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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. draft	Memorandum of Conversation. Meeting with Premier Zhu Rongji of China. (9 pages)	04/1999	P1/b(1)
002. memo	For the Presiden from Samuel Berger, Gene Sperling, and Larry Stein. Subject: Phone Calls to Congressional Members. (10 pages)	03/26/1999	P1/b(1)

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RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
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- b(1) National security classified information [(b)(1) of the FOIA]
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- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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UNCLASSIFIED FAX
FROM THE NATIONAL SECURITY COUNCIL
AND THE NATIONAL ECONOMIC COUNCIL
OF THE WHITE HOUSE

SENDER: MALCOLM LEE, **INTERNATIONAL GROUP**

WH PHONE: 202-456-9299 27 PAGES INCLUDING COVER SHEET
WH FAX: 202-456-9290

SUBJECT: AFL-China WTO Meeting

TO:	FAX:	PHONE:
Rick Samans	6-2223	
cc: Gene Sperling	6-2878	

Background on AFL demands for WTO China accession

② U.S.-China Labor dialogue (which you pushed)

UNCLASSIFIED FAX

Malcolm —

per Karen

**COMMENTS OF THE
INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS
REGARDING
THE UNITED STATES INTERNATIONAL TRADE COMMISSION'S
"ASSESSMENT OF THE ECONOMIC EFFECTS ON THE UNITED STATES
OF CHINA'S ACCESSION TO THE WTO"
(INVESTIGATION 332-403)**

The International Association of Machinists and Aerospace Workers (IAM) represents over 500,000 workers in North America. IAM members work for several hundred entities producing, assembling, maintaining, servicing, and manufacturing almost every product imaginable in several different industries. These industries include but are not limited to, aerospace, manufacturing, automotive, ship building and repair, transportation, and wood products.

The IAM welcomes this opportunity to participate in this investigation. Notwithstanding our continuing concerns over the WTO and its apparent refusal to incorporate labor and environmental standards into its core regulations, we emphasize that China's refusal to respect internationally recognized labor standards and other human rights and China's refusal to meet transparency requirements and its refusal to end its use of mandated performance requirements such as its subtle and not-so subtle demand for offsets, (the transfer of production and/or technology) in return for market access should constitute a major factor for the ITC assessment regarding China's possible accession to the WTO.

I. China Refuses to Recognize International Labor Standards and Other Human Rights

This past year, the world community celebrated the fiftieth anniversary of the adoption of the United Nations Proclamation of the Universal Declaration of Human Rights. In adopting and proclaiming the Universal Declaration, the U.N. Assembly "pledged themselves to achieve, in co-operation with the United Nations, the promotion of universal respect for and observance of human rights and fundamental freedoms..."

The Declaration contains many rights. Some of them include:

- the right to freedom of assembly and association
- the right to form and join trade unions
- the right of thought, conscience and religion,
- the right of opinion and expression,

the right to "receive and impart information through any media and regardless of frontiers;" and,[1]

the right for those accused of a "penal offense ... to be presumed innocent until prove[d] guilty according to law in a public trial at which he has had all the guarantees necessary for his defense."[2]

Many of these rights are repeated as International Labor Organization Conventions and Recommendations which also address fundamental prohibitions against forced labor and child labor among many other rights.

Universal adherence to these standards is not only a moral and ethical issue, it is also an economic issue that goes to the very heart of the world's trade policies. The fact that one country does not recognize or enforce rights to freedom of association, collective bargaining, a livable wage, a safe and healthy workplace, and does not honor international prohibitions against child labor and forced labor is unquestionably a major factor in a company's decision to transfer work from a country where these internationally standards are recognized and enforced. Without universal enforcement of these and other rights, the world will engage in the infamous "race to the bottom" as stiff competition in the global economy forces workers to sacrifice their rights in the name of "flexibility."

Based on a plethora of reports, it is clear that China is one of the greatest violators of internationally recognized human rights. The U.S. Department of State has documented many incidences where basic human rights have been violated in China, including the finding that free and independent trade unions are not permitted in China.[3]

Organizations like the International Confederation of Free trade Unions (ICFTU) have issued numerous reports regarding China's violations of basic labor rights. Most recently, the ICFTU reported on the arrest and sentencing of four labor rights "campaigners" reporting that the arrests "... are part of a series of recent attacks on independent trade unionism ...."[4] Individuals like one "dissident" who spent nearly 18 years in Chinese prisons concludes that "[D]espite the Chinese Government's occasional lip service to 'openness,' the authorities have consistently and swiftly moved to quash not only political organizations, but also trade unions, peasants'

[1] United Nations Proclamation of the Universal Declaration of Human Rights, Articles XXIII, XIV, XX.

[2] United Nations Proclamation of the Universal Declaration of Human Rights, Article XI.

[3] CEG, US State Department, Country Reports on Human Rights.

[4] ICFTU Online

associations and unapproved religious gatherings."[5] And prospects that China will begin to recognize certain fundamental human rights have greatly dimmed in the wake of recent reports of a new "crackdown" of dissidents in China.[6]

Internationally recognized and enforced labor standards and all other fundamental human rights are a responsibility of any country who desires to enjoy the benefits of admission to the WTO. Accordingly, it is incumbent upon the United States to withhold its support of admission to the WTO for countries like China that have yet to recognize these fundamental rights.

II. China Continues to Rely on Offsets–forcing the Transfer of Technology and Production for Market Access[7]

U.S. workers have helped create some of the most successful industries in the world. Indeed, some like the aerospace industry owe much to the workers in this country whose skill, dedication, and loyalty have been a great factor in their success. Unfortunately, despite these efforts, U.S. aerospace workers face an unsettled future. Between 1990 and 1994, the U.S. lost roughly 500,000 jobs in the U.S. aerospace industry and roughly 1 million jobs in related industries. Some experts predict that several thousand more jobs are in jeopardy in the next few years.

Recent announcements regarding layoffs in the aerospace industry, in the midst of the continuing Asian crisis and severe competition from abroad, only confirm these gloomy predictions. Adding to the bad news, just a few days ago officials in China reportedly called "a halt to new commercial-airplane purchases and asked suppliers to postpone deliveries of existing orders for two years after this year ...."[8]

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[5] New York Times, December 24, 1998.

[6] See e.g., "China Jails 2 Dissidents, Reinforcing Tough Stance," New York Times, December 30, 1998; "Xu Scorns Appeal, Defies Chinese Party," Washington Post, December 29, 1998; "China Gives Stiff Sentence To 4th Dissident in a Week," New York Times, December 28, 1998; "China Expands Political Crackdown, Sending Grim Signal Despite Reforms", Washington Post, December 28, 1998; "Beijing Sends Potential Dissidents a Message: Don't," New York Times, December 25, 1998; "China's Diversionary Tactics," New York Times, December 24, 1998; "The Limits of China's Reform," New York Times, December 24, 1998; "China Tightens Reins on Dissent," Washington Post, December 24, 1998

[7] See attached paper, "The Role of the U.S. Government in Setting Offset Policy," published in Trends and Challenges in Aerospace Offsets, National Research Council, 1999.

[8] Wall Street Journal, February 9, 1999.

While U.S. workers struggle to keep their jobs, U.S. companies continue to move their jobs to other countries who are attempting to develop their own industries. One way this transfer occurs is through the use of offsets, trading technology and production for sales of products.

Countries like China rely heavily on offsets to build their own industries. While "there is no official, published policy requiring technology transfers in the aerospace sector" in China, technology transfer to China is occurring at a high rate, indicative of serious transparency issues ... [I]t is clear that foreign firms are being coerced into transferring technology as the price to be paid for access to China's market" and these commercial offset provisions are predicted to increase "over time."[9]

Indeed, China proudly states that offsets are critical to its future in some industries. For example, the China National Aero-Technology Import and Export Corporation (CATIC), "was founded with the principle of introducing production technology from foreign countries and expediting the modernization of aviation industry." A recent announcement that Aviation Industries of China (AVIC) will be split into two groups to help China "compete" in the international aerospace industry and a report that the president of AVIC views the two groups that will be formed to "wrest domestic airlines' business from the likes of Boeing" lends further support to the view that China very much intends to compete with U.S. industry.[10]

Job losses are only one concern regarding offsets and China. Critical national security risks are also involved. Although issues that are presumably raised in the yet to be made public "Cox Report" bear repeating, it should be noted that many national security concerns have been raised in the past.[11]

Indeed, trade, jobs, and national security are all threatened by transfers of production and technology to China. A recent report issues the following warning:

> **Unless significant changes are made to China's current investment regulations and import/export policies, U.S. commercial technology transfers to China are likely to continue, potentially enhancing Chinese competitiveness in high-technology industry sectors such as aerospace and electronics. The U.S.- China trade imbalance may continue to worsen in the short-term as commercial offsets demands and foreign-invested enterprise**

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[9] "U.S. Commercial Technology Transfers to the People's Republic of China," Office of Strategic Industries and Economic Security Bureau of Export Administration and DFI International, January 1999.

[10] Financial Times, February 2, 1999.

[11] See, "Policy Issues in Aerospace Offsets," Report of a Workshop, Board on Science, Technology and Economic Policy, National Research Council, 1997.

exports increase and in the long-term as China's plans to develop indigenous capabilities in both basic and advanced technology industries are implemented.[12] "... Technology, however, is also a key factor in maintaining U.S. competitiveness in the global economy and fundamental to defending and advancing U.S. National security interests."[13] "... where technology transfers are unduly required in exchange for access to a foreign market or where foreign investment policies mandate the transfer of advanced technology regardless of market demand, there exists an artificial incentive to transfer more advanced technologies than would likely prevail under freer market conditions. This is the situation that exists in China today."[14]

III. Current Efforts Aimed at Improving China's Reform of These Issues Is Not Working

China has fallen far short of honoring past agreements on market access. Given its past performance, how can anyone conclude that it will live up to restrictions reflected by the WTO? But even if China does enter the WTO, it would presumably only be subject to the modicum of available WTO restrictions regarding offsets even if they are somehow applied to China. These provisions are narrow and could be viewed as containing possibly wide exceptions.[15]

IV. Conclusion

The U.S. should be clear to China that refusal to accept and implement internationally recognized labor standards and other human rights and its refusal to honor international trading norms will not be rewarded by accession to the WTO. As the New York Times recently pointed out with respect to the "[L]imits of China's Reform," Washington must speak "honestly and frequently."[16] China's desire to join the World Trade Organization presents a unique opportunity to send China a message. Now is not the time to turn away from the human rights that were so eloquently decreed a little over fifty years ago in the U.N.'s Declaration and now is not the time to turn away from all of the workers in this country whose jobs are threatened by a trade policy which turns its back on them. These issues must be taken seriously and given hearty consideration in the ITC's investigation.

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[12] BXA/DFI Report, p. v.

[13] BXA/DFI Report, p. 97.

[14] BXA/DFI Report, p.p. 97-98.

[15] For example, exceptions regarding "national security" could enable China to continue relying on a variety of trade barriers.

[16] New York Times, December 24, 1998.

Trends and Challenges in Aerospace Offsets

Proceedings and Papers

CHARLES W. WESSNER, *Editor*

Board on Science, Technology, and Economic Policy

National Research Council

NATIONAL ACADEMY PRESS
Washington, D.C. 1999

Steve

INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA—UAW

STEPHEN P. YOKICH, President RUBEN BURKS, Secretary-Treasurer

VICE PRESIDENTS

ELIZABETH BUNN • RON GETTELFINGER • BOB KING • JACK LASKOWSKI • RICHARD SHOEMAKER

IN REPLY REFER TO

1757 N STREET, N.W.
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TELEPHONE: (202) [illegible]
FAX (202) [illegible]

February 19, 1999

Lawrence H. Summers
Deputy Secretary
Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, DC 20220

Dear Deputy Secretary Summers:

As you prepare to hold discussions with officials of the People's Republic of China, I wanted to reiterate the strong concerns of the UAW on a range of trade and labor rights issues. The UAW continues to oppose U.S. acceptance of China's request to become a full member of the World Trade Organization (WTO). Given that the U.S. trade deficit with China last year grew to nearly $60 billion, we believe strong action is needed on the part of the Administration to rectify that imbalance and change China's trade regime to be compatible with WTO rules.

We believe the U.S. should press China to eliminate the discriminatory auto industrial policy adopted in 1994 in violation of the 1992 Memorandum of Understanding (MOU). That policy has been in effect for nearly five years and, as a violation of a trade agreement, it is actionable under Section 301 of U.S. trade law. Basically, China's unfair trade practices and discriminatory treatment are allowing it to develop what will be a competitive auto industry that will threaten U.S. jobs. In addition, the UAW continues to object to China's aerospace industrial policy that pushed U.S. companies to invest in production in China and to transfer production and technology there.

The UAW opposes China's accession to the WTO until it has opened its market in these two industries and abandoned the export-mandating elements and other objectionable aspects of its industrial policies.

Our union also remains deeply concerned about the worsening situation in China regarding human and labor rights. The Chinese government has cracked down in recent months on a number of citizens who are seeking democratic freedoms, including the right to organize labor unions. The UAW finds the repression of pro-labor activists to be deplorable and hopes you will lodge strong protests with the Chinese government during your visit.

Sincerely,

Don Stillman

Don Stillman, Director of
Governmental & International Affairs

DS:bbj
opeiu494

**Statement of the
International Union, United Automobile, Aerospace and
Agricultural Implement Workers of America (UAW)
on
Assessment of the Economic Effects on the United States of China's
Accession to the World Trade Organization
to the
United States International Trade Commission
(Investigation No. 332-403)**

This statement is submitted on behalf of the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW). The UAW represents 1.3 million active and retired members in the automobile, aerospace, agricultural implement and many other industries.

The UAW appreciates the opportunity to present its views to the International Trade Commission on the economic effects on the United States of China's accession to the World Trade Organization. The UAW has communicated our views on this issue to the Administration and Congress over the past several years because we believe the economic relationship between the U.S. and China, China's role in the international economy and the terms of China's accession to the WTO are of great importance to our members and all American workers.

There are some very broad considerations that the Commission must take into account when considering the effects on the U.S. economy of China's WTO accession that differ from virtually any other country's accession. First, China is not a market economy. It is not appropriate to estimate the impact of changes in tariffs or non-tariff trade and investment measures on the basis of a model or assumptions that would apply to a market economy. Economic decisions made by the government at the national, provincial and local levels are seldom transparent, at times are in conflict, with no clear final arbiter, and often force trade and investment decisions that are not "economically justified" or compatible with trade agreements that have been negotiated or with WTO rules. Many government policies and the dominance of state-owned enterprises, in fact, would prevent the effective implementation of international rules and agreements.

Second, China's economy is huge and, though not advanced in all industries, it already plays a significant role in international production in many industries. One consequence of this reality is that it is unacceptable for China to be considered a developing country for the purpose of WTO accession; China must be required to agree to fully implement and enforce all WTO agreements and commitments on the same basis as developed countries, not with the extensive "special and differential" treatment that developing countries receive.

Third, it is unreasonable to assume that China's WTO accession will result in China's compliance with WTO rules. Enforcement by China of many bilateral

U.S.-China trade agreements has been consistently lacking. In too many cases, the U.S. has failed to utilize the remedies in U.S. trade law available to address China's violations. Because U.S. authority to take action against China's unfair trade practices and violations of trade agreements is much broader currently than it would be if China were a member of the WTO, it would be a serious mistake to assume that WTO membership will ensure China's compliance with WTO rules.

Fourth, the lack of democracy in the political arena and in the workplace prevents China's workers from exercising fundamental worker rights. This affects labor costs for products that are traded internationally and that displace potential imports. The existence of many production facilities with advanced technology but abysmally low wage levels for workers testifies to the absence of a system for sharing with workers a fair share of the value of their labor. Combined with the size and international impact of China's economy, the repression of workers significantly affects U.S. trade with China and with third countries that also import from China.

All of these factors make it impossible to use standard economic models to assess the economic impact on the U.S. of China's WTO accession. Assuming market-economy responses to a 25 percent and a 50 percent across-the-board tariff reduction and market-like adjustments at all levels of the Chinese economy to commitments, on paper, to remove a wide array of existing non-tariff trade barriers will not lead to an assessment that will be credible or helpful to U.S. negotiators and trade policy analysts. Only through a very detailed analysis, industry by industry, of the trends in global production and investment, the pattern of production in the U.S. and China and the specific conditions contained in China's WTO accession agreement, based on China's past practice of failing to comply with agreements, can a reasonable estimate of the impact on the U.S. be made. The Commission's assessment will only be useful if it follows this approach.

The UAW has become increasingly frustrated by the Administration's attempt to use the WTO accession negotiations as the forum to address all trade problems with China. In our view, the leverage to remove trade practices that are problematic for American workers must be utilized now, taking advantage of U.S. trade laws and the remedies they provide. After WTO accession, we believe it will be nearly impossible to eliminate Chinese policies and practices that are not directly violations of WTO rules, but cause injury to American workers. Many of China's industrial and economic policies fall into this category and would be protected by China's WTO membership.

The UAW has identified two Chinese policies that adversely affect the interests of our members. In the auto industry, China has implemented a discriminatory policy to make this a "pillar industry." High tariffs, the absence of national treatment, investment restrictions, technology transfer mandates, trade balancing and export requirements are all part of China's auto industrial policy. Since this policy went into effect in 1994, the U.S. automotive trade balance with China has deteriorated significantly.

The four latest National Trade Estimates Reports (1995-1998) have all noted that China's auto policy violates the terms of the bilateral Memorandum of Understanding (MOU) reached in 1992. The areas of market access, export subsidies and trade-related investment measures, among others, were cited in the reports. Despite the consistent recognition of these trade agreement violations, the Administration has taken no action to enforce U.S. rights under the MOU.

Soon, China's auto industrial policy will have been in place for five years. It is accomplishing its objective of attracting multinational investment and technology transfer to China. The Administration's hope that a WTO accession agreement would address this problem and prevent China from developing a competitive automotive industry through unfair policies and practices and discriminatory treatment is rapidly receding. Given this history, how would the Commission measure the impact of a WTO accession agreement in which China agreed to phase-out this policy over several years? With U.S. auto companies having made large investments in Chinese production, and under considerable pressure to invest much more, would the Commission still find that exports of competitive motor vehicles to China would increase? How would the Commission assess the potential for a rapid increase in Chinese exports of auto parts to the U.S.? The UAW is very concerned that the growth in automotive production capacity in China will exacerbate the already massive U.S. trade deficit with China by generating U.S. imports far greater than U.S. exports.

The UAW has equal concern about the active effort by China to promote its aerospace industry. With its large, government-controlled economy, China routinely makes demands for technology and production offset deals that U.S. companies rarely resist. As a result, civilian aircraft assembly is already taking place in China, as is production of a variety of sub-sections of complete aircraft, as well as aircraft parts and components production. Some of this production displaces U.S. exports and some is shipped back to the U.S., displacing production for the U.S. market. In both cases, American jobs in the aerospace industry are lost.

Production in China by U.S. aerospace companies involves transferring technology to local producers, training production and managerial workers in the advanced technology manufacturing techniques of the industry and building the infrastructure for industry growth and expansion. Under the Chinese government's direction, these developments are essential elements in the creation of a local industry that competes with U.S. producers. And there is no doubt that the Chinese government aspires to expand and strengthen its industry.

The Administration has not taken action to end these unfair Chinese government practices. There is no reason to believe that accession to the WTO by China would increase the U.S. government's leverage to eliminate these practices or prevent China from effectively pressuring U.S. producers to continue to transfer production and technology, and the jobs of American workers, to China in return for sales opportunities. How would the Commission build this situation into a model of the impact of China's WTO accession?

Recent developments in China expose two additional difficult areas in assessing the impact of WTO accession. Restructuring in China's economy, which is ongoing, could lead to the privatization or sell-off of some state-owned enterprises. Currently, many of these operations are receiving massive government subsidies to keep them running. While there are long-standing international trade rules on subsidies, the treatment of past subsidies that benefit newly privatized firms is not clearly established. China could have thousands of such firms conducting a substantial amount of international commerce. Will the subsidies embedded in the cost structure of such firms give them an advantage in trade? Will the subsidy rules be applicable to their production? How will the Commission model handle this issue?

The People's Liberation Army (PLA) is now a major economic force in China. Its factories account for sizable production of traded goods. There is a limited amount of information available on the PLA factories; how will the Commission handle this production in the modeling of the impact of WTO accession? How will the WTO's rules be applied to these operations? It has been reported that there is an effort underway in China to reduce the PLA's role in the Chinese economy; how will WTO rules be applied to products made in formerly-PLA factories that may become state-owned enterprises or privatized firms? Because the economic impact of these operations is large, the situation in China presents a new and different set of problems for those used to making assessments on the basis of market-driven economic decisions.

Finally, there is the situation of workers in China, which is particularly disturbing to UAW members. China has no independent unions and the use of forced labor, through the military and prison system, as well as child labor is widespread. Sadly, the situation in China appears to be growing even worse for workers who dare to attempt to create an independent voice in the workplace. Recent arrests and lengthy prison sentences demonstrate the resolve of China's government to repress efforts to create an independent union movement. American workers must not be forced to compete with products made under these horrendous conditions, without recourse to the provisions of U.S. law that address workers' rights, just because China becomes a member of the WTO.

It is the responsibility of the U.S. government to ensure that such unfair competition is prohibited, by incorporating worker rights provisions as core elements of all trade agreements, by vigorously enforcing U.S. trade laws that incorporate worker rights protections and by insisting on the inclusion of core labor standards in the rules of the WTO itself. Governments must not be allowed to suppress the cost of labor, just as they must not be allowed to suppress other costs of production to gain an advantage in international trade. The severity of the abuses in China and the size of the Chinese labor force demand that this injustice be remedied **before** China's accession to the WTO.

The UAW believes that the current $57 billion U.S. merchandise trade deficit with China is fed by China's violation of numerous existing trade agreements and commitments. We believe the greatest U.S. leverage to force China to live up to its commitments is now, before China accedes to the WTO. The Commission's assessment of the economic effects on the United States of China's accession to the WTO must not make the mistake of assuming that accession means compliance with WTO rules. For this International Trade Commission report to be useful, it must provide a realistic analysis of the structure of the Chinese economy and of the ways in which it is likely to change, and remain unchanged, as a result of WTO accession. We are ready to provide any assistance to the Commission or its staff that would be helpful in the development of such an analysis.

SB:vem
opeiu494

Office of the Deputy Under Secretary
U.S. Department of Labor
International Labor Affairs Bureau (ILAB)

FAX COVER SHEET

Date: ***April 5, 1999***
To: ***Malcolm Lee, 456-9290***
Jim Keith, 456-9520
Susan Shirk, 647-6820

From: ***Andrew J. Samet, 219-6043***

Fax number: (202) 219-5980

Number of Pages including this cover sheet: 5

If there is any problems receiving this fax please call (202) 219-6043

Remarks:

Attached are: 1) Joint statement of meeting between Secretary Herman and Minister Zhang; 2) Secretary Herman's press statement; and 3) list of jailed labor activists.

JOINT STATEMENT OF U.S. SECRETARY OF LABOR ALEXIS M. HERMAN AND PEOPLE'S REPUBLIC OF CHINA MINISTER OF LABOR AND SOCIAL SECURITY ZHANG ZUOJI

Washington, D.C., March 30, 1999

At their June 1998 Summit, President William Clinton and President Jiang Zemin reached a consensus to establish a U.S.-China Labor Dialogue, including reciprocal visits by Labor Ministers to exchange views and information.

In that regard, we met in Washington on March 30 to begin the Labor Dialogue. We discussed various elements of our labor market programs, core labor standards and related policy initiatives. Among the areas of exchange were employment creation policies, labor market training programs, social security and pension programs, unemployment and health insurance programs, and labor legislation. We also exchanged views about the importance of fundamental labor rights recognized by the International Labor Organization.

As part of the initial labor dialogue, Minister Zhang also met with representatives of U.S. workers and employers.

We also discussed next steps in our dialogue. We agreed to create a Working Group of senior officials of our two ministries to develop further proposals for cooperative activities in the areas of mutual interest mentioned above. We agreed that this Working Group should meet once a year, or as appropriate, and report to us on the progress of its work.

We have agreed that we will continue our dialogue in Beijing in the Fall of 1999.

Opening Press Statement of Secretary of Labor Alexis M. Herman
Joint Press Conference with Zhang Zuoji, Minister of Labor and Social Security, China
Tuesday, March 30, 1999

Good afternoon. I wanted to take a few minutes to tell you about the discussions I held today with China's Minister of Labor and Social Security Zhang Zuoji.

Today's visit comes at the request of President Clinton and Chinese President Zhang Zemin. At the June 1998 summit meeting of our two leaders, the US and China agreed to establish a US-China Labor Dialogue. This called for the U.S. Secretary of Labor and China's Minister of Labor and Social Security to undertake reciprocal visits, and to exchange views and information on policies related to labor markets, social safety net issues, and core labor standards.

Today we have followed through on that commitment. And as we near the conclusion of our meetings, I would say that Minister Zhang and I share an understanding that the labor dimension is a vital component of the economic dialogue in our respective nations. We both recognize that the strength of our economies is tied to the strength of our workers.

Minister Zhang is working hard to bring China forward in terms of labor market policies. Over the past few years, China has moved to reform both its labor market system and to create a new set of social safety net institutions–including social security and unemployment insurance. We provided Minister Zhang an opportunity to learn how we do things in the United States by facilitating meetings with our key experts here in the Department of Labor and with officials at the Social Security Administration and the Department of Health and Human Services.

Our meeting also served as an important opportunity for me to directly restate the United States' commitment to core labor standards and respect for the rights of workers.

Last year, China joined the United States and almost every member nation of the International Labor Organization in adopting a new Declaration on Fundamental Rights and Principles at work, and a follow-up mechanism to measure compliance. These rights include: Freedom of association, the right of collective bargaining, non-discrimination, and the abolition of forced labor.

These are critical rights and whenever and wherever they are not upheld--the credibility and authority of the global economic system is undermined.

I emphasized to Minister Zhang that the worldwide implementation of core labor standards is a top priority of the United States, and that the basis of our relationships with other ministries is an underlying commitment to providing workers with the proper protections, opportunities, and basic rights.

We also exchanged views about the United States deep concern regarding the detention, arrest, and imprisonment of persons for labor related activities.

As President Clinton has said, it is important for China to be on the right side of history. And as we move forward together into the 21st century, history's mandate is clear: respecting the rights of workers is fundamental to sustainable development, building a strong middle class, and making sure that societies work for working people.

Let me conclude by saying that we had a frank, open and productive exchange. It was a good beginning. I think that we both learned a great deal about our countries interests and concerns, and had the opportunity to be candid about our differences. And we both had a chance to gain much insight into each others perspectives.

We intend to build upon what we started today. In that regard, we agreed that I will visit Beijing in September to continue our dialogue–and I look forward to that visit this fall.

With that, allow me to turn it over to Minister Zhang.

Li Bifeng
Zhang Shanguang
Yang Qinheng
Wang Miaogen
Yao Guisheng
Zhang Jingsheng
Wang Changhuai
Li Wangyang
Chen Gang
Peng Shi
Liu Zhihua
Guo Yunqiao
Mao Yuejin
Hu Min
Wang Zhaobo
Huang Lixin
Huang Fan
Wan Yuewang
Pan Quibao
Yuan Shuzhu
Yuan Hongbin
Xiao Biguang

Liao Hetang
Huang Zhong
Yuan Hongbin
Zheng Shaoqing
Chen Rongyan
Li Zhongmin
Liu Jingsheng
Hu Shigen
Kang Yuchun
Wang Guoqi
Lu Zhigang
Wang Tiancheng
Chen Wei
Zhang Chunzhu
Li Quanli
Zhang Xiong
Zhou Min

THE WHITE HOUSE

WASHINGTON

TO: Distribution

FROM: Gay Joshlyn - NEC

RE: NEC Meeting on U.S.-China Labor Ministers Dialogue

Secretary of Labor Alexis Herman will host a visit by the Chinese Minister of Labor and Social Security Zhang Zuoji on March 29-30. Malcolm Lee and Jeff Bader will co-chair a meeting on DOL's plans for the dialogue on Friday, March 12 at 2:00 PM in OEOB Room 239. Attached is a background prepared by Deputy Under Secretary for International Labor Affairs Andrew Samet.

Please fax clearance information (name, social security number and DOB) to the NEC's David Noyce 456-2223 (fax). His phone number is 456-5362. Plus-ones are fine.

Malcolm Lee	NEC/NSC
Jeff Bader	NSC
Andrew Samet	DOL
Susan Shirk	State
Leslie Gerson	State
Bob Cassidy	USTR
Keri Dohn	Commerce
Meg Lundsager	Treasury
Sarah Rosen	NEC
Steve Naplan	NSC

cc: Gene Sperling
Lael Brainard
James Steinberg

MEMORANDUM OF UNDERSTANDING REGARDING MUTUAL COOPERATION ON ISSUES CONCERNING LABOR MARKETS AND CORE LABOR STANDARDS BETWEEN THE UNITED STATES OF AMERICA AND THE PEOPLE'S REPUBLIC OF CHINA

Secretary of Labor Alexis M. Herman, representing the Government of the United States of America (U.S.), and Minister of Labor and Social Security Zhang Zuoji, representing the Government of the People's Republic of China (PRC) ("the Participants"), meeting in Washington, DC, on March 30, 1999:

RECALLING that U.S. President William J. Clinton and PRC President Jiang Zemin held Summits in October, 1997 and June, 1998 at which they deepened U.S.-PRC cooperation on a broad range of issues, thereby contributing toward a more secure, open and prosperous world, and

NOTING that this Memorandum of Understanding ("Memorandum") is in furtherance of the agreement of Presidents Clinton and Jiang at their June 1998 Summit to establish the U.S.-China Labor Dialogue with the following mandate:

> The Labor Ministers of the United States and China will undertake reciprocal visits in the near future to exchange views and information on policies and issues related to labor markets and core labor standards, including, for example, issues such as employment creation policies, labor market training programs, labor statistics, a social safety net for workers, health and safety, and labor law reform

IN FURTHERANCE OF the agreement of Presidents Clinton and Jiang to establish the U.S.-China Labor Dialogue, the Participants have reached the following understanding:

1. To realize the benefits of cooperation pursuant to this Memorandum, the Participants hereby create a Working Group to develop cooperative activities as specified below, or as may be subsequently decided upon.

2. The areas of cooperation may include the following:

a. labor market adjustment programs

b. core labor standards

c. employment creation policies

d. labor market training programs

e. labor statistics

f. social safety net programs

g. health and safety issues

h. labor law reform

i. gender issues

j. issues concerning migrant workers

k. other areas as may be decided upon

3. The Working Group should be composed of senior officials representing the U.S. and the PRC designated by the appropriate authorities on each side. The Working Group should meet at least once a year, alternating between Washington and Beijing, in order to develop a work plan and review the progress of activities undertaken pursuant to this Memorandum. Other occasional meetings may be held as necessary, and joint activities, such as symposia or round tables, may be sponsored. The Working Group should produce a report on the outcome of its work at least once a year.

4. Where it considers necessary, in order to improve the implementation of this Memorandum, and to maximize its effectiveness, the Working Group may invite contributions from the representatives of workers and employers through the appropriate mechanisms.

5. Cooperative activities to be undertaken by the Working Group may be implemented through: (a) exchange of delegations, professionals and specialists, to include study visits; (b) exchange of information, standards, regulations and procedures, to include publications and monographs; (c) organization of joint conferences, seminars, workshops and meetings; (d) development of collaborative projects or demonstrations; (e) joint research projects, or (f) other forms of cooperation that may be decided upon.

6. The nature and extent of cooperative activities undertaken by the Working Group should be mutually decided and should be subject to the availability of personnel and duly authorized and appropriated funds. Each side bears the costs for its participation in such activities unless decided otherwise. Nothing in this Memorandum creates or implies any financial or binding commitment on the part of either side.

7. Overall coordination of the Working Group and its activities shall rest with the Bureau of International Labor Affairs of the Department of Labor of the U.S. and the Department of International Cooperation of the Ministry of Labor and Social Security of the PRC. Representatives of these offices will confer as necessary to review the implementation of this Memorandum and to develop future cooperative activities within the framework of this Memorandum. Both sides should designate coordinators for each cooperative activity that is undertaken. Coordinators should serve as the initial points of contact for the implementation and development of cooperative activities.

8. Activities under this Memorandum should commence upon the date of the signatures below and continue for a period of five years. The Memorandum may be amended or extended by written consent of the Participants. Either Participant may terminate this Memorandum one hundred and twenty days after written notification to the other Participant of its intention to do so.

Signed in Washington, D.C. in duplicate, March 30, 1999.

ALEXIS M. HERMAN	ZHANG ZUOJI
FOR THE UNITED STATES OF AMERICA	FOR THE PEOPLE'S REPUBLIC OF CHINA

U.S. Department of Labor

FAX TRANSMISSION

DEPUTY UNDER SECRETARY FOR
INTERNATIONAL LABOR AFFAIRS
200 CONSTITUTION AVENUE, N.W.
WASHINGTON, D.C. 20210
TELEPHONE: (202) 219-6043
FACSIMILE: (202) 219-5980

To: Mr. Malcolm Lee **Date:** 3/10/99

202 456-~~9246~~ 9290 **Pages:** [6] **including this cover sheet.**

Fax #:

From: MacArthur DeShazer

Subject: Visit of Chinese Labor Minister
Meeting Request

COMMENTS:

Please find attached a discussion paper, a notional schedule for the minister's meeting and a list of participants. Thank for your support... Sorry this is late -- hope you can still support us. Thanks

If you experience problems receiving this fax, please call (202) 219-6043.

Working for America's Workforce

U.S. Department of Labor

Deputy Under Secretary for
International Affairs
Washington, D.C. 20210

MEMORANDUM FOR MALCOLM LEE, THE WHITE HOUSE

FROM: **Andrew Samet, Deputy Under Secretary for International Labor Affairs**

DATE: **March 10, 1999**

SUBJECT: **Visit of Chinese Labor Minister Zhang Zuoji**

Background

U.S. Secretary of Labor Alexis Herman will host a visit by the Chinese Minister of Labor and Social Security, Zhang Zuoji, to Washington on March 29-30. The minister, who will lead a six-person delegation, will visit the Department of Labor on March 30 and will sign a Memorandum of Understanding with Secretary Herman. He will also meet with officials of the Social Security Administration, the Department of Health and Human Services, and HHS' Health Care Financing Administration (HCFA) on March 29.

The meeting is the first step taken to follow up the Clinton-Jiang Zemin summit of June 1998 where the two countries agreed to establish a US-China Labor Dialogue. This called for the Secretary and Minister of Labor to undertake reciprocal visits, exchange views and information on policies related to labor markets and core labor standards, and social safety net issues.

Significance

The meeting has several significant elements as follows:

- First, China's request for technical assistance from the USDOL represents a significant step in China's movement toward the implementation of a free market. The Chinese request for information on social security insurance, health financing, and unemployment insurance represent a significant foray into large-scale, self-funded, insurance systems used in free market economies.
- Second, China's agreement to initiate a dialogue on worker rights and labor standards issues, coupled with their agreement to meet with private sector representatives, represents a significant step in their approach to this issue.
- Third, the meeting will provide representatives of the AFL-CIO and representatives of the U.S. business community an opportunity to express their views directly to the Minister.

DOL to need dobin

Message

Secretary Herman will communicate that the future of the relationship will depend on China's commitment to improve its record on workers rights and standards. The Secretary will express a strong willingness to have the USDOL assist China develop free-market social safety net institutions and processes and other mechanisms that will enable China to better protect workers, create a more efficient labor market, and help spur more equitable and broad-based growth.

The Secretary will express concern about the current labor rights/standards situation in China. She will state that cooperation on the technical elements of the agenda will be related to a genuine, demonstrable commitment on the part of China to improving its worker rights and labor standards record. The different components listed in the MOU are a complete package and it is our sincerest hope that this package is moved ahead in a positive manner. The Secretary will also explain that the basis of USDOL's relationships with all other ministries is an underlying commitment to equipping workers with the tools to build their own future. This means providing proper protections, opportunities, and basic rights. DOL will seek to discuss these issues in a carefully nuanced and non-confrontational manner, but the ultimate message will be that the future is dependent on China's words and deeds. The ball is in China's court.

Issues to be Discussed

The following issues will be discussed during the meeting:

- The interagency perspective on the China Labor Minister's visit in view of the current political climate and discussion of the notional itinerary.
- China's request to discuss U.S. labor market, the U.S. unemployment insurance system, and information about training and displaced workers.
- An agenda for worker rights issues and core labor standards.
- A discussion of the delegation's meeting with representatives of the AFL-CIO and the business community.

The meeting on the US labor market will feature a presentation by DOL's Chief Economist, the Commissioner of the Bureau of Labor Statistics, and the Counselor to the Secretary. The Secretary will personally lead the discussions pertaining to labor rights and standards.

The venue for all meetings is the Department of Labor.

The Memorandum of Understanding

The MOU establishes a framework under which the labor dialogue can proceed by delineating possible areas of cooperation and how these activities might be conducted. It contains no binding language and does not call upon the U.S. to make any financial or other commitments. A draft of the MOU is currently being evaluated by the Department of State and the USDOL's Office of the Solicitor.

Other Events

The Secretary of Labor will host a dinner at 7:00 PM on March 30 for the Minister and his delegation. Among those invited will be: members of the Chinese delegation and possibly key embassy officials; key DOL officials; labor representatives; business representatives; officials of HHS and SSA; officials of Dept. of State, NSC, NEC; representatives of NGOs; and possibly members of Congress. Depending on her schedule, the Secretary of Labor may also host a luncheon for the delegation and DOL officials with whom the Chinese met.

Attachments

Draft March 10, 1999

Notional Itinerary
Visit of Chinese Labor Minister Zhang Zuoji

March 29

Meetings at Department of Health and Human Services and Social Security Administration

March 30:

At U.S. Department of Labor, Washington, D.C.

9:00 - 10:00	Introductory meeting with Secretary Herman
10:15 - 11:00	Meeting with Secretary's Counselor, Commissioner of Bureau of Labor Statistics and Chief Economist Discussion of labor market issues
11:15 - 12:15	Meeting with Officials of Employment and Training Administration Discussion of training and skills development, dislocated worker programs, unemployment insurance
12:30 - 2:00	Lunch
2:00 - 2:45	Meeting with Secretary Herman: Discussion of MOU and issues of mutual interest
3:00 - 3:20	Signing of MOU and Press Conference
3:30 - 4:30	Meeting with Officials of AFL-CIO
4:30 - 5:30	Meeting with Officials of the Business Community
7:00 - 10:00	Dinner/ Reception w/Secretary Herman

Participants in USDOL-MOLSS discussions

USDOL Officials

Alexis Herman, Secretary of Labor
Andrew Samet, Deputy Under Secretary for International Affairs
MacArthur DeShazer, Associate Deputy Under Secretary for International Affairs
Katherine Abrahams, Commissioner, Bureau of Labor Statistics
Raymond Bramucci, Assistant Secretary, Employment and Training Administration
Harry Holzer, Chief Economist
Edward Montgomery, Counselor to the Secretary

Chinese Delegation

Zhang Zuoji, Minister of Labor and Social Security (MOLSS)
Liu Yongfu, Director General for General Affairs, MOLSS
Li Donglin, Director General for International Cooperation, MOLSS
Hu Xiaoyi, Director General for Social Insurance Administration, MOLSS
You Jun, Division Director of Department of General Affairs, MOLSS
Zhu Yukun, Division Director of Department of International Cooperation, MOLSS
Chinese Embassy Official to be named

JOINT STATEMENT OF U.S. SECRETARY OF LABOR ALEXIS M. HERMAN AND PEOPLE'S REPUBLIC OF CHINA MINISTER OF LABOR AND SOCIAL SECURITY ZHANG ZUOJI

Washington, D.C., March 30, 1999

At their June 1998 Summit, President William Clinton and President Jiang Zemin reached a consensus to establish a U.S.-China Labor Dialogue, including reciprocal visits by Labor Ministers to exchange views and information.

In that regard, we met in Washington on March 30 to begin the Labor Dialogue. We discussed various elements of our labor market programs, core labor standards and related policy initiatives. Among the areas of exchange were employment creation policies, labor market training programs, social security and pension programs, unemployment and health insurance programs, and labor legislation. We also exchanged views about the importance of fundamental labor rights recognized by the International Labor Organization.

As part of the initial labor dialogue, Minister Zhang also met with representatives of U.S. workers and employers.

We also discussed next steps in our dialogue. We agreed to create a Working Group of senior officials of our two ministries to develop further proposals for cooperative activities in the areas of mutual interest mentioned above. We agreed that this Working Group should meet once a year, or as appropriate, and report to us on the progress of its work.

We have agreed that we will continue our dialogue in Beijing in the Fall of 1999.

STATEMENT BY
PRESIDENT WILLIAM JEFFERSON CLINTON AND PREMIER ZHU RONGJI
April 10, 1999

On the occasion of the signing of the Sino-U.S. Agriculture Cooperation Agreement, President William Jefferson Clinton and Premier Zhu Rongji reaffirmed that the United States and the People's Republic of China have advanced substantially their common goal of China's admission to the World Trade Organization (WTO). This Agreement and the significant consensus achieved on a broad range of market access and Protocol issues have further advanced that goal. President Clinton and Premier Zhu welcome this significant progress. The United States strongly supports the accession of the People's Republic of China to the WTO in 1999. Therefore, President Clinton and Premier Zhu instruct their trade ministers to resume bilateral negotiations in order to satisfactorily resolve the important remaining issues and reach agreement on strong commercial terms as soon as possible.

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April __, 1999

MEMORANDUM OF UNDERSTANDING

Our two governments have engaged in a series of intensive bilateral negotiations regarding China's accession to the World Trade Organization (WTO). As a result of those negotiations, our governments have reached agreements on a wide range of market access commitments, including schedules for market access for industrial and agricultural goods and most services commitments, which are subject to verification and rectification. (Attachment 1.) Certain matters remain to be discussed in banking, including consumer auto finance, securities, audio visual services, and textiles and apparel.

Second, we have reached agreement on several texts that set out commitments that China will undertake in its WTO Protocol or Working Party Report. We have also reached agreement on several other Protocol commitments, subject to resolution of the issue of duration of provisions governing dumping and product safeguards. (Attachment 2.)

To maintain the momentum in these negotiations, we will review and verify the schedules and Protocols agreed during the negotiations. Further, negotiators will work to resolve outstanding issues identified above and continue work on other aspects of China's WTO accession package.

Both parties agree that this Memorandum of Understanding and attached documents will not be released to the public.

____________________	____________________
Long Yong Tu Vice Minister Ministry of Foreign Trade and Economic Cooperation	Ambassador Peter Scher Special Trade Negotiator

Attachments

April __, 1999

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Vice Minister
Ministry of Foreign Trade and
Economic Cooperation

Ambassador Peter Scher
Special Trade Negotiator

Attachments

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Attachments

U.S. Is Asking Too Much, Zhu Complains

By STEVEN MUFSON
Washington Post Staff Writer

Chinese Premier Zhu Rongji last night lashed out at the Clinton administration for demanding too many concessions for China's entry into the World Trade Organization and warned, "If you want too much, too soon, you might wind up with nothing."

The Chinese leader, speaking to the America-China Society, said that even though competition from foreign firms would stimulate the development of China's industries, "this opening up can't happen too quickly. . . . Otherwise, we might wind up with the kind of turbulence we saw in Southeast Asia over the past couple of years."

"We are a developing country," he said. "We have done all a developing country is able to do."

Zhu criticized U.S. officials for complaining about the trade deficit with China while restricting U.S. exports of technology that China wants to buy. "If the U.S. decides that everything has a military application . . . if you can't sell us satellites and computers, if wheat and citrus fruits are the only products you want to sell us, how can we reduce the trade deficit?" Zhu asked.

Although Zhu pressed hard for a WTO agreement in the two weeks leading up to Thursday's meeting with President Clinton, last night he said, "We are not insisting that this be signed here and now." He said he believes it was the fear of a backlash in Congress rather than substantive issues that had blocked a resolution of the remaining differences.

Zhu also hinted that he might not be as committed as the White House has claimed to the list of concessions the administration released Thursday after days of negotiations. The concessions would slash tariffs and dismantle a host of trade barriers in return for entry into the trade body.

"We have not agreed to all those things," Zhu said without elaborating. He said that China's top trade negotiator, Wu Yi, and National Security Council aide for Asia Kenneth Lieberthal were negotiating last night over "new complications."

U.S. Trade Representative Charlene Barshefsky said Thursday that the Chinese concessions were locked in. "We have captured and memorialized, in agreement language, what has been achieved," she said. Last night, her spokesman, Jay Ziegler, responding to Zhu's comment, added, "The premier is right that there is no final agreement. But the joint statement reflects all the commitments which have been agreed to."

The remarks were the bluntest and most combative yet from Zhu, who is on a nine-day tour of the United States.

He specifically rejected U.S. demands to let American firms buy controlling stakes in telecommunications companies and threatened to turn to European companies if Americans fail to seize the market openings offered by Chinese negotiators.

"Let's work together and grab this opportunity. Otherwise, I'll have to let the Europeans have it," he said. China has offered to let foreign firms buy no more than 30 percent of telecommunications companies.

Meeting American demands is "possible, but in time," Zhu said. "You have a Congress, and so do I."

Zhu began his day with a breakfast meeting at Blair House. Flanked by conservative Sens. William V. Roth Jr. (R-Del.) and Strom Thurmond (R-S.C.), Zhu reached way across the political spectrum to appeal for support for China's entry into the WTO.

Zhu "was almost singularly focused on trade and WTO," said one of the 15 members of Congress who attended. But the U.S. lawmakers nevertheless used the occasion to raise their own concerns, ranging from human rights to weapons proliferation.

Zhu told the lawmakers that Clinton lacked the "courage" to strike a deal on China's admission into the WTO in the current political climate in the United States. "Zhu said he hoped we'd support WTO and use our influence on other members," said Rep. David Wu (D-Ore.). But Wu said there were not many changes in views.

Later, Zhu joined Vice President Gore to open a joint forum on the environment and development while Foreign Minister Tang Jiaxuan and Secretary of State Madeleine K. Albright signed an agreement doubling commercial airline flights between the two countries.

China and the United States are the biggest producers of greenhouse gases, which many scientists believe contribute to global warming. Zhu and Gore agreed on the need to reconcile economic development and environmental protection.

While Zhu had plenty of advice for his American hosts, the Taiwan-born Wu reciprocated by citing a Soong Dynasty reformer who was viewed as effective, but who was later executed by his emperor. Today, a statue in the Chinese city of Suzhou shows the reformer standing and the emperor prostrate. Wu said Zhu had a choice on whether a future statue would show the Chinese premier standing or prostrate.

STATEMENT BY
PRESIDENT WILLIAM JEFFERSON CLINTON AND PREMIER ZHU RONGJI
April 9, 1999

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- CB Find her + meet w/ her

- suspension

MW could not sign schedule alert acum have not must Acum

R – Need must acum signed on an real agent.

- CB needed to come see you

->

- Lory + Peter

-

~~CONFIDENTIAL~~
NSC/RMO PROFILE

RECORD ID: 9902799
RECEIVED: 14 APR 99 18

TO: PRESIDENT

FROM: ZHU RONGJI

DOC DATE: 14 APR 99
SOURCE REF:

KEYWORDS: CHINA P R HS

PERSONS: JIANG ZEMIN

SUBJECT: THANKS POTUS FOR HOSPITALITY

ACTION: APPROPRIATE ACTION DUE DATE: 26 APR 99 STATUS: S

STAFF OFFICER: KEITH LOGREF:

FILES: PA NSCP: CODES:

D O C U M E N T   D I S T R I B U T I O N

FOR ACTION	FOR CONCURRENCE	FOR INFO
KEITH		BERGER
		BRAINARD, L
		DAVIES
		HAMMONDS
		KERRICK
		LEE
		LIEBERTHAL
		SCHWARTZ
		STATE
		STEINBERG

DECLASSIFIED
E.O. 13526
White House Guidelines, September 11, 2006
By VZ NARA, Date 2/1/2017
2010-1024-F

COMMENTS:

DISPATCHED BY ______ DATE ______ BY HAND W/ATTCH

OPENED BY: NSDMK CLOSED BY: DOC 1 OF 1

~~CONFIDENTIAL~~

2799

(Translation)

April 14, 1999

The Honorable William J. Clinton
President of the United States of America
Washington, D.C.
The United States of America

Dear Mr. President,

Upon the successful conclusion of my official visit to your country, I would like to join my wife and my colleagues in expressing our heartfelt thanks to you, your wife and the Government and people of the United States for the gracious and friendly hospitality accorded to us.

During my visit to your country, Mr. President and I had an in-depth exchange of views on China-US relations as well as major international and regional issues. We both agreed to further expand, on the basis of the successful exchange of visits between you and President Jiang Zemin, the mutually beneficial cooperation between our two countries and bring China-US relations closer to the goal of a constructive and strategic partnership. My trips to the various cities in the US in the past few days enabled me to have broad contacts with the American people. Wherever I went, I was deeply impressed by their friendly sentiments towards the Chinese people. Their friendship fully shows that there is a solid foundation for the development of a sound China-US relationship.

Thanks to the joint efforts by both sides, my visit achieved our expected objective of enhancing understanding, building up trust and promoting cooperation. It will play a positive role in pushing for the further development of China-US relations. I am confident that, with the continuous efforts by our two Governments and peoples, we will surely be able to bring into the new century a sound and stable China-US relationship.

Zhu Rongji
Premier of the State Council of
the People's Republic of China

朱镕基总理致克林顿总统的感谢电

华盛顿

美利坚合众国总统克林顿

总统先生：

在圆满结束对美国的正式访问之际，我和我的夫人及同事，对你和你的夫人，对美国政府和人民给予我们的热情友好接待，表示诚挚的谢意。

在贵国访问期间，我同总统先生就中美关系和重大国际及地区问题深入地交换了意见。我们一致同意在江泽民主席和总统先生成功互访的基础上，进一步扩大两国的互利合作，推动中美关系朝着建设性战略伙伴关系的目标前进。几天来，通过在美国各地的访问，我有机会广泛地接触了美国人民。每到一处，美国人民对中国人民的友好情谊给我留下了深刻的印象。这充分说明，中美发展良好的关系有着坚实的基础。

通过中美双方的共同努力，这次访问达到了增进了解、加强信任、推进合作的预期目的，必将对中美关系的进一步发展产生积极推动作用。我坚信，通过中美两国政府

和人民的继续努力，我们一定能够把健康、稳定的中美关系带入新世纪。

中华人民共和国
国务院总理　朱镕基

一九九九年四月十四日

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