations.

Unfair trade is also high on our agenda. Just last

month, we cited China under the trade rules of a special 301 for pirating U.S. copyrights and patents. And for the sake of national security, we will ban technologies and equipment to any Chinese company found to violate rules outlawing transfer of missile technologies.

We will continue to advance our interests and ideals: for free and fair trade -- for broader democratization -- for respect for human rights throughout China.

Let me be clear: As a member of the United Nations, China is bound by the U.N. Declaration of Human Rights. We will hold China to the obligations that it has freely accepted.

And, finally, we continue urging China to exercise restraint in its weapons exports. Our recent experience with Iraq proves how dangerous the deadly trade can be. And very soon, I will announce significant new steps that we can take to control arms exports to the entire Middle East. (Applause.) Every nation must play a part in this effort. That's why we urge the Chinese government to abide by the letter and spirit of international agreements on missile technology controls -- and to do what 141 other nations have already done: sign the Nuclear Nonproliferation Treaty. (Applause.)

And this is one way that the United States can be a catalyst for positive change. This week, I will employ another by proposing formally that MFN trade status continue for China. This policy has generated considerable controversy. Some critics have said revoke MFN, or endanger it with sweeping conditions -- to censure China, cut our ties and isolate it. We are told this is a principled policy, a moral thing to do.

This advice is not new. It's not wise. It is not in the best interests of our country, the United States. And in the end, in spite of noble and best intentions, it is not moral.

First, MFN is special.* It is not a favor. It is the ordinary basis of trade worldwide. Second, MFN is a means to bring the influence of the outside world to bear on China. Critics who attack MFN today act as if the point is to punish China -- as if hurting China's economy will somehow help the cause of privatization and human rights.

The real point is to pursue a policy that has the best chance of changing Chinese behavior. If we withdrew MFN or imposed conditions that would make trade impossible, we would punish South China; in particular, Guangdong Province -- the very region where free market reform and the challenge to central authority are the strongest. Right now, there's an estimated two million Chinese who are working, and proving that privatization can work -- all in South China. Withdraw MFN and their jobs would be in jeopardy. In addition, endangering MFN would deal a body blow to Hong Kong -- the bastion of freedom and free trade in the Far East.

But the most compelling reason to renew MFN and remain engaged in China is not economic, it's not strategic, but moral. It is right to export the ideals of freedom and democracy to China. It is right to encourage Chinese students to come to the United States, and for talented American students to go to China. It is wrong to isolate China if we hope to influence China. (Applause.)

For two decades after the communists seized power in 1949, the Western world followed a policy of isolation toward China. This period proved to be among the most brutal episodes in Chinese history -- a nightmare of anguish and death and suffering that will scar the soul of China for decades to come.

* not special.

So it comes down to the strength of our belief in the power of the democratic idea. If we pursue a policy that cultivates contacts with the Chinese people, promotes commerce to our benefit, we can help create a climate for democratic change.

No nation on Earth has discovered a way to import the world's goods and services -- while stopping foreign ideas at the border. Just as the democratic idea has transformed nations on every continent -- so, too, change will inevitably come to China.

This nation's foreign policy has always been more than simply an expression of American interests -- it's an extension of American ideals. This moral dimension of American policy requires us to remain active, engaged in the world. Many times, that means trying to chart a moral course through a world of lesser evils. That's the real world -- not black and white. Very few moral absolutes. Enormous potential for error and embarrassment. But all are part of the risks that we willingly take to advance the American ideal.

Many times in the past 40 years, people have encouraged us to adopt a policy of righteous isolationism -- but we remained engaged. We cannot advance principles if we curl up into a defensive ball. We cannot transform a world if we hide from its unpleasant realities. We can advance our cherished ideals only by extending our hand, showing our best sides, sticking patiently to our values -- even if we risk rejection.

Look at the way American encouragement and the American example -- the power of the American example -- is paying off in Taiwan and Korea. We will have no leverage. We will not be able to advance our cause or resist repression if we pull back and declare that China is simply too impure a place for us. We want to promote positive change in the world through the force of our example -- not simply profess our purity. We want to advance the cause of freedom -- not just snub nations that aren't yet wholly free.

Let me close today with some modest pieces of advice. First, understand that you often will confront moral ambiguity. There will come times when you will have difficulty distinguishing between good guys and bad guys. When these situations arise, identify your principles and stick by them. Stick by them even when people jeer, when people urge you to find a quick and easy out. (Applause.) If you remain patient and true to yourself, you can't go wrong.

Second, remember that the corner of the world that matters most is one right here at home, the one you share with friends and family.

And finally, your destiny and the currents of history will most likely intersect more than once. You will have ample opportunity to make your mark. And take care to make it count.

To all the graduates of the Class of '91 who now join me as proud alumni of this great University, congratulations, good luck to you, and may God bless the United States of America. (Applause.)

END

12:15 P.M. EDT

President Schmidt, members of the faculty and the Yale community, Fellows of Yale Corporation, and my fellow honorands - it is an honor to be here today. Mayor Daniels, it's great to be back in the great city of New Haven. And most importantly, to the graduating students, congratulations, and thank you for welcoming me here today.

post-grad lunch
May 27 10:30 am Old Campus
THE WHITE HOUSE
WASHINGTON

20,000 people

~~Christie~~
~~Ann Dea~~

Kennedy last -

Commencement -

parable

Radley Daly (Rad)
Off. of Sec.

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Ed Kennedy Jr.

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w/Brent.

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May 24, 1991

MEMORANDUM FOR ROSE ZAMARIA

FROM: PEGGY DOOLEY PD
RESEARCH OFFICE

SUBJECT: YALE COMMENCEMENT ADDRESS

Attached are the acknowledgments for the beginning of the Yale Commencement Address.

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McGroarty/Dooley
May 24, 1991
5:00 pm
Draft Three
YALE.TS

PRESIDENTIAL REMARKS: YALE UNIVERSITY COMMENCEMENT
NEW HAVEN, CONNECTICUT
MAY 27, 1991
10:30 A.M.

[Introductory acknowledgements. President Schmidt, etc.]

I remember my own commencement. Like so many of my classmates, I had come to Yale fresh from war -- ready to make up for "lost time." I remember our impatience. Our optimism. We sensed upcoming adventure. / I imagine it's the same today for all of you. It's almost as if life is about to begin -- that is, if the commencement speech ever ends. //

Not all of you have determined your life's path. At the risk of unnerving a few parents out there, let me say a little uncertainty among new graduates is a healthy thing. [[Now don't get me wrong -- I'm not suggesting they move back home.]] //

My day was no different. Barbara and I spent a good part of my senior year thinking about becoming farmers. True story. We talked about life on the land -- rising early, working hard. Raising a crop -- and a family. We looked into the finances of running a farm. In the end, we decided against the whole idea. We realized that when it came to pigs or chickens or cattle or corn -- we didn't know the first thing about farming. //

So of course, there was only one alternative: I'd become an oilman instead. Just a few short days after a ceremony much like this one, I traded the familiar surroundings of the Old Campus for the dust and grit and searing heat of the Lone Star State. //

Odessa, Texas became my world. Yet far beyond 37 Hillhouse Avenue or the flatlands of West Texas -- change rocked the whole world in ways that would affect us all for more than 40 years. On June 20, 1948 -- my graduation day -- The United Nations sent out its first peacekeeping force -- 49 men from the U.S. and six other nations -- to bring the promise of peace to the Middle East. On that day, the Soviet Union tried to clamp down on the free sectors of Berlin -- the Berlin blockade had begun. On that day, Congress, after an all-night session, passed a bill to help the nations of war-torn Europe. That package would become known as the Marshall Plan. //

Today's world -- your world -- is every bit as astonishing. [[Back in my day, opportunity knocked. Now, your pager beeps.]]

We have seen in two short years the end of a long era of Cold War and conflict. The Iron Curtain collapsed. The Berlin Wall fell -- and with it, the myth of an ideology called communism. On the barren ground that once separated East and West, the democratic idea sprouted anew.

As a nation, we can take great pride in this triumph. It vindicates more than 40 years of American vigilance -- a lesson learned on the battlefields of Europe and the seas of the South Pacific -- that this nation could no longer pursue a policy of "splendid isolation." //

The democratic renaissance in Central and Eastern Europe -- the blossoming of democracy here in the Americas -- the emerging consensus on the African continent that democracy is the road to

development -- none of this would have taken place if America had turned inward, away from the challenges of a new world. //

Today, as we seek to promote freedom and democracy and human rights -- as we seek to strengthen stability within the international community -- American Engagement remains our best hope for peace, security and shared prosperity. //

Look in every corner of the globe, and you will find that American engagement has consequences. When we reach out, we offer more than cars or grain or MTV. We exemplify an ideal -- an ideal that conquers circumstance and suspicion, that conquers despots and empowers people. Some argue that a nation as moral and just as ours should not taint itself by dealing with nations less moral and just. But this counsel offers up self-righteousness draped in false morality. You do not reform a world by ignoring it.

East Asia is a case in point. Today, this dynamic region plays an important role in the world economy. As it has grown more prosperous, it also has grown more free. Driven forward by the engine of economic growth and trade, especially with us, South Korea and Taiwan have shed their once authoritarian rule in favor of democracy and freer trade. //

In each case, a policy of American engagement fostered positive change. We ought to acknowledge that change -- and support it. In the case of Taiwan -- a major economy and a trading partner willing to play by international rules -- I today

announce support for Taiwan's application for membership as a customs territory in the GATT. //

This same approach guides our policy toward the People's Republic of China, home to fully one fifth of the world's people.

China easily can affect the stability of the Asian-Pacific Region -- and therefore affect the entire world's peace and prosperity. The Chinese play a central role in working to resolve the conflict in Cambodia and relax tensions on the Korean peninsula. China has a voice and vote in multinational organizations. Its votes in the UN Security Council helped us forge the broad coalition that brought us victory in the Gulf.

When we find opportunities to cooperate with China, we will explore them. When problems arise with China's behavior, we will take appropriate action. //

After the tragedy of Tiananmen, the United States was the first nation to condemn the Chinese government -- the first to guarantee the rights of Chinese students studying on campuses across the country -- including here at Yale.

The U.S. was the first nation to impose sanctions -- and we are now the last, alone among the Western democracies, to keep those original sanctions in place.

At every high level meeting with the Chinese Government, U.S. officials reiterate our position on human rights violations. Unfair trade is also high on our agenda. Just last month, we cited China under the trade rules of Special 301 for pirating U.S. copyrights and patents. And for the sake of national

security, we will ban technologies and equipment to any Chinese company found to violate rules outlawing transfers of missile technologies. //

We will continue to advance our interests and ideals: For free and fair trade -- for broader democratization -- for respect for human rights. / We stand in solidarity with the suffering people of Tibet, and I have tried to express my personal concern. The U.S. recognizes that Tibet is a part of China -- and I call for non-violence and dialogue between the people of Tibet and the Government of China. //

Let me be clear: As a member of the United Nations, China is bound by the UN Declaration of Human Rights. We will hold China to the obligations it has freely accepted. //

Finally, we continue urging China to exercise restraint in its weapons exports. Our recent experience with Iraq proves how dangerous this deadly trade can be. That is why we urge the Chinese Government to abide by the letter and spirit of international agreements on missile technology controls -- and, to do what 141 other nations have already done: sign the Nuclear Non-Proliferation Treaty. //

This is one form of engagement. This week, I will employ another by proposing formally that MFN trade status continue for China. // This policy has generated considerable controversy. Some critics have urged us to revoke MFN, or endanger it with sweeping conditions. To censure China -- cut our ties, and

isolate it. We are told this is the principled policy, the moral thing to do. //

This advice is not new. It is not wise. It is not in the best interests of our country, the United States. And in the end, in spite of the best intentions, it is not moral. //

First, MFN is not "special." It is not a favor. It is the ordinary basis of trade world-wide. Second, MFN is a means for engagement -- a means to bring the influence of the outside world to bear on China. //

Critics who attack MFN today act as if the point is to punish China. But the real point is to pursue a policy that has the best chance of changing Chinese behavior. If we withdrew MFN or imposed conditions that would make trade impossible, we would punish South China -- the very region where free market reform and the challenge to central authority are strongest.

Endangering MFN would deal a body blow to Hong Kong -- the bastion of freedom and free trade in the Far East. //

But the most compelling reason to renew MFN and remain engaged in China is not economic or strategic -- but moral. It is right to export the ideals of freedom and democracy to China. It is right to encourage Chinese students to come to the U.S. -- and for talented American students to go to China. It is wrong to isolate China if we hope to influence it.

For two decades after the communists seized power in 1949, the Western world followed a policy of isolation toward China. This period proved to be among the most brutal episodes in

Chinese history -- a nightmare of anguish, death and suffering that will scar the soul of China for decades to come. //

It comes down to the strength of our belief in the power of the democratic idea. If we pursue a policy that cultivates contacts with the Chinese people, promotes commerce to our mutual benefit -- we can help create a climate for democratic change.

No nation on earth has discovered a way to import the world's goods and services -- while stopping foreign ideas at the border. Just as the democratic idea has transformed nations on every continent -- so, too, change will come to China. //

This nation's foreign policy has always been more than simply an expression of American interests -- it is an extension of American ideals. This moral dimension of American policy requires us to remain active, engaged in the world. Many times, that means trying to chart a moral course through a world of lesser evils. / That's the real world -- not black and white. Very few moral absolutes. Enormous potential for error and embarrassment -- but all are part of the risks we willingly take to advance the American ideal. //

Many times in the past 40 years, people have encouraged us to adopt a policy of righteous isolationism -- but we remained engaged. We cannot advance principles if we curl up into a defensive ball. We cannot transform a world if we hide from its unpleasant realities. We can advance our cherished ideals only by extending our hand, showing our best sides, sticking patiently to our values -- even if we risk rejection.

Look at the way engagement with Taiwan and Korea is paying off today. We will have no leverage -- we will not be able to advance our cause or resist reaction -- if we pull back and declare that China is simply too impure a place for us. We want to change the world -- not simply profess our purity. We want to advance the cause of freedom -- not just snub nations that aren't yet wholly free.

Let me close today with some modest pieces of advice. First, understand that you often will confront moral ambiguity. There will come times when you will have difficulty distinguishing between good guys and bad guys. When these situations arise, identify your principles and stick by them. Stick by them even when people jeer, when people urge you to find a quick and easy way out. If you remain patient and true to yourself, you can't go wrong.

Second, remember that the corner of the world that matters most is the one right here at home, the one you share with friends and family.

Finally, your destiny and the currents of history will most likely intersect more than once. You will have ample opportunity to make your mark. Take care to make it count. //

To all the graduates of the Class of '91, who now join me as proud alumni of this great University: congratulations. Good luck to you -- and may God bless the United States of America.

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THE WHITE HOUSE

WASHINGTON

May 22, 1991

MEMORANDUM FOR THE PRESIDENT

THROUGH:

DAVID DEMAREST
TONY SNOW *TS*

FROM:

PEGGY DOOLEY *PD*

SUBJECT:

YALE COMMENCEMENT --- NEW YORK TIMES ARTICLES

Just to give you a taste of one of the things your Research Office does, we thought you would enjoy the attached articles that are mentioned in the Yale Commencement Address.

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AS SOVIET CUTS OFF BERLIN LAND LINKS

British Fly Planes to Europe to Handle Transport—Rail and Road Travel Halted

RUSSIAN GUARD INCREASED

Berlin Assembly Rejects Tie to East—People's Council Claims Right to Rule

Excerpts from statement by Sokolovsky, currency, Page 43.

By DREW MIDDLETON
Special to THE NEW YORK TIMES.
BERLIN, June 19—The United States and British Military Governments countered the Soviet Military Administration's land blockade of Berlin with air power today as the Russians strove to complete the isolation of this city and bring the whole of the Soviet zone behind the "iron curtain." Within Berlin itself there were two important developments. The City Assembly, led by stout-hearted parliamentary democrats, flatly rejected a Soviet bid for the inclusion of Berlin in the Eastern zone. This was matched on the Soviet side by the People's Council, which, in an appeal to all Germans, classified itself as the only representative of the German people and asked them to rally against the West. Employing the start of currency reform in the Western Zones as an excuse, the Russians have halted all travel by automobile or passenger train, by an American, Briton or Frenchman or German into their zone and into Berlin. To enforce the new ban on all eastbound traffic, Marshal Vassily D. Sokolovsky, commanding the Soviet forces in Germany, reinforced the Soviet Army's frontier guards all along the ragged line that forms the frontier between the British zone on the west and the United States—zone—on the southwest and south. British Post Armored Cars The Russian concentration appeared to be especially strong at Helmstedt, where the superhighway to Berlin from the British zone crosses into the Russian area. Looking across the frontier the Russians could see the silhouettes of a dozen armored cars the British had brought to the frontier to

Under Red Threat

Special to THE NEW YORK TIMES.
LONDON, June 19—Prime Minister Attlee warned an assembly of Labor party and cooperative officials and members of the National Council of the British Commonwealth today that their organizations throughout Britain stood in constant danger of being captured by "small and active" Communist minorities. He urged untiring vigilance against what he called "subversive elements dressed in sheep's clothing." He declared that many of the resolutions he had received from Labor and Cooperative organizations weekly were couched in identical terms. "I recognize the hand of King Street" [London headquarters of the British Communist party], he commented.

BIG GREEK ATTACK AIMS TO END WAR

National Army Is Battling to Surround and Cut Up Foe in Grammos Region

By C. L. SULZBERGER
Special to THE NEW YORK TIMES.
ATHENS, June 19—The Greek National Army, considerably strengthened by American supplies and ammunition, is now engaged in a major offensive designed to crush the Communist-led rebellion of the Markos guerrillas. This operation, which has been blanketed by military security, is now well under way. Its fundamental strategic objective is to encircle the principal guerrilla concentrations in the vicinity of Mount Grammos near the Albanian border, preventing their escape northward to satellite states. An area of 1,000 square miles is involved. The maneuver aims at splintering the forces of Gen. Markos Vafiades, the Communist commander of the guerrillas, into small bands, known in Greek history as "klephts," to be dealt with later as a problem of internal security. It is believed possible that if the offensive succeeds, support for the rebels from the Soviet bloc of states may evaporate. [In operations on the north-eastern Grammos slope, near Nestorion, a Greek Army unit stormed and took a rebel strong point that controlled an Albanian border crossing, Saturday's front-line reports said.]

AT CALL OF PEOPLE, ROY SIGLER SAYS

Threat Seen to Dewey's Lead as Michigan Sponsor Terms the Senator Available

BALLOT REPORTS WEIGHED

Dewey, Taft, Stassen Chiefties Stick to Claims—All Await Pennsylvania's Caucus

By JAMES A. HAGERTY
Special to THE NEW YORK TIMES.
PHILADELPHIA, June 19—The lead of Gov. Thomas E. Dewey for the Republican nomination for President was threatened late this afternoon when Kim Sigler, Governor of Michigan, issued a statement that he was certain Senator Arthur H. Vandenberg was available for the Presidential nomination. This did not mean that the Michigan contender had displaced the New York Governor as the present leading candidate for the nomination. Governor Dewey still appears certain to lead on the first ballot, with Senator Robert A. Taft of Ohio second and Harold E. Stassen, former Governor of Minnesota, third. Neither did it mean that it ended the chance of any of these candidates for the nomination. It did mean that Senator Vandenberg, who seemingly had lost delegate support mostly to Governor Dewey during the past few days, was again in the running and loomed as the most formidable compromise candidate if the convention should get into even a partial deadlock. "I know from my contacts with the Senator that he would prefer to remain in his present position," Governor Sigler said at the Benjamin Franklin Hotel. "But I know also that his unselfish devotion to his country makes him available as a candidate for the Presidency, should that be the demand of the people. I feel this convention will demonstrate that demand."

VANDENBERG PLANK PUT INTO PLATFORM

Lodge Asserts Foreign Affairs Subcommittee Was Unanimous for His Stand on Policy

By JAMES RESTON
Special to THE NEW YORK TIMES.
PHILADELPHIA, June 19—The foreign affairs subcommittee of the Republican Resolutions Committee has adopted the so-called Vandenberg foreign relations plank for the party platform. Chairman Henry Cabot Lodge Jr. of Massachusetts said the vote of the subcommittee was unanimous. Coincidentally, the civil rights subcommittee completed its plank. This was described by one member of the subcommittee as similar to President Truman's controversial civil rights program.

BY CONGRESS IN DRIVE TO ADJOURN; ERP TOTAL APPROVED, DP BILL WINS

MacArthur Backer Maps Vote Shifts

Special to THE NEW YORK TIMES.
MILWAUKEE, June 19—Delbert J. Kenny of West Bend, MacArthur backer, said today that he would support Gov. Thomas E. Dewey or Senator Arthur H. Vandenberg for the Republican nomination for President when it should seem to him that Gen. Douglas MacArthur would not be nominated, or that there was a "prolonged deadlock" in the national convention. Mr. Kenny said he believed that a "dark-horse" candidate should not be nominated because "the convention ought to nominate a candidate who has expressed himself on the issues." He added that because of his objections to a "dark-horse" candidate he would support Governor Dewey, but if there were a deadlock he would cast his vote for Senator Vandenberg. He is vice chairman of the Wisconsin delegation, which includes eight pledged to General MacArthur and nineteen to former Gov. Harold E. Stassen.

RACE FOR WIND-UP GOP Leaders Decide on Adjournment Subject to Their Summons

PLATFORM KEPT IN MIND

Taft, Vandenberg and Martin Stick to Task—Calendar Slowly Whittled Down

By WILLIAM S. WHITE
Special to THE NEW YORK TIMES.
WASHINGTON, Sunday, June 20—The Eightieth Congress struggled into today in tension and great fatigue toward some form of adjournment, while Philadelphia beckoned the Republicans almost irresistibly toward their national convention. Just before midnight it was decided that the adjournment would be open subject to the call of the Republican leadership. This would permit the Republicans to have Congress return on their terms if there was any unfinished business they wanted to complete. As Congress, beset by the mightiest issues of its session, struggled on, the hands of the Republican Senate and House leaders lay lightly, but with uncompromising firmness, upon the restless, feverish rank-and-file. Hardly, if ever, in history had just such a situation faced a party dominating Congress. In Philadelphia there went forward the veiled marching and counter-marching that might designate the Republican candidate for the Presidency of the United States. But in Washington, sweltering in the June heat, the party was moving toward the end of the record upon which it must, now and in November, largely stand. Typifying this strange and compelling tug between two cities was Senator Robert A. Taft of Ohio, a major candidate for the Presidential nomination but also one of the principal symbols of the work of this Congress.

Compromise Aid Measure Allows 12-Month Spending

Chambers Quickly Approve a Conference Report Making President Arbiter of Time in Which the Fund Is to Be Expended

By FELIX BELAIR Jr.
Special to THE NEW YORK TIMES.
WASHINGTON, Sunday, June 20—The \$6,030,710,228 foreign aid appropriation measure was passed by Congress and sent to the White House early today with \$5,055,000,000 for starting the European Recovery Program. It was left to President Truman to decide whether the money should be spent in twelve or fifteen months. The discretionary authority vested in the President was the crux of a "compromise" agreement between Senate and House conferees late yesterday that broke an all but hopeless deadlock over the ERP. The settlement nominally appropriated the ERP fund for fifteen months, but authorized the President to approve its expenditure in twelve months on the recommendation of the Administrator for Economic Cooperation. The House voted by 318 to 62 at 1:15 A. M. to adopt the report of the conference committee and the Senate acted a few minutes later. Final action on the measure came almost six months to the day after President Truman outlined the program to the special session of Congress, Dec. 18. From his seat on the Senate floor, Mr. Vandenberg reminded members that "the bill is fundamentally related to the peace of the earth and the destiny of free America, and free men." He praised the conferees for "a splendid piece of constructive work that maintains the full spirit of this great enterprise." For the program, the omnibus

Senate Approves Admitting 205,000 Within Two Years

By WALTER H. WAGGONER
Special to THE NEW YORK TIMES.
WASHINGTON, June 19—The Senate passed by a feeble voice vote today a bill admitting up to 205,000 homeless Europeans and political refugees to the United States in the next two years, and giving hope of permanent residence to as many as 15,000 alien displaced persons already here on temporary visas. The Senate action completes the Congressional stamp of approval on a fiercely fought compromise measure accepted by the House yesterday afternoon. President Truman is expected to sign it grudgingly, according to reliable informants, and with an accom-

HOUSE FOR DRAFT Tally 259 to 136 After All-Night Filibuster Is Broken in Senate

LEGALITY ISSUE RAISED Marcantonio Questions Bill's Passage in Upper Chamber Without Conference Wait

Summary of compromise draft bill's provisions, Page 34.

By C. P. TRUSSELL
Special to THE NEW YORK TIMES.
WASHINGTON, June 19—The House tonight a compromise stop-gap bill for the induction of twenty-one months of military service of men through 25 years of age. On a roll call the House followed the Senate in approving the measure. The vote was 259 to 136. This action came in the wake of the breaking at 10:29 A. M. Eastern daylight time of a two-man filibuster in the Senate which had blocked the legislation since 1:37 P. M. yesterday. Having cleared the Senate during one of its most turbulent sessions in many months, the Selective Service measure ran smoothly and headlong into a new blocking tactic when it was sent to the House for final ratification. Senate's Action Questioned Representative Vito Marcantonio, American Labor party, of New York, picked up where the filibustering Senators Glen H. Taylor, Democrat, of Idaho, and William Langer, Republican, of North Dakota, left off, and prepared a charge of liberality against the Senate's action. Developments in the wake of the all-night filibuster, led by Senator Taylor, running-mate of Henry A. Wallace on the third party Presidential ticket, had taken on both sides the character of

HOUSING-BILL DRIVE FAILS IN CONGRESS

Ellender in Senate Balks Talk With House as Latter's Plan

peared to be especially strong at Helmstedt, where the superhighway to Berlin from the British zone crosses into the Russian area. Looking across the frontier the Russians could see the silhouettes of a dozen armored cars the British had brought to the frontier to help handle the long lines of travelers in cars, trucks and wagons and on foot who sought to move eastward.

All entry into the Soviet zone was barred. Two diplomats, one Swiss and the other Dutch, who tried to drive eastward were turned back to mingle with the hundreds of Germans who milled uncertainly in the area west of the control point.

Railroad traffic, which fuels and to a considerable extent feeds Berlin, was moving eastward, however, although the Russians turned back a number of freight cars on the usual excuse that they were so old as to be "unsafe."

No military freight cars bound for Berlin are expected to reach the Soviet inspection point on the

Continued on Page 42, Column 2

Major Sports Results

BASEBALL

With Sid Gordon walloping two homers and Johnny Mize and Willard Marshall one each, the Giants broke a five-game losing streak by crushing the Cardinals, 10-1, behind Clint Hartung yesterday. Andy Pafko had a perfect day with five hits as Bob Rush pitched the Cubs to a 5-2 victory over the Dodgers. Billy Johnson's two homers, one with the bases full, paced the Yankees in their 10-5 conquest of the Browns.

TRACK AND FIELD

Mel Patton of Southern California won both the 100 and 200 meter dashes at the National Collegiate championships, but Minnesota surprised by gaining the team title with 46 points to 41½ for the favored Trojans and 40 for Texas. Patton ran the 200 in 20.7 seconds, equaling the fastest time ever recorded around a curve.

HORSE RACING

Sweet Dream, 6-1, took the \$28,400 Gazelle Stakes by a head, withstanding a stretch run by Scattered, 3-2 favorite, at Aqueduct. Miss Grillo captured the New Castle Handicap at Delaware Park.

(Full details in Section 5).

(In operations on the north-eastern, Grammos slope, near Nestorik, a Greek Army unit stormed and took a rebel strong point that controlled an Albanian border crossing, Saturday's front-line reports said.)

This correspondent has just completed a tour of the northern regions in the company of Lieut. Gen. Demitrios Yantzi, chief of the Greek General Staff, and Lieut. Gen. James A. Van Fleet, head of the United States military mission.

He has attended series of briefings held by General Yantzi and his corps and divisional commanders in Epirus, Macedonia and Thrace and has seen the shifting of the units for the major operation in the Grammos area and also for the subsidiary attacks and diversions.

On the basis of this he can say this is a major offensive involving considerable bodies of men and for Greece—artillery with continual tactical support of the Greek Air Force Spitfires, some of which are carrying fragmentation bombs, some rockets and the rest cannon or machine-guns.

The main objective—the Grammos Massif, where General Markos is believed to have his headquarters as well as the largest concentration of his army and supply

Continued on Page 44, Column 2

"Senator Vandenberg has demonstrated to the nation that he is first, last and always a statesman. People everywhere recognize him as a champion of world peace."

"His services to Congress have been directed toward stability throughout the world. He believes in a strong, united, and peaceful world. He has the confidence and ability to lead the nation and the world."

Governor Sigler issued his statement after a talk with the Senator's son, Arthur H. Vandenberg Jr., about what the Governor wanted to be done to correct the impression that the Michigan Senator did not want or was not available for the nomination.

"Presumably, as it is viewed here, Governor Sigler issued the statement with the knowledge of Senator Vandenberg. He was asked if this was the case, and replied: 'I wouldn't be doing what I am doing if I didn't know what I was doing.'"

"Are you throwing Senator Vandenberg's hat in the ring?" a reporter asked.

"To the extent that if there is a demand for his nomination, the answer is yes," Governor Sigler replied.

It was learned that Senator

Continued on Page 4, Column 2

Big Stores to Oppose Union Plans For Evading the Taft-Hartley Law

By STANLEY LEVEY

Major New York department stores will stand together in opposing attempts by left wing unions of their employees to circumvent the Taft-Hartley law by substituting novel security clauses in their contracts, it was indicated yesterday.

Beginning July 1 store officials and representatives of several locals of the Retail, Wholesale and Department Store Union, CIO, are scheduled to talk over the expiration on Aug. 22 of union shop provisions in their agreements. All other clauses remain in effect until Feb. 1, 1949.

The locals have announced their intention of seeking the inclusion of new sections that would in effect give them the union shop without signing the non-Communist affidavits of the Taft-Hartley law. Since they have refused to file those oaths, they are not able to take advantage of the certifica-

tion machinery of the National Labor Relations Board. Instead, the locals have devised alternative methods of achieving recognition and union security. The most important of these is the so-called reciprocal discharge clause, enabling them to insist on dismissal of workers whose continued employment is considered harmful to the maintenance of "harmonious relations."

While the larger department stores have issued no statement on this subject, it was understood that they will reject it when it is presented to them officially.

On the other hand, a large number of smaller dry goods stores and other shops under contract with the Wholesale and Warehouse Workers Union, Local 65, are reported to have agreed to grant the new union security clauses. Meeting last week with the union, they

Continued on Page 17, Column 1

of Massachusetts said the vote of the subcommittee was unanimous. Coincidentally, the civil rights subcommittee completed its plank. This was described by one member of the subcommittee as similar to President Truman's controversial civil rights program.

As soon as the subcommittee met his wishes, however, strenuous

Continued on Page 6, Column 1

World News Summarized

SUNDAY, JUNE 20, 1948

Congress adopted a compromise draft bill when the House last night followed the lead of the Senate earlier in approving the measure. The Senate action came in the morning after a seventeen-hour two-man filibuster led by Senators Taylor and Langer had ended. The bill provides for the induction for twenty-one months of military service of men 19 to 25 years old. [1:8.]

A compromise foreign aid appropriation measure was adopted by the House, 318 to 82, and by the Senate, by voice vote, on a conference committee report. It carries a total of \$8,030,710,229, of which \$5,055,000,000 is for the European Recovery Program, leaving it to President Truman to decide whether the money should be spent in twelve or fifteen months. [1:6-7.]

Congressional action on the bill to admit 205,000 displaced Europeans to this country in the next two years was completed when the Senate approved it in a voice vote. [1:6-7.]

The plans for the adjournment of Congress were delayed for decisions on the terms of the farm and postal pay rise bills. Republican leaders, who had passed Friday night without sleep, hoped to push Congress to adjournment. [1:5.]

The Republican members of Congress were eager to get away to Philadelphia, where their party's national convention opens tomorrow. Governor Dewey was expected to be out in front when the balloting for the Presidential nomination began, but the New York Governor's lead was threatened by a statement by Governor Sigler of Michigan

that Senator Vandenberg was definitely available for the nomination. [1:3.]

Senator Vandenberg's foreign affairs policies were reported to be the basis for a plank adopted by the foreign affairs subcommittee of the Republican resolutions committee in Philadelphia. The plank proposed to obligate the Republican party to continue the present foreign policy of the United States. [1:4.]

In Germany, where a new currency reform program becomes effective today in the zones occupied by the Western powers, United States and British authorities called on a special transport to relieve the land blockade of Berlin by the Russians. The Russians, who have asserted that the blockade is necessary to prevent a flood of the old currency into their zone, reinforced their frontier guards. [1:1.]

Moscow informed Washington it would be possible to hold the proposed ten-nation conference on Danubian navigation in Belgrade this summer. [3:13.]

The Greek Army's Grammos Mountain offensive against the Communist-led rebels was seen as pointing to major world policy developments. [1:2.]

The United Nations dispatched its first international police force when a group of forty-nine guards left New York by plane for Palestine, where they will serve under Count Bernadotte, the United Nations mediator, who is trying to set up a basis for permanent peace between Jews and Arabs in the Holy Land. Three destroyers from the United States Mediterranean fleet will patrol the Palestine coast under the direction of Count Bernadotte. [5:3.]

on temporary visas. The Senate action completes the Congressional stamp of approval on a fiercely fought compromise measure accepted by the House yesterday afternoon. President Truman is expected to sign it, according to reliable informants, and with an accompanying message of disapproval for its alleged inadequacies.

The President's action was foreshadowed today in the debate by some of his most loyal supporters. Senator J. Howard McGrath of Rhode Island, chairman of the Democratic National Committee, charged that the bill discriminated against Jews and Catholics and wrote principles of "narrowness, intolerance, and bigotry" into law.

Attacks against the measure were by no means confined to the Democratic side of the aisle. Allegations of discrimination and religious bias came also from several Republicans who, with the Democrats, said they would vote for the bill reluctantly, and press for amendments to it in the new Congress meeting in January.

Both Senators Homer Ferguson, Republican of Michigan, and Harley M. Kilgore, Democrat of West Virginia, warned that the bill as now written would encourage fraud and attempts at passport forgery by displaced persons, seeking to

Continued on Page 10, Column 1

FAILS IN CONGRESS

Ellender in Senate Balks Talk With House as Latter's Plan Is Called 'Fraud' on GI's

By JOHN D. MORRIS
Special to The New York Times

WASHINGTON, Sunday, June 20—Attempts to obtain Congressional approval of a housing bill bogged down early today after a Senate battle of invective, and hope was virtually abandoned.

"I don't think there is a chance," said Senator Robert A. Taft of Ohio, Republican policy chairman of the Senate, after a conference with House leaders and other Senators concerned.

Just before that, further action on the politically-explosive issue was stymied by the adamant stand of Senator Allen J. Ellender, Democrat, of Louisiana.

The last-minute parliamentary situation required unanimous consent for the Senate to take the first step in creating a joint conference committee to attempt an adjustment of differences between

Continued on Page 15, Column 1

New York Woman Fighting Draft Sent Wire That Broke Filibuster

Mrs. Frances Leon Swadesh, whose congratulatory telegram to Senator Glen Taylor of Idaho broke up Mr. Taylor's filibuster against Senate action on the draft, "unwittingly rendered her country a great service" in the opinion of her father, Maurice Leon, Wall Street lawyer.

Mrs. Swadesh, who is the wife of Dr. Morris Swadesh, linguist and former member of the Yale faculty, voiced the "deepest regret" yesterday when she learned of the result of her telegram.

"I'm very, very sorry," she said at her home, a five-room and terrace duplex penthouse apartment at 67 Park Terrace East, in the Inwood section of upper Manhattan. "I certainly didn't intend for it to have that effect."

Asked why she sent the telegram, she replied that her motive was "perfectly simple."

"I want peace, and peace is possible if we work for it," she said.

The telegram also criticized United States policy in Greece, where the monarchist government is under attack by Communist forces aided by the Soviet satellite states.

The full text of the telegram follows:

"Citizens of this nation can congratulate themselves on having one honest Senator who respects his duty to represent the desires and interests of the people instead of the special interests of enemies of peace stop God give you strength in your fight against defrauders of the people who gain their seats by pretending to believe in democracy but never heed their constituents stop we want peace not American sponsored expeditions to support corrupt states such as monarchist regime murdering American newspaper correspondents to prevent truthful reports."

Asked about a statement by neighbors of Mrs. Swadesh that

James Langer, Republican, of North Dakota, left off, and prepared a charge of illegality against the Senate's action.

Developments in the wake of the all-night filibuster, led by Senator Taylor, running-mate of Henry A. Wallace on the third party Presidential ticket, had leaders on both sides of the Capitol, visibly perturbed. Mr. Marcantonio, who started the blocking tactics before the House's sorely mutilated bill was sent to conference for adjustment of sharp differences with the Senate's measure, had appeared confident that he had a point of order that would "stick."

The charge of illegality against the Senate's passage of the conference agreement was based on the fact that the Taylor-Langer filibuster had prevented the formal appointment of the conferees for the Senate until the filibuster was broken.

Marcantonio Predicts Challenge

Yet, Mr. Marcantonio contended, when Senator Taylor was seated on a point of order after he had relayed back into the filibuster, a completed conference agreement was quickly presented and passed. He held that it was physically impossible for the Senate and House conferees to have met and agreed on the time between official appointment of the conferees and passage of the measure.

Such an action, Mr. Marcantonio contended further, subjected the draft bill, if enacted to challenge before the courts. He predicted that such a test might be made by some organization which had fought the draft.

When Mr. Marcantonio made his point of order, Representative Walter G. Andrews of New York, chairman of the Armed Services Committee, asserted that the approval of Senate conferees had been obtained before the passage vote was taken in the Senate. Afterward, he added, the signatures of all five Senate managers and six of the seven House managers were affixed to the agreement.

Speaker Joseph W. Martin Jr. overruled the point of order and passage followed an hour's debate.

The all-night filibuster in the Senate was broken after Mr. Taylor had talked for four hours and forty-three minutes, following five hours and thirteen minutes of relief from Senator Langer. Mr. Taylor's first stretch lasted eight hours and thirty-three minutes. Through the

Continued on Page 34, Column 2

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U. N. GUARDS OFF TO PALESTINE TASK

Initial World Police Force Has
142 U. S. Citizens—Navy
to Lend 3 Destroyers

By A. M. ROSENTHAL
Special to The New York Times.
LAKE SUCCESS, N. Y., June 19—The United Nations sent out its first international police force tonight—forty-nine men bound for Palestine to protect the truce.

Just before 6 P. M. the Palestine patrol left La Guardia Field in two transport planes headed for Cairo, Egypt. From there the last leg of the trip into Palestine will be under the orders of Count Folke Bernadotte, the United Nations mediator, who will deploy his guards along the Tel Aviv-Jerusalem road and in the Holy City itself.

The men who left for Palestine tonight were from seven countries, but they were all veterans, all volunteers. They filed into the planes dressed for the tropics—slate gray blouse and slacks and pith helmets. Each man wore a United Nations shoulder patch and carried an unloaded .38 Smith & Wesson revolver. It will be up to Count Bernadotte to decide whether ammunition will go into the weapons.

The departure of the guards was without ceremony, but it was a large part of a stepping-up of the United Nations' role in Palestine. A few hours before the planes took off it was reported that Secretary General Trygve Lie might make a quick visit to the Holy Land to inspect the more than 160 United Nations personnel stationed there.

Lie Talks of Palestine Trip

Mr. Lie said he had no definite plans, but pointed out that a trip could be made to any part of the world where the United Nations had a staff.

From the United States delegation meanwhile came official confirmation that Count Bernadotte would be in charge of three United States destroyers, as well as his "land and air forces." The United States said that the three men-of-war would be assigned from the Mediterranean Fleet to the mediator for duty patrolling the coast of Palestine.

The French Government also an-

nounced that it was complying with Count Bernadotte's request for naval assistance by dispatching the corvette Elan.

Belgium, which was also asked for a ship, notified the Secretary General that she would be unable to send one now.

The United States told Mr. Lie that it was lending the three destroyers for the period of the current truce. It was understood, the United States said, that the warships would be used only for transporting personnel and supplies and for observation. Use of force by the destroyers was ruled out and the ships' commanders were not empowered to board other vessels.

On board the two planes were twenty-eight members of the United Nations Security Guards. They were all Americans, most of them combat veterans. The number of United States citizens was swelled to forty-two by fourteen other volunteers from different departments in the United Nations staff.

The original list contained fifty names, but one of the Americans did not appear at the field. United Nations officials did not know what had happened to the man, but

said he might be sent on a later plane.

The "international" part of the force was supplied by the other members—two Frenchmen, one Norwegian, a Dane, a Swede, an Australian and a Chinese. In charge was John Cosgrove, graduate of Manhattan College and a resident of Queens. He shepherded a young group; the average age being 25.

Forty-two of the men left in a Sabena DC-4 that will land in Cairo on Monday. The other seven took off in a British Overseas Airways plane that will arrive a day later in Egypt.

When the men signed up for Palestine duty, the volunteers were told that they would be gone at least for two months. They took no food or medical supplies with them but each man packed a first-aid kit, a whistle, flashlight, tropical clothes and some desert necessities like insect repellent and sunburn lotion.

The chief job of the United Nations force, once it gets to Palestine, will be to patrol the vital Tel Aviv-Jerusalem road, to see that the Arabs allow road to get through and that Israeli elements

do not smuggle arms into the Holy City. Some of the men will be assigned to guard duty at the Mediator's headquarters in Cairo and some to the United Nations' office in Jerusalem's King David Hotel.

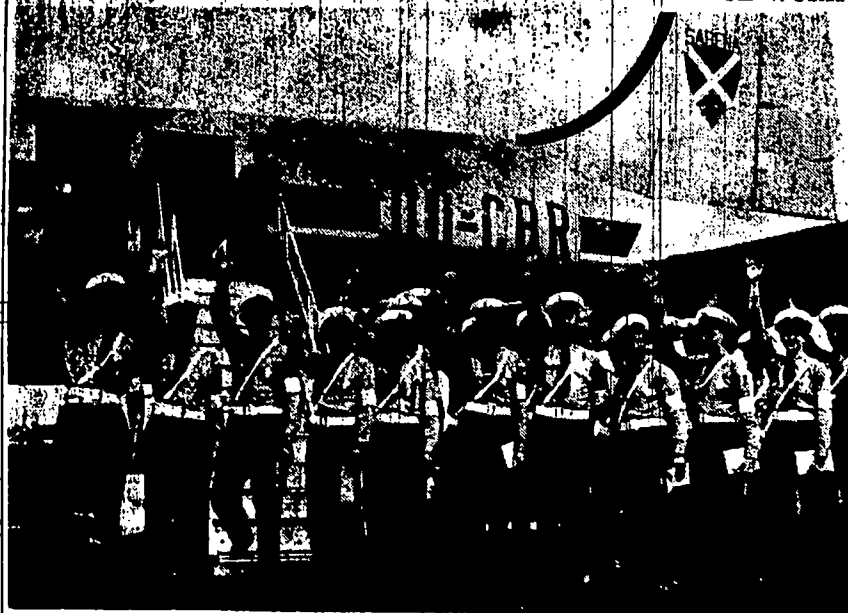
At the field the men gathered an hour before take-off time. Waiting rooms were filled with wives and mothers and there were a few crying babies.

The mechanics were giving the plane the last check-up when Mr. Lie's limousine pulled on the field and the Secretary General hurried out to say good-by. Mr. Lie climbed into the Sabena plane after the men and told them he wished them well and knew that they would do a good job. He also reminded them that they had "one command—United Nations and its mediator."

Colombia Seeks Hospital Loan

Special to The New York Times.
BOGOTA, Colombia, June 19—The Colombian Social Security Bank is seeking a \$7,000,000 loan in the United States for the construction of a 1,000-bed hospital in Bogota. Medical service would be provided for an estimated 100,000 persons.

ON WAY TO HOLY LAND FOR INTERNATIONAL POLICE WORK



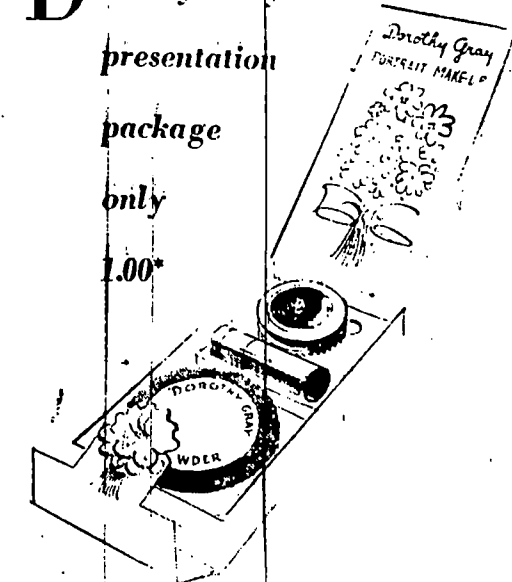
United Nations guards before boarding plane at La Guardia Field

The New York Times

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ANNUAL GENERAL MEETING OF 8TH JUNE, 1948

Extract from Directors' Report

For the first time since the war your Company, in 1947, fully regained its pre-war appearance. The gradual resumption of normal commercial exchanges, among other things, has taken the traffic of the Canal above the level reached before the war.

times the figure they were formerly assessed as in the Canal traffic. In the sphere of production and trade, the United States maintain an undisputed lead, which, apart from geographical remoteness, continues to place them second place among

OIL EXPORT CENTER SEEN IN MIDEAST

By William F. Friedman
Special to The New York Times

LONDON, June 30.—The world oil export center is likely to be located in the Middle East, according to a study by Sir William F. Friedman, Chairman of the Anglo-Iranian Oil Company, said in the company's annual statement to stockholders which was made public today.

Sir William remarked upon the "public interest aroused in the importance of Middle East petroleum production" and made passing references to the way in which oil is involved in the Palestine problem and other political issues in the Middle East.

"The Western Hemisphere's consumption of oil products is now overhauling even the huge petroleum production of the Americas, and the world at large looks increasingly to expanding exports from the Middle East to satisfy its needs," said Sir William. He added that Europe, in particular, will depend on Middle East oil.

Accordingly, he reported that Anglo-Iranian had recently formed a subsidiary company to examine a new major refinery project on the eastern Mediterranean seaboard and that that company, in partnership with Standard Oil Company of New Jersey and Soncony-Vacuum Oil Company, was "actively pursuing" the project for a pipeline from the Persian Gulf to the Mediterranean.

Pipeline Is Hampered

This latter project has been hampered, he said, by the Palestine dispute, which has also made it impossible to estimate the completion date for a new pipeline being laid from the Iraq oil fields to Haifa by the Iraq Petroleum Company, in which Anglo-Iranian is a partner. The Haifa refineries, at the terminus of the existing IPC pipeline, have been closed since April 13 because of "local conditions," he stated, and test drilling for oil in Palestine has been suspended.

Sir William gave an imposing list of projects of the company that are designed to increase oil production and refining in the Mideast, Southeast Asia, Europe and the United Kingdom, but he said war damage, shortage of skilled manpower, lack of steel and currency complications were hampering the efforts of the oil industry to catch up with the rapid increase in demand.

Despite handicaps, the report stated, as previously announced, that the company had broken its own record for earnings, with a net trading profit in 1947 of £18,564,857. Of this amount £1,000,000 was placed in the preference stock reserve, £10,500,000 in the general reserve and the remainder paid out

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REOPENING TALKED FOR TIN MARKET

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ONE-YEAR MATURITIES OF U. S. \$51,529,728,022

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"The Western Hemisphere's consumption of oil products is now overhauling even the huge petroleum production of the Americas, and the world at large looks increasingly to expanding exports from the Middle East to satisfy its needs," said Sir William. He added that Europe, in particular, will depend on Middle East oil.

Accordingly, he reported that Anglo-Iranian had recently formed a subsidiary company to examine a new major refinery project on the eastern Mediterranean seaboard and that that company, in partnership with Standard Oil Company of New Jersey and Soncony-Vacuum Oil Company, was "actively pursuing" the project for a pipeline from the Persian Gulf to the Mediterranean.

This latter project has been hampered, he said, by the Palestine dispute, which has also made it impossible to estimate the completion date for a new pipeline being laid from the Iraq oil fields to Haifa by the Iraq Petroleum Company, in which Anglo-Iranian is a partner. The Haifa refineries, at the terminus of the existing IPC pipeline, have been closed since April 13 because of "local conditions," he stated, and test drilling for oil in Palestine has been suspended.

Sir William gave an imposing list of projects of the company that are designed to increase oil production and refining in the Mideast, Southeast Asia, Europe and the United Kingdom, but he said war damage, shortage of skilled manpower, lack of steel and currency complications were hampering the efforts of the oil industry to catch up with the rapid increase in demand.

Despite handicaps, the report stated, as previously announced, that the company had broken its own record for earnings, with a net trading profit in 1947 of £18,564,857. Of this amount £1,000,000 was placed in the preference stock reserve, £10,500,000 in the general reserve and the remainder paid out

times the figure they were formerly assessed as in the Canal traffic. In the sphere of production and trade, the United States maintain an undisputed lead, which, apart from geographical remoteness, continues to place them second place among

HOLDING COMPANY HAS RECORD PROFIT

By William F. Friedman
Special to The New York Times

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Lehman Bros.

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SUBJECT:

**COUNTRIES DENIED MOST-FAVORED-NATION
TARIFF TREATMENT UNDER U.S. LAW**

Note 3 (b) of the General Notes of the **HARMONIZED TARIFF SCHEDULE** of the United States, entitled "Rate of Duty Column 2."

"Notwithstanding any of the foregoing provisions of this note, the rates of duty shown in column 2 shall apply to products, whether imported directly or indirectly, of the following countries and areas pursuant to section 401 of the Tariff Classification Act of 1962, to section 231 or 257(e)(2) of the Trade Expansion Act of 1962, to section 404(a) of the Trade Act of 1974 or to any other applicable section of law, or to action taken by the President thereunder:

Afghanistan
Albania
*Bulgaria
Cuba
Estonia

Kampuchea
Laos
Latvia
Lithuania
Mongolia

North Korea
*Romania
*USSR
Vietnam

(* Countries with MFN provisions in bilateral trade agreements with the U.S. which await Congressional approval and/or waiver of Jackson-Vanik requirements for implementation)

MFN Treatment Authorized Under the Terms of Title IV of the Trade Act of 1974

Romania (suspended)
Hungary
China
Czechoslovakia

MFN Treatment Provided Under Normal Terms

Yugoslavia
Poland
German Democratic Republic (now part of Germany)

Cecilia Klein
3063
Gen Counsel
3150

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C. MOST-FAVORED-NATION (NONDISCRIMINATORY)**TREATMENT****1. MFN Principle****Section 251 of Trade Expansion Act of 1962**

[19 U.S.C. 1881, P.L. 87-794]

SEC. 251. MOST-FAVORED-NATION PRINCIPLE

Except as otherwise provided in this title, in section 350(b) of the Tariff Act of 1930, or in section 401(a) of the Tariff Classification Act of 1962, any duty or other import restriction or duty-free treatment proclaimed in carrying out any trade agreement under this title or section 350 of the Tariff Act of 1930 shall apply to products of all foreign countries, whether imported directly or indirectly.

Section 126(a) of Trade Act of 1974

[19 U.S.C. 2136, P.L. 93-618]

SEC. 126. RECIPROCAL NONDISCRIMINATORY TREATMENT

(a) Except as otherwise provided in this Act or in any other provision of law, any duty or other import restriction or duty-free treatment proclaimed in carrying out any trade agreement under this title shall apply to products of all foreign countries, whether imported directly or indirectly.

Section 1103(a)(3) of Omnibus Trade and Competitiveness Act of 1988

[19 U.S.C. 2903, P.L. 100-418]

(3) To ensure that a foreign country which receives benefits under a trade agreement entered into under section 1102(b) or (c) is subject to the obligations imposed by such agreement, the President shall recommend to Congress in the implementing bill and statement of administrative action submitted with respect to such agreement that the benefits and obligations of such agreement apply solely to the parties to such agreement; if such application is consistent with the terms of such agreement. The President may also recommend with respect to any such agreement that the benefits and obligations of such agreement not apply uniformly to all parties to such agreement, if such application is consistent with the terms of such agreement.

The Trade Representative shall consult with the Committee on the part of the Senate with respect to the wine and grape products and

the United States—

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2. Communist Co-**General Note 3(b) of Harmoni****Rate of Duty Column 2.**

Notwithstanding any of the foregoing rates of duty shown in column 2 shall imported directly or indirectly, of the pursuant to section 401 of the Tariff C section 231 or 257(e)(2) of the Trade Ex tion 404(a) of the Trade Act of 1974 or tion of law, or to action taken by the Pr

Afghanistan	German Democratic
Albania	Republic
Bulgaria	Kampuchea
Cuba	Laos
Czechoslovakia	Latvia
Estonia	Lithuania

Title IV of Trade Act of 19

[19 U.S.C. 2431, P.L. 93-618, as amended by P.L. 9 1979, and P.L. 100-

SEC. 401. EXCEPTION OF THE PRODUCTS AREAS

Except as otherwise provided in this continue to deny nondiscriminatory tre any country, the products of which wer set forth in rate column numbered 1 of United States on the date of the enactm

SEC. 402. FREEDOM OF EMIGRATION IN EAS

(a) To assure the continued dedicati fundamental human rights, and notwit sion of law, on or after the date of the c ucts from any nonmarket economy coun receive nondiscriminatory treatment ment), such country shall not partici Government of the United States whic

guarantees or investment guarantees, the President of the United States shall al agreement with any such country, c with the date on which the President c try—

(1) denies its citizens the right or

(2) imposes more than a nominal t visas or other documents required f pose or cause whatsoever; or

(3) imposes more than a nominal charge on any citizen as a consequ citizen to emigrate to the country of and ending on the date on which the such country is no longer in violation

(b) After the date of the enactment of nonmarket economy country may be eli natory treatment (most-favored-nation

ATION (NONDISCRIMINATORY) TREATMENT

FN Principle

Trade Expansion Act of 1962

C. 1881, P.L. 87-794]

IN PRINCIPLE

provided in this title, in section 350(b) of the Tariff Classification Act of 1930 shall apply to products imported directly or indirectly.

of Trade Act of 1974

C. 2136, P.L. 93-618]

NONDISCRIMINATORY TREATMENT

provided in this Act or in any other provision of law, no import restriction or duty-free treatment shall be applied to any trade agreement under which products of all foreign countries, whether imported directly or indirectly.

Trade and Competitiveness Act of 1988

C. 2903, P.L. 100-418]

any foreign country which receives benefits under section 1102(b) or (c) of the Trade and Competitiveness Act of 1988, the President in the implementing bill and any action submitted with respect to such trade agreement and obligations of such agreement shall not apply uniformly to all such application is consistent with the

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General Note: This note is a part of the Harmonized Tariff Schedule of the United States. It is not to be construed as a part of the law. It is subject to change without notice.

Notwithstanding any of the foregoing provisions of this note, the rates of duty shown in column 2 shall apply to products, whether imported directly or indirectly, of the following countries and areas pursuant to section 401 of the Tariff Classification Act of 1962, to section 231 or 257(e)(2) of the Trade Expansion Act of 1962, to section 404(a) of the Trade Act of 1974 or to any other applicable section of law or to action taken by the President thereunder:

Afghanistan, Albania, Bulgaria, Cambodia, Czechoslovakia, Estonia, North Korea, Romania, Union of Soviet Socialist Republics, Vietnam

Title IV of Trade Act of 1974, as amended

[19 U.S.C. 2431, P.L. 93-618, as amended by P.L. 96-39, Reorganization Plan No. 3 of 1979, and P.L. 100-418]

SEC. 401. EXCEPTION OF THE PRODUCTS OF CERTAIN COUNTRIES OR AREAS

Except as otherwise provided in this title, the President shall continue to deny nondiscriminatory treatment to the products of any country, the products of which were not eligible for the rates set forth in rate column numbered 1 of the Tariff Schedules of the United States on the date of the enactment of this Act.

SEC. 402. FREEDOM OF EMIGRATION IN EAST-WEST TRADE

(a) To assure the continued dedication of the United States to fundamental human rights, and notwithstanding any other provision of law, on or after the date of the enactment of this Act products from any nonmarket economy country shall not be eligible to receive nondiscriminatory treatment (most-favored-nation treatment); such country shall not participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, directly or indirectly, and the President of the United States shall not conclude any commercial agreement with any such country during the period beginning with the date on which the President determines that such country—

- (1) denies its citizens the right or opportunity to emigrate;
 - (2) imposes more than a nominal tax on emigration or on the visas or other documents required for emigration, for any purpose or cause whatsoever; or
 - (3) imposes more than a nominal tax, levy, fine, fee, or other charge on any citizen as a consequence of the desire of such citizen to emigrate to the country of his choice,
- and ending on the date on which the President determines that such country is no longer in violation of paragraph (1), (2), or (3).

(b) After the date of the enactment of this Act, (A) products of a nonmarket economy country may be eligible to receive nondiscriminatory treatment (most-favored-nation treatment), (B) such coun-

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try may participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, and (C) the President may conclude a commercial agreement with such country, only after the President has submitted to the Congress a report indicating that such country is not in violation of paragraph (1), (2), or (3) of subsection (a). Such report with respect to such country shall include information as to the nature and implementation of emigration laws and policies and restrictions or discrimination applied to or against persons wishing to emigrate. The report required by this subsection shall be submitted initially as provided herein and, with current information, on or before each June 30 and December 31 thereafter so long as such treatment is received, such credits or guarantees are extended, or such agreement is in effect.

(c)(1) During the 18-month period beginning on the date of the enactment of this Act, the President is authorized to waive by Executive order the application of subsections (a) and (b) with respect to any country, if he reports to the Congress that—

(A) he has determined that such waiver will substantially promote the objectives of this section; and

(B) he has received assurances that the emigration practices of that country will henceforth lead substantially to the achievement of the objectives of this section.

(2) During any period subsequent to the 18-month period referred to in paragraph (1), the President is authorized to waive by Executive order the application of subsections (a) and (b) with respect to any country, if the waiver authority granted by this subsection continues to apply to such country pursuant to subsection (d), and if he reports to the Congress that—

(A) he has determined that such waiver will substantially promote the objectives of this section; and

(B) he has received assurances that the emigration practices of that country will henceforth lead substantially to the achievement of the objectives of this section.

(3) A waiver with respect to any country shall terminate on the day after the waiver authority granted by this subsection ceases to be effective with respect to such country pursuant to subsection (d). The President may, at any time, terminate by Executive order any waiver granted under this subsection.

(d)(1) If the President determines that the extension of the waiver authority granted by subsection (c)(1) will substantially promote the objectives of this section, he may recommend to the Congress that such authority be extended for a period of 12 months. Any such recommendation shall—

(A) be made not later than 30 days before the expiration of such authority;

(B) be made in a document transmitted to the House of Representatives and the Senate setting forth his reasons for recommending the extension of such authority; and

(C) include, for each country with respect to which a waiver granted under subsection (c)(1) is in effect, a determination that continuation of the waiver applicable to that country will substantially promote the objectives of this section, and a statement setting forth his reasons for such determination.

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(2) If the President recommends extension of the waiver authority granted by this subsection, the authority shall continue in effect with respect to such country for a period of 12 months following the end of the 18-month period referred to in subsection (c)(1), if, before the end of such 18-month period, the House of Representatives and the Senate, by an affirmative vote of a majority of the Members present and voting in each House and under the procedure for concurrent resolution approving the extension of such authority, and such resolution does not name such country as being excluded from such authority. Such authority shall continue in effect with respect to any country named in such concurrent resolution on the date of the adoption of such concurrent resolution. If before the end of such 18-month period, a concurrent resolution approving the extension of such authority is not adopted by both the House and Senate, the authority shall terminate on the final passage of such a concurrent resolution.

(A) both the House and the Senate, by a concurrent resolution, the authority granted by this subsection shall cease to be effective with respect to such country at the end of such 18-month period;

(B) both the House and the Senate, by a concurrent resolution which names such country as being excluded from such authority, such authority shall cease to be effective with respect to such country at the end of such 18-month period;

(C) if one House fails to pass such a concurrent resolution and the other House passes such a concurrent resolution naming such country as being excluded from such authority, such authority shall cease to be effective with respect to such country at the end of such 18-month period.

(3) If the President recommends extension of the waiver authority granted by this subsection, the authority shall continue in effect with respect to such country for a period of 12 months following the end of the 18-month period referred to in subsection (c)(1), if, before the end of such 18-month period, the House of Representatives and the Senate, by an affirmative vote of a majority of the Members present and voting in each House and under the procedure for concurrent resolution approving the extension of such authority, and such resolution does not name such country as being excluded from such authority, such authority shall continue in effect with respect to any country named in such concurrent resolution on the date of the adoption of such concurrent resolution. If before the end of such 18-month period, a concurrent resolution approving the extension of such authority is not adopted by both the House and Senate, the authority shall terminate on the final passage of such a concurrent resolution.

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passage of such a concurrent resolution and the Senate fail to pass such a concurrent resolution, such authority granted by subsection (c) shall cease to be effective with respect to all countries on the date of final passage by the House, which shall be the date of such passage, and the Senate pass such a concurrent resolution, such authority shall cease to be effective with respect to such country as being excluded from such authority shall cease to be effective with respect to such country at the end of such 60-day period; or, if the House of Representatives pass such a concurrent resolution and the Senate fail to pass such a concurrent resolution, such authority shall cease to be effective with respect to such country at the end of such 60-day period.

If the House of Representatives recommends under paragraph (1) the extension of such authority, and at the end of the 12-month period following the date of the adoption of such authority, the House of Representatives or the Senate have not adopted a concurrent resolution disapproving the extension of such authority and subparagraph (B) or (C) does not apply, such authority shall continue to be effective with respect to such country for the 12-month period following the date of the adoption of such authority, unless before the end of the 60-day period following such previous 12-month extension, either the House of Representatives or the Senate adopts, by an affirmative vote of a majority of the Members present and voting in that House and under the procedures set forth in section 153, a resolution disapproving the extension of such authority generally or with respect to such country specifically. Such authority shall cease to be effective with respect to all countries on the date of the adoption by either House before the end of such 60-day period of a resolution disapproving the extension of such authority, and shall cease to be effective with respect to any country on the date of the adoption by either House before the end of such 60-day period of a resolution disapproving the extension of such authority with respect to such country.

(e) This section shall not apply to any country the products of which are eligible for the rates set forth in rate column numbered 1 of the Tariff Schedules of the United States on the date of the enactment of this Act.

SEC. 403. UNITED STATES PERSONNEL MISSING IN ACTION IN SOUTHEAST ASIA

(a) Notwithstanding any other provision of law, if the President determines that a nonmarket economy country is not cooperating with the United States—

- (1) to achieve a complete accounting of all United States military and civilian personnel who are missing in action in Southeast Asia;
- (2) to repatriate such personnel who are alive; and
- (3) to return the remains of such personnel who are dead to the United States;

then, during the period beginning with the date of such determination and ending on the date on which the President determines such country is cooperating with the United States, he may provide that—

- (A) the products of such country may not receive nondiscriminatory treatment;
- (B) such country may not participate, directly or indirectly, in any program under which the United States extends credit, credit guarantees, or investment guarantees; and
- (C) no commercial agreement entered into under this title between such country and the United States will take effect.

(b) This section shall not apply to any country the products of which are eligible for the rates set forth in rate column numbered 1 of the Tariff Schedules of the United States on the date of enactment of this Act.

continuation of the tariff applicable to that country will substantially promote the objectives of this section, and a statement setting forth his reasons for such determination. If the President recommends the further extension of such authority, such authority shall continue in effect until the end of the 12-month period following the end of the previous 12-month extension with respect to any country (except for any country with respect to which such authority has not been extended under this subsection), unless before the end of the 60-day period following such previous 12-month extension, either the House of Representatives or the Senate adopts, by an affirmative vote of a majority of the Members present and voting in that House and under the procedures set forth in section 153, a resolution disapproving the extension of such authority generally or with respect to such country specifically. Such authority shall cease to be effective with respect to all countries on the date of the adoption by either House before the end of such 60-day period of a resolution disapproving the extension of such authority, and shall cease to be effective with respect to any country on the date of the adoption by either House before the end of such 60-day period of a resolution disapproving the extension of such authority with respect to such country.

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 - (C) no commercial agreement entered into under this title between such country and the United States will take effect.
- (b) This section shall not apply to any country the products of which are eligible for the rates set forth in rate column numbered 1 of the Tariff Schedules of the United States on the date of enactment of this Act.

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SEC. 404. EXTENSION OF NONDISCRIMINATORY TREATMENT.

(a) Subject to the provisions of section 405(c), the President may by proclamation extend nondiscriminatory treatment to the products of a foreign country which has entered into a bilateral commercial agreement referred to in section 405.

(b) The application of nondiscriminatory treatment shall be limited to the period of effectiveness of the obligations of the United States to such country under such bilateral commercial agreement. In addition, in the case of any foreign country receiving nondiscriminatory treatment pursuant to this title which has entered into an agreement with the United States regarding the settlement of lend-lease reciprocal aid and claims, the application of such nondiscriminatory treatment shall be limited to period during which such country is not in arrears on its obligations under such agreement.

(c) The President may at any time suspend or withdraw any extension of nondiscriminatory treatment to any country pursuant to subsection (a) and thereby cause all products of such country to be dutiable at the rates set forth in rate column numbered 2 of the Harmonized Tariff Schedule of the United States.

SEC. 405. AUTHORITY TO ENTER INTO COMMERCIAL AGREEMENTS.

(a) Subject to the provisions of subsections (b) and (c) of this section, the President may authorize the entry into force of bilateral commercial agreements providing nondiscriminatory treatment to the products of countries heretofore denied such treatment whenever he determines that such agreements with such countries will promote the purposes of this Act and are in the national interest.

(b) Any such bilateral commercial agreement shall—

(1) be limited to an initial period specified in the agreement which shall be no more than 3 years from the date the agreement enters into force, except that it may be renewable for additional periods, each not to exceed 3 years; if—

(A) a satisfactory balance of concessions in trade and services has been maintained during the life of such agreement; and

(B) the President determines that actual or foreseeable reductions in United States tariffs and nontariff barriers to trade resulting from multilateral negotiations are satisfactorily reciprocated by the other party to the bilateral agreement;

(2) provide that it is subject to suspension or termination at any time for national security reasons, or that the other provisions of such agreement shall not limit the rights of any party to take any action for the protection of its security interests;

(3) include safeguard arrangements (A) providing for prompt consultations whenever either actual or prospective imports cause or threaten to cause, or significantly contribute to, market disruption and (B) authorizing the imposition of such import restrictions as may be appropriate to prevent such market disruption;

(4) if the other party to the bilateral agreement is not a party to the Paris Convention for the Protection of Industrial Property, provide rights for United States nationals with re-

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spect to patents and trademarks in so the rights specified in such convention.

(5) if the other party to the bilateral agreement is a party to the Universal Copyright Convention for United States nationals with respect to such country not less than the rights specified in such convention.

(6) in the case of an agreement entered into after the date of the enactment of the Act, provide for the protection of industrial rights and

(7) provide arrangements for the settlement of differences and disputes;

(8) in the case of an agreement entered into after the date of the enactment of this Act for the promotion of trade, which may include the establishment or expansion of trade offices, for facilitation of activities of commercial officers, participation in trade missions, and for the sending of trade missions, and for the establishment, and travel of commercial

(9) provide for consultations for the operation of the agreement and relations between the United States and the other party;

(10) provide such other arrangements as will promote the purpose of this Act.

(c) An agreement referred to in subsection (a) shall take effect only if (1) approved by the President; or (2) in the case of a concurrent resolution, referred to in section 404(a), approved by the President and the Senate; or (3) in the case of an agreement entered into before the date of the enactment of this Act and a proclamation issued under this Act, a resolution of disapproval referred to in section 404(c) adopted during the 90-day period specified in section 404(c).

SEC. 406. MARKET DISRUPTION.

[See separate section.]

SEC. 407. PROCEDURE FOR CONGRESSIONAL REVIEW OF EXTENSION OF NONDISCRIMINATORY TREATMENT AND PRESIDENTIAL REPORTS.

(a) Whenever the President issues a proclamation under section 404 extending nondiscriminatory treatment to the products of a foreign country, he shall promptly transmit to the House of Representatives and to the Senate a document containing the proclamation and the agreement the proclamation implements, together with his reasons therefor.

(b) The President shall transmit to the House of Representatives and the Senate a document containing the report of the President under section 402(b) or 409(b) with respect to such country. On or before December 31, the President shall transmit to the House of Representatives and the Senate, a document containing the report of the President under section 402(b) or 409(b) as the case may be, to be submitted to the Committee on International Trade and Commerce of the House of Representatives on or before December 31.

(c)(1) In the case of a document referred to in subsection (b) other than a document to which paragraph

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DISCRIMINATORY TREATMENT.—The provisions of section 405(c), the President shall extend nondiscriminatory treatment to the products of any foreign country which has entered into a bilateral agreement with the United States. Nondiscriminatory treatment shall be the result of the evenness of the obligations of the United States under such bilateral commercial agreement. If any foreign country receiving nondiscriminatory treatment pursuant to this title which has entered into a bilateral agreement with the United States regarding the settlement of claims, the application of such nondiscriminatory treatment shall be limited to period during which such country is in compliance with its obligations under such agreement. The President may at any time suspend or withdraw any such treatment to any country pursuant to which all products of such country are placed on the free list of the United States.

ENTRY INTO COMMERCIAL AGREEMENTS.—The provisions of subsections (b) and (c) of this section authorize the entry into force of bilateral agreements providing nondiscriminatory treatment to products of a country heretofore denied such treatment when such agreements with such countries will be entered into under this Act and are in the national interest. The initial period specified in the agreement shall not be more than 3 years from the date the agreement enters into force; except that it may be renewable for a period not to exceed 3 years; if—

(1) the balance of concessions in trade and commerce is maintained during the life of such agreement; and

(2) the President determines that actual or foreseeable multilateral negotiations are satisfactory to the other party to the bilateral agreement.

Such agreement is subject to suspension or termination if the President determines that for security reasons, or that the other party to the agreement shall not limit the rights of any party to the United States for the protection of its security interests, or that the agreement (A) providing for prompt removal of either actual or prospective imports to cause, or significantly contribute to, a trade imbalance, and (B) authorizing the imposition of such duties or other measures as may be appropriate to prevent such imbalance.

Such agreement is not subject to the Convention for the Protection of Industrial Property for United States nationals with respect to patents and trademarks in such country not less than the rights specified in such convention.

(5) if the other party to the bilateral agreement is not a party to the Universal Copyright Convention, provide rights for United States nationals with respect to copyrights in such country not less than the rights specified in such convention.

(6) in the case of an agreement entered into or renewed after the date of the enactment of the Act, provide arrangements for the protection of industrial rights and processes;

(7) provide arrangements for the settlement of commercial differences and disputes;

(8) in the case of an agreement entered into or renewed after the date of the enactment of this Act, provide arrangements for the promotion of trade, which may include arrangements for the establishment or expansion of trade and tourist promotion offices, for facilitation of activities of governmental commercial officers, participation in trade fairs and exhibits, and the sending of trade missions, and for facilitation of entry, establishment, and travel of commercial representatives;

(9) provide for consultations for the purpose of reviewing the operation of the agreement and relevant aspects of relations between the United States and the other party; and

(10) provide such other arrangements of a commercial nature as will promote the purpose of this Act.

(c) An agreement referred to in subsection (a), and a proclamation referred to in section 404(a) implementing such agreement, shall take effect only if (1) approved by the Congress by the adoption of a concurrent resolution, referred to in section 151; or (2) in the case of an agreement entered into before the date of the enactment of this Act and a proclamation implementing such agreement, a resolution of disapproval referred to in section 152 is not adopted during the 90-day period specified by section 407(c)(2).

SEC. 406. MARKET DISRUPTION.

[See separate section.]

SEC. 407. PROCEDURE FOR CONGRESSIONAL APPROVAL OR DISAPPROVAL OF EXTENSION OF NONDISCRIMINATORY TREATMENT AND PRESIDENTIAL REPORTS.

(a) Whenever the President issues a proclamation under section 404 extending nondiscriminatory treatment to the products of any foreign country, he shall promptly transmit to the House of Representatives and to the Senate a document setting forth the proclamation and the agreement the proclamation proposes to implement, together with his reasons therefor.

(b) The President shall transmit to the House of Representatives and the Senate a document containing the initial report submitted by him under section 402(b) or 409(b) with respect to a nonmarket economy country. On or before December 31 of each year, the President shall transmit to the House of Representatives and the Senate, a document containing the report required by section 402(b) or 409(b) as the case may be, to be submitted on or before such December 31.

(c)(1) In the case of a document referred to in subsection (a) (other than a document to which paragraph (2) applies), the proci-

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mation set forth therein may become effective and the agreement set forth therein may enter into force and effect only if the House of Representatives and the Senate adopt, by an affirmative vote of a majority of those present and voting in each House, a concurrent resolution of approval (under the procedures set forth in section 151) of the extension of nondiscriminatory treatment to the products of the country concerned.

(2) In the case of a document referred to in subsection (a) which sets forth an agreement entered into before the date of the enactment of this Act and a proclamation implementing such agreement, such proclamation may become effective and such agreement may enter into force and effect after the close of the 90-day period beginning on the day on which such document is delivered to the House of Representatives and to the Senate, unless during such 90-day period either the House of Representatives or the Senate adopts, by an affirmative vote of a majority of those present and voting in that House, a resolution of disapproval (under the procedures set forth in section 152) of the extension of nondiscriminatory treatment to the products of the country concerned.

(3) In the case of a document referred to in subsection (b) which contains a report submitted by the President under section 402(b) or 409(b) with respect to a nonmarket economy country, if, before the close of the 90-day period beginning on the day on which such document is delivered to the House of Representatives and to the Senate, either the House of Representatives or the Senate adopts, by an affirmative vote of a majority of those present and voting in that House, a resolution of disapproval (under the procedures set forth in section 152) of the report submitted by the President with respect to such country, then, beginning with the day after the date of the adoption of such resolution of disapproval, (A) nondiscriminatory treatment shall not be in force with respect to the products of such country, and the products of such country shall be dutiable at the rates set forth in rate column numbered 2 of the Harmonized Tariff Schedule of the United States; (B) such country may not participate in any program of the Government of the United States which extends credit or credit guarantees or investment guarantees, and (C) no commercial agreement may thereafter be concluded with such country under this title.

SEC. 408. PAYMENT BY CZECHOSLOVAKIA OF AMOUNTS OWED UNITED STATES CITIZENS AND NATIONALS

(a) The arrangement initiated on July 6, 1974, with respect to the settlement of the claims of citizens and nationals of the United States against the Government of Czechoslovakia shall be renegotiated and shall be submitted to the Congress as part of any agreement entered into under this title with Czechoslovakia.

(b) The United States shall not release any gold belonging to Czechoslovakia and controlled directly or indirectly by the United States pursuant to the provisions of the Paris Reparations Agreement of January 24, 1946, or otherwise, until such agreement has been approved by the Congress.

(c) No proceeds of the sale of gold belonging to Czechoslovakia shall be used for the purpose of financing the foreign debt of Czechoslovakia.

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SEC. 409. FREEDOM TO EMIGRATE TO JOIN THE UNITED STATES

(a) To assure the continued dedication fundamental human rights and welfare, notwithstanding any other provision of law, enactment of this Act, no nonmarket economy country which extends credits or credit guarantees, directly or indirectly, and the President shall not conclude any commercial agreement, during the period beginning with the date that the President determines that such country—

(1) denies its citizens the right or freedom to emigrate, or

(2) imposes more than a nominal fee for documents required for emigration, or

(3) imposes more than a nominal fee or charge on any citizen as a consequence of his or her decision to emigrate as described in paragraph (a), and ending on the date on which the President determines that such country is no longer in violation of paragraph (a).

(b) After the date of the enactment of this Act, a nonmarket economy country may participate in an agreement of the United States which extends credits or investment guarantees, and (B) the President shall not conclude a commercial agreement with such country until the President has submitted to the Congress a report under paragraph (a).

(c) Such report with respect to such country shall include information as to the nature and implementation of any restrictions or discrimination applying to such country wishing to emigrate to the United States. The report required by this subsection shall be submitted to the Congress on June 30 and December 31 thereafter, if such country extends or such agreement provides for such extension.

(d) This section shall not apply to any country which is eligible for the rates set forth in the Tariff Schedules of the United States under this Act.

(e) During any period that a waiver is in effect under any nonmarket economy country under subsection (a) and (b) shall not apply to such country.

SEC. 410. EAST-WEST TRADE STATISTICS MONITORING

The International Trade Commission shall establish a program to monitor imports of goods from nonmarket economy countries into the United States to nonmarket economy countries. If feasible, the Commission shall develop, with any relevant data gathering program,

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may become effective and the agreement shall be brought into force and effect only if the Senate adopt, by an affirmative vote of a majority of those present and voting in each House, a concurrent resolution approving the procedures set forth in the agreement and nondiscriminatory treatment to the products of the country concerned.

The agreement referred to in subsection (a) shall be brought into force and effect only if the President issues a proclamation implementing such agreement. The agreement may become effective and such agreement shall be brought into effect after the close of the 90-day period beginning after such document is delivered to the President and to the Senate, unless during such 90-day period the House of Representatives or the Senate adopt, by a majority of those present and voting in each House, a concurrent resolution of disapproval (under the procedures set forth in section 402(b) of the extension of nondiscriminatory treatment of the products of the country concerned).

The agreement referred to in subsection (b) shall be brought into effect only if the President under section 402(b) of the extension of nondiscriminatory treatment of the products of a nonmarket economy country, if, before the expiration of the period beginning on the day on which such agreement is submitted to the House of Representatives and to the Senate, the House of Representatives or the Senate adopt, by a majority of those present and voting in each House, a concurrent resolution of disapproval (under the procedures set forth in section 402(b) of the extension of nondiscriminatory treatment of the products of the country concerned). After the expiration of such period, beginning with the day after the date of such resolution of disapproval, (A) no such agreement shall not be in force with respect to the products of such country and the products of such country shall be treated in rate column numbered 2 of the Tariff Schedules of the United States, (B) such country shall not be eligible for any program of the Government of the United States which extends credits or credit guarantees or investment guarantees or investment guarantees, and (C) no commercial agreement may thereafter be entered into with such country under this title.

CZECHOSLOVAKIA OF AMOUNTS OWED UNITED STATES AND NATIONALS.

The United States shall, on or before July 5, 1974, with respect to the claims of citizens and nationals of the United States against the Government of Czechoslovakia shall be referred to the Congress as part of any agreement entered into by the United States with Czechoslovakia. The United States shall not release any gold belonging to the Government of Czechoslovakia controlled directly or indirectly by the United States or the provisions of the Paris Reparations Agreement, or otherwise, until such agreement is entered into with the Congress.

SEC. 409. FREEDOM TO EMIGRATE TO JOIN A VERY CLOSE RELATIVE IN THE UNITED STATES.

(a) To assure the continued dedication of the United States to the fundamental human rights and welfare of its own citizens, and notwithstanding any other provision of law, on or after the date of the enactment of this Act, no nonmarket economy country shall participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, directly or indirectly, and the President of the United States shall not conclude any commercial agreement with any such country, during the period beginning with the date on which the President determines that such country—

(1) denies its citizens the right or opportunity to join permanently through emigration, a very close relative in the United States, such as a spouse, parent, child, brother, or sister;

(2) imposes more than a nominal tax on the visas or other documents required for emigration described in paragraph (1); or

(3) imposes more than a nominal tax, levy, fine, fee, or other charge on any citizen as a consequence of the desire of such citizen to emigrate as described in paragraph (1), and ending on the date on which the President determines that such country is no longer in violation of paragraph (1), (2), or (3).

(b) After the date of the enactment of this Act, (A) a nonmarket economy country may participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, and (B) the President may conclude a commercial agreement with such country, only after the President has submitted to the Congress a report indicating that such country is not in violation of paragraph (1), (2), or (3) of subsection (a). Such report with respect to such country shall include information as to the nature and implementation of its laws and policies and restrictions or discrimination applied to or against persons wishing to emigrate to the United States to join close relatives. The report required by this subsection shall be submitted initially as provided herein and, with current information, on or before each June 30 and December 31 thereafter, so long as such credits or guarantees are extended or such agreement is in effect.

(c) This section shall not apply to any country the products of which are eligible for the rates set forth in rate column numbered 1 of the Tariff Schedules of the United States on the date of enactment of this Act.

(d) During any period that a waiver is in effect with respect to any nonmarket economy country under section 402(c), the provisions of subsections (a) and (b) shall not apply with respect to such country.

SEC. 410. EAST-WEST TRADE STATISTICS MONITORING SYSTEM.

The International Trade Commission shall establish and maintain a program to monitor imports of articles into the United States from nonmarket economy countries and exports of articles from the United States to nonmarket economy countries. To the extent feasible, the Commission shall coordinate such program with any relevant data gathering programs presently conducted by

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the Secretary of Commerce. The Secretary of Commerce shall provide the Commission with any information which, in the determination of the Commission, is necessary to carry out this section. The Commission shall publish a detailed summary of the data collected under the East-West Trade Statistics Monitoring System not less frequently than once each calendar quarter and shall transmit such publication to the East-West Foreign Trade Board and to Congress. Such publication shall include data on the effect of such imports if any, on the production of like, or directly competitive, articles in the United States, and on employment within the industry which produces like, or directly competitive, articles in the United States.

[SEC. 411. EAST-WEST FOREIGN TRADE BOARDS.]

[Abolished by section 6 and functions transferred to the President and interagency trade organization by section 5 (c) and (e) of Reorganization Plan No. 3 of 1979.]

D. BILATERAL TRADE WITH ISRAEL

Title IV of Trade and Tariff Act of 1940

[19 U.S.C. 2112 note, P.L. 98-573, as amended by

[Sec. 401. Amendment of section 102, Title IV of Trade and Tariff Act of 1940, to read: "Negotiation of trade agreements."]

SEC. 402. CRITERIA FOR DUTY-FREE TREATMENT OF IMPORTS FROM ISRAEL

(a)(1) The reduction or elimination of duty on an article by the United States provided for in any trade agreement entered into with Israel under section 102 of the Trade and Tariff Act of 1940 shall apply only if—

(A) that article is the growth, product, or manufacture of Israel or is a new or different article which has been grown, produced, or manufactured in Israel;

(B) that article is imported directly from the territory of the United States; or

(C) the sum of—
(i) the cost of value of the material plus

(ii) the direct costs of processing in Israel,

is not less than 35 percent of the appraised value of the article at the time it is entered.

If the cost or value of materials produced in the United States is included with respect to an article to which this subsection applies, an amount not to exceed the appraised value of the article at the time it is entered, toward determining the percentage referred to in paragraph (1)(C).

(2) No article may be considered to be a product of Israel by virtue of having merely

(A) simple combining or packaging of materials;

(B) mere dilution with water or other substance that does not materially alter the character of the article; or

(C) As used in this section, the phrase "operations" includes, but is not limited to—

(1) all actual labor costs involved in the manufacture, or assembly of the special machinery, or on-the-job training of workers;

(2) dies, molds, tooling, and depreciation on equipment which are allocable to the production of the article.

Such phrase does not include costs which are not directly attributable to the merchandise concerned, or are not incurred in the production of the product, such as (A) profit, and

(B) the cost of the product, such as (A) profit, and

(C) the cost of the product, such as (A) profit, and

THE WHITE HOUSE
WASHINGTON

SCHEDULE OF THE PRESIDENT
FOR
WASHINGTON, D.C.
FRIDAY, MAY 24, 1991

EVENT:

Kahlil Gibran Memorial Garden Dedication

DRESS:

Men - Business Suit
Women - Day Dress.

CONTACTS:

Presidential Advance Office
Jay Parmer - 202/456-7565

Trip Coordinator
Kris Goodwin - 202/456-7565

ADVANCE:

Ed Cowling	- LEAD
Steve Ross	- PRESS
Leo Wisniewski	- USSS
Frank Valdez	- WHCA
Sean Byrne	- MIL. AIDE

WEATHER:

Partly Sunny/Mid 80's

SCHEDULE OF THE PRESIDENT

FOR

WASHINGTON, D.C.

FRIDAY, MAY 24, 1991

8:35 am

THE PRESIDENT boards Motorcade and departs
White House en route Indian Embassy.

MOTORCADE ASSIGNMENTS:

Lead

Spare

B. Caughman
Doctor

LIMO

THE PRESIDENT
Gen. Scowcroft

Follow Up

Control

Gov. Sununu
R. Gates
Mil. Aide

Support

M. Fitzwater
S. Rogich
M. Lukens
Official Photographer
Medic

WHCA

Staff I

E. Rogers
S. Siv

Staff Van

All Remaining Staff

Press Van I

S. Walsh

Press Van II

(Drive Time: 10 Minutes)

8:45 am

THE PRESIDENT arrives Indian Embassy and proceeds inside.

Met by:

His Excellency Abid Hussein
Indian Ambassador to the United States

9:00 am

THE PRESIDENT boards Motorcade and departs Indian Embassy en route Kahlil Gibran Memorial Garden.

MOTORCADE ASSIGNMENTS:

Same as on Arrival, except:

LIMO

THE PRESIDENT

(Drive Time: 5 Minutes)

9:05 am

THE PRESIDENT arrives Kahlil Gibran Memorial Garden and proceeds to Off-Stage Announcement Area.

Met by:

Mr. William J. Barody, Jr.
Chairman of the Board and President
Kahlil Gibran Centennial Foundation

9:06 am

THE PRESIDENT, accompanied by Mr. Barody, arrives Off-Stage Announcement Area and holds briefly.

EVENT: DEDICATION OF THE KAHLIL GIBRAN MEMORIAL GARDEN

OPEN PRESS

RUFFLES AND FLOURISHES

OFF-STAGE ANNOUNCEMENT

HAIL TO THE CHIEF

BRIEF REMARKS

RIBBON-CUTTING

9:07 am THE PRESIDENT, accompanied by Mr. Baroody, is announced onto Dais and proceeds to Seat.

9:09 am THE PRESIDENT is introduced for Brief Remarks by Mr. William J. Baroody, Jr., Chairman of the Board and President, Kahlil Gibran Centennial Foundation.

9:11 am THE PRESIDENT gives Brief Remarks.

9:16 am THE PRESIDENT concludes Brief Remarks and remains Standing.

9:17 am Mr. Baroody leads closing Prayer.

9:18 am THE PRESIDENT begins participation in Ribbon-Cutting.

9:20 am THE PRESIDENT concludes participation in Ribbon-Cutting, departs Dais, and, accompanied by Mr. Baroody, proceeds to Motorcade.

9:25 am THE PRESIDENT bids Farewell to Mr. Baroody, boards Motorcade and departs Kahlil Gibran Memorial Garden en route Naval Observatory Landing Zone.

MOTORCADE ASSIGNMENTS:

Same as on Arrival.

(Drive Time: 5 Minutes)

GUEST AND STAFF INSTRUCTIONS:

Guests and Staff manifested on Marine One please proceed to board immediately upon arrival at Landing Zone.

Guests and Staff manifested on Nighthawk II should board helicopter immediately following departure of Marine One for transport to Andrews Air Force Base.

Guests and Staff not manifested to Andrews Air Force Base should remain in vehicles for transport to West Basement.

9:30 am

THE PRESIDENT arrives Naval Observatory Landing Zone and proceeds to board Marine One.

9:35 am

THE PRESIDENT departs Naval Observatory Landing Zone en route Andrews Air Force Base.

HELICOPTER ASSIGNMENTS:

Marine One:

THE PRESIDENT
D. LeBlond
S. LeBlond
E. LeBlond
Gov. Sununu
R. Gates
B. Caughman
Doctor
Mil. Aide
2 USSS

Nighthawk II:

M. Fitzwater
E. Rogers
D. Valdez
Dr. Roberts
WHCA T.O.
7 USSS

(Flying Time: 15 Minutes)

THE WHITE HOUSE
WASHINGTON

Revised 5/21
6 pm

May 21, 1991

MEMORANDUM FOR THE CHIEF OF STAFF
DEB ANDERSON
PAUL BATEMAN
TONY BENEDI
PHILLIP BRADY
ANDREW CARD
DAVID CARNEY
LINDA CASEY
BRUCE CAUGHMAN
CATHERINE COUGHLIN
BILLY DALE
DAVID DEMAREST
LAURIE FIRESTONE
MARLIN FITZWATER
BOYDEN GRAY
JOHN HERRICK
EDE HOLIDAY
TOM HUFFORD
RON KAUFMAN
BOBBIE KILBERG
WILLIAM KRISTOL

FRED MCCLURE
LAURA MELILLO
ROGER PORTER
PATTY PRESOCK
ED ROGERS
SUSAN PORTER ROSE
BRENT SCOWCROFT
SICHAN SIV
DORRANCE SMITH
TONY SNOW
KATHY SUPER
PEGGY SWIFT
RICHARD TREFRY
CHASE UNTERMEYER
DAVID VALDEZ
ROSE ZAMARIA
USSS/PPD OPS
WHCA OPERATIONS
WHTV
MEDICAL UNIT
AIRLIFT OPS

THROUGH:

SIG ROGICH
ASSISTANT TO THE PRESIDENT FOR
PUBLIC EVENTS AND INITIATIVES

FROM:

JAY PARMER 
SPECIAL ASSISTANT TO THE PRESIDENT AND
DIRECTOR OF PRESIDENTIAL ADVANCE

SUBJECT:

TRIP OF THE PRESIDENT TO BOSTON,
MASSACHUSETTS, FRIDAY, MAY 24, 1991

For your use and planning purposes, the attached is a preliminary outline schedule for the Trip of the President to Boston, Massachusetts, May 24, 1991. Please keep in mind the following information has not been finally approved and is subject to change.

Attachments

PRELIMINARY OUTLINE SCHEDULE

Friday, May 24, 1991

GUEST AND STAFF INSTRUCTIONS:

7:15 am **Baggage Call.** Please place all baggage outside Room 89, OEOB at this time.

9:10 am Vans depart West Basement en route Andrews Air Force Base.

9:10 am Guests and Staff with own transportation and baggage should arrive Distinguished Visitor's Lounge, Andrews Air Force Base at this time for check-in.

9:30 am Guests and Staff with own transportation but without baggage should arrive Distinguished Visitor's Lounge, Andrews Air Force Base at this time for check-in.

9:35 am MARINE ONE departs Naval Observatory en route Andrews Air Force Base.

(Flying Time: 15 Minutes)

9:50 am MARINE ONE arrives Andrews Air Force Base.

* SAN JACINTO REUNION PHOTO
(9:55 am - 10:10 am)
- Closed Press

10:15 am AIR FORCE ONE departs Andrews Air Force Base en
(E.D.T.) route Boston, Massachusetts.

(Flying Time: 1 Hour 10 Minutes)
(Time Change: None)
(Interchange: No)

11:25 am AIR FORCE ONE arrives Logan Airport, Boston
(E.D.T.) Massachusetts.

11:30 am MOTORCADE departs Logan Airport en route
Boston World Trade Center.

(Drive Time: 15 Minutes)

11:45 am MOTORCADE arrives Boston World Trade Center.

- * MEETING WITH PRESIDENT'S EXPORT COUNCIL
(11:50 am - 12:20 pm)
- Photo Opportunity (At Beginning Only)
- * ADDRESS "EXPORTS - GENERATING JOBS FOR
AMERICANS" CONFERENCE
(12:25 pm - 12:50 pm)
- Open Press
- Brief Remarks
- * GOP STAFF PHOTO
(12:55 pm - 1:10 pm)
- Closed Press
- * GOP FUNDRAISER/MIX AND MINGLE
(1:15 pm - 1:30 pm)
- Closed Press

1:35 pm MOTORCADE departs Boston World Trade Center en
route Logan Airport.

(Drive Time: 15 Minutes)

1:50 pm MOTORCADE arrives Logan Airport.

1:55 pm MARINE ONE departs Boston, Massachusetts
(E.D.T.) en route Walker's Point, Kennebunkport, Maine.

(Flying Time: 40 Minutes)
(Time Change: None)
(Interchange: No)

2:35 pm MARINE ONE arrives Walker's Point, Kennebunkport,
(E.D.T.) Maine.

Dooley

OUTLINE/Yale Commencement

I. Introductory/Acknowledgements.

- A. Yale days recalled.
- B. The world on June 20, 1948.
 - 1. Berlin Blockade
 - 2. Marshall Plan passed.
 - 3. First UN Peacekeeping mission -- to Middle East.

II. Our world of dramatic change -- America's role as catalyst.

- A. Cold War, Berlin Wall -- fall of communism/triumph of the democratic idea.
- B. Ideals we seek to promote:
 - 1. Freedom and Democracy
 - 2. Human Rights
 - 3. Shared commitment to stability.

III. The means to these ends: American Engagement.

- A. In the world -- positive affects. *examples - angry voices Berlin Eastern Europe airlift*
- B. In Asia: rise of democracy, emergence of free markets. *56 ft*
 - 1. South Korea, Taiwan: from autocracy to democracy. *68*
 - 2. US will now back Taiwan's membership in GATT. *79 Afghan*

IV. American Engagement in China.

- A. Engagement allows for tough stance on matters of principle.
 - 1. Post-Tienanmen restrictions. *POTUS first guaranteed rights of students*
- B. US will push forward on:
 - 1. Democratization and Human Rights. Tibet.
 - 2. Free trade.
 - 3. Military restraint.
- C. Counterproductive to revoke MFN.
 - 1. Critics case considered.
 - 2. Hurts South China region most -- center of democ./free market movement.
 - 3. We cannot isolate China if we hope to influence it.
 - 4. *Hong Kong*
- D. Moral Dimension.
 - 1. Is it more moral to ostracize and isolate -- or to engage, encourage positive change?
 - 2. Belief in the power of the democratic idea -- maintaining contact with China best route to democratic change.

V. Closing charge to graduates.

1971-Congress
MFN start? 1980 - Carter quote
w/ market econs come other freedoms - inevitable

~~any personal experiences fr. China come
to mind?~~

grain to Soviets — food + weapon



8TH STORY of Level 1 printed in FULL format.

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April 10, 1984, Tuesday, BC cycle

SECTION: International News

LENGTH: 989 words

BYLINE: By Roger Crabb

DATELINE: PEKING

KEYWORD: Reagan-China

BODY:

President Reagan's visit to Peking this month comes almost exactly 200 years after the United States began its passionate, often stormy relationship with China.

In the summer of 1784, the 360-ton privateer Empress of China became the first vessel from the newly-independent United States to reach the mysterious land then known as Cathay.

The ship, which left Boston on February 22, arrived in Canton to trade with a cargo of furs, lead, tar, turpentine, silver dollars and medicinal ginseng root.

By the time Master John Green sailed back to New England in May 1785, he had made a profit for his owners of about \$30,000 on their \$120,000 investment.

It was a promising start and by 1829 bilateral trade had risen to \$4 million, one quarter of it in opium.

There followed a seemingly endless stream of American missionaries, philanthropists and benefactors over the past 150 years.

They included men and women prepared to brave hardship, isolation -- and, more recently, political opprobrium at home for their commitment to the Communist revolution.

Several still live in Peking, weighed down with honors by the People's Republic. They include Lebanese-born U.S. doctor George Hatem, credited with eradicating venereal disease from China after 1949 and now on a crusade to stamp out leprosy.

The first U.S. missionary whose arrival was chronicled was one Elijah Bridgman, who set up in Canton in 1830.

In 1834 another Protestant clergyman, Peter Parker, landed in south China. After the fashion of the 17th century Jesuits, he was determined to use science to win souls for God.

Whereas Matteo Ricci and the other early Jesuits used their knowledge of astronomy to impress the Manchu court, Parker aimed to gain his entree into Chinese society by his medical skills and launch his evangelical mission later.



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Faced with the abject suffering of Canton's teeming population, Parker was forced to abandon Gospel-teaching altogether to devote his time to surgery. His hospital won him such fame that Lin Tse-hsu, the emperor's commissioner charged with smashing the opium trade, consulted him for a hernia.

But Parker, later pressed into service as aide to U.S. diplomats in a series of frustrating trade wrangles, finally became so disillusioned with the Manchu court that he left China calling publicly for U.S. seizure of Taiwan.

An American who came to China with quite different motives was Frederick Townsend Ward, a young adventurer who arrived in 1859 just as the "Taiping" rebels began their bid for power.

Mocked by Shanghai's foreign military establishment, Ward formed a motley Chinese force to combat the rebels, and its success earned the imperial title of "ever victorious army".

When Ward died in battle aged 30 in 1862, he was an imperial general, admiral and high-grade mandarin.

Then came more scholars, the first of whom was Calvinist missionary William Martin who decided he should concentrate on Westernizing the Chinese and proselytize later. He spent over half a century teaching English, science and international law, and rising to become president of Peking university.

Like other foreign residents, he was trapped in China when the Boxer rebellion erupted in 1900. He survived but a young Yale University missionary was beheaded by the fiercely xenophobic Boxers.

His fate inspired another U.S. venture -- the Yale-in-China project, which aimed "to furnish a center of Christian education in the interior of the Chinese empire." In 1906 Yale scholars set up a middle school and later a teaching hospital in Changsha, capital of Hunan province.

In 1919, the school provided shelter and printing facilities for a young radical called Mao Tsetung. Yet despite generous funds, devoted staff and abundant goodwill, the project foundered in the 1920s as China moved inexorably towards civil war.

Another idealistic American, civil engineer Oliver J. Todd, came in the 1920s and embarked on a series of huge, mainly successful projects to divert the flood-prone Yellow and Yangtse rivers away from cities, or where that was impossible, to build reliable protective dykes.

Two men who worked tirelessly for China's anti-Japanese war effort yet who both left the country disillusioned and with a sense of failure, were retired air force Gen. Claire Lee Chennault and infantry Gen. Joseph Stilwell.

Chennault, fiercely loyal to Chiang Kaishek, formed a force of expatriate aviators known popularly as the Flying Tigers to battle the Japanese invaders.

After Pearl Harbor he became Chinese air force chief of staff but serious supply problems were to limit his success.



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Stilwell, assigned by President Franklin Roosevelt to be Chiang's overall chief of staff, spent years attempting to build an efficient Chinese army to fight against Japan.

He eventually fell foul of Chiang's concern that the best troops must be held in readiness for the inevitable showdown with the Communists.

After Mao tsetung's civil war victory in 1949, influential voices in Washington argued for U.S. recognition of the new People's Republic.

But China's intervention in the Korean war, lending weight to the anti-communist campaign of Se. Joseph McCarthy, ensured that relations between Washington and Peking went into a prolonged freeze.

It was to last until Richard Nixon broke the ice with his Peking visit in February 1972.

Full commercial ties were established that years but it took seven more years until President Jimmy Carter normalized diplomatic relations with the People's Republic.

Ghosts from bygone eras still stalk the halls of state. Last year Sino-U.S. exchanges were ruffled by a dispute over unpaid dues to U.S. holders of imperial railroad bonds.

And the main obstacle still blocking full Sino-U.S. amity, Washington's refusal to break completely with Nationalist-ruled Taiwan, dates back to a U.S. commitment in the 1940s when Roosevelt saw Chiang Kaishek as the vital ally against Japan.



12TH STORY of Level 1 printed in FULL format.

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December 30, 1980, Tuesday, Midwestern Edition

SECTION: Travel; Travel Log; Pg. 15

LENGTH: 870 words

HEADLINE: CHINA by bike

BYLINE: By David Butwin, Special to The Christian Science Monitor

DATELINE: New York

BODY:

It was only a matter of time before someone introduced bicycle tours to the People's Republic of China. That someone is Fredric M. Kaplan, a young China hand who says of the course he has laid out in Canton, "If I can bike it, anyone can. I'm 50 pounds overweight and not exactly an athlete."

The blond-bearded Mr. Kaplan need not apologize, however, for his knowledge of China or his abilities as a travel promoter. He may yet be recognized as the Commodore Perry of China travel. His latest enterprise, 16-day bicycle tours of Canton province, is selling out fast for 1981, but he says his outfit, China Passage (302 Fifth Avenue, New York, N.Y. 10001), has a few dates still open and will expand the schedule in 1982.

Biking through China should not be seen as a trendy new way to visit the People's Republic of China. It happens to be much cheaper than the customary tour, and that was Fred Kaplan's aim. "China travel opened up in 1977," he said, "and within a short time everyone who could afford the \$3,000 or \$4,000 -- now it's up to \$4,000 and \$5,000 -- had gone. But there were still a lot of people who wanted to see China and couldn't afford it, so I started thinking of how we could cut the cost.

"The answer seemed to be bicycle tours. The main cost of China travel is within the country -- domestic air fares and hotel rooms are very expensive. This was costing people \$100 a day. Biking would eliminate all that flying around, and the old inns and hostels would be much cheaper than big city hotels."

With high hopes Mr. Kaplan drew up a biking tour and shaved the cost to \$2,600. But he was turned down by the China International Travel Service, which worried about all those unchaperoned young American men and women rambling through the countryside together ("China is a very puritanical country"); the safety of visiting bicyclists in a country where, as Mr. Kaplan noted, one saw an accident occur on every other corner; and too much mixing of foreigners and peasants in rural China.

"I was bitterly disappointed," Mr. Kaplan said, "but on a visit to China I ran into an old friend from Hong Kong who told me to skirt the official travel service and try the Youth Federation. So I biked out of town to see them, and they were crazy about the idea. Meanwhile, the safety factor had been taken care of in 1979 when China put in bike lanes with stone barriers -- the kind

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Mayor Koch tried to introduce to New York -- in every major city."

Fred Kaplan studied Chinese languages in Hong Kong for three years in the 1960s as part of the Yale in China program and was a correspondent for Time and the Far East Economic review. He first saw China in 1965 -- illegally.

"People in Hong Kong used to go over twice a year for the festivals, and I just went along with them. My name was written in Chinese on my Hong Kong residence card, and the official at the border never looked at my face. I was scared to death. I wandered around for a week and slept in a part two nights. In those days bicycles were a luxury. most of the people were walking."

His main company, Eurasia Press, has produced a number of books on China, including the top-selling guide book on the country, published with Lippincott & Crowell. Mr. Kaplan and Elliot Winick, an American Youth Hostel executive, laid out the bike route together and will lead some of the 1981 tours.

"We chose Canton province because it's in South China where the weather is subtropical -- never too cold for biking though very hot in the summer," Mr. Kaplan said. "And it's flat. Just the other day we got approval to go to a tropical island in the South China Sea, Hainan, which has the only real beaches in China. We'll fly there and try to rent bikes. In 1982 we will expand to central and northern China."

The bicycle groups will number 16 or 17 and average 30 to 35 miles a day -- not the 150 miles that the Youth Federation suggested to Mr. Kaplan in early planning stages. People of all ages have signed up.

"Some of our inns are 300 and 400 years old," he said. "There are Taoist retreats from the 15th century and Buddhist retreats from the 18th century. The average tourist has never stayed in these places; they've been used as political retreats. South China is very lush, so we'll eat the best vegetables and rice, and a lot of fish too. We'll eat at communes, which no foreign groups have ever done."

Until Mr. Kaplan contracts with the Chinese to provide bicycles for his groups, people will have to bring their own. Those three-, five-, and 10-speed bikes will no doubt be conversation pieces in a country of one-speeds. "China is a true biking culture," Fred Kaplan said. "Cars are not allowed -- there's no such thing as a private car. You see nothing but one-speed bicycles, made in China. It's become a prestige item. Everyone's goal is to get a bike."

He showed me a brochure advertising Chinese-made bicycles, headed by the Phoenix and Forever models.

"Phoenix is the top of the line," Mr. Kaplan said. "The Forever is one grade below, and there are about ten other levels. You are a very important person if you have a Phoenix."

GRAPHIC: Picture, Road leading to the Ming tombs, near Peking, By Gordon N. Converse, chief photographer



13TH STORY of Level 1 printed in FULL format.

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December 15, 1980, Monday, Midwestern Edition

SECTION: Education; Pg. 18

LENGTH: 1630 words

HEADLINE: Today, the bamboo curtain parts -- both ways

BYLINE: By Janet Ragatz, Special to The Christian Science Monitor

DATELINE: Wuhan, Hubei, China

HIGHLIGHT:

How China welcomes and uses its 'foreign experts'

BODY:

For the academic year 1980-81, The People's Republic of China has nearly doubled the number of foreign teachers employed in its universities.

Last year, 134 "foreign experts" were scattered across the country; this September new areas, such as Chengdu in remote Sichuan (Szechuan) Province, acquired their first foreign teachers, while large groups, numbering up to 10 at Nanking Teachers College, descended on other institutions.

This was a situation far different from 1978, during which one or two foreigners, assigned to provincial cities, found themselves to be the only native speakers of English in the entire region.

The deliberate importation of educational specialists to upgrade certain fields, such as management and engineering, through shortterm seminars has been widely reported. Long-term and widespread appointments of these foreign teachers are a different matter. The designation "foreign expert" dates back to the beginning of the People's Republic in 1949. Employed "friends" of the postrevolution government and foreigners married to Chinese women were so labeled. They were, even then, accorded special salaries and privileges, because their life styles and consequent needs were considered to be different from those of their co-workers. This was not always the case, and not all of them accepted the largess in its entirety.

Today the bulk of these specialists are in the language area. Americans, Britons, Canadians, Australians, and New Zealanders are found teaching English under a variety of programs.

Some were hired by the Ministry of Education from direct application or in answer to appeals for teachers. Others were placed by bodies such as the United States-China Friendship Association, and still others by universities seeking to establish exchange programs.

The result is a variety of contracts, backgrounds, training, screening, selection procedures, and, for students, supervision. The Foreign Language Institute and other educational centers in Peking have absorbed most of these teachers. Provincial universities were supplied more recently.



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The numbers of foreign students in China has expanded slowly; some share in the teaching of English while working on their Chinese. This fall, Chengdu not only received its first "foreign experts" but two undergraduates from the University of Virginia. The arrangements were made by a faculty member who had come from the province.

Similarly, an international relations major from the University of Denver is teaching English in Peking, while eight recent Ohio State graduates are in Wuhan for six months of teaching. The University of Pittsburgh has representatives in Shanghai, and four Yale graduates are in Changsha (Hunan) and at the University of Wuhan.

Carefully screened, selected, and trained, even in the teaching of English as a second (i.e., foreign) language, the latter are also supervised and partly financed by the Yale-in-China Association, a modified form of the pre-1949 activities of Yale University on the mainland.

English is not the only language being upgraded with the help of native speakers. German and Japanese "experts" are in evidence. Russian is taught, but with no Soviet help apparent. Spanish is the only major language not readily encountered.

The French government, long a committed sponsor of French-language and cultural centers in the non-Western world, is establishing a center at the University of Wuhan, in the heart of the country. The agreement was made with then-Premier Hua Guofeng when he visited France. Twelve teachers, paid from Paris, and a new language lab were arranged for. French then became the only part of the Modern Language Department to merit and administrative structure of its own. It not only became a splinter department, but may get its own building.

"Foreign teachers," a designation preferred over "experts" by the participants, are well treated in China. Qualified language instructors receive from 600 to 700 yuan monthly (about \$411 to \$480), the base for Level 3 experts. The top in the scale would be 1,300 yuan (\$890). From 30 to 50 percent of the salary can be repatriated depending upon marital status.

Level 2 salaries, ranging from 345 (\$236) to 599 yuan (\$410), are for the less experienced. Even the modest 200 yuan (\$137) a month paid to students, recent graduates, and teaching wives of "experts" is phenomenal by Chinese standards, particularly as lodging, essential local transportation, medical care, and even some regional tours are provided as well.

"Experts," by government decree, are not charged tourist prices; even so they always pay about double the Chinese cost for a bowl of rice or noodles. The government regulation is enforced irregularly, because some restaurants and hotels in provincial areas have not heard about it. As of July, these teachers were to pay 9 yuan (\$6.15) for a room and the same for board at a hotel. The tourist price is about double this.

Chinese instructors, at the bottom of the faculty hierarchy, receive only 48 yuan (\$39) a month, but their expenses are substantially lower. They live and eat in teachers' dormitories. If married, their spouses usually bring in a similar sum from their own employment. Although Chinese living conditions remain austere, they are decidedly better than before the Revolution for some



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80 percent of the population, and they are improving.

The normal teaching load for foreigners is about 18 hours a week. This is accomplished usually within five days, although the Chinese work six. Like professors everywhere, both are busy on weekends grading papers.

As long as an "expert" fulfills his contract, his round-trip transportation is provided. Visiting specialists, however, lecturing on short-term programs, must usually pay their own or gain outside funding.

The lodging provided for "experts" is a major benefit. The Friendship Hotel in Peking, a huge hostelry for 3,000 guests, includes buildings for longer-term residents. These have two or three heated rooms with baths and cooking facilities. Many universities are nearby.

This year saw the construction of guesthouses for foreigners at several major provincial institutions. A Hong Kong visitor reports that the one at the University of Wuhan is among the nicest. It is on university land overlooking East Lake, a regional beauty spot, and has 20 steam-heated units, 12 with two rooms, bath, and kitchenette for singles, and 8 with extra room for families or couples. In a land where four or five individuals, spanning three generations, frequently live in two rooms, sometimes with outside latrines and only bathhouse facilities, the "ex

A central recreation area and a dining room, along with quarters for the workers, complete the layout. Residents wishing to cook in whole or in part can do so in their minuscule 3-by-3-foot kitchens. One- and two-burner propane stoves and countertop-level refrigerators are provided in the living room. Food and beverages can be bought at cost from the kitchen, which also permits use of its oven for baking cakes or other goodies. Food served in the dining hall is 90 percent Chinese and costs \$2.75 a day per person.

Before this guesthouse was completed, American teachers lived in faculty housing with toilet facilities but without heat or hot water. Unlike their Chinese colleagues, they were provided with a stove to take the edge off of the freezing temperatures, but they bathed in the local bathhouse.

The comfort of their guests, rather than any attempt at isolation, appears to motivate the ghettoizing of the "experts." Chinese of all levels seem genuinely to expect that foreigners of all nationalities should live better than they do themselves.

Food is the only necessity that visiting teachers pay for in China. Whereas a professional-level Chinese family of four claims to eat well on 100 yuan (\$69) a month, a frugal American couple paid about twice that at a dining room for foreigners. Another couple paid 240 yuan (\$164) for Chinese food cooked for them at a university, while a single person, eating two-thirds Western food (which means more meat and is therefore more expensive), paid 180 yuan (\$123) a month. The prices cited for meals are not those of the hotels usually visited by American tourists.

Many run their bills up further with the purchase of orange soda (7 cents at cost, 15 cents in a foreign restaurant). Chinese rely upon soup for liquid, with meals, or tea between meal. Cola is available only for foreigners. It is sold solely at the Friendship Stores or at bars in tourist hotels and by



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special currency certificates obtained when tourists exchange money. A 12-ounce can imported from San Francisco costs 69 cents.

Traveling is the major expense of the "experts." They pay Chinese prices on trains and buses, but receive only a 30 percent reduction on air fares. Exemption from customs duties on food and clothing packages, which run between 100 and 150 percent, is a further benefit. Without this, the mailing of out-of-season clothing would be impossible.

Because the Chinese are generally of a slighter build than Westerners, this ability to buy abroad is a blessing for long-term residents whose jeans are wearing thin. Nothing thin has any appeal in most of China in the winter, as classrooms, as well as most homes, have no heat. A Mongolian girl described the students as "round balls in winter," a new expression for the multilayered look to which even the "foreign experts" must subscribe.

GRAPHIC: Picture, 'I think Wellesley might be nice!', Photos by Gordon N. Converse, chief photographer;



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The Associated Press

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April 4, 1979, Wednesday, PM cycle

SECTION: Domestic News

LENGTH: 40 words

DATELINE: NEW HAVEN, Conn.

KEYWORD:
Deaths

BODY:

The Rev. Sidney Lovett, Yale University's chaplain emeritus and former executive director of the Yale-in-China Association, died Tuesday at Yale-New Haven Hospital following an operation. He was 89.



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The Associated Press

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March 9, 1979, AM cycle

LENGTH: 180 words

DATELINE: NEW HAVEN, Conn.

KEYWORD:

Yale-China

BODY:

The People's Republic of China has agreed to pay more than \$500,000 to the Yale-China Association for property it seized in 1949, an association official says. The payment covers a hospital, medical school, nursing school, college and high school that were valued at \$1.4 million when they were nationalized, said Mildred Thomas, business manager. The association, formally named the Yale in China Association, in 1910 located the facilities in Changsha of the south-central Chinese province of Hunan. Since the takeover, Communist government has expanded the facilities, Mrs. Thomas said Thursday.

The payment is part of an \$80.5 million claim settlement for a number of U.S. properties seized by the Communists. It is expected in six payments during the next five years.

The association has not yet decided what to do with the funds, Mrs. Thomas said.

It relocated its Asian operations in Hong Kong after the Communist takeover but hopes to re-establish a working relationship with the People's Republic, she said.