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**OA/ID Number:** 13760
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**Folder Title:**
Asian/Pacific American Salute to the President Fountain Valley, CA 6/16/91 [OA 8324] [1]

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Weekly Compilation of

# Presidential Documents

Monday, May 13, 1991
Volume 27—Number 19
Pages 557–596

111 RESEARCH

P-es Documents 3

up this proposal in your Committee. Let us now work together to craft the broad banking reform legislation that this country needs.

Sincerely,

**George Bush**

*Note: Identical letters were sent to Representatives Henry B. Gonzalez and Chalmers P. Wylie, chairman and ranking member of the House Banking, Finance and Urban Affairs Committee; and Frank Annunzio, chairman of the Financial Institutions Supervision, Regulation, and Insurance Subcommittee.*

## Message to the Congress Transmitting an Extension of the Iceland-United States Fishing Agreement

*May 6, 1991*

*To the Congress of the United States:*

In accordance with the Magnuson Fishery Conservation and Management Act of 1976 (Public Law 94–265; 16 U.S.C. 1801 *et seq.*), I transmit herewith the Agreement between the Government of the United States of America and the Government of the Republic of Iceland Amending and Extending the Agreement of September 21, 1984, Concerning Fisheries off the Coasts of the United States, as amended and extended. The agreement, which was effected by exchange of notes at Washington on February 11 and April 5, 1991, copies of which are attached, extends the 1984 agreement for an additional 2 years and 6 months, from July 1, 1991, to December 31, 1993. The exchange of notes together with the 1984 agreement constitute a governing international fishery agreement within the requirements of section 201(c) of the Act. The exchange of notes also amends the 1984 agreement to incorporate the latest changes in U.S. law and policy into the agreement.

I urge that the Congress give favorable consideration to this agreement at an early date.

**George Bush**

The White House,
May 6, 1991.

## Proclamation 6288—Asian/Pacific American Heritage Month, 1991 and 1992

*May 6, 1991*

*By the President of the United States of America*

***A Proclamation***

With characteristic clarity and force, Walt Whitman wrote: "The United States themselves are essentially the greatest poem . . . . Here is not merely a nation but a teeming nation of nations." Those immortal words eloquently describe America's ethnic diversity—a diversity we celebrate with pride during Asian/Pacific American Heritage Month.

The Asian/Pacific American heritage is marked by its richness and depth. The world marvels at the wealth of ancient art and philosophy, the fine craftsmanship, and the colorful literature and folklore that have sprung from Asia and the Pacific islands. Whether they trace their roots to places like Cambodia, Vietnam, Korea, the Philippines, and the Marshall Islands or cherish their identities as natives of Hawaii and Guam, all Asian and Pacific Americans can take pride in this celebration of their heritage.

By preserving the time-honored customs and traditions of their ancestral homelands, Americans of Asian and Pacific descent have greatly enriched our Nation's culture. They have also made many outstanding contributions to American history. Indeed, this country's westward expansion and economic development were greatly influenced by thousands of Chinese and other Asians who immigrated during the 19th century. Today recent immigrants from South Asia are giving our Nation new appreciation for that region of the world.

Over the years—and often in the face of great obstacles—Asian and Pacific Americans have worked hard to reap the rewards of freedom and opportunity. Many have arrived in the United States after long and arduous journeys, escaping tyranny and oppression with little more than the clothes on their backs. Yet, believing in America's promise of liberty and justice for all and imbued with a strong sense of self-disci-

pline, sacrifice, courage, and honor, they have steadily advanced, earning the respect and admiration of their fellow citizens. Today we give special and long-overdue recognition to the nisei who fought for our country in Europe during World War II. During one of America's darker hours, they affirmed the patriotism and loyalty of Japanese Americans and, in so doing, taught us an important lesson about tolerance and justice.

Time and again throughout our Nation's history, Asian and Pacific Americans have proved their devotion to the ideals of freedom and democratic government. Those ideals animate and guide our policies toward Asia and the Pacific today. The economic dynamism of the Pacific Rim is a crucial source of growth for the global economy, and the United States will continue working to promote economic cooperation and the expansion of free markets throughout the region. The United States also remains committed to the security of our allies and to the advancement of human rights throughout Asia and the Pacific.

The political and economic ties that exist between the United States and countries in Asia and the Pacific are fortified by strong bonds of kinship and culture. All Americans are enriched by those ties, and thus we proudly unite in observing Asian/Pacific American Heritage Month.

The Congress, by House Joint Resolution 173, has designated May 1991 and May 1992 as "Asian/Pacific American Heritage Month" and has authorized and requested the President to issue a proclamation in observance of these occasions.

**Now, Therefore, I, George Bush,** President of the United States of America, do hereby proclaim the months of May 1991 and May 1992 as Asian/Pacific American Heritage Month. I call upon the people of the United States to observe these occasions with appropriate programs, ceremonies, and activities.

**In Witness Whereof,** I have hereunto set my hand this 6th day of May, in the year of our Lord nineteen hundred and ninety-one, and of the Independence of the United States of America the two hundred and fifteenth.

**George Bush**

[*Filed with the Office of the Federal Register, 4:27 p.m., May 6, 1991*]

## Statement by Press Secretary Fitzwater on the President's Health

*May 6, 1991*

President Bush has carried out his normal schedule for the day, indicating several times that he felt well and is glad to be back at work. The President is cheerful and absorbed by conversations with visitors to the Oval Office, often indicating that he feels in the best of health. The President's heartbeat remains in normal sinus rhythm, which means that there is no irregularity.

The White House medical staff continues to monitor the President's heartbeat on a regular basis. A heart monitor has been set up near the President's study just off the Oval Office. A White House nurse checks the President's heartbeat with the monitor between meetings and at other times when the President is not otherwise occupied. During the course of the day, the President's heartbeat has shown no evidence of returning to fibrillation. Monitoring in the days ahead will be done by telemetric EKG equipment.

The intravenous line was removed from the President's arm late this afternoon. The bandage remains only to close the point of insertion. The President remains on digoxin and procainamide.

According to the President's Physician, Dr. Burton Lee, "The President's medical day in the White House has been uneventful. He has performed the functions of office while maintaining good humor and good health. No problems of any kind have arisen since he left the hospital."

# TRANSFER SHEET
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VIETNAMESE AMERICANS
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FOR PRESIDENT
88

**State of California**

Medical Board of California
Medical Quality Review Committee
21171 Western Avenue, Suite 120
Torrance, CA 90501-1724
(213) 320-8919

State of California Department of Consumer Affairs

6860 Verde Ridge Road
Rancho Palos Verdes, CA 90274
(213) 544-1001

**Elizabeth Szu,** (PM)
Member, District 11
MQRC

南加州華美協會
Chinese American Association of Southern California

梁建文
Kim Wang
President

P.O. Box 7000-54
Rolling Hills Estates, CA 90274

(213) 325-1755 (W)
(213) 377-8622 (H)

## Remarks on Signing the Asian/Pacific American Heritage Week Proclamation

*May 8, 1989*

Welcome to the Rose Garden, ladies and gentlemen and fellow Americans. You know, an Asian proverb says "intelligence consists in recognizing opportunity." Well, if that's true, it's clear that we are recognizing opportunity in putting the flag back where it belongs. [*Laughter*] No, intelligence consists in recognizing opportunity, and it's clear that you may be one of the most intelligent groups that we've welcomed to the White House, for you've recognized opportunity and seized it. And I am just delighted to be with you.

I'd like to welcome a very special visitor, President Hammer DeRoburt of Nauru out in the Pacific—a friend of the United States. Welcome, sir. And I think it's appropriate he's here, head of an island-state in the Pacific—most appropriate that you join us here today, sir. Thank you.

We gather in a special week: Asian/Pacific American Heritage Week. And yesterday marked the 146th anniversary of the day the first Japanese immigrated to America; and Wednesday celebrates the 120th birthday of an event that Chinese-Americans made possible, the driving of the golden spike to complete the first transcontinental railroad. And we meet, too, as special friends. And in particular, I want to thank three people: Jeanie Jew, who created the idea for this week and is the granddaughter of a Chinese pioneer who helped build that railroad; Frank Horton, the chief sponsor of the Heritage Week legislation; and Ruby Moy, chairman of the Congressional Asia/Pacific American Heritage Week Caucus. Perhaps most of all, we assemble here for a special reason: to salute the millions of refugees and immigrants from Asia and the Pacific who braved the unknown and ventured to our shores, and to salute a community which has enriched America's community socially, culturally, economically, spiritually.

Ladies and gentlemen, as we proclaim this Asian/Pacific American Heritage Week let me observe that you have earned this recognition. You've done it through excellence, with the value of your lives. Those values are, of course, discipline and self-sacrifice, humility and compassion, an abiding belief in work, a soaring love of freedom—values which brought you parents, you grandparents, and some of you, right here to America—values which are now uplifting America.

I think, for example, of pioneers like Gerald Tsai, Jr.; or Jenlane Gee, the California Teacher of the Year; or Henry Tang and I.M. Pei; of our own Sichan Siv, who fled the killing fields of Cambodia and a daring escape—now at work right here in the White House. Let me mention my trusted adviser, Lehmann Li, who's been at my side for a long time. You talk about a bright individual, he's a walking encyclopedia.

My friends, they—you—are building a better America and creating new jobs. You're enhancing our medical schools, the law, our small and large businesses. In short, honoring your heritage by the lives you lead, and for that I congratulate you. And in a personal sense, I want to thank you, too, for as Chief of the United States Liaison Office in China, I came with Barbara to love that heritage and, in countless ways, with countless friends, to see and share what lies at its center: the family. Ten weeks ago on a trip back to Asia and to the Pacific Rim, Barbara and I visited the nondenominational church that we'd attended in Beijing. And it's different now, it's bigger. But the values, the heritage, are the same. And the memories are even better. And I'll never forget when our own daughter was baptized right there in China.

Yes, the Asian/Pacific community has a special place in my heart, and so does an old Chinese proverb which I've often cited. It goes: "One generation plants the trees, another gets the shade." For decades, Asian Americans have planted the trees of prosperity, opportunity, and human dignity. And in coming years, more than ever, I know that my children, America's children, will thank you for the shade.





And finally, before I sign this proclamation declaring this week as Asia/Pacific American Heritage Week, it gives me great pleasure to announce two nominations that I will submit to the Senate for confirmation to positions within my administration. I'll be sending the name of Julia Chang Bloch to the Senate to be the next—[*applause*]—United States Ambassador—please—[*laughter and applause*]—the next United States Ambassador to Nepal. And the name of Kyo Jhin to be Chief Counsel—Kyo—Chief Counsel for Advocacy in the SBA [Small Business Administration]. And I salute, also, Katherine Chang Dress, sworn in today as an Assistant Secretary of the Interior. We are so lucky. And we welcome these qualified, capable individuals to our team.

God bless all of you. Thank you for coming here to Washington on this beautiful day. And now, let's sign this proclamation. Thank you very much.

***Note:** The President spoke at 10:15 a.m. in the Rose Garden at the White House. In his remarks, he referred to Gerald Tsai, Jr., member of the board of directors of Primerica; Henry Tang, vice president of Solomon Brothers; I.M. Pei, architect; and Sichan Siv, Deputy Assistant to the President for Public Liaison.*

one, marked by significant achievements in the arts, science, education, and business.

Today, Asian and Pacific Americans continue to enrich our life as a Nation. Through their efforts to preserve the traditions of their ancestral homelands, they greatly enhance the beauty and color of American culture. Their faith, determination, and hard work and their devotion to family life inspire men and women throughout the United States.

The celebration of Asian Pacific American Heritage Week provides a welcome opportunity to acknowledge the many contributions that Asian and Pacific Americans have made to American society and to express our appreciation for them.

**Now, Therefore, I, George Bush**, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim the week beginning May 7, 1989, as Asian/Pacific American Heritage Week. I call upon the people of the United States to observe this week with appropriate ceremonies and activities.

**In Witness Whereof**, I have hereunto set my hand this eighth day of May, in the year of our Lord nineteen hundred and eighty-nine, and of the Independence of the United States of America the two hundred and thirteenth.

**George Bush**

[*Filed with the Office of the Federal Register, 4:36 p.m., May 8, 1989*]

## Remarks on Signing the Asian/Pacific American Heritage Month Proclamation

*May 7, 1990*

First, let me just express a warm White House welcome to Prime Minister Namaliu from Papua New Guinea. I just wanted to walk out with him, show him a little hospitality. I look forward, sir, to visiting with you this afternoon.

To Senators Inouye and Phil Gramm, welcome. To Representative Pat Saiki, my old friend, welcome back to the White House. And [Representatives] Norm Mineta; Ben Blaz; of course, Bill Broomfield; and Eni Faleomavaega—[*laughter*]—Eni, tough on your name, but I got close, didn't I? Okay. And all the Members of Congress who are with us here today, and a special welcome to Frank Horton. My heavens, Frank, because of your diligence in working with so many of your colleagues in the Congress in the support of Jeanie Jew and Ruby Moy, we established Asian/Pacific American Heritage Week.

Now, I'm proud to take one more step and proclaim this May to be the first Asian/Pacific American Heritage Month. First, let me acknowledge with respect the gentleman in the Senate who was Frank's cosponsor—someone who has left us—a great man, a great friend who wrote both haiku and lasting legislation with that same graceful fluency. And I, of course, am talking about our beloved friend, the late Senator Spark Matsunaga of Hawaii. I think this ought to be his day.

We also have with us a number of Asian and Pacific American leaders from many walks of life: Virginia Cha, I.M. Pei, Dr. Taylor Wang, Nancy Kwan, Dr. Samuel Lee, Dr. T.D. Lee. And with us, also, some distinguished Ambassadors. I also especially want to single out Governor Peter Coleman, of American Samoa, and Lieutenant Governor Benjamin Manglona, of the Northern Mariana Islands, and every member of their very distinguished delegations. Thank you all for being with us. You've come so far, and your presence is most welcome and deeply appreciated.

As I said, we're here in large measure because of the vision of Frank Horton and Spark Matsunaga. Spark's brilliant career was the culmination of a history that began 146 years ago with the arrival of Nisei, the first Japanese Americans to land on these shores. And now, people from Asia and the Pacific, from dozens of lands across a broad swath of the world that spans from the Middle East to the Philippines, have found this new homeland called America. They represent the whole range of religions—Christian, Muslim, Hindu, Buddhist. They're Arab, Iranian, Indian, Korean, Thai descent. But they will tell you that they are Americans first.

Look at the scope of America's demographic change. Cambodian, Laotian, Vietnamese neighborhoods flourish just across the Potomac River. The minaret of a mosque rises over the skyline of a Dallas suburb. The student body of a school in southern California is made up almost entirely of Hmong children. Pacific islanders have enriched the culture and heritage of Orange County. Filipinos have called America home since the first son of the Philippines arrived on these shores in 1763. All of these are subtle signs that Asian and Pacific Americans are our fastest-growing minority population. They're changing America, and they are changing America for the better.

Some Asian and Pacific Americans come from families that have lived in America for more than a century. And others have literally just arrived, by boat or jumbo jet. But all can rely on strong communities, networks of family and friends, often with the support of a church, synagogue, mosque or temple. So, whatever their background, all enjoy strong communities—a great sense of community, too. These 7 million Americans show us an example of how strong families can instill an abiding respect for the law, tenacity in the endeavor of life and work, and most of all, excellence in education.

Consider this: The last U.S. Census showed that 75 percent of Asian Americans age 25 and over had at least a high school degree—well above the national average of 66 percent. This nation is incomparably richer because of great scientists like Nobel Prize winner Dr. Yuan Lee and the late An Wang. We are richer because of the talent of Michael Chang and the courage of the late Ellison Onizuka. And we are richer because of Asian Pacific American leaders, many of them with us here today.

Count among them Elaine Chao, number two in this enormous Department of Transportation of ours; Wendy Gramm, Chairman of the Federal Commission on Commodity Future Trading; Cindy Daub, Commissioner of the Copyright Royalty Tribunal; Kyo Jhin, who will be named shortly to a senior position at the Department of Veteran Affairs; my own—I say my own—our own Sichan Siv, on the White House staff, who fled the killing fields and is now doing an outstanding job for the White House in every way; and Julia Chang Bloch, U.S. Ambassador to Nepal, our first Asian-American Ambassador.

As shown by public-spirited leaders like Spark Matsunaga and those here today, Asian Pacific Americans are beginning to excel in the field of politics, just as they have excelled in every other field. While politics is often a second-, third-, or fourth-generation profession, the time is coming when more and more Asian and Pacific Americans will seek office to lead our cities, our States, and our nation. As America looks toward the Pacific in the century ahead, we will need your insights and your leadership as never before.

You know that the future of Europe has been very much on my mind of late—I think, on the mind of all Americans. But America's destiny is also tied to the Pacific Rim. And I've lived in Asia, and I know that the fate of Asia and the Pacific is no less important to America than the future of Europe. We are encouraged by the changes in Eastern Europe and by the rise of democracy to our south right here in our own hemisphere. Make no mistake about that. But we will not neglect Asia and the Pacific. My administration is committed to promoting open trade and fighting protectionism so that the economic ties between the United States and Asia can continue to grow. Like Asian and Pacific Americans in the United States, these nations are a testament to the power of self-initiative. With time, we will create a true community of nations surrounding the Pacific Rim, bound together by commerce, a shared commitment to democracy, and an abiding friendship.

And that's why we support the emerging Asian and Pacific democracies. And that's why we advocate peaceful change, why we will remain in solidarity with the aspirations of the peoples of these many lands. And that is why America must stand for more than mere material success. America must remain the beacon of liberty, a light of hope for the troubled, the oppressed, the downtrodden. The people of this land know that it is not enough to let a man purchase what he wants. He must be allowed to say what he believes. He must be allowed to go where he wants. He must be allowed to choose his government. Economic freedom alone will not provide sufficient room for the restlessness of the human spirit.

Let us, as we celebrate the contributions of Asian Pacific Americans to our precious freedoms, remember the restless millions who remain behind. In looking for inspiration they need look no further than the success of their grandchildren, their children, their brothers, sisters, and cousins who found freedom in America. And so, it is in your honor that I sign this measure proclaiming this to be Asian/Pacific American Heritage Month.

Thank you all. May God bless you. And may God bless the United States of America.

*Note: The President spoke at 11:36 a.m. in the Rose Garden at the White House. In his remarks, he referred to the following individuals: Jeanie Jew, lecturer and consultant on Asian Pacific American issues; Ruby Moy, chairperson of the Congressional Asian/Pacific Staff Caucus; Virginia Cha, Miss Maryland 1989; I.M. Pei, architect; Taylor Wang, payload specialist for the May 1985 "Skylab I" mission; Nancy Kwan, actress; Samuel Lee, Olympic gold medalist; T.D. Lee, 1957 Nobel Prize winner for physics; Yuan T. Lee, 1986 Nobel Prize winner for chemistry; An Wang, founder of Wang Laboratories, Inc.; Michael Chang, professional tennis player; and Ellison S. Onizuka, crewmember of the space shuttle "Challenger" who was killed in the explosion of January 28, 1986.*

make to furthering openness, transparency and predictability about military organization and activities in Europe.

## Remarks on Signing the Asian/Pacific American Heritage Week Proclamation

*May 8, 1989*

Welcome to the Rose Garden, ladies and gentlemen and fellow Americans. You know, an Asian proverb says: "Intelligence consists in recognizing opportunity." Well, if that's true, it's clear that we are recognizing opportunity in putting the flag back where it belongs. [*Laughter*] No, intelligence consists in recognizing opportunity, and it's clear that you may be one of the most intelligent groups that we've welcomed to the White House, for you've recognized opportunity and seized it. And I am just delighted to be with you.

I'd like to welcome a very special visitor, President Hammer DeRoburt of Nauru out in the Pacific—a friend of the United States. Welcome, sir. And I think it's appropriate he's here, head of an island state in the Pacific—most appropriate that you join us here today, sir. Thank you.

We gather in a special week: Asian/Pacific American Heritage Week. And yesterday marked the 146th anniversary of the day the first Japanese immigrated to America; and Wednesday celebrates the 120th birthday of an event that Chinese-Americans made possible, the driving of the golden spike to complete the first transcontinental railroad. And we meet, too, as special friends. And in particular, I want to thank three people: Jeanie Jew, who created the idea for this week and is the granddaughter of a Chinese pioneer who helped build that railroad; Frank Horton, the chief sponsor of the Heritage Week legislation; and Ruby Moy, chairman of the Congressional Asia/Pacific American Heritage Week Caucus. Perhaps most of all, we assemble here for a special reason—to salute the millions of refugees and immigrants from Asia and the Pacific who braved the unknown and ventured to our shores, and to salute a community which has enriched America's community socially, culturally, economically, spiritually.

Ladies and gentlemen, as we proclaim this Asian/Pacific American Heritage Week let me observe that you have earned this recognition. You've done it through excellence, with the value of your lives. Those values are, of course, discipline and self-sacrifice, humility and compassion, an abiding belief in work, a soaring love of freedom—values which brought your parents, your grandparents, and some of you right here to America—values which are now uplifting America.

I think, for example, of pioneers like Gerald Tsai, Jr.; or Jenlane Gee, the California Teacher of the Year; or Henry Tang and I.M. Pei; of our own Sichan Siv, who fled the killing fields of Cambodia and a daring escape—now at work right here in the White House. Let me mention my trusted adviser, Lehmann Li, who's been at my side for a long time. You talk about a bright individual—he's a walking encyclopedia.

My friends, they—you—are building a better America and creating new jobs. You're enhancing our medical schools, the law, our small and large businesses—in short, honoring your heritage by the lives you lead; and for that I congratulate you.

And in a personal sense, I want to thank you, too, for as Chief of the United States Liaison Office in China, I came with Barbara to love that heritage and, in countless ways, with countless friends, to see and share what lies at its center: the family. Ten weeks ago on a trip back to Asia and to the Pacific Rim, Barbara and I visited the nondenominational church that we'd attended in Beijing. And it's different now—it's bigger; but the values, the heritage, are the same, and the memories are even better. And I'll never forget when our own daugh-

ter was baptized right there in China.

Yes, the Asian/Pacific community has a special place in my heart, and so does an old Chinese proverb which I've often cited. It goes: "One generation plants the trees, another gets the shade." For decades, Asian Americans have planted the trees of prosperity, opportunity, and human dignity. And in coming years, more than ever, I know that my children, America's children, will thank you for the shade.

And finally, before I sign this proclamation declaring this week as Asia/Pacific American Heritage Week, it gives me great pleasure to announce two nominations that I will submit to the Senate for confirmation to positions within my administration. I'll be sending the name of Julia Chang Bloch to the Senate to be the next—[*applause*]—United States Ambassador—please—[*laughter and applause*]—the next United States Ambassador to Nepal, and the name of Kyo Jhin to be Chief Counsel—Kyo—Chief Counsel for Advocacy in the SBA [Small Business Administration]. And I salute, also, Katherine Chang Dress, sworn in today as an Assistant Secretary of the Interior. We are so lucky. And we welcome these qualified, capable individuals to our team.

God bless all of you. Thank you for coming here to Washington on this beautiful day. And now, let's sign this proclamation. Thank you very much.

*Note: The President spoke at 10:15 a.m. in the Rose Garden at the White House. In his remarks, he referred to Gerald Tsai, Jr., member of the board of directors of Primerica; Henry Tang, vice president of Solomon Brothers; I.M. Pei, architect; and Sichan Siv, Deputy Assistant to the President for Public Liaison. The proclamation is listed in Appendix E at the end of this volume.*

## Nomination of Julia Chang Bloch To Be United States Ambassador to Nepal

*May 8, 1989*

The President today announced his intention to nominate Julia Chang Bloch to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Nepal. She would succeed Milton Frank.

Since 1981 Ms. Bloch has served in several capacities for the Agency for International Development, including Assistant Administrator for the Asia and Near East Bureau, since 1987; Assistant Administrator for the Food for Peace and Voluntary Assistance Bureau, 1981–1987; and Special Assistant to the Administrator, 1981. Prior to this she was a fellow at the Institute of Politics of the Kennedy School of Government at Harvard University, 1980–1981. She has also served as Deputy Director of the Office of African Affairs for the International Communication Agency, 1977–1980; and chief minority counsel for the Senate Select Committee on Nutrition and Human Needs, 1976–1977. Ms. Bloch served as a staff member for the minority staff of the Senate Select Committee on Nutrition and Human Needs, 1971–1976. She served in various capacities with the Peace Corps, including evaluation officer, 1968–1970; training officer for the East Asia and Pacific Region, 1967–1968; and a volunteer in Sabah, Malaysia, 1964–1966. Ms. Bloch was awarded the Woman of the Year Award from the Organization of Chinese American Women, 1987; the Leader for Peace Award from the Peace Corps, 1987; and the Humanitarian Service Award from the Agency for International Development, 1987.

Ms. Bloch graduated from the University of California (B.A., 1964) and Harvard University (M.A., 1967). She was born March 2, 1942, in Chefoo, China. She is married and resides in Washington, DC.

## Continuation of Richard P. Kusserow as Inspector General of the Department of Health and Human Services

*October 13, 1989*

The President today announced that Richard P. Kusserow will continue to serve as Inspector General of the Department of Health and Human Services.

Since 1981 Mr. Kusserow has served as Inspector General at the Department of Health and Human Services. Prior to this he served as a special agent with the Federal Bureau of Investigation. In addition, Mr. Kusserow served as the Vice Chairman of the President's Council on Integrity and Efficiency, 1985 to present.

Mr. Kusserow graduated from the University of California at Los Angeles (B.A., 1963) and received his master's degree from California State University at Los Angeles. He was born December 9, 1940, in San Jose, CA. Mr. Kusserow served as a captain in the U.S. Marine Corps, 1965–1968. He is married, has one child, and resides in Bethesda, MD.

## Remarks at a White House Briefing for Members of the Asian-American Voters Coalition

*October 13, 1989*

Nice to see you. Well, I hope you haven't been sitting waiting. I'm afraid I'm running a little bit late. Welcome to the White House. I first want to salute our three Members of Congress over here: Duncan Hunter and Dana Rohrabacher and Ben Blaz. Have you guys been introduced yet? Stand up, and let them—[*applause*]. They have been great leaders in their determination to broaden our whole political base and reach out to men and women of sound values and good ideas. And so, they are here as a team of interested individuals who are working hard with me in the area that I want to talk to you all about.

But welcome to the White House. I'm delighted to see my three friends and experts behind me, both of Paul and—I was going to say Paul and Roger Porter—actively involved. And this character over here, he and I worked the whole China equation—Dick Solomon—for many years. So, you have our best here today to help you with some of the facts. I want to say to Vi De La Pena, the outgoing chairperson, and to Frank Vinh, the incoming, and then to the secretary, Gloria Caoile—if I got the pronunciation correct—[*laughter*]—and Rex Tu—close enough?—[*laughter*]—and Rex Tu, our treasurer, and Nancy Kwan and all the rest of you here for the first time, a sincere welcome.

Almost a year ago, the Asian-American community supported the direction the Republican Party wanted to take the Nation. And both the Vice President and I appreciate that continued support. And now I'm meeting here today to simply reiterate my commitment to you.

For example, I know of your interest in education. Let me tell you that we are moving forward. Two weeks ago—I'm sure some of you saw it—we convened the first ever education summit with the Nation's Governors to find ways to improve our education system through increased choice, flexibility, accountability, higher standards. The goal: educational excellence.

That was only the first step, though. It was a successful conference. And we did it with the Governors because they're, after all, on the cutting edge. And one thing they made clear to me that I know you'll be interested in: Don't send us a lot of mandated programs. Let us have the flexibility to use the resources where our families and our experts think is best. So, they made that

message clear.

Immigration and refugee issues—they continue to be important. And let me express my support for our policy of no forced repatriation of refugees to a country like Vietnam. We're not going to retreat from our position taken at the Geneva conference. And people who seek freedom ought to be given a chance. So, let's not deny them that.

You all know that freedom and democracy are on the march. I should say, you more than most, given the history, given the backgrounds, given the family involvement. And we've seen it actually in Eastern Europe now, in Asia. And I hope that one day soon the people of Cambodia will be free from the tragedy that has engulfed that country for far too long. And so, we're going to continue in this one to seek a peaceful, diplomatically negotiated, comprehensive settlement of the conflict. And that recent Paris conference was not a failure. Anytime you get opposite sides to the table, constructive dialog will come about. We need to continue to support those efforts. I can't say I wasn't disappointed at the outcome. I'd like to have seen more progress. But we ought not to say failure and then throw up our hands and give up.

America is moving forward, and as we do, we've got to continue to strive for free trade—free and fair trade. It's the fuel of prosperity worldwide. Asian-Americans are among the most industrious and hard-working members of our society. And all that you have asked of us and your families—freedom. And in exchange, you have been the shining examples of what all Americans can achieve. And there are so many success stories and so much potential for the future. I know that sacrifice and hard work and discipline are second nature to all of you. And so, many of you have translated your success in education and business into political activism, and that's good. Keep it up. We welcome it. The Asian-American Voters Coalition is a major vehicle for you to do just exactly that.

And so, I really popped in not to interrupt the experts but to tell you how much I appreciate your support and how much I personally look forward to working together with you as we continue to make America great.

Bless you all, and thank you very, very much for coming over here today to the White House. Thank you.

*Note: The President spoke at 2:21 p.m. in Room 450 of the Old Executive Office Building. In his remarks, he referred to Paul Wolfowitz, Under Secretary of Defense for Policy; Roger Porter, Assistant to the President for Economic and Domestic Policy; Richard Solomon, Assistant Secretary of State for East Asian and Pacific Affairs; and actress Nancy Kwan.*

## Remarks at a Ceremony for the Presentation of the End Hunger Awards and the Signing of the World Food Day Proclamation
*October 16, 1989*

Welcome to everybody, and I do want to salute the Members of Congress who are here from the House Select Committee—the Select Committee on Hunger: Bill Emerson, one of today's award winners; Tony Hall and Ben Gilman; and then, of course, our friend Senator Lugar of Indiana. Clayton—welcome, Secretary, and Mark, our Acting Administrator of AID. Let me welcome all of you to the White House.

It's a very special privilege to welcome Dr. Kurien, the 1989 recipient of the World Food Prize. And he's the father of India's White Revolution, that has brought hygienic milk to the homes of 170 million people. And tomorrow evening, Dr. Kurien will be honored at the Smithsonian for his lifelong dedication to the poor and hungry of India. I want to congratulate this great humanitarian whose work has changed the lives and the livelihoods of so many millions of people.

## Remarks on Signing the Asian/Pacific American Heritage Month Proclamation

*May 7, 1990*

First, let me just express a warm White House welcome to Prime Minister Namaliu from Papua New Guinea. I just wanted to walk out with him, show him a little hospitality. I look forward, sir, to visiting with you this afternoon.

To Senators Inouye and Phil Gramm, welcome. To Representative Pat Saiki, my old friend, welcome back to the White House. And [Representatives] Norm Mineta; Ben Blaz; of course, Bill Broomfield; and Eni Faleomavaega—[*laughter*]—Eni, tough on your name, but I got close, didn't I? Okay. And all the Members of Congress who are with us here today, and a special welcome to Frank Horton. My heavens, Frank, because of your diligence in working with so many of your colleagues in the Congress in the support of Jeanie Jew and Ruby Moy, we established Asian/Pacific American Heritage Week.

Now, I'm proud to take one more step and proclaim this May to be the first Asian/Pacific American Heritage Month. First, let me acknowledge with respect the gentleman in the Senate who was Frank's cosponsor—someone who has left us—a great man, a great friend who wrote both haiku and lasting legislation with that same graceful fluency. And I, of course, am talking about our beloved friend, the late Senator Spark Matsunaga of Hawaii. I think this ought to be his day.

We also have with us a number of Asian and Pacific American leaders from many walks of life: Virginia Cha, I.M. Pei, Dr. Taylor Wang, Nancy Kwan, Dr. Samuel Lee, Dr. T.D. Lee. And with us, also, some distinguished Ambassadors. I also especially want to single out Governor Peter Coleman, of American Samoa, and Lieutenant Governor Benjamin Manglona, of the Northern Mariana Islands, and every member of their very distinguished delegations. Thank you all for being with us. You've come so far, and your presence is most welcome and deeply appreciated.

As I said, we're here in large measure because of the vision of Frank Horton and Spark Matsunaga. Spark's brilliant career was the culmination of a history that began 146 years ago with the arrival of Nisei, the first Japanese Americans to land on these shores. And now, people from Asia and the Pacific, from dozens of lands across a broad swath of the world that spans from the Middle East to the Philippines, have found this new homeland called America. They represent the whole range of religions—Christian, Muslim, Hindu, Buddhist. They're Arab, Iranian, Indian, Korean, Thai descent. But they will tell you that they are Americans first.

Look at the scope of America's demographic change. Cambodian, Laotian, Vietnamese neighborhoods flourish just across the Potomac River. The minaret of a mosque rises over the skyline of a Dallas suburb. The student body of a school in southern California is made up almost entirely of Hmong children. Pacific islanders have enriched the culture and heritage of Orange County. Filipinos have called America home since the first son of the Philippines arrived on these shores in 1763. All of these are subtle signs that Asian and Pacific Americans are our fastest-growing minority population. They're changing America, and they are changing America for the better.

Some Asian and Pacific Americans come from families that have lived in America for more than a century. And others have literally just arrived, by boat or jumbo jet. But all can rely on strong communities, networks of family and friends, often with the support of a church, synagogue, mosque or temple. So, whatever their background, all enjoy strong communities—a great sense of community, too. These 7 million Americans show us an example of how strong families can instill an abiding respect for the law, tenacity in the endeavor of life and work, and most of all, excellence in education.

Consider this: The last U.S. Census showed that 75 percent of Asian Americans age 25 and over had at least a high school degree—well above the national average of 66 percent. This nation is incomparably richer because of great scientists like Nobel Prize winner Dr. Yuan Lee and the late An Wang. We are richer because of the talent of Michael Chang and the courage of the

late Ellison Onizuka. And we are richer because of Asian Pacific American leaders, many of them with us here today.

Count among them Elaine Chao, number two in this enormous Department of Transportation of ours; Wendy Gramm, Chairman of the Federal Commission on Commodity Future Trading; Cindy Daub, Commissioner of the Copyright Royalty Tribunal; Kyo Jhin, who will be named shortly to a senior position at the Department of Veteran Affairs; my own—I say my own—our own Sichan Siv, on the White House staff, who fled the killing fields and is now doing an outstanding job for the White House in every way; and Julia Chang Bloch, U.S. Ambassador to Nepal, our first Asian-American Ambassador.

As shown by public-spirited leaders like Spark Matsunaga and those here today, Asian Pacific Americans are beginning to excel in the field of politics, just as they have excelled in every other field. While politics is often a second-, third-, or fourth-generation profession, the time is coming when more and more Asian and Pacific Americans will seek office to lead our cities, our States, and our nation. As America looks toward the Pacific in the century ahead, we will need your insights and your leadership as never before.

You know that the future of Europe has been very much on my mind of late—I think, on the mind of all Americans. But America's destiny is also tied to the Pacific Rim. And I've lived in Asia, and I know that the fate of Asia and the Pacific is no less important to America than the future of Europe. We are encouraged by the changes in Eastern Europe and by the rise of democracy to our south right here in our own hemisphere. Make no mistake about that. But we will not neglect Asia and the Pacific. My administration is committed to promoting open trade and fighting protectionism so that the economic ties between the United States and Asia can continue to grow. Like Asian and Pacific Americans in the United States, these nations are a testament to the power of self-initiative. With time, we will create a true community of nations surrounding the Pacific Rim, bound together by commerce, a shared commitment to democracy, and an abiding friendship.

And that's why we support the emerging Asian and Pacific democracies. And that's why we advocate peaceful change, why we will remain in solidarity with the aspirations of the peoples of these many lands. And that is why America must stand for more than mere material success. America must remain the beacon of liberty, a light of hope for the troubled, the oppressed, the downtrodden. The people of this land know that it is not enough to let a man purchase what he wants. He must be allowed to say what he believes. He must be allowed to go where he wants. He must be allowed to choose his government. Economic freedom alone will not provide sufficient room for the restlessness of the human spirit.

Let us, as we celebrate the contributions of Asian Pacific Americans to our precious freedoms, remember the restless millions who remain behind. In looking for inspiration they need look no further than the success of their grandchildren, their children, their brothers, sisters, and cousins who found freedom in America. And so, it is in your honor that I sign this measure proclaiming this to be Asian/Pacific American Heritage Month.

Thank you all. May God bless you. And may God bless the United States of America.

*Note: The President spoke at 11:36 a.m. in the Rose Garden at the White House. In his remarks, he referred to the following individuals: Jeanie Jew, lecturer and consultant on Asian Pacific American issues; Ruby Moy, chairperson of the Congressional Asian/Pacific Staff Caucus; Virginia Cha, Miss Maryland 1989; I.M. Pei, architect; Taylor Wang, payload specialist for the May 1985 "Skylab I" mission; Nancy Kwan, actress; Samuel Lee, Olympic gold medalist; T.D. Lee, 1957 Nobel Prize winner for physics; Yuan T. Lee, 1986 Nobel Prize winner for chemistry; An Wang, founder of Wang Laboratories, Inc.; Michael Chang, professional tennis player; and Ellison S. Onizuka, crewmember of the space shuttle "Challenger" who was killed in the explosion of January 28, 1986.*

(Smith/Wallace)
May 3, 1989
Draft One
ASIAN

PRESIDENTIAL REMARKS: ASIAN HERITAGE WEEK
ROSE GARDEN
MONDAY, MAY 8, 1989

o Ladies and gentlemen, my fellow Americans.

o You know, an Oriental proverb says, "The two words, 'peace' and 'tranquility,' are worth a thousand pieces of gold." Well, my pleasure in welcoming you to the White House would be worth a thousand times that total.

o We meet as special friends, in a special week, and for a very special reason: To salute the millions of immigrants from Asia and the Pacific who braved the unknown and ventured to our shores. And whose community has enriched America's community -- socially, culturally, economically, spiritually.

o Someone once told me of a restaurant in China where three American tourists walked in wearing the most outlandish safari clothes, complete with Panama hats, backpacks, videocameras, a brace of walkmans and a few Chinese phrases picked up from a stateside friend who happens to own a wok.

o The friends stood around looking for a waiter, and finally one asked in a loud voice: "How do we attract attention?"

o My friends, as we proclaim this Asian/Pacific Heritage Week, let me observe that you haven't had to rely on outrageous attire to "attract attention." You've done it quietly, through excellence, with the values of your lives.

o Those values are, of course, discipline and self-sacrifice. Humility and compassion. An abiding belief in work. A soaring love of freedom. Values which brought your parents, your grandparents, and some of you to America. Values which are now enriching America.

o I think, for example, of pioneers like Gerald Tsai, Jr. of American Can. Or countless teachers who uplift our kids. Or Henry Tang and I.M. Pei. Or Sichan Siv of our White House staff.

o In 1976, Sichan escaped from Cambodia, spent three months in a refugee camp in Thailand, and finally made his way to the United States. Since then, to quote his words, "I have experienced the real values of freedom, peace, prosperity, independence, and democracy. The correct spelling of these words is A-M-E-R-I-C-A."

o My friends, he -- you -- came to find a better life. And you're finding it. You came to build a better America. And you're building it. Creating new jobs. Enhancing our medical schools, the law, our small and large businesses. In short, honoring your heritage by the lives you lead.

o For that, I congratulate you. And, in a personal sense, I want to thank you, too. For as Ambassador to China, I came, with Barbara, to love that heritage. And in a different different ways -- with a thousand different friends -- to see, and share, what lies at its center: the family.

o Ten weeks ago, on a trip to the Pacific Rim, Bar and I visited the non-denominational church we'd attended in Bejing. It's different now, bigger. But the values -- the heritage -- are the same. And the memories are even better. Like when our daughter Dora was baptized -- the first person to be publicly baptized in China in over 40 years.

o Yes, the Asian/Pacific community has a special place in my heart. And so does an old Chinese proverb which I have often cited. It goes, "One generation plants the trees; another gets the shade."

o For decades, Asian-Americans have planted the trees of prosperity, opportunity, and human dignity. And in coming years,

more than ever, I know that my children -- America's children -- will thank you for the shade.

o God bless you, thank you for coming here, and God bless the United States of America.

# # # #

18TH STORY of Level 1 printed in FULL format.

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 siezed 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 afte the Communist takeover but hopes to re-establish a working relationship with the People's Republic, she said.

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 Presisent 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.

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12TH STORY of Level 1 printed in FULL format.

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The Christian Science Monitor

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 oc 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 accidetn 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

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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 acadeic 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 deliverate 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 arranagements 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 decidely 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 Americal 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 cerificates 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 reisidents 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

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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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So said President George Bush a week ago in justifying the extension to China for a further year of most favoured nation trading status (MFN), which provides access to the lowest possible tariffs. Mr Bush's decision has provoked a furious political row which, though not so far damaging his overall standing, has brought him more criticism than any other foreign policy issue. Mr Bush may overcome the substantial opposition in Congress. But the debate will underline the doubts about his China policy in view of continued abuses of human rights by the Beijing authorities following the Tiananmen Square massacre two years ago.

There is much at stake economically following the sharp growth in trade between the two countries. Cancelling MFN would lead to a big jump in tariffs - up, for example, from 6 to 35 per cent for footwear. It would also, Mr Bush argues, 'deal a body blow to Hong Kong', as both the British government and representatives from the colony have been arguing in Washington. This is because Hong Kong handles much of the US-Chinese trade and Hong Kong businesses have invested heavily in south China's thriving export industries.

Mr Bush believes he has a special understanding of China, its leaders and their way of thinking following his time as head of the US mission in Beijing in 1974-75. He has argued that the moral dimension of US policy requires the US to stay active in the world - 'trying to chart a moral course through a world of lesser evils'.

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Mr Bush's China policy is the ultimate expression of his internationalism, his belief in remaining engaged, retaining influence by maintaining contact, almost no matter how repugnant the regime. The US, for example, sought to improve relations with President Saddam Hussein right up to the August 2 invasion of Kuwait. Last winter, during the most brutal phase of the Soviet crackdown in the Baltic republics, Mr Bush kept open contacts with Mr Gorbachev.

The heart of the argument is how best to influence the Beijing regime. Mr Bush claims that extending MFN and cultivating contacts offers the best chance of changing Chinese behaviour, of stimulating economic, as well as political, reform. Mr James Lilley, who has just ceased being the US Ambassador in Beijing, claims that, following US urging, emigration from China rose by 84 per cent between 1988 and 1990; prominent dissidents like Mr Fang Lizhi were released; and the regime has accounted for many of the casualties of Tiananmen Square.

Mr Bush argues that terminating MFN, or imposing conditions making trade impossible would dash hopes of further progress. It would punish south China where the private sector is growing fastest.

The US also wants to retain Chinese acquiescence in, if not active support for, its stance on other international issues. By using the United Nations Security Council in the Gulf crisis, the US made itself dependent on China's

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willingness not to use its veto. Significantly, just after China abstained on the key resolution authorising the use of force, Mr Bush offered an apparent reward by receiving the Chinese foreign minister at the White House.

Moreover, the US is now the last western country to have kept in place the sanctions imposed after Tiananmen Square. The European Community dropped its sanctions last October and British, Japanese and French foreign ministers have recently visited Beijing.

Mr Bush's critics accuse him of double standards, arguing that he is willing to invoke morality against Iraq, but not against China. And MFN is still denied to Cuba, Vietnam and the Soviet Union, though the latter may soon become a beneficiary.

Senator George Mitchell, the Democratic majority leader, argues that Mr Bush's policy has failed. 'To say we care about human rights, but then to ignore the human rights violations is to say one thing and do another.' While the president has made the same case for keeping open contacts for the past two years, the human rights situation has not improved.

The granting of MFN has become the touchstone for this debate. MFN is usually permanent, giving the recipients the lowest possible US tariff rates. Under

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the 1974 Trade Act, centrally planned/non-market economies can get the benefits of this status only on a temporary basis, renewed every year or six months. The president can extend temporary MFN status by either certifying to Congress that the country is not in violation of human rights criteria or by waiving the criteria on the grounds that MFN would 'substantially promote' free emigration.

Congress has 90 days from yesterday to vote for a resolution rescinding China's MFN status. There is likely to be a majority against, but Mr Bush will then exercise his veto. It will be hard for opponents to muster the two-thirds vote necessary in both houses to override that veto, which has not happened so far in his near 2 1/2 -year presidency.

What could win a two-thirds vote is legislation which would impose conditions - and Senator Mitchell believes he is 'very close' to such a level. The legislation would demand release of political prisoners, a halt to restrictions on peaceful assembly and tight controls on missile sales. The debate is likely to focus on the stringency of conditions. If there is a risk of enough defections, the administration may have to bargain to limit conditionality.

Even former US ambassador to Beijing Mr Winston Lord has argued that an unconditional extension of MFN would re-inforce the Chinese regime's conviction that domestic repression entails no real international costs and would

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accentuate the world's growing amnesia concerning Tiananmen Square. He has urged conditions on, for example, emigration, human rights and freedom of information. These should be concrete enough to provide yardsticks but flexible enough to give the administration real leverage.

Chinese diplomats have insisted that they will not accept conditional MFN. There is a good deal of public posturing here. While the Beijing regime will not want to be seen to bow to US pressure, it also seems unlikely to expel from the country the 1,200 US companies with investments worth Dollars 4.2bn as of last September. The US is the largest foreign investor in China. Four months ago, China National Offshore Oil and Amoco Oil signed a deal for the development of the largest oil field in the South China Sea. McDonnell Douglas is already involved in a joint aircraft venture.

Chinese officials say any withdrawal of MFN would be reciprocated. US exports to China were Dollars 5bn last year, notably wheat, aircraft, fertilisers and computer and electrical products.

The debate is complicated by the numerous trade-related complaints which the US has against China because of its protectionist practices. These have boosted its trade surplus with the US to Dollars 10.4bn last year.

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Beijing is accused of using prison labour to produce low-priced exports and of imposing an elaborate import licensing system and more stringent quality standards on foreign than domestic goods.

The Bush administration has already begun to address these problems. China was one of three nations, along with India and Thailand, recently cited under the 1988 Trade Act for its failure to protect intellectual property rights. This has triggered negotiations, leading up to possible retaliatory sanctions.

Moreover, Mr Bush balanced his request for an extension of MFN by announcing a simultaneous ban on sales to China of high-speed computer workstations, missile related technologies and new satellite parts as punishment for Beijing's sale of missiles to Pakistan and its transfer of other weapons technology to Middle Eastern countries.

Mr Bush also argues that the US has raised human rights issues and he recently infuriated the Beijing authorities by meeting the Dalai Lama, the exiled Tibetan leader. To his critics this firmness has been undercut by his conciliatory gestures. His problem is that there is little specific evidence he can cite of changes for the better in the Chinese authorites' behaviour. Mr Bush is fighting against the grain of American idealism.

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worth of tariff exemptions, officials and industry leaders say.

If Washington rescinds China's MFN treatment, Hong Kong would see its trade in Chinese goods to the US fall 44 percent and its total trade shrink 7 percent, according to the territory's government. The Hong Kong Chamber of Commerce estimates that Hong Kong handles 70 percent of the goods shipped from China to the US.

In addition, 43,000 workers in Hong Kong would lose their jobs, and the growth of the free port's economy would be halved, the chamber says.

The loss of MFN for China ''would be a very severe blow to Hong Kong,'' says Ian Christie, director of the chamber.

President Bush agreed that revocation of MFN ''would deal a body blow to Hong Kong, the bastion of freedom and free trade in the Far East.'' He announced last week he intends to formally ask Congress to extend the preferential treatment.

Nevertheless, several US legislators have threatened to revoke China's trading privilege because of its persistent disregard for human rights.

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The MFN issue has forced Hong Kong to choose between sustaining its current prosperity or making sacrifices in trade and industry in a risky attempt to safeguard basic freedoms in the future.

Hong Kong residents have reason to want to see Washington goad China into halting its human rights abuses: They will come under the rule of the mainland government in 1997. But the immediate bread-and-butter matters of industry, jobs, and trade have prompted leaders in the territory to join the mainland's call for a continuation of the status quo.

Revocation of MFN, which provides the lowest tariff treatment available, would effectively close the US market to billions of dollars of China-made products.

For instance, tariffs on some textiles - China's most lucrative category of exports to the US - would jump tenfold, from 6 percent to 60 percent. Duties China would have to pay would increase about five times, according to government statistics.

The denial of special trading rights for China would hurt Hong Kong's industrial leaders as well as its merchants. Since China began opening to foreign investment in the late 1970s, Hong Kong manufacturers have invested

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billions of dollars in export industries throughout southeastern China.

The executives have also bound the livelihood of millions of workers across the border to stable Sino-US trade. By undercutting that enriching commerce, the US would betray the mainlanders who are at the vanguard of reform, say Hong Kong officials and executives.

''If Americans want to delay the development of human rights in China, the best way to do it would be to revoke MFN or put forward conditions to it,'' says Mr. Christie.

LEVEL 1 - 9 OF 61 STORIES

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MAY 29, 1991, WEDNESDAY

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OF THE HOUSE FOREIGN AFFAIRS COMMITTEE
SUBJECT: MFN STATUS FOR CHINA
CHAIRED BY: STEPHEN J. SOLARZ (D-NY)
WITNESSES:
WINSTON LORD, FORMER US AMBASSADOR TO CHINA
RICHARD HOLBROOKE, FORMER ASSISTANT SECRETARY OF STATE
FOR EAST ASIAN AND PACIFIC AFFAIRS
EDWARD FRIEDMAN, UNIVERSITY OF WISCONSIN
FANG LIZHI, CHINESE DISSIDENT
ZHAO HAIQING, INTERNATIONAL FEDERATION OF CHINESE STUDENTS

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KEYWORD:
HFC ASIAN SBCMTE-05/29/91 LORD ET AL

BODY:

REP. SOLARZ: The Subcommittees will come to order. And the witnesses will please take their places at the witness table.
Today, the Subcommittee on Human Rights and International Organizations, Subcommittee on Asian and Pacific Affairs, and the Subcommittee on International Economic Trade and Policy meet to consider the issue of Most Favored Nation trade status for China. The issue of MFN in China involves a particularly complex set of questions. How can the United States best promote our interests in human rights and democratization in China, as well as a range of other strategic and political interests? Where specifically does MFN fit into this calculus? Do we have a better chance of promoting our multiple interests by revoking MFN, by renewing it, or by imposing some sort of conditionality? President Bush has signalled his preference for a renewal of MFN without conditions for the stated purpose of keeping the United States engaged in China. Subject to question is whether his approach places sufficient pressure on China's leaders to make human rights reforms.

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Those who advocate outright revocation must, it seems to me, demonstrate that the damage which ending MFN would cause to American consumers, American exporters, the people of Hong Kong, the more reform-minded parts of China, and our security interests will be outweighed by rapid and significant political progress in China. Those who advocate competing packages of conditions must demonstrate that their proposed objectives are meaningful in the progress they would facilitate, yet not so tough that they are tantamount to delayed revocation. That hinges on the probability that China's leaders will meet the suggested conditions.
Obviously, any option that facilitates a new consensus on China policy between the White House and the Congress would be welcome. We will have a greater impact on the decisions of the Chinese Politburo if there is unity up and down Pennsylvania Avenue.
Whatever legislative action the Congress takes will originate in the House Ways and Means Committee and the Senate Finance Committee, but my fellow chairmen and I thought there was a useful role for this committee to play in informing the public debate on MFN issues. A later hearing of these subcommittees will hear from members of Congress and a representative of the administration.
To help us today in unraveling the knotty problems before us are a number of extraordinarily distinguished witnesses. We have Winston Lord, who was present at the creation of US-China relations and served as the American ambassador to China from 1985 to 1989. We have also Richard Holbrooke, the Assistant

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Secretary of State for East Asia at the time of normalization of US-China relations, who is now working at Shearson Lehman in New York. We also have Edward Friedman, professor of political science at the University of Wisconsin, one of my long-time advisors on China, who previously worked on the staff of the Subcommittee on Asian and Pacific Affairs before returning to academic life in the Midwest. We have Fang Lizhi, a leading Chinese advocate for democracy and a former guest of the US embassy in Beijing. And we have Zhao Haiqing speaking on behalf of the International Federation of Chinese Students and Scholars.
After we hear from the five witnesses whom I've just introduced, we will hear from a second panel of witnesses, which will include Holly Burkhalter, representing Asia Watch, which has done a commendable job in documenting the repression that has occurred in China over the last two years; Jerome Shestack, representing the International League for Human Rights; and John Kamm, a long-time businessman in China. And then, in the third panel, we will hear from Roger Sullivan, the President of the US-China Business Council; William Overholt, speaking on behalf of the American Chamber of Commerce in Hong Kong; and Rudolph Oswald, the Director of Economic Research of the AFofL-CIO.
So, we should, throughout the course of today's hearing, get the benefit of the views of some distinguished American diplomats, some notable Chinese dissidents, some human rights specialists, and some representatives of the American and Hong Kong business communities.
Before asking the witnesses to begin, I know my fellow co-chairman and some of

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our distinguished ranking minority members would like an opportunity to say a few words. Before I call on Chairman Gejdenson to give his opening remarks, let me say that we're particularly to have Congresswoman Pelosi join the committees for today's hearing. She has, as many of you know, been one of the leaders in the effort to impose conditions on the renewal of MFN for China and she has been a tireless and effective advocate on behalf of the cause of human rights and democracy in that country. And I am sure that the legislation she is drafting will figure significantly, not only in today's hearing but in the subsequent congressional debates on this issue, and we're very pleased to have her with us.
After the members of the committee offer their wisdom, Nancy, if you want to add anything of your own, we'd be happy to hear from you.
Mr. Gejdenson.
REP. GEJDENSON: Thank you.
For the past five or six years, as the Soviet Union has gone through some of the most remarkable changes that I think very few of us if any had foreseen, the administration refused to give the Soviet Union Most Favored Nation status. Even when the Soviets got to a point where they allowed the immigration of Soviet Jews in numbers that put the United States in a position that we had to restrict the number we would take, and a number so large that it's taxing the Israelis' ability to provide housing for them, we still haven't provided MFN for the Soviets.
And it seems that the new world order provides a different standard of human

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behavior for Arabs, for Asians and for Europeans. I find that unacceptable. What we learned from our dealings with Saddam Hussein was that we couldn't buy friendship by economic or military assistance. In reality, we paid the price for it. The US is clearly justified in denying Most Favored Nation treatment for China, because of the government's restrictive emigration policy. The citizens who languish in prisons for participating in the 1989 democratic movement are not free to speak, work or assemble, much less emigrate. Despite the legal provisions which link MFN to freedom of emigration, President Bush in an Orwellian twist of logic indicated his intention to renew MFN for China without conditions. He said that we could advance our cherished ideals only by extending our hand, showing our best side, and sticking patiently to our values. Let's take a look at the American ideals that have been furthered by the administration's policy of extending our hands and sticking patiently to our values since Tiananmen Square's massacre of two years ago. The Chinese government disregards human rights, persecutes political dissidents, holds secret trials, and tortures prisoners; extracts payment in labor from students who wish to study in the United States; cooperates with Algeria to build nuclear weapons facility, exports missiles to Pakistan and Syria; uses forced labor to produce goods destined for US markets; and ignores intellectual property rights. The Chinese governments acts without fear of recrimination, having watched the administration ignore the most outrageous of acts.
I cannot concur with the President, who stated that his policy towards China

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paid off in spade since China did not veto the United Nations Security Council resolution against Iraq. I'm not sure that the Chinese government's vote in the UN also provided little (sic/may mean any) comfort to the citizens of China who seek political, economic reforms and recognition of basic human rights. For the past two years, Congress has not blocked the administration's recommendation to extend MFN as a way of promoting economic and political reform. How many extensions will it take before the conciliatory policy of the United States towards the Chinese regime pays off? I, for one, am not willing to wait and see. I am pleased to join with my cochairman here in today's hearing. But, for the life of me, I can't understand why the United States has one standard for human rights and decency in Europe and in the Soviet Union and another in China. Thank you, Mr. Chairman.
REP. SOLARZ: Thank you. The Chair now recognizes the very distinguished chairman of the Subcommittee on Human Rights and International Organizations, Mr. Yatron.
REP. YATRON: Thank you, Mr. Chairman. We are holding this hearing today to assess the prospects for extending Most Favored Nation status for China and more generally to evaluate US-China relations. I want to commend my cochairs, Congressman Solarz and Congressman Gejdensen for their outstanding leadership and cooperation on this issue. And given the events of the past year such as the continuing human rights violations in China, the sale of ballistic missile technology to Pakistan, China's assistance in building a nuclear reactor in

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Algeria, the skyrocketing US trade deficit with China, and China's export of prisoner-made goods to the United States, China appears to no longer warrant MFN.

President Bush has decided to extend China's Most Favored Nation trade status for another year. The human rights situation in China has not improved. If anything, the situation has gotten demonstrably worse. Labor camps continue to grow, Chinese citizens continue to languish in prisons without charge or trial, and security police continue to occupy press offices. The President has stated that conditions in China are better than they were in 1975. However, he should have also mentioned that they are worse than they were in 1978 when, for a short time, Chinese citizens could hang wall posters, read unofficial journals, and call for free speech.

To harken back to the end of the cultural revolution, one of the worst periods in China's recent history, is to set the law's possible point of reference by which to measure human rights gains in China. Realistically, what is taking place in China has been going on for decades. Forced labor is nothing new. China sold billions of dollars worth of nuclear and missile technology around the world during the 1980s, and China never respected intellectual property rights or basic human rights. Our relations with China are at the lowest point since normalization. Whether or not to extend MFN to China for another year will be one of the most important foreign policy debates this year.

I look forward to hearing from our distinguished witnesses. I thank you, Mr.

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Chairman.

REP. SOLARZ: Thank you, Mr. Yatron. The Chair now recognizes the very distinguished and able gentlemen from Iowa, the ranking minority member of the Subcommittee on Asian and Pacific Affairs, Mr. Leach.

REP. LEACH: Well, I apologize for lengthening this dialogue a bit, but let me just make a couple of observations. I appreciate the Chairman's opening comments setting the framework for this, but I think all of us have to understand that it's basically a yes-no decision that has to be made and that conditions can be developed. But conditions, in effect, become hortatory, and they can reflect a sense of the American people, but it's still yes-no on whether to have MFN or not.

When I listened this last several days to some of the Democratic leadership, particularly on the other side, I was struck with the observation of "there they go again," and let me explain what I mean. Last winter it was Iraq, last week it was Mexico, today it's China. It would appear increasingly that the Democratic Party's only answer to a thorny foreign policy issue is protectionism. And let me elaborate for a second.

Self-righteously denying MFN treatment for China may provide solace to the liberal soul, but it neither advances the democratic movement on the mainland nor serves US national interests. The President, in his Yale address, I think hit the circumstance very profoundly when he indicated that the ship of state must be guided with a moral beacon to the shoals of lesser evils.

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MFN, as everybody understands, is a misnomer. It's Most Favored Nation treatment, it's normal trade treatment. It applies to the vast panoply of nations. Revoking MFN would represent a regression from the normalization process that we commenced under President Nixon, and a very profound regression at that.

Let me also say that I think both America's political parties -- the left, right, and center -- concur on goals. The question is one of technique. Most of us believe that opening up trade with China is more responsible than any single thing to opening up the democratic process in China. If that is the case, it's hard to understand how closing down trade with China, how seeking in effect a protectionist aproach, will do anything except bolster the government in power against the democratic movements that we want to advance.

Finally, let me just suggest that internally, economics can sometimes be more important than politics because they can drive politics, as they seem to have done in China. Externally, however, politics can be of seminal significance in that this Congress has to understand very carefully that the Chinese were very supportive, at least non-obstructionist on the Iraq-Kuwait circumstance, and that in a world in which the Security Council plays a very massive role we have to at least recognize that the Chinese government assisted the United States government in a very important national security interest of our land, and that we shouldn't be apologetic about making that point.

In addition, the Chinese externally in the last year have moved towards

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normalizing relations with a number of countries such as Singapore and Indonesia that they haven't had normal relations with, also Saudi Arabia. They've worked towards a diplomatic solution in the Spratly Islands dispute, and that there are certain acts of the Chinese government externally that are consonant with the American position. And in this I would also include the Cambodian issue, which I think would be set back dramatically if the Congress were to do something precipitously unfavorable in MFN.

And so all I would suggest to the subcommittee before we go down the path of acting in a prideful kind of way on issues that there is good consensus in this country, that we look at the ramifications of those actions and not do something counterproductive.

Thank you, Mr. Chairman.

REP. SOLARZ: Thank you, Mr. Leach. Mr. Gilman, you had indicated an interest in --

REP. GILMAN: Thank you, Mr. Chairman. And I'd like to commend all of the chairmen of our subcommittees, the Subcommittee on Asian and Pacific Affairs that you head, and the Subcommittee on Human Rights, the Subcommittee on International Economic Policy, for bringing us all together and holding this hearing at a very appropriate time.

As our nation grapples with defining the new world order of critical importance will be the tone of our relationship with the last giant communist dictatorship, the People's Republic of China. These hearings should play an important role

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in charting this historic course. And there is a longstanding premise that in order to bring about positive economic and political change in the PRC, we must continue to grant it MFN and simply wait for the old men who rule from Beijing to fade away. If we deny MFN to the PRC, it's argued, China will happily withdraw into its cocoon, and we will hurt progressive elements in the ruling elite in addition to losing all of our influence with that nation.
The truth, however, is that we've already isolated China from the ethical and moral standards we expect from civilized nations. Years of moral and ethical isolation has emboldened China's communist leaders. According to Amnesty International, pro-democracy forces in the PRC have been hunted down, rounded up, and even executed. Asia Watch calls China's rule over Tibet "merciless repression." And Freedom House informs us that Tibet is the number one worst area in the world in regards to political freedom. The authorization of MFN since 1979 has apparently not put a stop to any of these violations.
According to the New York Times, the Wall Street Journal, the Washington Post, Business Week, the Far Eastern Economic Review, and other authoritative sources, the Beijing administration has recentralized banking, credit, production planning, material allocation, foreign trade and other important elements in the economy. There are approximately 3 million private and semi-private Chinese enterprises that have been shut down, and in the majority of the cases, only state-run enterprises are going to benefit from MFN. And all of this has happened since reauthorization of MFN after the Tiananmen Square massacre.

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Our nation has denied MFN to the Eastern bloc, to South Africa, and to Nicaragua, and it's helped a country that exports products made by political prisoners and which even exports prisoners to Africa to work on roads for Chinese government contracts -- denies all form of democratic expression. And any nation which unveils a 230-foot tall monument in downtown Llasa to commemorate its rule over Tibet, leaves certainly a number of serious questions in all of our minds with regard to China's views on human rights. The pre-industrialized China of the 1960s no longer exists, and it's not going to withdraw into any cocoon. The problem with the PRC is not with the old Communists in Beijing, for there are plenty of young leaders willing to take their places. The problem with China is the harsh Communist system itself, and the world's industrialized nations continuing to do business with the People's Republic of China, despite these violations.
Mr. Chairman, we certainly look forward to the diversity of views of our expert witnesses. Thank you, Mr. Chairman.
REP. SOLARZ: It would appear that it's not just Democrats who are skeptical about renewing MFN. I notice that two of the other ranking minority members of the subcommittees conducting these hearings have arrived, and let me recognize them at this point. First, the gentleman from Wisconsin, Mr. Roth, who is the ranking minority member of the Subcommittee on Economic Trade and Policy.
REP. TOBY ROTH (R-WI): Thank you, Mr. Chairman, and Mr. Chairman, I want to commend you and Chairman Gejdenson and Yatron for having these hearings. I

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think it's most appropriate, and of course, most timely.

Mr. Chairman, none of us condones the policies of the Chinese leadership. No doubt, our witnesses will discuss those policies and the repression in great detail. The events of 1989 were and are a great tragedy. We all want China to return to the path of modernization, of freedom and democracy, and that's why I feel that reason, not emotion, must be the hallmark of our policy.

The key question is what course can the United States pursue that will be effective in reinforcing the people of China who want their country to move foreward? To be effective, we must be realistic. The United States will never determine China's policy, only the Chinese people can do that. It is a peculiar concept of Americans that we continue to believe that we alone can remake the world in our image, like some latter day political missionaries. We must recognize that China is not a monolith economically or politically.

In southern China, there is a market economy that's flourishing, and the forces of change are all over. The cause of this transformation has increased trade, I believe, and we should apply this lesson. The best way to strengthen the forces of change and freedom in China is to provide them the economic lifeblood of trade. And as trade produces changes in China, in their economy, change I believe will come to China's political leadership, or that leadership will not survive. Other nations in Europe and in Asia understand this reality. Denying MFN will not isolate China. It will isolate the United States. And I think our President understands that, and I believe that that's the foundation of his

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policy.

So let us be realistic and effective in our China policy. No one understands us better, I believe, than President George Bush. The President is realistic. And if Congress wants the US to stay effective, then I think we should endorse the President's initiatives.

Thank you, Mr. President -- or Mr. Chairman.

REP. SOLARZ: (Chuckles.)

REP. ROTH: That was a Freudian slip. (Laughter.)

REP. SOLARZ: Thank you, Mr. Ambassador. (Laughter.)

The ranking minority member of the Subcommittee on Human Rights, my very good friend from Nebraska, Mr. Bereuter.

REP. DOUG BEREUTER (R-NE): Mr. Chairman, thank you very much. This is a very important controversial subject before us today. Since we have substantially delayed the testimony of our witnesses, and I look forward to hearing from them and having an opportunity to question them, I will forego any formal comments and ask unanimous consent that I may submit my remarks for the record. And I yield back.

REP. SOLARZ: Under the circumstances, an extraordinary demonstration of self restraint, Mr. Bereuter.

The gentleman from California, Mr. Lantos, I think wanted to be heard. And we will give all the members a chance to speak before we turn it over to the witnesses.

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REP. TOM LANTOS (D-CA): Thank you, Mr. Chairman. I just would like to add a few footnotes to comments that have already been made by some of our colleagues.
I think it is self evident no one wants to isolate China. China is clearly one of the most important countries in this world, with a unique history and civilization. And nothing would please me and I'm sure all of my colleagues more than the lack of a need for a hearing of this kind. So I think we need to knock down this straw man, as to who wants to isolate China. No one wants to isolate China. Our purpose is to facilitate the process whereby China becomes a full, democratic participating member of the international community.
I think it's important, Mr. Chairman, to recognize that a year ago, we had a similar debate. And had the legislation that we overwhelmingly passed become law, we would now be compelled to revoke China's Most Favored Nation treatement, because China palpably failed to meet the conditions that we set at the time. Human rights conditions have deteriorated measurably. The persecution of the people of Tibet has become worse. China's irresponsible sale of weapons of destruction has increased. China continues and intensifies her jamming of Voice of America broadcasts, thereby denying the people of China access to unbiased, open, objective information. China continues to use prison labor as part of the labor force for its export products. By any rational yardstick, China is not entitled to Most Favored Nation treatment.
My friend from Iowa indicated that Most Favored Nation treatment is only normal trade treatment. He's correct. China is not entitled to normal trade

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treatment, because human rights conditions in China are abnormal and subnormal.
I also think it's important to realize that the administration and some of our colleagues are calling for, quote-unquote, "effectiveness" in dealing with China, arguing that imposing trade sanctions are not effective. I find this argument the most obnoxious because it is used so selectively.
Every time this administration and some people in Congress choose to punish a country, they use the argument that denying Most Favored Nation treatment is the most effective formula. It was the most effective formula with respect to Tibet and with respect to Nicaragua. It was the most effective formula with respect to the Soviet Union. It was the most effective formula with respect to South Africa. But to reach their pre-arrived conclusion -- namely, that China should have a double standard -- we suddenly find that the Most Favored Nation treatment denial is ineffective.
I would also like to mention, Mr. Chairman, that just as at the very end of the Persian Gulf engagement, with its initial abandonment of the cause of the Kurdish people, the administration abandoned its moral high ground which it occupied during the war, we are now about to abandon that moral high ground again.
I understand that for many people, human rights is just an inconvenience. It is an issue that they would like to gloss over. It is an inconvenient item. Some of us feel that human rights is the quintessential American contribution to foreign policy, and I feel that unless this Congress succeeds in making a

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meaningful step in the direction of imposing severe conditions on China, we will have failed, and failed in a historic sense. My own preference would be to terminate Most Favored Nation treatment. I realize under the circumstances that's unrealistic. But I believe that conditions that we set must be meaningful and biting.

The Chinese Communist dictatorship must understand, as did the Stalinist dictatorship in the Soviet Union, as did the Ceausescu regime and others, that the United States simply will not stand for the blatant and brutal suppression of the very people who share our values.

Thank you, Mr. Chairman.

REP. SOLARZ: Thank you.

The Chair recognizes the gentleman from California, Mr. Lagomarsino.

REP. LAGOMARSINO: Thank you, Mr. Chairman.

Mr. Chairman, I want to join in commending you for holding this hearing. It shows you do care.

Mr. Chairman, one thing you said in your opening statement, I think, needs to be repeated, and that is that we will have a greater impact on the decisions of the Chinese Politburo if there is unity up and down Pennslyvania Avenue. That is a truism, and I think that is the question we have to ask ourselves. Human rights is not just a minor thing, obviously, but we do have to consider what will bring about an improvement in human rights in the best way in China.

I don't think there is any way that -- I know there is no way that I can

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accept continuation of MFN without conditions. I guess what we're talking about is what should the conditions be? You know, there was mention made earlier of the Soviet Union in comparing MFN in China with that in the Soviet Union. It's true, in some respects, the human rights situation in the Soviet Union is better than in China. There is more freedom of press. There is more freedom of assembly. Political parties are at least to some extent -- they're free to organize and to work.

On the other hand, there are things similar to what happened in Tiananmen Square going on there, that have gone on there, in Armenia and Azerbaijan, in Lithuania. The one difference is that we don't see that on television. Gorbachev was not visiting those areas when that occurred in the Soviet Union. So, I think we have to keep that in mind. Now, lest anybody think that that means I'm arguing for MFN for the Soviet Union and for China -- not so. I don't think either one are in a position to get that from us at this time, at least without conditions.

One of the things that intrigues me about this debate that's been going on now for at least two years is how many people suddenly realized what has been happening in China for the last -- what -- 30 or 40 years, how much brutality and suppression of human rights there has been. It didn't all start 2 years ago in Tiananmen Square. That's when we discovered it perhaps because it was on -- as I said earlier, on living TV -- it couldn't be ignored anymore.

So, Mr. Chairman, I'm very interested in hearing what the witnesses will say

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and hope that -- although it seems a very dim hope at this point -- but I would hope that there would be some way that the Congress and the administration could agree on appropriate conditions that will state what we all believe and what we want to accomplish and that will have that effect on the Chinese leadership.
REP. SOLARZ: Thank you very much. The Chair recognizes the distinguished gentleman from New Jersey, Mr. Torricelli.
REP. ROBERT TORRICELLI (D-NJ): Well, thank you, Mr. Chairman. Mr. Chairman, for me, and I'll be interested in hearing the witnesses today, it is not a question of whether or not there should be conditions placed on MFN, but indeed what those conditions should be. This is, of course, the fight that nobody wanted. In the wake of the massacre in Tiananmen Square, despite whatever differences of approach or policy or partisan affiliation, we are reunited with a common hope. From the President sending diplomats to Beijing to the Congress continuing MFN, we all believe that somewhat reason would prevail. If there was a lapse of judgment for a period of time in Beijing that would pass, and that while order was being restored there would be fairness and there would be justice.
There is today no reason to believe that that policy yielded any success or that continuing it will yield anything in the future. There has been an arrogant rebuke to every decent effort by every nation to witness some easing in Beijing and some fairness and simple justice. MFN may be the norm among nations. Nothing however is normal about the situation in China. MFN is an entry price for those nations who seek to have good relations, recognizing an established

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norm of human decency among all countries of the world. It is an entry price which China has chosen not to pay, and therefore, it does not deserve entry.
There was a time, Mr. Chairman, when the range of options before this country and this Congress were very limited because of the real political realities of the Cold War. In attacking Kuwait, Saddam Hussein miscalculated that the United States would not militarily respond because of the realities of the world situation. He failed to notice that things had changed. In failing to recognize the understandable and justifiable outrage of the international community over the human rights situation in China, the leadership in Beijing has miscalculated itself. It is believed that because of the size of China, the potential of its market, or its relationship with other nations in the world -- in particular, its position vis-a-vis the Soviet Union -- we would not dare to take a stand. The Chinese leadership has dangerously miscalculated and jeopardized its own interests.
Perhaps there was a time when human rights needed to be compromised, when America had to consider other interests before advancing the things we hold most dear. Those times have passed. It is time to take a stand.
We gave China the benefit of every doubt. We were reasonable and we were understanding. We allowed time to pass and we withheld representing our own interests. Nothing has passed. The carrot was returned to us. And now, we simply need to represent those things which we wanted to represent all along and to do those things which occur to us most naturally.

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Thank you, Mr. Chairman.

REP. SOLARZ: The Chair now recognizes my very good friend from the state of Washington, Mr. Miller.

REP. JOHN MILLER (R-WA): Thank you, Mr. Chairman, and thank you for convening these hearings.

I think, as the witnesses can tell, members of this committee have strong feelings on this issue going into these hearings, but that doesn't mean that your testimony is not relevant. You know, for example, I come in with a strong bias in favor of conditioning any extensions, but there are many nuances that have to be addressed on this issue.

Let me give two issues that I think the witnesses should consider in their testimony.

The first, alluded to by some of the previous speakers, is a comparison of where China was a year ago with where China is today. Because to a certain extent, we're evaluating the effectiveness or lack of effectiveness of the policies we followed the past year, including the unconditional extension of MFN. And so, I think that would be helpful.

Secondly, I think there's an issue here of whether we integrate or isolate our policies in the economic, human rights, military, and diplomatic spheres. There seems to be a notion around that you can separate these policies, treat them in isolation -- this is isolationism of a different kind than the word is usually applied to. I'm very skeptical of this isolationist approach to policy. But

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if the witnesses feel that we can separate out MFN from other trade policies or diplomatic policies or human right policies, I would like to hear why. And if they feel these policies should be integrated, I'd like to hear why, and how we go about integrating them.

Mr. Chairman, these are difficult issues with many nuances, and I think that you, Mr. Chairman, are probably better prepared or as well prepared as anyone in the Congress to conduct the in-depth hearings that these issues require. Thank you.

REP. SOLARZ: Well, I thank the gentleman very much for his very kind comment. The Chair now recognizes my very good friend from Pennsylvania, Mr. Foglietta.

REP. THOMAS M. FOGLIETTA (D-PA): I thank you, Mr. Chairman, and I commend you for convening this very timely hearing on this very important matter.

Obviously, I think it's the objective of all persons on this committee, whether on the right or the left, that we eliminate the human rights abuses in the People's Republic. The question is before us as to whether or not denial of MFN status is the proper means and most effective means to achieve this objective.

I am inclined to believe that at least conditions would lead us to the objective we seek. However, I note with interest from the press reports that many individuals and groups -- groups and individuals who oppose the policies of the present government, especially those concerned with human rights abuses and who are suffering from those policies, question this means to achieve the end that we seek. So, therefore, I'm quite interested in hearing from the witnesses

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before a determination is finally made. And I thank you for this opportunity.
REP. SOLARZ: All right. Thank you, Mr. Foglietta. The Chair now recognizes the distinguished gentleman from New Jersey, Mr. Smith.
REP. CHRIS SMITH: Thank you, very much, Mr. Chairman.
Mr. Chairman and distinguished members, it seems to me that at this time unconditional renewal for MFN is unwarranted. The case for renewal without any conditions thus far has not been persuasive. Along with Congressman Frank Wolf, I spent the better part of a week in Beijing and Shanghai in April and met with a substantial number of leaders -- Chinese Communist leaders -- including Premier Li Peng. I'm sorry to say that these encounters with the top leadership of the PRC did absolutely nothing to mitigate my concerns over blatant human rights violations in China. As a matter of fact, my concerns were deepened as a result of those visits.
Mr. Chairman, the evidence suggests that the Chinese continue to harass, incarcerate, and persecute the prodemocracy leaders. The tyranny against these freedom-loving people is ongoing, and I would suggest it's totally unacceptable. The Chinese leadership continues to suppress religious belief, especially in its expression. And the hardliners have been especially severe in their crackdown on Catholics, Protestants, and the Evangelical house church movement. We presented Li Peng a list of some 77 bishops, priests, and other clergymen who've been incarcerated, many of them of recent date, and hopefully, at some point they will be released, but with no conditions attached to MFN I think that

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becomes less, not more, likely.
The Chinese also continue to employ prison labor, and serious concerns have been raised that perhaps some of these products are finding their way into US markets. We visited Beijing Prison No. 1, and while there took note of the fact that there were some 40 political prisoners there who were there as a result of their participation in Tiananmen Square, and they were making jelly shoes and other kinds of footware as well as socks. Right now there's an investigation under way to determine whether or not those products indeed are finding their way into US markets.
Finally, Mr. Chairman, the Chinese hardliners continue and indeed are accelerating their assault on the family as they implement their Draconian "one child per couple" policy with its very heavy reliance on forced abortion and other forms of harassment, punishment, and penalties for those who would have children. Mr. Chairman, as we all know, Chinese women in particular have been the victims of this brutal systematic invasion of their personal privacy, and I would suggest this is the most offensive invasion of women rights ever experienced in the history of the world.
Mr. Chairman, you have assembled a most distinguished roster of witnesses. I look forward to their testimony. Hopefully, it will shed some additional light on what we should do as a Congress.
I yield back the balance.
REP. SOLARZ: Thank you, very much. The Chair now recognizes one of the new

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members of our Committee. I'm particularly pleased to have with us today the gentleman from Utah, Mr. Orton.

REP. ORTON: Thank you, Mr. Chairman. I appreciate the opportunity of being here this morning -- or this afternoon. I just arrived in from the District. What seems like a decade ago just occurred two years ago, and I, as a private citizen, watched on television with horror the events unfolding in Tienanmen Square. Now, as a new member of Congress, one of my greatest concerns is trade. That is why I selected this Subcommittee as one of my prime assignments in Congress.

I am extremely concerned over the trade policies of the United States. In fact, as I first came to Congress, the first foreign official that I met, as elected -- after being elected to Congress, was the Foreign Minister of China during his visit here last winter. Invited by the Human Rights Caucus, I appreciate that opportunity. And we presented him with some very serious questions and concerns. And I have to tell you that I personally was impressed with his personal commitment to the resolution of those concerns. I have a fear that it may have been rhetoric because since that time I have seen absolutely no action -- none whatsoever -- taken in China to resolve the concerns that we presented. Also, I have a general desire to support the President on issues of foreign policy, but I have grave concerns over an unconditional designation of Most Favored Nation status for China. My fear is the message we send. I look back over the past two years and see great developments throughout the world,

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particularly in East Europe and even in the Soviet Union. I think the question we have to ask ourselves here is what message will be sent? Will there be a message sent that entering into the world community requires certain human action, or will the message be sent that suppression is acceptable?

So I am very interested in hearing what the witnesses have to say to us, will be following this development very keenly, and hope to be involved throughout the course of our hearings and deliberations.

I thank you, very much, for the opportunity.

REP. SOLARZ: Thank you, very much, Mr. Orton.

Last, only because she's not actually a member of the Committee, but by no means least because among all the members of the House no one has been more outspoken on behalf of the cause of democracy and human rights in China -- the gentlewoman from California, Ms. Pelosi, whose wisdom we eagerly await.

REP. PELOSI: Thank you, Mr. Chairman, for your kind welcome and for holding this hearing today. I thank you and Mr. Gejdenson and Mr. Yatron for calling this important hearing.

I believe in your opening remarks, Mr. Chairman, you laid out a good framework for how the debate should proceed, but I would add two things to that. Mr. Washington -- Mr. Miller from Washington alluded to one of them. I would add that we should measure in making a judgment about how we proceed on MFN on what has worked in the last two years since the Tiananmen Square massacre. Has the President's policy worked?

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And secondly, we should, in making this decision about MFN to China, recognize that in continuing trade on a normal basis with China we have to ignore certain of our own laws. Among them are laws about prison labor, our own MFN law about trading with -- MFN with a centralized economy, a communist system. Many say, "Oh, we have MFN with a hundred other countries." MFN with a centralized economy -- our own DOD authorization bill about the transfer of nuclear technology and sanctions that are called for in that, our own laws about copyright, intellectual property and the fact that the Chinese government -- the Chinese are stealing those, and we have to ignore also not only those laws, but we have to ignore the fact that people are wallowing in prison who spoke out for democracy. Some were killed, some were imprisoned, we have no accounting of them.

I know that our colleague, Mr. Leach, who I respect greatly, was concerned about this being a partisan effort. And I'm pleased to refresh his memory that last year my legislation passed 383 to 30, we had strong bipartisan support on this issue, and that I voted for the fast track with the President, so that my legislation is not a protectionist legislation, but in fact legislation that I think can make a difference in China. As Chair of the congressional working group on China, we developed the legislation in the working group with an eye to what was realistic.

We believe and I believe that the Chinese government, while it may not approve of capitalism -- does not like capitalism, loves money, needs hard currency,

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and would perhaps think twice about giving up its share of the United States market, the American market, rather than freeing the students detained for demonstrating peacefully in Tiananmen Square.

So Mr. Roth, it is not a question of basing a decision on emotionalism. It's a question of basing a decision on principle and our own laws.

Thank you again, Mr. Chairman, for the opportunity to participate in the hearing.

REP. SOLARZ: Thank you. Now that the preliminaries are over, we can move to the main event. I think each of our witnesses has been asked to limit their formal presentation to five to ten minutes if you can, which will give us the maximum opportunity for questioning, keeping in mind that we do have two other panels of witnesses to appear before us. But I am speaking not just for myself but I'm sure the other members of the committee, very much looking forward to what you have to say.

This is clearly going to be one of the most important foreign policy issues confronted by the Congress this year. And each of you in your ways, through your own backgrounds and experiences, have a unique contribution to make to the understanding of the Congress and derivatively of the country of this issue. This is not a hearing simply to go through the motions. This is a hearing designed to facilitate, if at all possible, not only a better understanding but perhaps even a consensus about how we can most effectively approach this question. So this is, I think, if not a rare opportunity a good opportunity

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for all of you to contribute to our understanding and in the process to influence the decisionmaking process in the Congress on this issue.
Why don't we go left to right or right to left, as the case may be? We'll start with Ambassador Lord, then hear from Mr. Holbrooke, Mr. Friedman, Fang Lizhi, and Zhao Haiging -- (hesitates over pronunciation) -- I think I got it right. Okay.
Win, please proceed.
AMB. LORD: Thank you, Mr. Chairman. I've submitted my full remarks to the committee.
Mr. Chairman, members of the subcommittee, I'm pleased to reappear before you to discuss China and America. Let me express at the outset my delight over the President's nomination of Stapleton Roy to be our next ambassador in Beijing. By virtue of his experience and expertise, intelligence and integrity, he is the best person for this crucial assignment.
First, a brief note on our general policy toward China. It is an important country and will be increasingly so in coming decades. My statement spells out why, Mr. Chairman. Thus, no serious analyst seeks to "isolate China," quote-unquote. Indeed, since the Tiananmen Square massacre, it has isolated itself from the historical tides of freedom which have swept the world. Those who accuse critics of the Beijing regime of seeking to isolate China are using this straw man to defend a special exemption on humanitarian issues. They echo the Chinese government's rationale that the need for "stability,"

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quote-unquote, justifies the murder of innocents, harsh repression, and the flouting of basic human rights.
Our policy options are not confined to isolation of China on the one hand or a double standard for China on the other hand. We can both conduct necessary business and honor our ideals. Above all, the United States in word and deed should align itself with the people and future leaders of China. This not only projects our values but also promotes our interests. I believe our policy should lend sharp condemnation of continuing repression and links with progressive forces. And again, my statement elaborates on what I think our overall policy should be.
Now, in weighing American policy, how do we judge the recent Chinese record? And Mr. Miller and Mrs. Pelosi and others asked about this. In China, the overall human rights situation continues to worsen. There have been some modest moves the past year to influence world opinion, thus demonstrating that Beijing does care about its standing. But these are essentially cosmetic and the penchant of Westerners to inflate their significance earns secret derision from the Chinese leaders.
Formal martial law in China and Tibet has been replaced by equally tight controls that serve the same ends. The juducial system is a cruel farce. While some prisoners have been released, there has never been an accounting of them, let alone the thousands that are still detained, have been reclassified as criminals, or have simply disappeared. Some students and intellectuals have

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been sentenced for a few years. Others have received extremely long jail terms. Their fates have no logic, let alone justice. And we never hear about countless others, including workers who have been treated the most brutually because they command little international attention.

Meanwhile, the general policies of the big lie, purges, intimidation, surveillance, indoctrination and attacks on Western values continue. What prevents the Chinese scene from being grimmer, however, is the conduct of the Chinese people and indeed many party and provincial officials. Unlike previous campaigns, hard-line edicts are being ignored or diluted and the people do not inform on one another. They protect each other, deride the government, and lie in wait for better days.

On foreign policy, the Chinese record is mixed. And again, my statement elaborates where they've been positive and where they've been negative, in my view. But throughout, Beijing has been pursuing its interests, not granting us favors.

This, then, is the context for the current issue of MFN trade status. Mr. Chairman, reasonable people can disagree on this important topic. One can favor promoting human rights in China and still urge renewal. One can consider Chinese relations important and still urge removal. I oppose the two extreme options of revocation and unconditional extension.

Revocation of MFN would have the following negative effects. It would hurt many of the people in China in economic fields who support reforms and opening.

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They would be weakened as China heads towards a succession struggle. It would deal serious economic and psychological blows to Hong Kong as it heads toward 1997. It would damage American economic interests, including consumers, importers, exporters and investors in China and Hong Kong. In many areas, the Japanese, Europeans and others would move in. It will remove a key instrument of leverage with China. In this case, if you use it, you lose it. Now, there are some counterpoints to each of these arguments, and they're noted in my statement.

On the other hand, unconditional extension of MFN would also have serious negative results. It would reinforce the Chinese regime's conviction that domestic repression entails no real international costs. It would accentuate the pattern of administration actions and the world's growing amnesia concerning Tiananmen Square.

In recent months, Beijing has been loudly proclaiming that it is business as usual with nations around the globe. It would dismay many moderates in and out of China who long for a more open and humane society. They would be robbed of the argument that China must loosen up if it wishes international cooperation. It would ignore the legislative context of emigration and human rights. It would forego our leverage with the Chinese on this issue. In this case, if you don't use it, you lose it.

Accordingly, I favor conditional renewal of MFN. I believe this represents the brightest chance of minimizing the drawbacks of the two more extreme options.

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More positively, it is best suited to promote our various interests, geopolitical, economic and humanitarian. If properly managed, this approach would neither deal a savage blow to our relations with China nor condone its egregious abuses. It would arm the administration to encourage human rights rather than forfeiting the most powerful instrument available.

If conditional renewal of MFN for China is the best course, a fundamental issue remains: what kinds of conditions? I believe they should be essentially humanitarian with reasonable prospects for progress. As already suggested, we face many serious problems with Beijing, including human rights, Tibet, trade practices and weapons proliferation. We cannot expect to solve them all through a single instrument like MFN legislation, plus to link future renewal of MFN to resolution of all significant issues is tantamount to an immediate cut-off. Ambitious, wide-ranging conditions, moreover, are unlikely to produce human rights advances. Beijing will dig in against what it considers an impossible agenda.

There is also the legislative context. While there are strong arguments for invoking emigration and human rights because of the language or the history of the Jackson-Vanik bill, it is a risky precedent to add on other topics. To be sure, we must vigorously address these problems, but we should use other vehicles, and my statement elaborates on those other vehicles.

Finally, there's a question of tactics. I defer, of course, to members of Congress on this, but it would seem to be much more difficult to override a

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presidential veto of extensive conditions compared to modest ones. If, conversely, the administration judged that it did not have the votes to sustain a veto of moderate conditions, it might join with the Congress to present a united front toward Beijing.

Thus, I support MFN renewal with humanitarian conditions. Under this approach, if the President wished to recommend renewal once again a year from now, he would be required to report to the Congress that China had made significant progress on certain issues. I'm not prepared to present a precise, comprehensive list of these conditions. Let me suggest a few criteria, however. I think they should be confined to areas that are logically connected to the legislation at hand: for example, emigration, human rights and freedom of information. They should be concrete enough to provide meaningful yardsticks, but the formulation should be flexible enough to give the administration real leverage with Beijing. For example, while freeing all political prisoners is certainly a desirable goal, wording like "freeing political prisoners" is more likely to engender results. Similarly on some other questions, the formulation "significant progress" is preferable to requiring complete solutions.

The Chinese will, of course, object to any conditions whatsoever, but faced with relatively moderate ones, they might make significant moves. Naturally, they would claim they were acting unilaterally and not because of outside pressure. For example, the regime has alleged that it has not provided a list of all citizens who were killed or wounded at Tiananmen and, I believe, those

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detained, accused, sentenced or released, because the families would be embarrassed. This is a transparent and cruel ploy. But that makes it easy for China to change its position by saying that the families have consented.
Another important and reasonable condition is that Beijing stop all jamming of the Voice of America. I cannot overemphasize from my personal experience the impact of these broadcasts in getting the truth to the Chinese people. We should in any event increase funding for VOA to surmount the Chinese government's obstruction. Beijing cares passionately about MFN status because of the enormous economic stakes and the general question of face. It might well take some actions in order to preserve it. Last year and this the Chinese have made some cosmetic gestures to influence our domestic debate. These have been cynical tokens, but they demonstrate that even the Chinese leaders are not impervious to pressure. With moderate conditions the administration in turn will have greater leverage with China and in its desire to preserve the bilateral relationship should be expected to use it.
In sum, while far-ranging conditions might appear more satisfying, moderate ones are much more likely to produce genuine improvements in the lives of Chinese citizens. And that, after all, is what Americans desire and what this debate concerns.
Mr. Chairman, in conclusion, I strongly prefer that the executive branch set forth conditions rather than the Congress having to do so. For two years the administration in effect has been telling the Chinese that it wishes to have

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good relations, but that Beijing must help in order to ward off congressional pressures. Even this pallid approach has been undercut by other actions, such as sending high level emissaries to Beijing, secretly and otherwise; vetoing a series of congressional actions; selectively relaxing sanctions; receiving the Chinese Foreign Minister in the Oval Office after Beijing abstained on the most crucial resolution on the Persian Gulf and employed anti-American rhethoric; and generally applying one standard on human rights for China and another for other countries.
Recently the administration has taken some commendable steps; more systematic airing of humanitarian issues, tougher application of trade and technology levers, the President's meeting with the Dalai Lama. Whatever the tactical motivations, such steps suggest a willingness to be somewhat firmer toward Beijing. Perhaps even the President is disappointed over the meager, indeed insulting Chinese response to his policy.
How much more credible our posture would be if the President and Congress could join together on the MFN issue. How much more effective our policy would be if the Chinese could no longer count on the President to shield them. This will require the administration to invoke its own conditions, or at least endorse congressional ones. It will also require Congress to agree to moderate conditions rather than comprehensive ones. In my view, this policy holds the best hope, both for improving human rights in China and for preserving foundations for that time when changes in Beijing's regime will allow

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Sino-American relations to flourish once again. That time is not far away.
Thank you, Mr. Chairman.
REP. SOLARZ: Well let me thank you once again, Mr. Lord, for an extraordinarily thoughtful statement. Coming from a Yale graduate it's particularly gratifying to know that those who got their education in New Haven think there is a role for human rights in our foreign policy toward China.
Having just finished his collaboration with Clark Clifford (sp) on one of the most interesting, important and impressive political memoirs in recent years, we're delighted that Dick Holbrooke now has some time to devote himself once again to American foreign policy toward Asia. And relieved of those weighty responsibilities, we're glad that he could now be with us. So let me recognize the former Assistant Secretary of State for East Asia and the Pacific, Dick Holbrooke.
MR. HOLBROOKE: Thank you, Mr. Chairman. Once again it's a pleasure to appear before your subcommittee and the associated subcommittees which are here today. I speak on this issue that you've addressed today with very mixed feelings. I do not have a prepared statement, but I really couldn't add much to what my friend Winston Lord has said and to what Professor Friedman is about to say. So let me add a few personal observations speaking not ex officio but as the last Democratic Assistant Secretary of State and as the Assistant Secretary of State who was in charge of policy towards China at the time when President Carter made the difficult decision to extend MFN to China. And I speak with

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great respect and admiration, particularly for my friends on the Democratic side of the aisle today with whom I'm not in full agreement. I listened very carefully to Congressman Lantos' statement, to Congresswoman Pelosi's statement, and to other statements made here today, and I believe that is fair to say and I would like to stress at the outset that I share what I understand your objectives to be. However, I am somewhat troubled by some of the tactics that have been proposed.
Let me address the problem, Mr. Chairman, from a slightly different point of view than Winston Lord just took. It was stated earlier that China should not be singled out as a unique case, as a special country deserving of a double standard. I am not suggesting we do that. But I am suggesting that American national interests require us to treat countries on the basis of the actual facts as they exist. The central fact to me about China today is that it is led by a group of people who are defying the actuarial tables and have long outlived their normal span. These men who run China, average age 85, cannot last more than a relatively short period of time, evidence to the contrary notwithstanding. And we must act, and above all, the Congress should act taking into account that whatever action it decides to take should be specifically geared to affect the power struggle which has long since begun and which will accelerate as the transition takes place.
If we accept the fact that everyone in this room has roughly the same objective -- and by the way in reference to Congressman Leach's comments about

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protectionism, I would join Congressman Pelosi in saying that is not a relevant factor. Here we are talking about much larger issues, and I hope protectionism is not an issue. But if we share the same objective here, the question is what is the best strategy?

I support in general terms the administration's position, although I am deeply disappointed at some of the things they have said and some of the things that they have done in the last two years. I share with Ambassador Lord a feeling that secret trips to China sent the wrong signal to the leadership. I also think that the President's speech at Yale presented the United States government in the position of public relations advocate for another government. That is their business. Let them present their own case for themselves. Those of us who advocate continuation of MFN, as I do, are not doing it in defense of the Chinese, but for one specific reason. And that is that it is my view, based on over 50 trips to China and government and business relations with Chinese, that denial of MFN would hurt most the reformers and the moderates who we wish to see succeed in the succession struggle to come. If I believed otherwise, I would join with the people I respect very much on the Democratic side of the aisle and some of their Republican colleagues here today.

But I am convinced that the people who would be hurt most by a process which led to the denial of MFN would be the very people we most want to help.

The question was raised earlier about whether MFN itself is the best lever to encourage the best outcome of the succession struggle. Let me say first of

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all that whatever we do, our influence is limited, as we all know. But beyond that, it was never understood by me and I don't think it's in the legislation that led to the Jackson-Vanik amendment or definitions of MFN, that MFN was to be the sole tool or the primary tool to affect internal change. If it was so, then MFN could have legitimately been denied, not only to countries like the ones that Congressman Lantos mentioned earlier, but also to right-wing regimes which received MFN for years.

The most important thing to me about encouraging trade relations between the United States and a country in the situation China finds itself in today is that MFN increases trade; trade increases international communication; international communication is a strong liberalizing force not only for economic reform but for democracy. And I believe that that would be very much affected by the denial of MFN. Today's Washington Post contains a quote in the article on MFN which I think is very revealing. In the article by Lena Sun on page A21, she writes, "A Chinese intellectual, when told of Bush's decision by foreign reporters, said, 'Let's have a drink to MFN. If it were taken away, we would not be able to meet and talk.'" I believe that is a legitimate point and must be considered.

Mr. Chairman, I would like to bring your attention and that of the Committee to a discussion of US-Chinese economic relations issued within the last week by Nicolas Lardy (sp), one of the outstanding scholars on the Chinese economy in the United States and, I believe, a former student of Professor Friedman. I

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would hope that the entire report could be made available in your reports, but I would like to quote a few brief sentences from it as being particularly relevant. Mr. Lardy writes:

"I believe that two years later, it appears that there was much less retrogression in economic reform after the Tiananmen tragedy than was perceived at the time. The evidence presently available reveals that China's economic reform program not only continues to be far more successful than that of the Soviet Union, but in many ways, continues to lead even the reform efforts of the formerly socialist states of Eastern Europe. In particular, China remains the only reforming socialist or formerly socialist economy to become a more significant participant in the world economy."

Mr. Lardy's (sp) conclusions may strike some as overly optimistic, but I think he needs to be heard, given his stature in the field. And once again, to repeat, it is my strong view that economic reform, which would be adversely affected by denial of MFN, would also lead to political reform.

And so far, Mr. Chairman, I've avoided your central question of conditionality. Congressman Leach said at the outset that in the end, we have to move one way or the other, and in that, I would agree with him, and I would favor its continuation. However, I wish to make a point which differs slightly from the concept of the united front to China. The Congress and the executive branch have different roles in foreign policy. We've gone far beyond the day when people can lament the alleged micromanagement of Congress in foreign policy.

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You have an independent voice. It seems to me both logical and desirable for Congress to continue to raise the banner of human rights the way you have done in the past. The legislation will have to proceed. You will have to compromise. The administration's present position is unconditional extension of MFN. A range of options before you today include what amounts to automatic cutoff within six months, which is how I interpret some of the proposals, to mild conditions which include also the option of presidential waiver. Somewhere in that range, the administration and your body will in its infinite wisdom compromise.

I have no doubt that some degree of conditionality will be attached to this issue before it is resolved. And I would not personally object to that. I'm not in a position today to define the details. And quite frankly, Mr. Chairman -- and I hope you won't think this an evasion -- but quite frankly, I don't think the details matter as much as it will appear to those of us arguing over them. The issue here -- and I wish to stress it again -- is to keep communications with the reformers, the entrepreneurs, the moderates alive, to prevent jobs from being lost in China, which would hurt innocent Chinese enormously, and to weaken the elements of reform.

I commend you for your efforts. I'll be happy to respond to specific questions. There are many aspects of the situation in China today that trouble me as deeply as they trouble everyone else on your panel who has spoken out, but I believe that given the unique nature of the Chinese leadership today, which is

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indisputably the oldest leadership ever to run a major country in the world, the best course at this time is to extend MFN either without conditions or with some degree of conditionality which does not involve automatic cutoff, and to hope that in that way, we strengthen the forces which all of us in this room would hope to strengthen.

Thank you.

REP. SOLARZ: Thank you very much, Mr. Holbrooke. There's probably no more thoughtful analyst of the sometimes subterranean movement for democracy in China than Edward Friedman, who has written with great insight and knowledge on this question. And so we are particularly pleased to have the benefit of his analysis and advice this afternoon.

Ed?

MR. FRIEDMAN: You are overly kind, Mr. Chairman. It's an honor to testify here today, because the Congress of the United States has made a major contribution to the rise of human rights on the global/political agenda, a change that saves lives and gives hope to victims of repressive tyranny.

My testimony today is on behalf of a one-year extension of MFN with three conditions. None constitute interference in Chinese domestic affairs. Congress should merely ask that China, one, act as a friendly nation; two, in accord with its international commitments; and three, with progress on human rights. The first condition is that China stop interfering in America, that it end the jamming of Voice of America and terminate harassment of people on America's

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sovereign soil, including citizens of China. Second, China as a supporter of international human rights should prove its acts are as good as its word in this as in all realms where China's rulers seek to benefit from open participation in the world community and world market.

The students at my University of Wisconsin suffer because Chinese officials block travel. China's leading intellectual historian Li Zhiho (ph) has been invited to Wisconsin to teach, but China's officials did not respond to his request for a passport, and Professor Li was not even active in the Tiananmen movement. He did petition the rulers to release political prisoners.

Apparently, Chinese who seek action in keeping with China's human rights promises are punished. The burden therefore is on the government of China to reestablish its bona fides. The government of China should provide access for representatives of internationally recognized human rights bodies to prisoners, trials and places of detention involving supposedly political crimes. It should act to end uncertainties on whether political prisoner Wei Jingsheng is receiving medical treatment, or on the fate of Wang Weilin, who peacefully one day in June 1989 stopped a tank column in Beijing.

In addition to ending interference with American rights and demonstrating that the word of the government of China is its bond on international human rights, the President should ascertain and the Congress should agree that China is again making progress on human rights. Yet it would not be helpful to write any specific element of human rights into US law. A foreign legislature should

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not legislate for China. These three conditions reflect common US concerns. MFN is only granted to dictatorships with non-market economies on a specific finding of an American interest by the President. This long agreed upon practice should be applied even-handedly. It's wrong to reward China and punish the Soviet Union if the human rights record of Moscow is consistently and conspicuously far superior to that of Beijing.

To be sure, the human rights situation in China today is better than in 1979 when China was first granted MFN. It is better than it ever was in the Mao era. Still, the crucial issue at each finding is the trend line. That is, is significant progress continuing? Right now it is repression in China that is intensifying. There are even increasing reports of midnight knocks at doors with residents dragged away by the police. To give MFN unconditionally would reward those who crush human rights. It's an invitation to more repression and a spurning of popular democratic forces that reflects a stubborn refusal to learn the lessons of sticking too long with unpopular tyrants, from Batista, Somoza, the Shah, Marcos, and Chin Do Won (ph).

The abuse of human rights in China is increasing. Even when political prisoners are released, they can still be exiled out of Beijing or Shanghai to a place where they lack friends of family and where no one will hire them and where anyone who contacts them will immediately be investigated by the secret police. They will live as if in solitary confinement. In China life outside of prison can be made to resemble life inside of prison. This is how the regime has

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treated the recently released democratic activists. And I must warn the Committee that far worse violations may be in the offing. Press reports from China tell of the beginning of a sterilization campaign in far western provinces of peasants who are found to be wanting in intelligence. A quarter million such sterilizations are planned for next year. If this means massive forced sterilization, it really is going to be a shock to the international community. Because the human rights situation in China is so bad, the Congress should seek to make sure that its voice is clear and its policy effective. The Congress should urge the President and his Secretary of Treasury to put promoting human rights on the agenda of the G-5 and G-7 meetings. America should coordinate its human rights policies with the other industrialized democracies.

Japan put the matter on a G-7 meeting in Texas. In practically promoting human rights in Asia, Washington should not dictate. A genuine cooperation between Tokyo and Washington is needed. Global policy coordination on human rights should be made part of the Bush administration's program for a new world order, a more humane world order.

But does China care about human rights? Beijing declares that China will never bow to foreign pressure, that China can do without MFN, that it is America that will be hurt by withdrawing MFN or putting conditions on MFN. These Chinese official utterances are actually steps in a negotiating process. China's bargaining ploy is not its actual policy. China's concern with human rights is a highest level matter. Numerous government institutions have been invited to

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do research on the topic. One goal is to show that market-oriented democracies are massive violators of human rights. Another is to claim that Leninist dictatorships with command economies do better at preventing starvation, meeting basic human needs, and precluding economic polarization. In addition, Chinese values will be held up as more humane than so-called Western values.
Actually, the Chinese have long embraced the idea of ethical values in ways as universal to all humanity. Almost 2,500 years ago in Chapter 12 of the Analects, the great ethical philosopher Confucius wrote -- or it was written, "The master said, do not do unto others what you would not have others do unto you. And all men are brothers."
Despite Chinese propaganda about America as an inhuman country, Chinese people know that China's system is corrupt and unjust and requires fundamental reforms. Despite Chinese governments claims to the contrary, Mao's China, rather than preventing famine, actually created the most massive deadly famine in all history, and also made for an extrordinary polarizing gap between the privileged state and all other Chinese.
Consequently, Chinese experience guarantees that propaganda to discredit the human rights policies of market-oriented democracies will not prevent the Chinese people from judging the old Leninist socialist ways as immoral and unacceptable. Outward tranquility in China hides inner turmoil. As the great Chinese philosopher Zhuang Zi (ph) put it more than 2,000 years ago, they can coerce the people's mouths but not their hearts.

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Because of the regime's fragile support, Deng Ziaoping takes access to most America's Most Favored Nation trading status very seriously. He is reported to have instructed his highest-level colleagues to maintain access to the American market, to make necessary concessions to retain MFN, but to be prepared for the worst -- that is, to seek alternatives in case of the loss of MFN. A highest-level working group headed by Party Secretary Jiang Zemin has said to have been established to act on Deng's instructions. Its findings are said to be that almost 10 million jobs would be lost as well as over $10 billion a year in foreign exchange.
To hide this deep concern, Chinese officials tell visitors that that increase in unemployment is but a drop in the bucket and that little of the lost foreign exchange actually ends up in Beijing. The reality, however, is that the loss of MFN would hurt badly. Beyond the immediate economic loss, American global prestige is such that US action on MFN could have a ripple effect. Others might follow America's lead. Therefore, Deng Xiaoping considers compromises. Conditionality on MFN, therefore, can work. It is Realpolitik.
The Chinese seek to replace the American market but there are no replacements. Over the past few years, China's anti-reform leaders have tried to reverse one good economic policy after another. Each time they shoot themselves in the foot. So, economic reforms gradually resume. The alternative is economic stagnation that threatens the fragile power of ruling groups. The same consequence would follow from a search for non-existent alternatives to the

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American market. The zigzag search for alternatives to policies that work erodes the regime's support.

Consequently, for its own survival the Chinese government seeks open economic expansion and access to the American market. China's economic growth is far more dependent on trade expansion than are those of the economies of Japan or America. China's people will suffer if the regime abandons MFN and tries to survive by mobilizing patriotic sentiment against America for supposedly interfering in China's internal affairs. Such a ploy risks creating an uncontrollable situation in which even large sections of the military, already blaming the Deng regime for its Gulf War policy and its scapegoating of the military for the June Beijing massacre ordered by Deng, could turn against the regime. A compromise on conditionality, therefore, is likely.

Aware of its fragile power base, the Deng regime has stepped up attempts to reeducate officials and to remove disloyal ones, both civilian and military. [According to ?] the official newspaper of the ruling party, it had to remove 24 of the 25 middle-level section managers in a search for loyal subordinates. The rulers seem narrowly self-serving and incapable of the bold reforms that China needs.

Many Chinese officials, therefore, have given up on Beijing. They put their energies instead into facilitating the success not of the large money-losing, outmoded, neo-Stalinist state enterprises, but into helping the new local small and flexible enterprises attune to competitiveness in the world market. The

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anti-reform group almost wishes MFN and openness were gone, so the economy could be totally recentralized and their local and economically open adversary's base of power could be undermined. That would be like killing the geese laying the golden eggs, destroying the growth factors that maintain stability in the society.

To stop the reform and reject conditioned MFN would alienate the Chinese people. Yet the anti-reformers fear that continuing reform and MFN even with conditions or without conditions strengthens their domestic adversaries. Hence, the Deng-led coalition first halts and then restarts economic reforms. It is on the horn of an insoluble dilemma. It seems both damned if it does and damned if it doesn't.

Beijing is not all powerful. Its limited reach is revealed in the case of China's exports of goods made by forced prison labor. This violation of American law outrages American people. It crystalizes a view of the government of China as one that gets ahead by oppressively exploiting its own people to the detriment also of the American people. The Chinese government has to change its reality so that its image in America changes, or many members of the Congress simply will not risk voting for unconditional MFN for China.

And yet the issue of exporting goods made with inputs from Chinese prison labor may be complex. My impression is that Beijing actually does not promote such exports; that is, in fact opposes such exports; that it is truthful when it makes this claim. But at the local level power holders try to act as if

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Beijing does not exist. This leaves the authorities in Taiwan to claim about arms smuggling to Taiwan criminals from independent mainline military entrepreneurs across the Taiwan straits. That corrupt and out-of-control local security authority creates a problem for Hong Kong with car smuggling rings.
In like manner, the stories of forced prison labor that reach me tell of Chinese speaking middle men arriving from off the Chinese mainland and then using personal connections to make deals with prison security managers of the local forced labor system out to enrich themselves. It's not a policy that the central government supports or encourages. Indeed, it's an embarassment that the center wishes to resolve.
One way to deal with this outrage is to enforce the penalties on importers of such prison goods, to seek the cooperation of friendly governments in Asia whose nationals are active in this illegal trade, and to share information with the Beijing authorities who also wish to end these outrages that so infuriate the American people. I think President Bush is absolutely right not to tie all Chinese trade issues and abuses to MFN.
This local illegal economic activity reminds us of the complexity of the diverse Chinese issues before the Congress and the wisdom needed in dealing with an odd string of issues that misleadingly often seem like a single knotted ball.
There's no reason to think it in the interest of enhancing human rights to weigh MFN down with impossible conditions that the Chinese government cannot meet.
The most reactionary forces in Beijing would like to tug the strings of raw

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Chinese patriotism, woo military xenophobes, and act as defenders of Chinese sovereignty against crude interference. They'd love to launch a "Hate American" campaign.
The anti-reform rulers see the industrialized democracies engaged in a plot to subvert their communist dictatorship. Too much openness and human rights seem to them part of that subversive foreign agenda. Hence, being able to blame America for loss of MFN will not be totally unwelcome to those dictators.
There's no point in doing them a favor and burdening MFN with onerous conditions that legitimate a Chinese complaint of gross American interference in China's sovereign affairs.
Hence, US policy on MFN must be balanced and nuanced, seeking both to support human rights and to maintain an open economic policy. The US need only act on the premises of 1979 when China was first granted MFN because it proved itself a friendly nation, engaged in market-oriented reforms and dismantling Mao era political inhumanities. Since then, the government of China has changed and has abandoned these premises on which the US traditionally granted MFN status.
America, therefore, should ask only that China return to the original 1979 policy direction that won it MFN.
To facilitate this continuity, MFN should be tied only to conditions that any Chinese government of goodwill to its people and to America can meet. China's rule is claimed to be committed to friendship with America, to gradual democratization, and to expanded international openness. A one-year MFN

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renewal contingent on China's merely ending interverence with VOA and refraining from harassment of Chinese in America, on Beijing improving its bone fides on its international human rights commitments, and on China's resuming reform in the direction of human rights does not interfere in China's internal affairs but challenges the Chinese government to return to norms that benefit the people of China and advance friendly relations between our two countries.

The United States should not want to harm living standards in China. Therefore, the United States should only ask the government of China to agree to minimal conditions, merely the original conditions of the first granting of MFN.

America should act today as in the past to promote mutually beneficial relations, including human rights.

Thank you, Mr. Chairman.

REP. SOLARZ: Thank you very much, Professor Friedman.

Of our next witness, it can truly be said that China's loss is America's gain. I only hope that he one day has the opportunity, if he so chooses, to return to the land of his birth under circumstances in which it will be possible for him and his wife to live as free people in China.

We will now hear from Fang Lizhi, so please proceed, sir.

MR. FANG: Thank you, Mr. Chairman. I'm grateful for the friendly invitation of the United States Congress to come here to express some views on American foreign policy.

I have noticed that the question of MFN trading status for China has aroused

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much debate. Holders of different points of view all seem able to have well-reasoned arguments and (impressive ?) evidence. In such a situation, it would seem better, if we want to get at the heart of the debate, not to address all the finer points but to turn to the question of the basic principle.

As I understand, the United States of America is a country that is dedicated to the founding principle of human rights and the rule of law. The reason why America is respected by many Chinese is that some of its actions accord with its principles. It should follow that any foreign policy action by the American authorities that employs a double standard or multiple standards violates the founding principles that America portrays and may harm or even destroy the respect that America enjoys in other countries.

I must say with regret that American authorities' handling of the MFN question has indeed involved a double standard. If I am not mistaken, the American MFN policy were (framed as ?) conditional. There were at least conditions such as the free immigration and the ban on the import of products of forced labor. These are human rights conditions and human rights standards. Unless a double standard is used, it should be very clear that the MFN question for China, as for all countries, should be judged according to human rights standards such as this.

There should be no need for debate. The crux of the controversy is precisely whether or not there needs to be another set of standards. I have noticed that some politicians have used at least the following double standards. Standard

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number one: China is already much better off than it was in 1975. This judgment in itself is correct. The problem is that when it comes to the MFN for the Soviet Union, the same standard is not invoked. Why does no one say the Soviet Union today is much better off than the Soviet Union of the 1930s under the Stalinist regime of terror?

Standard number two: Granting the MFN supports Chinese reformers. Setting aside the complex question of whether MFN really does support the reformers, the problem is this: why has such a question not been raised in all the years of handling MFN for the Soviet Union? Why have Soviet Union reformers not received this same kind of consideration?

Standard number three: If human rights conditions are attached to MFN, the Chinese authorities will refuse to accept them; hence we must not add conditions. If this is to be the basis for granting MFN, then the logic of MFN will become this, that every country that does not meet human rights conditions therefore are qualified to receive the MFN.

Condition number four: Chinese human rights standards are different from those of other countries. To be frank, these standards are based on racial prejudice. China and the United States are both members of the United Nations. The United Nations declaration of human rights -- (inaudible). And besides, the human rights do not vary with race and skin color. I am aware, of course, of some politicians who use a double standard do so because they worry that if the MFN question is handled poorly, China will return to a state of isolation.

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The words of the American President a few days ago that the MFN is a means to bring the influence of the outside world to bear on China may reflect this kind of concern. I should recognize this kind of worry is well-intentioned, and it certainly is true that China needs more openness and more economical developmentk. But what worries me is that worry and good intentions that lack a principle to stand upon can sink into a kind of futile, wishful thinking.

It is worth noting that the Chinese Communist authorities have recently said they will (not bend ?) if MFN is denied to them. This statement already assures that there is no basis for the expectation that an unconditional granting of MFN will help the well-intentioned people we have just mentioned to get a well-intentioned response. Chinese history of the last 40 years or so has demonstrated a connection of different -- (inaudible) -- the inseparability of the economy and politics. Each period of modest economic development has coincided with the slightly more and lightly -- (inaudible.) There is yet to be a conqueror -- (inaudible) -- there is no precedent to show that when human rights are most (seriously trampled ?), the economic life, the kind the people can never -- (inaudible) -- general improvement.

Only three weeks ago, -- (inaudible) -- telephone line to the home of the famous Chinese writer, Mr. Rond Rowah (ph). Every few days, he is summoned to appear before the police. He has recently appealed to his friend for help, complaining that for people like us, even the right to survive is hard to come by.

It is clear that in times of high political pressure, to speak only of helping

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Chinese people economically, simply does not achieve the desired goal. There's one major country in the world whose leader has proclaimed that they are the one to help China economically. This country's trade with China has -- (inaudible) -- that of the United States, but the prestige of the country's leaders within Chinese public opinion really is not very high simply because they remain unmoved by basic conditions of human rights, and want to aid China purely economically. This kind of good intentions is either naive or hypocritical.
In sum, the question of what human rights conditions the United States should attach to MFN is a question for domestic American politics, of which it is hard for me to advance a specific opinion. But -- (inaudible) -- and especially as a -- (inaudible) -- I do hope that American policy maker will base himself on consistent principles and not on double-standard. This is the only way to gain the true respect of the international community, and the only way to help history more forward. Thank you.
REP. SOLARZ: Thank you very much, Dr. Fang, for a very thoughtful statement. We'll now hear last, but by no means, least, from Zhao Haiqing, who some of the members will recall testified last year when our subcommittees had a similar set of hearings.
Mr. Zhao?
MR. ZHAO: Thank you, Mr. Chairman. Before I go on with my oral testimony --
REP. SOLARZ: If you could perhaps put the microphone a little bit closer and speak up, everyone will be able to hear you.

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MR. ZHAO: I'd like to first meet the request to submit my written testimony into the record.
REP. SOLARZ: Without objection, so ordered.
MR. ZHAO: Mr. Chairman, and members of the committee, on behalf of the Independent Federation of Chinese Students and Scholars, thank you for inviting me to appear before you today so that I may share the views of the majority of students and scholars studying and living in the United States.
My name is Haiqing Zhao, and I'm presently a post -- (inaudible) -- fellow in the Department of Biochemistry and Molecular Biology at Harvard University. I also serve as chairman of the IFCSS, the national committee on Chinese student affairs.
Now, given those two approaches, where you require significant progress in each and every one of a half-dozen or more things that we've all mentioned -- you know, the prisoners, the accounting, the access to the prisons, the access to VOA, the release of the religious leaders, improvements in Tibet and the like -- or simply a generic improvement in human rights in general, letting the President define that, which of the two approaches do you think are most likely to get the Chinese to do the maximum of which they are capable of doing? And this is my last question, and you are free at last. Your human rights will be respected.
AMB. LORD: Essentially, the second approach, but I would have a slightly different formulation. I think you can have a list of fairly specific

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conditions or yardsticks, but you ought to be saying there ought to be significant progress in these areas, but you should not say there has to be major progress in every single area. You get my point. You can be specific enough to have yardsticks, not just have a generic explanation which is too vague, but have a formulation which allows you to use your --
REP. SOLARZ: You could say it is the objective of MFN in China to advance -- to facilitate an improvement in these general areas, and before the President determines whether MFN should be renewed, he would have to report to the Congress that there has been an improvement in human rights in these areas. So it wouldn't have to be each and every one, but it would have to be at least a few.
AMB. LORD: That's correct.
REP. SOLARZ: Mr. Holbrooke, is that approach more suitable?
MR. HOLBROOKE: I would agree with Winston on this, but I would put far more pressure than you have put up to now on the executive branch to use its leverage with the Beijing government.
REP. SOLARZ: Well, if we elect a Democrat as president -- (laughter) -- then maybe some of us will be in a position to do it.
MR. FRIEDMAN: I had three different categories, and each one gets a different yardstick from me. Things like VOA I think of absolutes -- all. They must do it. The things such as beginning to allow people to trials to see political prisoners, I think of that as significant progress. And then I had a general

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assessment one in terms of -- so I had all three because I thought different ones --
REP. MILLER: Mr. Chairman?
REP. SOLARZ: Yes?
REP. MILLER: Just a clarification. I take it the way you lay out the two alternatives, implicit in the more general one is there's more presidential discretion there.
REP. SOLARZ: Right. And also implicit in the more general one is that there doesn't have to be significant progress in each and every area. For example, if you had significant progress in four out of the six, he could say significant progress is being made, or if there was significant progress in three out of the six and there wasn't backsliding in the other three. So he would be reporting on a general trend in the human rights area. We would spell out the kinds of specific things he should be looking at, but he would be making an overall judgment.
The alternative to that, which is the alternative contained in the gentlewoman's bill, as I understand it, is to lay out half a dozen or so specific areas and to say there has to be significant progress in each of those areas. What I'm trying to determine is which of these two generic approaches is preferred.
I gather, Mr. Friedman, you would favor the second one. In other words, you would have to be --
MR. FRIEDMAN: I was pretty absolute on VOA.

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REP. SOLARZ: Yeah, except for VOA.
MR. FRIEDMAN: And I had a general like you did at the end for some overall human rights findings.
REP. SOLARZ: Dr. Fang and Mr. Zhao, which of these two approaches do you prefer?
REP. MILLER: Mr. Chairman?
REP. SOLARZ: If they can just answer, and then I'll --
MR. ZHAO: First of all, I would like to clear one fact. My understanding of the Pelosi bill is that the requirement of release of political prisoners has to be met by the Chinese government, and the rest of the conditions must -- six or seven of them -- they don't have to meet every -- each one of them, just significant progress in general. That's my understanding. Maybe I'm wrong. And that's why we endorse that kind of approach, because we think that Chinese government can meet with that.
And I think -- I think that the -- see, one thing that we have to learn is the Chinese government learned, and they became smart this year --
REP. SOLARZ: The gentlewoman will correct me if I'm wrong, but as I understand her bill, you're quite right in saying that there would have to be an accounting of detainees and political prisoners would have to be released. But with respect to the other criteria, there would have to be significant progress on each and every one of them.
REP. PELOSI: Well, the discretion is with the President, and so if there were some blatant violations in any one of those categories, that would be

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something he'd have to weigh in making the recommendation.
REP. SOLARZ: But I think --
REP. PELOSI: But, of course we don't expect that in one year that each of those -- that is, just to elevate them as issues of concern, but recognizing that we're not going to achieve success --
REP. SOLARZ: But as I understand your bill -- and I recognize that this is not necessarily a final product --
REP. PELOSI: Right.
REP. SOLARZ: But as it is written right now, in order to renew MFN, the President would have to say that there was significant progress in each of those areas, that if there was one area, for example, where there was clearly no progress, that he would not under the terms of the legislation be able to renew MFN.
REP. PELOSI: Well, Mr. Chairman, I think you would have to look at it in the same way as you look at release the citizens who are imprisoned in connection with the Tiananmen Square. It doesn't say all, but it doesn't mean three people either. In other words, when you say significant progress in these areas it means these are areas that members of Congress have concern about. Some of them are not unrelated, in other words, ensuring access of international human rights groups, ensuring freedom from torture -- those kind of go together. And so some of the -- some of it is -- it's like saying I'm going in to clean the kitchen. If you leave a filthy dirty floor, you haven't made significant progress in

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cleaning your kitchen, even if everything else is perfectly clean. Forgive me for using these housewife-type analogies -- (laughter) -- it's my roots -- REP. SOLARZ: Better for you to use them than us to use them -- (chuckles).
REP. PELOSI: But I think that in the instructions as far as the bill is concerned and report language and in who decides what -- your point is well taken that it would have to be clear that it isn't expected to get a hundred percent in order to have the renewal. The only category that we're absolutely concerned about is that there be some real effort in terms of the release of prisoners.
REP. CHRIS SMITH: I'd just like to raise the very real potential possibility that there might be significant regression in certain areas. Say there was advancement in three or four areas, and no progress -- but the opposite, regression. What would the President's options be in that --
REP. SOLARZ: Well, I would -- we're not, of course, writing the legislation, but let me say -- listening to the panel, my tentative preference would be to spell out the kind of things we're looking at and then ask the President to make a judgment about whether there was net progress overall, which would contemplate the possibility of forward movement in some areas, the possibility of some backsliding in others. But on balance, he would have to conclude that there had been progress -- significant progress toward the achievement of human rights. And I think such flexibility would be useful because one would not want to see a situation where there was, say, really significant progress in six out of

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seven areas, and then in the seventh there was maybe a little bit of backsliding, but then have the President in a position where he had to say no more MFN, because even though, yes, there has been great progress which we applaud in six out of seven areas, in the seventh, I'm sorry, but they went backwards and therefore I can't give them MFN.
REP. PELOSI: Mr. Chairman, if the gentleman would yield.
REP. SOLARZ: Right.
REP. PELOSI: I think that you describe very well what the intention of the bill was -- that is, that there be improvement and these are some of the kinds of things specfically that we would like to see improvement in, to give some guidance about what is important. And some of these items are here because they have a strong base in the Congress among people who care very much about these particular issues. It doesn't mean that legislation isn't the arena for compromise, but it does mean that -- I think as you described very succinctly to my lengthy explanation -- that we're talking about improvement in the human rights situation in China, and these are some of the issues -- measures by which we would measure that.
REP. GILMAN: Mr. Chairman?
REP. SOLARZ: Mr. Gilman.
REP. GILMAN: Now, Mr. Chairman, I can't quite understand how VOA is so absolute. I understand the importance of VOA, and yet human rights is not that absolute, or prison labor is not that absolute, or the number of detainees is not so

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absolute. It seems to me that the recommendations being made on what's absolute and what isn't seem to be far off base.

The importance of these other issues, I think, far outweigh, for example, a VOA consideration. And it seems to me you're looking for the easiest one that they can accommodate us on and that's going to be our criteria.

I would hope that we'll take another look at some of those recommendations, and to also indicate that significant progress -- People's Republic of China has had MFN since 1979. Where has been the progress? We've been shouting and objecting to violations year after year. We talk about the support during the Iraq war when the Post reported that an agency of the PRC sold Iraq seven tons of lithium hydride (?). We talked about the nuclear supply to Algeria, we talked about the missile technology to the Middle East and Pakistan. Where has been this -- any progress with MFN? So I question whether substantial progress or whatever terminology you want to put in is going to be of any use in dealing with this subject.

Would you like to comment, panelists?

MR. HOLBROOKE: Let me explain why I think all of us have put VOA in a different category, Mr. Gilman, and that is simply that it is an American -- it's an agency of the American government. We all believe that the interference, which started since Tiananmen Square is unconscionable and unreasonable, and it is very important that the United States' voice be heard throughout China --

REP. GILMAN: Mr. Holbrooke, I'm not arguing the importance of the VOA, but

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what I'm saying is you're making that absolute -- the others you just sort of fluff off and say, well, substantial --

MR. HOLBROOKE: No --

REP. GILMAN: -- progress.

MR. HOLBROOKE: Nobody is fluffing them off, sir. We all share the same general feeling of concern and abhorrence about events inside China in the last two years. I believe --

REP. GILMAN: Then why not apply the same absolute standard to these other issues?

MR. HOLBROOKE: As I think we've all said in different ways, an absolute standard will be cutting off our nose to spite our face, that the long-run consequences of denial of MFN will be much greater and will work against the objectives which I think everyone on this panel shares.

AMB. LORD: I agree that these other objectives are equally important in human terms, Mr. Congressman, but one argument for total on VOA -- and it wasn't my formulation, it was others, but I have no problem with it -- is it is measurable. They either are jamming it or they aren't jamming it. These others are a little bit tougher to be absolute in terms of judging just what they've done. Don't underestimate the importance of VOA for human rights in getting the truth to the Chinese people.

REP. SOLARZ: Let me say I think you have all made a very valuable contribution to this debate. I think during the course of the hearing so far, we've

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succeeded in narrowing some of the questions, certainly illuminating them, perhaps we've even taken a step or two toward the emergence of a consensus around here that could attract a broader base of support than some of the polarized positions have taken.

We now have a vote in progress on the floor. I'm also concerned that if we kept this particular panel any longer, this committee would be accused of violating their human rights, and we might be the subject of actions by the Chinese parliament, so we will stand in recess for about ten minutes, and then resume with the next panel. And I do want to apologize to the -- those who have waited patiently to testify, but this panel took longer than we anticipated, so we'll return in about ten minutes. Our national organization represents more than 42,000 Chinese students and scholars in over 200 universities across the United States. Our goals are to achieve respect for human rights, democratic freedoms, and economic progress in China, and we believe the American people and their elected officials and government share the same goals with us.

However, we were saddened and very, very disapointed by President Bush's announcement of unconditional renewal of the Most Favored Nation status to China. Why? The reason is not because of the simple fact of renewal, rather, it is the fact that he did not attach any human rights conditions to the renewal of MFN to China, and that sends a wrong message to both the Chinese government and the Chinese people. To the Chinese government, that means that their brutal reppression of human rights and democracy can go on unquestioned and

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unchallenged. To the Chinese people, that means their effort of fighting and daring their lives for freedom, democracy, and human rights are not fully supported by the American people.

We agree with the President that China shuld not be isolated. In fact, we are the last ones who want to see China isolated. If the President has argued that it is for financial and economic reasons that the US government should grant MFN to China, we may not agree -- and we don't think the American people would agree -- but at least we could understand that is the President's judgement on the issue. But saying it is moral to renew MFN without attaching any human rights conditions while so many young Chinese students died and many many more are in prison today, and saying that position reflects the American position on this issue makes us feel nothing but sad and abandoned.

I heard that the President wept when he read about the human rights abuses in Kuwait. What about the humnan rights abuses and the people of China? Are the Chinese people any less human than others around the world, or for whom America had stood on principle? We believe it is immoral to renew MFN while ignoring the gross human rights abuses in China, and we think the only credible approach right now is to impose human rights conditions on the renewal of MFN. Those conditions will require the Chinese government first to release political prisoners; second, to improve the most fundamental human rights such as the freedom of speech, assembly and association; third to stop harrassment and intimidation of Chinese nationalists residing in this country.

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Specifically, we support Representative Nancy Pelosi's legislation, HR.2212, that establishes key human rights conditions which should be satisified in order for MFN status to be granted to China in June of 1992. And I have a letter here signed by many Chinese intellectuals, and some of them are former advisors in the Chinese government and Chinese student leaders here, endorsing the Nancy Pelosi bill on conditional renewal. I request that you submit it to record.
Furthermore, it is our best judgement that the Chinese government will in the end respond to human rights conditions outlined in the Pelosi legislation. In fact this bill simply requires that the Chinese government returns to the paths of economic and political reform that they were on in 1986 and 1987.
Imposing human rights conditions on the continuation of MFN status for China does more than pressure the Chinese government to improve its human rights record. It also provides an opportunity and reinforces the moderates' ability to argue and challenge in the internal debate that brutal repression has external costs. While it is the massacre in Tiananmen Square that exposed the brutality of the current Chinese regime against its own people, it is the continued violation of the most basic human rights in the last two years that brings us before you today. The brutality of this regime has been demonstrated over and over again, and the cases for condemnation since 1989 have only become stronger. The list of human rights violations is so lengthy that I could spend the entire time allocated for this hearing just reviewing them.
But of particular concern to us are the harsh sentences imposed upon leading

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activists earlier this year. The persecution of these dissidents cannot go unheeded. These are the same individuals we watched on our television sets and cheered on. Wang Zhintao (ph) and Chin Zemin (ph) are the heroes of us who seek democracy in our homeland, and both of them are sentenced -- were sentenced for 30 years in prison just two months ago and it's our obligation to bring these prisoners before you today, so that they can be seen as living, breathing individuals, whose only crime was to non-violently express their desire for better conditions in their country.
China has a history of human rights abuses of which the massacre at Tiananmen is the most recent. However, it was the results in Tiananmen in June 1989 that made the American people aware of the magnitude of such abuses and which sparked the momentum for calls that the US should do something about it. In the post-Cold War era, the '90s should be the decade where human rights considerations are at the forefront of the free world's dialogue with all Asian nations.
In the past, the United States administration has relied upon Chinese assurances on emigration when extending the Jackson-Vanik waiver in order to grant MFN status to China. In light of China's institution of harsher emigration standards since June 1989, those assurances have proved to be untrustworthy. They have just instituted new criteria for people to export from China, the new export and exit criteria. Such criteria focuses upon the political orientation of the applicant in relation to Communist Party principles.

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During last year's hearing on the MFN before the House Ways and Means Committee, Deputy Secretary of State Eagleburger testified that "emigration from the People's Republic of China in our judgment is relatively free," unquote. This statement is based on the fact that the US emigration quota for China is filled each year. This is indeed a unique and troublesome statement. What the State Department is arguing is that in fact it doesn't matter that China does not have free emigration policy, as long as they let enough people to fill the US quota. For a country of 1.2 billion, that's not difficult to do.

Chinese documents obtained and released by Asia Watch detail a policy that uses forced labor for the production of goods that are exported to Western countries, including the United States. In some cases, it is jailed Tiananmen demonstrators that are required to take part in this production. It is incomprehensible for us that international business interests in some cases knowingly participate in such degradation, in spite of US law prohibiting such products from being imported.

While it is the position of our organization that China's MFN status should not be revoked at this time, we would like to dispute the disastrous predictions by US and Hong Kong business interests of the effect on Hong Kong of revocation. It is exactly the fear of crisis of confidence caused by Tiananmen Square massacre that will bring the disastrous result for the Hong Kong and other international business. We believe that the business community, in focusing their concerns on the crisis of confidence that will occur if revocation or

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imposition of conditions is enacted, has set their sights on the wrong target. The crisis of confidence was triggered by the Tiananmen massacre, and it's reinforced by Beijing's continuing political repression and orthodox Marxist policies.

To restore confidence in Hong Kong, one must look for ways to encourage a change in Beijing's policies. Matters that do nothing to challenge the present developments in China and would rather focus on maintaining business as usual in the short term most assuredly will not restore confidence in Hong Kong.

Imposing human rights conditions on the continuation of China's MFN status is a modest but important step, and it's not severe or drastic as business interests try to argue. It is not revocation. It does not isolate China, but rather engages China in an important dialogue, the result of which will be to bring them closer to the community of nations.

The United States should play a leading role in championing the rights of people, not just of sovereignty. Wang Juntao, the founder and the leader of the movement, was sentenced and his wife was also sentenced early and released later. In her letter, released to the West, she said, "Your interest in our plight is a call for justice, a solid example that people will stand up for international laws and human rights." When I was discharged from prison and found that no one in China dared speak up for Wang Juntao and Chen Zeming I decided to do it myself. It was like throwing a pebble into the water and watching the ripples spread. I realized that I can do very little on my own.

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I find myself alone facing an overwhelming Chinese government.
We should try our best to save those who are now suffering and now in prison. To remain quiet is equal to silently endorsing those brutal policies. We ask members of Congress to heed the words of Juntao's wife -- her name is Hu Shaotien (ph) -- and support the Chinese people in their quest for human liberty. America and its democratic system is a beacon of hope for millions of Chinese citizens.
We are not here before you to seek punishment for those who committed sins against their own people. Rather, we seek your assistance in pressuring the Chinese government -- unresponsible (sic/may mean "unresponsive") to the pleas of its own people -- to seek the release of those who are still suffering today and to make progress in internationally recognized human rights in China.
Thank you.
REP. SOLARZ: Thank you very much. And let me thank all of you for some very thoughtful presentations.
Mr. Gejdenson?
REP. GEJDENSON: Thank you, Mr. Chairman. Let me start with Mr. Holbrooke and try in a broad, general way to ask a question of you. What message do we send to the Soviet Union? If you're sitting inside the Politburo now and there's a tug of war between the forces of reform and the forces that are saying, "Let's go back to the good old days. Under Brezhnev, you know, at least the lines had order to them." I mean, if I'm on that side of the debate wouldn't you be

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saying -- I'd say to the reformers, "Look, look what's happening in China, that the United States is going to go for what's expedient for the United States. The Chinese students were crushed, they're getting MFN. You know, when they want to help you, they help you and when they don't, they don't."
It's got nothing to do with what happens internally, that the Soviet Union has given Soviet Jews the ability to emigrate, they've reformed, they're moving towards reform, they're trying to resolve the differences among the Baltic states and all their other -- and we're saying, "One more hoop each time. One more hoop for the Soviet Union, and then MFN." The Soviet Union -- in China, kill as many as you want.
Now, it seems to me that those kinds of actions, the actions before August 2nd with Saddam Hussein, send a terrible message around the world, that if it's important to the United States, kill as many as you want, do whatever you want, we're not going to respond. Isn't that what your position argues for in a sense?
MR. HOLBROOKE: Mr. Chairman, first of all, I don't think our policy towards the Soviet Union ought to be made in Beijing, nor do I think our policy towards China ought to be made in Moscow. In regard to MFN for the Soviet Union, I cannot for the life of me understand why it's still denied to the Soviet Union. We are talking here -- not in this committee but elsewhere -- about massive economic assistance to the Soviet Union, money that could be used more effectively in many other areas domestically and internationally.

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While denying the Soviet Union most-favored-nation, which as we all understand really is by and large the normal tariff rate for most countries, and denying them a chance on the margin to improve their own economy by allowing them to do something which they now have merited under any interpretation of the law. So although your question is well phrased, it doesn't represent my view, nor do I wish to defend the administration's performance in regard to Iraq prior to August 2nd of last year, which in my view, we took actions which encouraged those things.

However, bad as the human rights situation is in China, I don't think it can be compared to the situation that existed in Iraq in those days. And I want to return to my central theme, at the risk of repeating myself. While I agree with Professor Friedman and Voice of America, and I think that a lot of the points here have been very clearly stated, I do not believe that the objective you have stated, and which I share, will be furthered by denial of MFN to China.

REP. GEJDENSON: Aren't we then saying -- aren't we then saying that we have this separate standard for Chinese, that in Western Europe where white people live -- and I know that's not your view, but, you know, in Western Europe, we have white people; we want them to have democracy; and we go to pretty strong lengths to make sure it gets democratic -- in Eastern Europe. Thank you. In China, well, it's China; it's different. I mean, is there another explanation as to why our standard is so much lower in China?

MR. HOLBROOKE: Well, I don't think we did enough to encourage democracy in

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Eastern Europe and other parts of the world in recent years --

REP. GEJDENSON: Well, if you don't think we did enough there -- let me interrupt you because I'm out of time and want to ask one other question here before I lose all my time. If we didn't do enough in Eastern Europe, then how do you put on the scale of doing nothing in China, which is give them MFN; don't basically complain too loudly; and hopefully, these guys will die.

MR. HOLBROOKE: Mr. Chairman, I'm not saying do nothing in China. I'm saying that MFN is not the vehicle to achieve your objective, which I share.

REP. GEJDENSON: What are the vehicles? What are the vehicles?

MR. HOLBROOKE: Excuse me?

REP. GEJDENSON: What are the vehicles?

MR. HOLBROOKE: I think the administration has set itself up as the public relations agent for the PRC, which is a huge mistake. I think we are trying to give them credit where they deserve very little credit, in places like Cambodia and the Gulf. We are not making enough of an effort on nuclear proliferation, their assistance to the Algerians, their sales of weapons in the Mideast. These are bilateral issues on which the administration has not taken sufficient --

REP. GEJDENSON: But the bottom line is they haven't done anything there. They haven't done anything on human rights. This is our opportunity to make a statement, and your position is we shouldn't do anything --

MR. HOLBROOKE: Mr. Chairman, it may feel good in this body to make a statement, but it will not result in the objective you seek. If it did, I would support

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you.
REP. GEJDENSON: All right. Thank you.
MR. HOLBROOKE: And I believe, with deference to Mr. Fang Lizhi, if I understood his position correctly, he does not disagree. He's not arguing for a cutoff, and I would defer to him as the leading expert on this issue.
REP. GEJDENSON: Let me ask him. Let me ask him two quick questions. One is, if we leave things as we are, if the President says we have to go forward with MFN, if we don't take any other actions, which we appear not to be taking, serious actions about the Chinese situation, in my opinion, what happens when, as Mr. Holbrooke waits for this octogenarian leadership to die off, are we suddenly confronted with an open, liberal regime that follows them? I mean, is it only these handful of 80-year-olds that stands between liberalization in China and the present status?
And I guess -- and let me just add to that. Doesn't what we do now send a signal for those below?
MR. FANG: I think the history since Tiananmen Square already shows the result. Even should you renew MFN, unconditionally renew the MFN, then they do nothing -- almost nothing -- in the last two years. Of course, on the surface, they did something. But, in fact, you know, the circumstance, the situation in China now is the same as two years ago. So, this is the result. So, this is -- if you want to help Chinese to go ahead, both economically and politically, you should have the conditional MFN.

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REP. GEJDENSON: Conditions on MFN? If they don't meet the conditions on human rights, no MFN? Is that correct? Is that your position?
Mr. Holbrooke, are you still deferring to Dr. Fang? (Laughter.)
MR. FANG: You know, if there is no approach (with ?) condition, then why you still support such a dictatorship is the question.
REP. GEJDENSON: Thank you.
MR. FANG: The same as the question for the Soviet Union.
REP. SOLARZ: The gentleman from Iowa, Mr. Leach.
REP. JIM LEACH (R-IA): I thank the gentleman.
Let me just clarify for a second -- I mean, a personal perspective. I agree with Mr. Holbrooke very thoroughly that Congress and the Executive branch are a little bit different, and therefore ought to have a little different emphasis. And I think it's appropriate for Congress to make very clear certain human rights kinds of views with an extension of MFN. But I -- and I would also say that I think the tenor of Mr. Friedman, Mr. Holbrooke and Mr. Lord's statements is exactly right and about the general framework of such conditions as well as the possibility of an executive branch waiver.
And so my hope is that we can have a general kind of circumstance that isn't pushed so far that it isn't actively -- and I stress this partisan sense -- veto seeking instead of a framework which is cooperative with the administration.
I would like just briefly so that we have this on the record, Mr. Friedman has testified that basically the human rights condition in China is somewhat

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better than when MFN was first extended under President Carter. Would you agree with that, Mr. Holbrooke and Mr. Lord?
MR. HOLBROOKE: MFN was extended in August of 1979. On the trend line from there to today, it is correct, that it is better, although as Mr. Friedman has pointed out, if you look at the trend line more closely, it has been worse in the last two years.
REP. LEACH: Would you agree with that also, Mr. Lord?
AMB. LORD: Yes. It is better than '79 but worse, of course, than two years ago. But I agree with Mr. Friedman's main point and that is it's the trend that counts. And I suggested in my statement, while I think things have gotten worse in the last -- even the last year, let alone the --
REP. LEACH: I concur on that completely. I don't think there's any differentiation on that subject.
Do you -- I mean, we all know if we go back in our history, I mean, that several things have stood out in the United States policy. One, we stood for the open door, and that implied opening China to the West. In addition, for a number of years very progressive elements in American society pressed for normalization of what might be considered political relations. Now there seems to be some movement in progressive circles to seek for the end of normalization in terms of economic relations, which is what MFN is all about.
Now, in a structural way, is that inconsistent with the open door? Is it consistent with seeking normalization of political relations, to seek an end

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to what might be described as normal trade relations or normal economic relations? Does that strike you as a reasonable kind of description of the circumstance?
AMB. LORD: Well, I testified, as you know, to say that we should have humanitarian conditions, so I would hope we could renew it again because China has made progress on human rights. But I do think we have to keep in mind both political and economic progress. I think we've seen around the world, particularly the last couple years, that they must go together.
REP. LEACH: I appreciate that. Would you more address the question, if you could, Mr. Holbrooke? I mean --
MR. HOLBROOKE: The -- without referring to the open door, which I interpreted more as an imperialism disguised in the rhetoric of the turn of the century, our objective, it seems to me, remains the same, Mr. Leach, that we seek to develop relations with the People's Republic across a broad spectrum.
REP. LEACH: Fair enough. Well, I -- maybe I asked a question that wasn't easy to respond to. I didn't mean to be convoluted.
But let me just say in this sense, it looks like if we look at history in just two or three or four decades, no longer than that, that most Western efforts to open China up have received kind of a liberalizing response. Most Western efforts to isolate China seem to have affected a kind of xenophobic harsher kind of response. Is that a fair conclusion from the last 3 or 4 decades?
MR. FRIEDMAN: I think the view you just stated -- that when America has put

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pressure, China has been more xenophobic; when America has been more open, China has been more giving -- is a view shared by many specialists in the field. I believe it's totally wrong. Most -- I say in advance I don't want to make --
REP. LEACH: Sure.
MR. FRIEDMAN: -- but most people, I think, in the field would agree with you. Let me explain why I don't, if I may. I actually think Chinese policy is made inside of China first and foremost for domestic Chinese reasons. And the Mao policy of closing off to the world and trying to build an autarchic kind of war communism came out of this entire experience of life and history and so on, and was only at the margin, at most, influenced by the United States. And we all know that the marginal propensity is all we have.
REP. LEACH: I appreciate that. Let me ask just one final question, Mr. Fang. And let me say both about you and Mr. Zhao that one of the interesting aspects of President Bush's policy is that, I mean, there's no person residing in the United States who is more indebted in a way to Mr. Bush's diplomacy than you, Mr. Fang. And yet -- and also, in terms of Mr. Zhao and the Chinese student movement, the President has made it very clear that they will be protected as long as you're on these shores. And yet, I must say that one of the great hallmarks of the American system, that it's wonderful that two people that in a sense owe something to the President have come here and criticized his policy. And that is welcome, it's the American way, and you should be free to do that. Now, having said that, Mr. Fang, in a August 1990 article in the Far Eastern

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Economic Review, you said, "The most important thing now is not to isolate China. Instead, we should be strengthening all kinds of external links -- economic, cultural, scientific, educational." Do you still agree with that kind of statement?
MR. FANG: Sure.
REP. LEACH: And as I read your own statement today, which is a little bit elliptic, one could argue you're really stressing that we should cut MFN for China or that we should give it to the Soviet Union. And I don't know which way you want to read it, but I mean, it was a double standard kind of statement. All I can say is, I certainly support extending MFN at this time to the Soviet Union. I think it's the wise course of action to do. Let us presume we do extend it to the Soviet Union, does that imply in your mind that we shouldn't be cutting it off for China, or that we should cut it off for China?
MR. FANG: Of course, I agree. We should keep open the China. But, I -- you know, if you're looking back for the history, your policy to the Soviet Union already led the Soviet Union to change, and change both politically and economically. Even, they already passed the law of free emigration. So, this means your success. Why you choose a different policy to China? You know, you (ought to assure ?) that success before you choose another one. And just to mention the last two years, I know President Bush want to help the Chinese people -- I know that. But, you know, the response from China authorities is not so good -- already showed that. So, this means, sure, your policy is not

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so successful like your policy to the Soviet Union. So, this means not -- we need both open. You know, openness means it's politically and economically.
REP. LEACH: Sure enough. I appreciate that. Thank you. My time has expired. Let me just say very briefly in conclusion. Basically speaking, I favor extending Most Favored Nation treatment so that we can help the people against the government, not defend the government against the people. And I think that is a general kind of judgmental perspective, perhaps with a kind of conditionality, as elaborated by Ambassador Lord and Mr. Holbrooke and Mr. Friedman. But, I think it should be clear that there is sheer consensus in this country of disappointment -- and I'm sure I speak for the executive branch as well -- about some of the policies that eventuated in the last few years in China. Thank you.
REP. SOLARZ: Thank you. Mr. Weiss.
REP. TED WEISS (D-NY): Thank you very much, Mr. Chairman. First, let me apologize for coming in late, but I've had a chance I think to review most of the testimony. I wonder, Mr. Fang and Mr. Zhao especially, I know that you're aware of the fact that there continues to be in Congress a very deep concern about the status of political prisoners, prisoners of conscience. Mr. Miller and I, in conjunction with Asia Watch, have an "Adopt a Prisoner" program, and there are 70 members of the House of Representatives who have joined as participants in that effort. Can you tell us something about what is going on, what the current situation appears to be in China? Do you see a movement

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toward liberalization toward improvement of treatment of prisoners or their families or the press? What's happening in China currently?
MR. ZHAO: Since the Tiananmen massacre, our observation is that the hardliners in the Chinese government, they fear the fact that they are responsible for the massacre, and the only thing they care is to hold on power. And as a consequence, what they did was they try to crush anything that they feared that might cause trouble, and particularly that was targeted on the students and particularly some of the student activists. As I mentioned in the testimony, some of the leaders are sentenced recently to up to 13 or 15 years in prison. And now I think one of the arguments some people in the panel has argued is that the Chinese government won't respond to the foreign pressure and they have a history of limited response to the foreign pressure. And I don't quite agree with that, because look at what happened last year. Yes, Chinese may have a history of not responding to foreign pressure 30 years ago, 20 years ago, but recently, especially after the open door policy -- for example, last year, it was exactly the debate in the Congress in the US on MFN that caused the Chinese government to release several hundred political prisoners and eventually they released Dr. Fang Lizhi in order to gain the international image that their improvement of human rights and to gain the MFN.
In that sense, we think -- and that's our judgment -- if the measure is well thought and reasonable, the Chinese government will comply to the human rights conditions.

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REP. WEISS: Mr. Fang?
MR. FANG: I share his opinion. You know, I just want to tell you some of the reasons [for] the current situation in China, just as we mentioned many times about isolation. You know, these things are done, not by outside, by the authorities themselves. For instance, you know, before the Tiananmen massacre for us as a scientist, we can submit all paper to outside [to be] published. Now, if we want to submit any scientific article to publish outside, we should have the two -- need twice permission. You know, once from the university, second from province authorities. So they want to cut off all the connections. So this, they do it themselves. So, this means to (result ?) a change the political restraints, you just have economically, I think that you can't get such results.
REP. WEISS: I'm going to ask a question that my colleague Mr. Foglietta wanted to ask, but he had leave for another meeting. He says that there have been interviews in China with even dissidents who have said, "No, don't cut off Most Favored Nation treatment because that would tend to work against us, the people, rather than the leadership." How widespread is that feeling and how much credit should one give to that?
MR. ZHAO: First of all, I think there is a misunderstanding even in the press that in China not many people know about MFN. If you ask ordinary, not many people even know what MFN is. And second -- and I think that's particularly important, is they don't distinguish there's a conditionality involved. They

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always think, "Well, it's either cutoff or it's renewal." In that sense, they prefer to keep the contact. And that's also exactly our judgment to have conditions imposed on the renewal of MFN. If you ask ordinary Chinese people, if they knew they have all the conditions like what we discussed today, they knew all the facts, I'm sure they will choose the conditions -- impose the human rights conditions on the renewal of MFN. And that's what the majority of people, the Chinese people living in this country, prefer.
REP. WEISS: Thank you very much. Thank you, Mr. Chairman.
REP. SOLARZ: Thank you, Mr. Weiss. Mr. Miller?
REP. MILLER: Yes, Mr. Chairman. I want to take up where my colleague from New York Mr. Weiss left off on human rights, he and I co-chair a Chinese prisoner of conscience program in the Congress where members of Congress have tried to adopt individuals imprisoned. And I want to go back to this -- while looking at the human rights situation, I want to go back to this trend question. I heard general agreement that the human rights situation was better today than in '79, but worse than two years ago. Well let me add to that then. What about one year ago? Does anybody on the panel believe that the human rights situation in China is better today than when MFN was unconditionally extended a year ago? Anybody? Yes, Ambassador Lord?
AMB. LORD: I don't believe it. But I wanted to make the argument why it's gotten worse, if you'd like --
REP. MILLER: Okay.

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AMB. LORD: -- because I think it has gotten worse in the past year. Now I used in my own testimony "overall situation." There have been some token moves, as I said, but the overall trend, in my view, has been worse.
First of all, it's been another year in jail for thousands of Chinese. Many still have not even been brought to trial or haven't even been charged yet. Others have disappeared. And this is after two years of detention. And the workers in particular are getting no attention at all from the world community. You've had a series in the past year of farcical trials, secret trials, ridiculous sentences. You've had the families of these dissidents badly treated. And themselves -- even those who get out, as was pointed out in other testimony -- I think Mr. Friedman -- they're really in prison even though outside prison.
Another example, Mr. Zhao mentioned the fate of the two intellectuals who got 13 years. The lawyers who defended those intellectuals and actually tried to mount a somewhat credible defense, unlike usually what you're allowed to do in China, have lost their ability to practice law now because they chose to defend these people. Just to cite that one example. Tibet appears to be even more controlled. Other signals are mixed, but the essential trends that I sketched in my statement have continued for another year. I would say the attacks on Western values have become more shrill. And there's certainly been more restrictions on trade, to take an economic issue. And the --
REP. MILLER: More restrictions on trade?

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AMB. LORD: Absolutely. I mean, our imports went down -- I mean our exports to China last year went down 17 percent. It's the only major market in the world --
REP. MILLER: Because of specific actions taken by the Chinese government?
AMB. LORD: Absolutely, yes. While their exports went up to us. So I'm just listing a series of pieces of evidence that, despite some token moves, the overall situation has gotten worse and the big lie continues with justifications even in recent weeks for Tiananmen Square and what's been happening since.
REP. MILLER: Does anybody on the panel -- does anybody on the panel -- can anybody on the panel cite an area, whether it's trade and economics, human rights, military, diplomatic, can anybody cite an area where from our perspective the situation has significantly improved in the last year since the unconditional extension of MFN?
Yes, Mr. Friedman?
MR. FRIEDMAN: The situation has improved in two ways. First of all, in those regions of the country most tied into the world market the economic boon is mind-blowingly fast. The Province of Guangdong grows at a faster rate than any part of the world as far as we can tell, and it is transforming life in extraordinary ways.
Secondly, one of the consequences of the democracy movement of 1989 was that people discovered essentially that all their workers, fellow workers and neighbors agreed with them, that they all knew the regime was useless. The

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result of that, there is an extraordinary growth now of informal human contacts, of people helping each other, of meeting at homes, of all sorts of family lineage, religious, commercial -- that is, there is another life which is growing in China which in many ways is -- it's not because of government policy. Beijing deserves no credit for it. Nonetheless, those things really are occurring.

REP. MILLER: Let me -- if I have time to ask one more question. Mr. Holbrooke, when Mr. Gejdenson asked you about vehicles there was one vehicle you didn't mention, and nobody has commented on this.

We've all looked at what the US -- how the US government can influence the Chinese government, but nobody has commented on how the US government can influence the US business community. And this House of Representatives, a year ago, by an overwhelming vote -- it was something like 410 to 6 -- adopted a proposal that I made that US businesses be asked by the US government -- that is, US businesses in China -- be asked by the US government to observe certain principles of conduct, such as not buying goods from slave labor camps, such as not allowing political harassment on the premises. These principles were certainly not original with me. They were originally created by Reverend Sullivan, and this Congress applied them to South Africa, and then a Soviet Jewish emigre, Slepak, altered them for the Soviet Union. But nonetheless, this House adopted a variation for China. It was only adopted by this House. The administration did not, in my view unfortunately, did not support it and so it

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never became law.

I'd be interested in any comments that members of the panel have in terms of either this specific approach or what US businesses in China today could do to improve the long-term political and human rights situation. And maybe I should start at that end of the table this time, because this end of the table jumps in faster when we ask questions. Do either of you gentlemen want to comment?

MR. ZHAO: Yeah. I'm not a business expert, but I think mainly from the view of human rights and the general political situation in China, we definitely support -- as you know, we supported your bill last year for the business conduct in China. And we think it's important -- we don't think it's right -- or it's right to cut off business contacts with China at this time. But at the same time, we think it's important for the business community to recognize the basic human rights. I mean, it's up to the job of the Congress or the business community to clarify what exactly the contacts are, but I think in principle they ought -- for example, the forced labor issue, that the business should not encourage or [be] involved in any kind of factory products that use forced labor to export.

REP. JOHN MILLER: Anybody else want to comment on that issue?

MR. HOLBROOKE: I would commend you for the resolution you put in last year. I think that any American businessmen working in China should adhere to those. As far as the export of the products of forced labor, I must confess, like Professor Friedman, I don't see it as a pattern of the government but as

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something which probably occurs in isolated areas, and it must be resisted. And I would consider it a rather clear-cut issue that goes far beyond the more nuanced issues that we've been talking about earlier. And I think it's -- I commend you for keeping it in the forefront of our attention as an additional but somewhat separate issue.

American businessmen around the world face the same problems as they do in China. Other countries play games and accept standards which Americans should not. This is a standard problem. You're very familar with it. It happens in China, where the Japanese tend always to out-compete us and always ignore all these factors, while we're somewhat torn on the horns of this dilemma. But I think it's vital that we, as businessmen, and I speak here as someone who works in China on business things, pay particular attention to these issues.

REP. SOLARZ: Thank you very much, Mr. Miller.

Mr. Smith.

REP. CHRIS SMITH (R-NJ): Thank you very much, Mr. Chairman.

My first question I'd to address to Mr. Fang Lizhi. The essential theme of your testimony is your regret over the double standard in analyzing renewal of MFN, and I know in previous occasions you have raised this double standard in the larger context as to how it applies to human rights. And I think you argue very persuasively that consistent principles, not double standards, ought to be the norm applied by our government and perhaps any other government.

In like manner, I regret that there appears to be a double standard on the

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part of some as to which human rights are focused upon and which are ignored, and in some cases which human rights are actually whitewashed. I speak here of the issue of China's coercive population control program and its heavy reliance on forced abortion and forced sterilization, which this House, the House of Representatives, on two separate occasions condemned as crimes against humanity, remembering that forced abortion against Polish women were so cited during the Nuremberg war trials.

I am very -- I regret to point out that there are some, like the United Nations Population Fund and its director, Dr. Zadik, who has gone on national television, the CBS "Night Watch" program for one, and on other occasions as well, and said that the program is purely voluntary. In my meetings with Li Peng and Peng Peyiung, the head of the state family planning program in China, in Beijing, we heard the same kind of line, both me and -- Congressman Frank Wolf and I.

Dr. Ehrde (ph), and it's a book I would recommend to all members interested in Chinese human rights, recently published a book called "Slaughter of the Innocents: Coercive Birth Control in China," in which he states very succinctly, "The Chinese program remains highly coercive not because of local deviations from central policies but as a direct inevitable and intentional consequence of those policies," closed quote.

Dr. Fang, I would appreciate your comments on this issue as it relates to not only MFN issue but also the general issue of human rights and those that have

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not been emphasized as they ought to.

MR. FANG: I'm not expert of this area, but in my view, you know, because China has a population problem and the people also know we have such a problem, we should solve that. So then I think that (partly ?) some people is really -- they do abortion and the like. But, you know, even in China newspaper they mention some of the forced abortion, yeah, in the China news. So there are just some. They mention even in some of the official newspaper.

REP. JOHN MILLER: Yeah. Mr. Zhao -- or would anyone else like to address that issue?

MR. ZHAO: You know, I agree with Dr. Fang that it's that even the Chinese government publicly sometimes in the newspaper you can see there are forced abortion quite widespread. But at the same time there are some people who are voluntarily going onto abortion. Yes.

REP. JOHN MILLER: I'd like you to address a second question, and that deals with the issue of religious freedom. In some of the provinces there have been new regulations promulgated that are even more severe than current regulations, and we understand that a new draft law on religion is being contemplated in Beijing. I was wondering if any of you have -- speaking of the trend line which was discussed at length earlier -- what direction is China going with regards to religious crackdowns? Are they looking at what has happened in Eastern Europe and perhaps saying when religious freedom occurs also the winds of further democratization are not far behind? Is that something that is a correct

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analysis? And Ambassador Lord, you might want to speak to that.

AMB. LORD: I'm frankly not familiar with what they're contemplating any new legislation on religious freedom. It is one area where they've got somewhat better conditions, certainly since the '60s, over the '70s and '80s. It has regressed, along with other aspects of China the past two years. But I think as in so many other cases in China -- and Mr. Friedman's made this point -- there's a great variation by province, by locality, depending on how enlightened and how humane the local officials are and whether they can ignore hardline edict. So you may get some Beijing regulations coming out on this issue like on many others, but they will be tempered in various regions. You really have to take it almost province by province.

But, to get to your larger question, although they don't have the nationalities problem of the Soviet Union, the Chinese nevertheless are concerned about such areas as the Muslim, Western provinces, and Tibet. And it's there, of course, that the restrictions on religion are particularly tight. The hardliners are looking very carefully at what's happening in the Soviet Union and in Eastern Europe, and one reason why it's important that those experiments toward the greater freedom economically and politically succeed is not only for the peoples in the Soviet Union and Eastern Europe, but the impact it will have on the internal debate within China.

REP. JOHN MILLER: Yes. Mr. Friedman.

MR. FRIEDMAN: I recently visited a Taoist monastary in China, and I asked them

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the kind of questions -- the young monks that I met there -- that you just asked me. And at that particular place I think -- and what I could see with my eyes -- you were seeing young monks where previously you didn't have them. They were getting more contributions than they knew what to do with, which I -- that is certainly a change from a pervious period of time.

What it reflected is there really has been a tremendous religious renaissance all over China. In a situation in which the government is essentially illigitimate and economic outlets for many people are still constrained, one of the private realms in which many human beings -- I almost want to say a majority, but no statistics exist, but I'd be willing to bet that -- have put their energies has been religion.

And here's where we get to your point. We really do know that the most reactionary members of the old guard in Beijing have been scared by this. We do know that they have commented upon that in many villages in rural China the local religious temples and sects are now more legitimate, and the party can't do anything without their approval. And so the evidence we have suggests that what you say does reflect a highest level concern of the most reactionary old guard members, very frightened of the spread of popular religion all over China.

REP. CHRISTOPHER SMITH: May I ask one final question, Mr. Chairman? Chinese officials state that there are approximately 1.1 million inmates in labor reform facilities, and over 100,000 in labor reeducation camps, and I wonder if you can tell us, anyone on the panel, if you consider those figures to be accurate,

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and what your view is on the Business Week article of April 22nd, which chronicled the "ugly secret", as they called it, with regards to convict labor making its way into the United States?

Anyone on the panel who would like to speak to that issue?

MR. FANG: It is difficult to say how the total number of the political prisoners. I just want to say if we can find a ratio. I got a letter from my former friend who still remains in China. He tell me, among all (common friends ?) that 30 percent have been arrested after Tiananmen massacre.

REP. SMITH: Mr. Friedman?

MR. FRIEDMAN: Well, I'll do part of the question for you. Even before China opened up, prison labor goods were sold in China. In fact, one of the most famous brands in China, Shin-chung (ph), "new life", was a prison force labor product, that the disorder that Mao had created in the economy was such actually that prison labor was a higher quality good than many goods you could get, and it was a brand actually in high demand in many parts of China.

So before opening up, we know as a fact that prison labor was pervasively sold in the Chinese economy. Then everything, Win Lord just said, gets added on to that. Everybody is under local pressure to enrich themselves or gain foreign exchange. Unless the central government has a way of cracking down on it, there are surely lots of people acting based on something which had been in the system for a long, long time, and these outrages occur in, I think, larger numbers than we are yet aware of.

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REP. SMITH: Thank you very much, Mr. Chairman.
REP. SOLARZ: Thank you, Mr. Smith.
The gentleman from New York, Mr. Gilman.
REP. GILMAN: Thank you, Mr. Chairman. I'll be brief. I'd like to ask Dr. Lizhi and Mr. Zhao, they have indicated that there ought to be some conditionality. What conditions would you like to see imposed on any MFN? Do you have any specific recommendations?
MR. ZHAO: As I briefly mentioned in the testimony, the key conditions we're seeking, and we think that will be beneficial for the future of China, is the human rights conditions, and in particular, the release of those political prisoners arrested around and before and after Tiananmen massacre.
Now there has been some argument of what type of conditions, meaning how to address those conditions. I think what we are really pushing for, and we think that's the best for the current situation, is that for the release of political prisoners that has to put the Chinse government on notice, instead of any executive branch or the President. In other words, the Chinese government would have to do it in order to gain further MFN.
The other conditions I think we generally support that are outlined in the policy bill for the other human rights conditions.
REP. GILMAN: Dr. Lizhi, did you want to comment on that?
MR. FANG: (Off mike.)
REP. GILMAN: No comment? Any of the other panelists like to comment on any

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conditional provisions that we should put in in MFN?
MR. HOLBROOKE: Mr. Gilman, I would just like to go back to one point, particularly since I omitted it from my opening statement. That's the Voice of America. I think a valid distinction can be made between that and the other issues. There is no excuse for the interference that's going on with it, and I think at an absolute minimum, the administration should have made a far greater effort than it has up to now to deal with that issue. And I would just like to single that out for particular attention in response to your question.
REP. GILMAN: Ambassador Lord, do you have any comments?
AMB. LORD: I would basically reiterate the statements in my opening remarks, namely, I think the conditions should be logically connected to the legislation. Namely, there should be be emigration, human rights, freedom of information, including -- emphatically -- the Voice of America which I mentioned in my opening statement. So I would incude freeing our prisoners, accounting for prisoners, observation of trials, emigration, treatment of Chinese in this country and elsewhere, but with a general formulation of significant progress toward and a package that I think could produce real improvement in China as opposed to more ambitious packages which are desireable in terms of their goals but which I don't think will produce the results that we all seek.
And then finally, there's the tactical question that several have addressed that maybe we can get unity between the executive and congressional branches on this issue. And you're only going to do that with moderate conditions coming out

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of the Hill and the White House agreeing to conditions on MFN renewal.
REP. GILMAN: Let me ask the entire panel again. Should any conditionality be specific or general in nature that we place into the --
AMB. LORD: Well I think you have to -- again it's a middle option. You've got to be specific enough so it's a meaningful yardstick. I agree with almost everything Mr. Freidman said in his opening statement, both in terms of analysis and prescription. I'm not quite sure where he comes out on conditions, but I felt that the three general ones were so broad they wouldn't give you a yardstick, so I would be more concrete thatn that.
But I as I said in my statement I would have the formulation sufficiently broad so that you have some way of using it as leverage and you are not boxed into very tight language. I know that's a straddling position, but I think it's one between the two extremes. So you can say, for example, an accounting of all prisoners; those released, still detained, those reclassified. That's certainly legitimate. I would be very specific on the Voice of America. Yes, stop jamming Voice of America. They didn't use to do it up until two years ago. So we can be specific in certain areas.
REP. GILMAN: Mr. Friedman, did you want to respond?
MR. FRIEDMAN: Since I'm the only one who spelled out the specific three conditions and the ambassador would like them more specific, let me tell you why I left them in the vague way I did and why I think they actually have punch even in the vague way they are.

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The first one was that China again treat the United States as a friendly nation, that is, stop jamming the Voice and stop harrassing Chinese in the United States. That might seem like an easy thing for them to do, but actually, within the leadership America's no longer considered a friendly nation, whatever their external propaganda says. They see us, the United States, as a great enemy trying to subvert their dictatorship, and it will be quite a political struggle to get them to do this. And so leaving it at that vague way is quite sufficient to begin to get what you want to have on the first one.
On the second one, that China should keep its word on international commitments, that is, that it open up to having representatives of international human rights bodies, and the Red Cross visit political prisoners and stay at political trials, given the Chinese feeling about sovereignty and no foreign interference, even with groups which go in and maintain essentially -- and don't report openly about everything they're saying, that, too, will touch a tremendous number of sensitive issues and be struggled out within the regime. Just to raise that issue gets into very tough struggles within China. If you can get them to agree with that, I think you will be experienced as having made great human rights progress and will be appreciated by the forces that you're trying to support.
And the third one, some generality of improvement in the human rights situation, which I urge that we not spell out particulars of, although I say in my written testimony it's perfectly okay for you to say "things like" without particularly tying yourself to any one of them. Why? The regime feels fantastically

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isolated and fragile and it's very worried that if you give them an inch they'll take the ruler. They're very scared of making any human rights concessions because it would lead to a view inside of China that people might not learn the lesson, they'll act again, we can't really crack down and so anything which gets them to be willing to open up will be experienced in China as a rather significant move in direction and have large consequences.
Therefore, I don't see any need to spell any of these things out in any larger kind of way. We would get what we wanted with these three conditions in the vague way that I put them, and I thought they were quite sufficient. I think many in the Chinrse leadership will think they are going too far.
REP. GILMAN: Mr. Chairman, just one other question. Assume that we place some conditions in MFN, and then we find that these conditions have not been met, and then we have to withdraw MFN. Is that going to be more traumatic than not granting MFN reauthorization in the first place?
MR. FANG: In my view -- (inaudible) -- China became open in the early of 1970s, not in the late 1970s. So at that time, no MFN. Why China became open, that should not depend -- not mainly depend on the -- (inaudible) -- the MFN. That depends on internal change. So this means China has politically changed, so even, you know, the first person who shake hands with the American president is Mao. What this means is I don't think if -- even if they revoke the MFN, China become back to the -- before the 1970s. I don't think so, because it certainly already changed. So it means it still -- I understand, you should consider

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the -- both the human rights conditions and the economic aid.
MR. ZHAO: I share with Dr. Fang in that the -- whether China would change not only depends on whether you have MFN just because when they changed they didn't have MFN at all. Now the key thing is how -- right now I think our purpose is how -- what's the best way to promote this change, to make China progress? And that's why we proposed the conditions that -- like Ambassador Lord said, it has to be specific enough so that it has enough power and enough pressure and yet it has to be somewhat general so that they can actually meet with them. And that's why we really support Pelosi's approach, which will lay out some conditions that they -- specifically, like the release of political prisoners and the improvement in freedom of speech, assembly, and association. That includes stop jamming MFN (sic/may mean VOA).
REP. GILMAN: But going back to my initial question, isn't it going to be more traumatic if we grant MFN with conditions and then have to cut it off later on than not reauthorizing it at the present time.
MR. ZHAO: I know, but first that's our judgment, with well-measured conditions. First, they should meet it and then we think eventually the Chinese government will comply. That's our judgment.
REP. GILMAN: So you don't think it will be that traumatic if we have to --
MR. ZHAO: We don't believe that's the case.
REP. GILMAN: Yes. Ambassador Lord.
AMB. LORD: Just very briefly, I think it would be more traumatic to cut it off

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now certainly than to cut it off a year from now, because you're giving them a year to try to make this kind of progress so we won't have to cut it off. That's what we all hope will happen. So it's much better to string it out for another year and try to use it as leverage. If you cut it off now, you've lost your leverage. Let's try to use it, but with the kind of conditions that can be realized.

REP. GILMAN: But haven't we been doing that all along?

AMB. LORD: Well, we tried that. Last year I testified before the same group, and I was for unconditional extension of MFN, although I also suggested some unilateral steps we might take to indicate our support for democracy and human rights so the extension of MFN would not be misconstrued.

REP. GILMAN: So you've changed your position, then.

AMB. LORD: I have evolved my own position to conditional precisely for the reason you're suggesting. We have not seen improvement. We've seen the situation get worse.

REP. SOLARZ: The gentleman's time --

REP. GILMAN: I thank you, Mr. Chairman.

REP. SOLARZ: -- has expired. But you'll have an opportunity to come back and ask more.

REP. GILMAN: Thank you.

REP. SOLARZ: Let me now recognize the gentlewoman from California.

REP. PELOSI: Thnk you very much, Mr. Speaker. I really -- oh, gosh, first

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President, now Speaker -- (laughter) -- what a day!

REP. SOLARZ: I'm not sure --

REP. PELOSI: You like the trend in the other direction.

REP. SOLARZ: -- if I've been promoted or demoted.

REP. PELOSI: You want the trend to go the other way, Mr. Chairman. Yes, I understand. Thank you.

REP. SOLARZ: Give the gentlewoman an extra minute. (Laughter.)

REP. PELOSI: Thank you, Mr. Chairman.

What an opportunity today to hear from experts in this field, and particularly honored to be in the presence of Dr. Fang Lizhi and -- a man of great courage and a tremendous resource to us as we make these decisions. I think we've made a lot of progress since last year here, because as Ambassador Lord mentioned, last year it was yes or no; this year we're saying, "Which conditions?" and that I think is a step forward.

I'm going to try to very briefly run through a few conditions and see if they're acceptable to the panel. I'll excuse Mr. Holbrooke from answering, since he doesn't support conditional renewal, but certainly you're welcome to chime in. I hear you say no conditions, but Voice of America, they definitely shouldn't be jamming Voice of America. I hear you say that things are getting better in China economically. We've got to let that continue, but anyway, these people are going to die in a few years, and so at some point we have to make -- know why we are where we are and make a decision. Are things okay? Or are they

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going to die, so it doesn't matter if they're okay or not?
In that perspective in terms of what condition I would like to -- I think I hear general agreement, correct me if that is not the case -- that one condition might be an accounting for citizens detained or accused or sentenced as a result of the Tiananmen Square non-violent demonstrations, the Tiananmen Square massacre. Would that be a condition, accounting for the prisoners?
MR. FRIEDMAN: I didn't even go that far.
REP. PELOSI: Okay. Release of citizens who are imprisoned in connection with these events.
MR. FRIEDMAN: No, I asked only that we have access -- that some international bodies have access to them --
REP. PELOSI: That's another condition, Mr. Friedman -- that's another condition down the road.
MR. FRIEDMAN: Right.
MR. HOLBROOKE: May I just clarify something because -- I think, before we get into the list. The issue here is not simply conditionality or no conditionality. It is the degree of specificity --
REP. PELOSI: That's what we're asking -- that's what I'm asking --
MR. HOLBROOKE: And what I'm unclear on -- and the reason I express concerns about the specifics of your bill while applauding your objectives and your motives -- was that as I interpret your bill and the current situation in China, your bill is automatically -- automatically will result in termination of MFN

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in six months. That is my concern.
REP. PELOSI: No, that's Senator Mitchell's bill. Senator Mitchell's bill calls for automatic termination in six months unless certain conditions are met, and they are relating to human rights, prison labor, proliferation of nuclear weapons, intellectual property -- it's a more far-ranging bill.
While I support Senator Mitchell's bill, I believe that we do have other laws which address those particular issues with every country in the world, including China, even though China has almost a perfect record of violating every one of them in our relationship. But in terms of just some human rights concerns, I just wondered -- getting the expert opinion that is available there -- and I'll be very quick about them -- my bill is very human rights oriented, and it calls for accounting for citizens detained, accused or sentenced as a result of peace -- non-violent demonstrations in Tiananmen Square, and release of citizens who are imprisoned in connection with these events. Those are the conditions that Mr. -- I call him Haiqing -- but Haiqing has put forth as an absolute that the students were interested in and then made significant progress.

Now, is this -- would this be going to far -- ending religious persecution in China in Tibet -- make significant progress in ending religious persecution in China and Tibet?
MR. FRIEDMAN: I'm forced to agree with Mr. Holbrooke. While they are all -- it's not my preference -- (laughter) -- it's -- I think at that level of

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specificity, one is creating a conflict which guarantees that the Chinese will not accept, and if that is the goal, then why don't you say that is the goal? If you put that many specific conditions on, you do create the situation that Congressman Leach suggested.
If you are looking for some kind of other way to try to indeed, once again, reach something which they can compromise on and which will also serve our purposes, I indeed believe -- not that one shouldn't push for all those things, not that the President's human rights advisors, et cetera, shouldn't be bringing them up all the time, not that we shouldn't be embarrassing them for -- it is an extraordinarily repressive regime and so on -- but if you really want to try to maintain the two things, you have to seek at the present moment a little less, and with a little more vagueness. And --
REP. PELOSI: Thank you. Removing restrictions on freedom of the press and on broadcast of Voice of America in China and Tibet. Any objection to that? Voice of America?
Terminating acts of harassment against Chinese citizens living in the United States. (Pause.) Ensuring access of international human rights monitoring groups to prisoners' trials and places of detention in China and Tibet. (Pause.) Ensuring freedom from torture. (Pause.) I really am genuinely asking your advice. And terminating restrictions on peaceful assembly in China and Tibet. This is one that is Senator -- Congressman Porter's contribution to the bill -- Congressman Porter, Republican.

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The bill also requires China to adhere to the joint declaration on Hong Kong signed by China and the United Kingdom. Is that too specific in your view?
MR. FRIEDMAN: No, I think the latter group -- not because they aren't worthy, not because they aren't correct, not because what China has done in Tibet isn't absolutely horrendous beyond anybody's ability to --
REP. PELOSI: Imagine.
MR. FRIEDMAN: -- accept, but if we just take the Tibet thing just for a moment in terms of dealing with China -- there is no consciousness in China, even among democratic activists, that would be supportive of understanding what you were getting at in terms of the regime's ability, therefore, to woo popular patriotic sentiment against it -- you lose, they win -- that's not in our interest.
REP. PELOSI: I appreciate your comments.
Mr. Lord?
AMB. LORD: I was reluctant in my opening statement, and I remain reluctant, to go over every specific condition in the wording, but let me again give my basic philosophy. I think, to the extent that one can make real progress, this should be our criterion. I believe, without getting into every last detail, that Congressman Pease' bill of last year -- I'm not sure whether he's got one this year -- is somewhat more doable and would be somewhat closer to my specific view. Certainly yours is in the ballpark because you use significant progress as opposed to a complete solution --
REP. PELOSI: Right.

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AMB. LORD: -- on most of these conditions. And therefore, as long as you've got "significant progress," I think that's a useful formulation although I don't think we can expect the end of religious persecution and full freedom of assembly in the next year. So, there are some particular ones that are more difficult than others.
REP. PELOSI: No, no, it wouldn't --
AMB. LORD: I greatly prefer the Pease/Pelosi approach to Senator Mitchell's approach, which I said in my opening statement is tantamount to a cutoff because it's much too ambitious, and we ought to use other instruments for these other problems that we have and we ought to use significant progress as opposed to complete achievement.
One last comment. I wouldn't put Hong Kong in this particular bill, but I think it's very important that we elevate Hong Kong on our agenda. It's a point that I have in my opening statement I didn't read. We have got to make clear that this is a concern of the United States, and that the political and economic freedom of Hong Kong is of genuine interest. So, we should be taking this up with the Chinese. I would not take it up via this particular legislation, however.
REP. PELOSI: I appreciate that. Thank you very much, Ambassador. Thank you very much. I appreciate the comments of our witnesses.
And thank you very much, Mr. Chairman.
REP. SOLARZ: Thank you very much, Ms. Pelosi.

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Let me try to take the panel, if I might, through a series of questions, some of which in one form or another have already been covered, but in an effort to kind of systematically ask you to examine the critical questions we're going to have to face and see if there is some kind of consensus here.
First of all -- and I'll ask you to go left to right and answer as briefly but persuasively as possible. Would you agree that the promotion of human rights in China is a legitimate objective of American foreign policy?
AMB. LORD: Yes.
REP. SOLARZ: Mr. Holbrooke?
MR. HOLBROOKE: Yes.
MR. FRIEDMAN: Certainly.
REP. SOLARZ: Okay. So, there is clear agreement on that.
Now, with respect to the extent to which MFN gives us some ability to promote that objective, would you agree that it is the threat to withhold MFN, rather than the removal of MFN, which provides us with our essential leverage in the effort to promote the cause of human rights?
AMB. LORD: Absolutely. As I said in my statement, if you use it, you lose it. But if you don't use it as a threat, you also lose it for leverage. So, I agree.
REP. SOLARZ: Mr. Holbrooke?
MR. HOLBROOKE: Yes, Mr. Chairman.
REP. SOLARZ: Okay. Mr. Friedman?

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MR. FRIEDMAN: I have to say it works both ways, Mr. Chairman. I think, if we use it, it's also something they don't want to have happen because the regime's ability to muster support depends so much now on meeting material needs of the people, and the loss of it would hurt very, very badly.
REP. SOLARZ: But is it your view that --
MR. FRIEDMAN: Therefore, it could start, if it were gone, a process of disintegration and struggle within the regime.
REP. SOLARZ: Well, as between those two alternatives, which do you think would presumptively give us the greatest capacity to promote the cause of human rights, the threat to withhold it or the actual withdrawal of it?
MR. FRIEDMAN: The threat. We should always take the moral high ground if we want to --
REP. SOLARZ: Okay. Dr. Fang?
MR. FANG: I think should insist on the human rights principle.
REP. SOLARZ: Yes. And Mr. Zhao?
MR. ZHAO: Yes. Well, I agree with Dr. Fang's previous comments on that, too. That is, yes, the threat is the most powerful, but it has to be real. And particularly this year.
REP. SOLARZ: Yes. Now, let us assume that we establish some kind of conditions with respect to MFN. Conceptually, there are one of two ways of approaching this. We could remove MFN forthwith and then restore it if the various conditions are met. Or we could retain MFN, but remove it if the various

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conditions are not met. Which of these two approaches do you think, from a conceptual point of view, would be the most productive to pursue?
AMB. LORD: Clearly the second, namely to extend it with the conditions and remove it if these are not satisfactorily met.
REP. SOLARZ: Why?
AMB. LORD: Because if you cut it off now and say, "Well, you can earn your way back," it'll be even tougher in terms of politics, in terms of face, for the Chinese leaders to reverse course. But, if you have it conditioned, and say you may lose it in a year, they can deny that they're responding to our pressures and say they're taking unilateral actions and actually meet some of our conditions.
REP. SOLARZ: Okay. Mr. Holbrooke.
MR. HOLBROOKE: Well, in the Socratic dialogue that you're conducting, I agree with Winston Lord. But, I want to stress again, Chairman Socrates -- I mean, Solarz -- (laughter) -- that --
REP. SOLARZ: You're not suggesting I take a cup of hemlock. (Laughter.) Some might think that. I was never among them.
MR. HOLBROOKE: You've been called by Congresswoman Pelosi, the Speaker, the President -- I thought we should just broaden out the mandate here. I want to stress that I don't --
REP. SOLARZ: -- be suggesting I should be a platonic philosopher king? (Laughter.)

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MR. HOLBROOKE: At the risk of breaking your narrow rubric, I want to go back to the reasons I at least took the position I did. It has nothing to do with your question. The present leadership is unlikely to change whatever happens with your bill. I regret to say that, but that's the truth. The objective here is to strengthen the reform forces in the succession struggle which is going to begin shortly. In that regard, the removal of MFN now, whether it's done as Mr. Gilman suggested immediately, or in the automaticity which would follow Senator Mitchell's bill would hurt those forces. It is --
REP. SOLARZ: But, is it your view then Mr. Holbrooke that even if we establish some kind of loose conditionality in which we say that the renewal of MFN will be a function of some progress on human rights, that even under those circumstances it would be vain for us to hope for any improvement whatsoever because the current leadership simply isn't going to yield at all?
MR. HOLBROOKE: See, this is the problem with the entire discussion we have had today. We have all been dancing on the head of a pin as to what could affect events in China, when the odds are, in my view, that whatever we do here won't affect the situation in China while the present leadership remains. I wish it was other. The reason I single out Voice of America, to which I would add Congresswoman Pelosi's point about treatment of Chinese students in the US is because those two issues uniquely affect us directly.
REP. SOLARZ: You've made an important point, and let me reiterate it and then ask the others to comment, and if I interpreted your view correctly, because

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it does in a way go to the heart of the issue. You're saying, as I understand it, in effect, that regardless of whether we renew MFN or reject MFN or renew MFN conditionally -- regardless of which of these three different approaches we take, that it's not going to have any impact whatsoever on whether the Chinese leaders release political prisoners, give us an accounting of those political prisoners, permit access to their prisons and to their trials, permit greater freedom of the press, or perhaps for that matter even permit the Mandarin language broadcast of the VOA to go in without being jammed -- that the decisions on these kind of issues are going to be made regardless of what we do on MFN. Is that in effect your view?
MR. HOLBROOKE: With the arguable exception of VOA, which is our broadcast and which I think is outrageous, I think the way you have stated it is probably correct during the period of time allotted to the current leadership.
REP. SOLARZ: And is it not --
MR. HOLBROOKE: And -- one more point, Mr. Chairman. At the same time, denial of MFN would hurt enormous numbers of people economically in China.
REP. SOLARZ: Right -- and in Hong Kong.
MR. HOLBROOKE: And in Hong Kong.
REP. SOLARZ: But, given what you said about the VOA, would you personally be prepared to make a willingness by China to stop jamming the Mandarin language broadcasts of the VOA an absolute condition for the renewal of MFN?
MR. HOLBROOKE: I would certainly make it a highest priority of the

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administration's policy. There is no evidence it is so far. And if the administration did not make that a high enough priority and did not get results, then I would like to return to the subject before you and think about it positively.
REP. SOLARZ: Well, let me ask you --
MR. HOLBROOKE: And I want to stress -- the change in VOA I think is the most symbolic aspect of the problem.
REP. SOLARZ: But I gather even there you're not prepared to say at this particular point you --
MR. HOLBROOKE: Because I don't think the administration has made a real effort --
REP. SOLARZ: -- you would be prepared to cut off MFN.
Let me ask the other witnesses to comment on Mr. Holbrooke's point. Do you share his view that regardless of what we do, whether we condition MFN, reject it or renew it, that it will have absolutely no impact whatsoever so long as the current gerontocracy remains in power on these human rights questions?
Let me start with Mr. Lord, then move to Mr. Friedman, Dr. Fang and Mr. Zhao.
AMB. LORD: No, I don't agree with Mr. Holbrooke, who I have great respect for, except for his tennis game. But I do think we can affect things at the margin. We're not going to change the basic nature of this regime, and I think that's what Mr. Holbrooke is essentially getting at. They're not going to do anything which they feel jeopardizes their control politically over the Chinese people.

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Having said that, I think because MFN is so important to them, that they will be willing to make some concessions, such as in the Pease and Pelosi bills, if we use conditional MFN renewal. So therefore, that is the heart of my position, that we should avoid two extremes which won't produce progress and take this middle route.
REP. SOLARZ: Mr. -- Dr. Friedman?
MR. FRIEDMAN: Mister.
REP. SOLARZ: Mister.
MR. FRIEDMAN: In specific answer to your specific question, I'm happy to be able to disagree with Mr. Holbrooke again. I think that how we handle it will have an influence and in impact in Beijing. To just take it away and then add conditions afterwards plays into the hands of the worst hardliners in being able to make a successful claim that America is just trying to hurt us, impose things on us and so on; that that's a disastrous way to go for any of the forces or causes that we believe in.
The other way, I think, actually has a real impact. It will be something that they will have to debate at the very highest level. We know that they already have been debating it for at least five months. They are prepared to talk on these kinds of issues, and the splits on these issues play into, as he says, the succession crisis. It's always the succession crisis that's being struggled over, and I think if they're forced to make concessions in this direction, you are helping the long-term succession crisis direction. So I think it does

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matter how you do this.
REP. SOLARZ: To the extent that what we do feeds in to the struggle for power already under way in Beijing, to what extent would the conditional renewal of MFN put those Chinese who may aspire to positions of preeminent leadership in the country in a position where if they argue that they should make these concessions or take these actions in order to qualify for MFN, to what extent does it put them in a position where their adversaries can say they're not worthy of national leadership because they've demonstrated that they don't have the guts to stand up to the imperialists in the United States and they're not looking out for the interests of China first and most of all?
MR. FRIEDMAN: Absolutely, they'll say all those things. But if they come to the conclusion at this present point nonetheless to make the compromise, it makes it easier to continue in that direction. It makes it clear that those people who take the position you just said will be hurting the standard of living of the people of China, and you can't go that way.
REP. SOLARZ: Dr. Fang, do you agree or disagree with Mr. Holbrooke's point that regardless of what we do, it will have no impact on the actions of the current leadership in Beijing with respect to these human rights issues so long as they remain in power?
MR. FANG: It depends on which condition you put. You know, of course you want to change the whole regime, and this currently is impossible, but if you want to change some of the behavior, I think you can. For instance, my issue is the

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evidence. Even they originally also don't want to release me and my wife. Now they, finally they -- they did. So there's the evidence.
REP. SOLARZ: Mr. Zhao?
MR. ZHAO: I agree with Dr. Fang. We don't believe that the Chinese government today won't respond to the pressure from the US.
REP. SOLARZ: You believe they will respond?
MR. ZHAO: We don't believe.
REP. SOLARZ: You don't believe they will.
MR. ZHAO: They will not respond. I'm sorry. We believe they will respond.
REP. SOLARZ: You're using a double negative. (Laughter.)
Do you believe they will respond or they won't respond?
MR. ZHAO: Yes, they will respond if it's reasonable and well-measured.
REP. SOLARZ: Okay. Now, if that is the case -- Ms. Pelosi tried to take you through a list of conditionality -- here I'd like to make that effort also, but in a slightly different context. It seems to me that if we are going to establish conditions, one of the key questions we have to consider is the standard for determining whether the condition has been met. And here there are three conceptual possibilites.
We can insist on the total achievement of the objective. In other words, if it's the release of political prisoners, we can say the criteria is the release of all political prisoners, every last one of them, where the condition hasn't been met. We can secondly, as an alternative, establish as the criteria

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significant progress toward the achievement of the objective. So once again, if you're talking about political prisoners, you would say that the condition is achieved if a significant number of political prisoners, although not necessarily all, are released. And the third conceptual possibility would be to establish the release of political prisoners as one of the objectives of the renewal of MFN, so that you would have a situation in which conceivably even if no political prisoners were released, you could still renew MFN a year from now if the President reported to the Congress that he believed that renewing MFN would contribute to the achievement of that objective.

So one is a very, very tough standard. Another one is tough, but a little bit more flexible. And the third is obviously extremely porous. It sets up an objective but it doesn't require as a condition for saying that objective -- that we should renew MFN, that the objective has been met.

So, looking at it in those three ways, let me go through a list of things and tell me -- assuming we were going to use that condition -- and I know, for example, Mr. Friedman would prefer three vague and more generic criteria, where you would put it in this scheme. First, the release of political prisoners incarcerated as a result of or after Tiananmen Square. Would you require release of all, significant progress toward the release of those who are incarcerated, or simply have it as an objective? Mr. Lord.

MR. LORD: I'd be for significant progress, but I want to make clear again I would prefer if the executive branch would set this out as saying, "Here's

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what we're going to have to have before we recommend renewal a year from now," but I'd be for the significant progress formula.

REP. SOLARZ: Mr. Holbrooke?

MR. HOLBROOKE: I would agree with Winston.

REP. SOLARZ: But you would prefer, I gather, not to -- would you prefer not to have that as an objective at all?

MR. HOLBROOKE: As an objective I agree with it. I think the issue always remains the degree to which it's automatic, the degree to which you're giving waivers, your other three criteria.

MR. FRIEDMAN: I totally agree with the Ambassador, and I want to stress one part of what he said in terms of the executive branch. You know the executive branch from July 1989, when the heads of state gathered at the 200th anniversary of the French Revolution, should have at that point put it on the agenda for all the leading democracies, and you wouldn't be in this position today if it had been that kind of a high-level issue, coordinated among democracies from that point on.

REP. SOLARZ: Okay. Dr. Fang?

MR. FANG: Yeah, I think the -- release prisoners is a priority condition.

REP. SOLARZ: But do you think we should insist on the release of all political prisoners? Or would the release of many of the political prisoners or some of them be sufficient?

MR. FANG: The difficulty -- you can't -- you don't know how many there is

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prisoner, how to -- you know, how -- they achieve -- they made such a condition or not, so we only -- we only know some persons' rights have been persecuted. We don't know the total.
MR. ZHAO: Yeah, I agree with Dr. Fang that there's no way to know how many is all, so that we definitely think that's important, that they definitely release -- and we know some people who are arrested.
REP. SOLARZ: Mr. Zhao, I want to pin you down on this. We may not know the total number, but we have some idea. Would it be your view that this condition should be met if everyone we know who is a political prisoner is released? Or would you be satisfied if, of those we know who are political prisoners, many of them have been released, but not necessarily all?
MR. ZHAO: Oh, I think everyone we know should be released.
REP. SOLARZ: And you're saying that unless they release every one we know to be incarcerated, we should not renew MFN, even if they were prepared to release most of those we know to be in prison?
MR. ZHAO: Well, that's -- it's a hard question, because first of all the -- I think we have to judge not just by the prisoners alone, together with other conditions, if they make significant progress, but in other areas as well.
(TEXT OMITTED)

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million. As China's shop window since 1979, Hong Kong has grown deeply entwined with its giant neighbor.

"Ending MFN status might be directed against Beijing," said Hong Kong's governor, Sir David Wilson. "But it would be a body blow to Hong Kong just when we need to keep up economic growth to get us through a time of crucial political change."

Though President Bush says he will renew China's MFN status by the June 3 deadline, members of Congress are threatening to pass legislation to block it or attach conditions that likely would be unacceptable to China, thus effectively ending its MFN advantages.

Last year, $12 billion worth of goods from China were exported through Hong Kong, accounting for 16.8 percent of the territory's economy.

If China loses MFN, up to 43,000 Hong Kong jobs could be lost while its economy, forecast to grow 3.5 percent this year, would shrink by 1.3 percent to 1.8 percent, according to Sir Piers Jacobs, Hong Kong's financial secretary.

Virtually every sector of Hong Kong's economy would be hit.

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But that's the tip of the iceberg. Hong Kong manufacturers have migrated en masse to neighboring Guangdong province in Southern China. Its abundance of cheap workers and land has helped Hong Kong companies maintain their global competitiveness.

Hong Kong companies now employ 2 million workers across the border, where "unemployment might rise dramatically" if MFN is revoked, analysts say.

MFN renewal is an annual process.

Since China's June 1989 crackdown on student-led protesters at Tiananmen Square, the renewal has become increasingly controversial because U.S. trade law links MFN status to a country's human rights record.

"Uncertainty over the extension of MFN every year is like having a thorn in the heart," said Tommy Tam, director of National Electronic Holdings, which is moving its Guangdong-based watch-making factory to Singapore or Indonesia because of uncertainties caused by MFN.

"We need to be prepared for the long term in case China loses its trade status," he said.

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Other Hong Kong companies are considering similar moves, prompting worries that investment in the territory and its role as a regional service center would be damaged.

With confidence in Hong Kong shaken by fears over its post-1997 future under Communist Chinese rule, loss of MFN would represent another psychological blow.

Yet, heretical as it is in this city where money is king, there are some who want tough action against China.

"At first glance it seems fairly obvious that we have to get the Americans to renew MFN," said Walter Sulke, a prominent local businessman and political commentator. "But the present government in China is not good for business in Hong Kong."

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HEADLINE: Opposition builds on Hill to president's China policy

BYLINE: Major Garrett; THE WASHINGTON TIMES

BODY:

Although President Bush appears inflexible in seeking unconditional renewal of most-favored-nation trading status with China, political realities in Congress may force him to retreat.

Sizable majorities in the House and Senate oppose renewing MFN without requiring that China ease various forms of religious and political repression in the aftermath of the bloody crackdown on pro-democracy dissidents at Tiananmen Square in June 1989.

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"There are many members willing and eager to condition MFN to China and many who are willing to cut it off altogether," said Rep. Don Pease, Ohio Democrat, who has introduced legislation to renew MFN while imposing moderate human rights reforms.

"The president will have to make a judgment if he can make his hard-line stance stick or not," he said.

MFN trading status grants the lowest possible tariffs on foreign goods. Congress has renewed MFN for China every year since 1980. China's trade surplus with the United States this year is expected to approach $11 billion, second only to Japan's.

The Chinese Foreign Ministry yesterday applauded Mr. Bush's stand, which the president announced Monday.

"This is a realistic and wise decision for which the Chinese government would like to express its appreciation," the ministry said. "The Chinese government had always believed that a proper settlement . . . will help to promote the restoration and growth of China-U.S. relations."

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Congress has 90 days to reject Mr. Bush's request for MFN, which he is expected to submit today or tomorrow.

If Congress rejects MFN for China, the president can veto its action. An override would require two-thirds majorities in both chambers.

Since MFN was renewed last June, China's only act of political liberalization was the lifting of martial law in Tibet.

In the eyes of many lawmakers that has not compensated for Beijing's suppression of religious and political speech, its continued detention of Tiananmen Square protesters, its missile-technology shipments to Pakistan, or its help in building a nuclear reactor in Algeria.

"The conditions are worse now than they were last year," said a Republican aide with the House Foreign Affairs Committee. "The White House is already in sort of a bunker mentality."

Mr. Bush has argued that free trade with China encourages a freer exchange of goods and services. That could later lead to a freer political system once Beijing's aging rulers have left power.

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"Our actions should be consistent with our goal of nurturing democracy and market economics," Sen. Richard Lugar, Indiana Republican, said yesterday. "We should improve relations with the growing number of economic reformers [in China] rather than isolate them."

Opponents contend China must suffer for its ongoing human rights abuses. They believe limiting or conditioning its access to U.S. markets is the best way to coax Beijing toward reforms.

Mr. Pease's legislation would renew MFN but would require Mr. Bush to certify that China had:

* Accounted for all protesters arrested at Tiananmen Square.

* Ended religious persecution in China and Tibet.

* Released all religious prisoners.

* Expanded freedom of the press and improved access to Voice of America broadcasts.

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* Ceased harassment of Chinese students in the United States.

"My intention is not to cut off MFN, but rather use leverage to improve human rights conditions," Mr. Pease said.

Rep. Gerald B.H. Solomon, New York Republican, wants to cut off MFN. Rep. Nancy Pelosi, California Democrat and Senate Majority Leader George Mitchell of Maine have drafted bills placing several conditions on MFN that China likely would reject.

"I do see some room for compromise, but not right away," said Mr. Pease, whose bill could be a vehicle for compromise. "It may take 60 days. The issue has to percolate for a while."

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