

FOIA MARKER

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Folder Title:

China (April to August 1999, Post Zhu Visit) [1]

Staff Office-Individual:

National Economic Council-Lee, Malcolm

Original OA/ID Number:

CF 1176

Row:	Section:	Shelf:	Position:	Stack:
23	5	5	3	V

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. draft	Briefing Memo for Telephone Call with Jiang Zemin. Record ID: 9903714. (4 pages)	05/13/1999	P1/b(1)
002. draft	Duplicate of 001. (2 pages)	05/13/1999	P1/b(1)
003. email	White House Situation Room to Alexander Arvizu, James Keith, Kenneth Lieberthal, et al. Subject: Zhu and Jiang. (3 pages)	05/14/1999	P1/b(1)
004. email	White House Situation Room to Anthony Blinken, Leslie Davidson, Stephen Flanagan et al. Subject: Explaining Belgrade. (2 pages)	05/14/1999	P1/b(1)
005. email	White House Situation Room to Alexander Arvizu, Holly Hammonds, Richard Holtzapple et al. Subject: Hard-liners Press Jiang Zemin. (3 pages)	05/14/1999	P1/b(1)
006. email	Duplicate of 005. (3 pages)	05/14/1999	P1/b(1)
007. draft	Letter to Jiang Zemin. (1 page)	c. 05/1999	P1/b(1)
008. email	Malcolm Lee to Melissa Green, Lael Brainard, Sharon Yuan and Johnathan Kaplan. Subject: Update on Thoughts. (3 pages)	05/11/1999	P1/b(1)
009. email	White House Situation Room to Alexander Arvizu, Holly Hammonds, Richard Holtzapple, James Keith et al. Subject: State Councilor Wu Yi. (4 pages)	05/10/1999	P1/b(1)
010. email	White House Situation Room to Alexander Arvizu, Holly Hammonds, Richard Holtzapple, James Keith et al. Subject: China WTO: Support at Top. (3 pages)	05/07/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Economic Council
Malcolm Lee
OA/Box Number: CF 1176

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China (April to August 1999, Post Zhu Visit) [1]

2010-1024-F

vz1834

RESTRICTION CODES

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

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

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PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

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011. email	White House Situation Room to Alexander Arvizu, Holly Hammonds, Richard Holtzapple, James Keith et al. Subject: EU WTO Talks Inconclusive. (3 pages)	05/07/1999	P1/b(1)
012. email	Duplicate of 009. (3 pages)	05/07/1999	P1/b(1)
013. email	Malcolm Lee to Sharon Yuan at 3:58 PM. Subject: China WTO Conference Call. [partial] (1 page)	05/10/1999	b(2)

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Lee, Malcolm R.

From: WHSR
Sent: Thursday, May 13, 1999 2:24 PM
To: Arvizu, Alexander A.; Hammonds, D. Holly; Holtzapple, Richard A.; Keith, James R.; Lee, Malcolm R.; Lieberthal, Kenneth G.; Osius, Theodore G.; Pritchard, Charles (Jack) L.; Schaefer, Matthew P.; Shah, Sonal R.
Subject: TRADE-CHINA-USA

CLASS: WASHINGTON DATELINE
ORIG: Reuters
PREC: RUSH
TOR: 990513142123 R0163004

a2694

^BC-TRADE-CHINA-USA

^U.S. waiting for "clear" signal on China WTO talks

By Donna Smith

WASHINGTON (Reuters) - The United States is waiting for a clear signal from Beijing on whether negotiations on a key trade deal can resume following the mistaken NATO bombing of the Chinese embassy in Belgrade, a senior U.S. trade official said on Thursday.

Deputy U.S. Trade Representative Richard Fisher said the U.S. was eager to resume talks with Beijing on a market opening trade deal that will clear the way for U.S. approval of China's entry into the World Trade Organization (WTO).

"We're waiting for a clear signal," Fisher told reporters following a speech to a Republican congressional group.

Talks planned for next week in Beijing have been thrown in doubt by the accidental bombing, which killed three Chinese journalists and injured 20 people. The attack prompted days of angry protests in which the U.S. embassy in Beijing was splattered with debris and the residence of the American consul-general in Chengdu was destroyed by fire.

Assistant U.S. Trade Representative Robert Cassidy was due to go to Beijing next week to try to finish the deal, which eluded negotiators last month during Premier Zhu Rongji's visit to Washington.

That trip is up in the air, but U.S. officials say privately he is ready to go if Beijing gives the green light.

Timing of the deal is important, U.S. officials said.

Business groups and members of Congress who like what they have seen so far in terms of what China has offered want see the agreement completed by the end of May.

That would allow them to vote on the issue of granting China permanent trade privileges with the United States quickly. Congress has no say on whether the United States approves China's entry into the WTO, but lawmakers do have to vote on granting Beijing Normal Trade Relations (NTR).

Currently China's NTR is reviewed annually, and President Clinton has to tell Congress by June 3 that he plans to renew it for another year. Congress has to vote on the issue before they recess for the summer, expected at the end of July. Business groups and administration officials said they would like to consider the question of giving China permanent trading privileges during that debate.

"Let's hope (the administration) can get this done in time so we can have one vote for permanent NTR for China," House Ways and Means Committee Chairman Bill Archer, a Texas Republican, told the group.

Failure to win a deal by June will mean two votes -- one on renewing China's trade privileges for another year and a second on the issue of permanent NTR. The second vote could be delayed until next year. NTR gives Chinese goods the same low-tariff access to U.S. markets that is granted nearly every other

country in the world.

"This is a time when we should push very hard to have that agreement," Rep. Doug Bereuter, a Nebraska Republican, told the group.

Separately, Sen. Max Baucus, a Montana Democrat, said if a deal could be wrapped up quickly, Congress would have time to consider giving China permanent NTR during the debate for annual renewal.

^REUTERS

RB-- 05/13/99 14:07:00

Lee, Malcolm R.

From: WHSR
Sent: Friday, May 14, 1999 5:14 AM
To: Arvizu, Alexander A.; Hammonds, D. Holly; Holtzapple, Richard A.; Keith, James R.; Lee, Malcolm R.; Lieberthal, Kenneth G.; Osius, Theodore G.; Pritchard, Charles (Jack) L.; Schaefer, Matthew P.; Shah, Sonal R.
Subject: CHINA:FurtheronSpokesm
CLASS: INTERNATIONAL
ORIG: FBIS
PREC: RUSH
TOR: 990514050940 F0169752

F4074
FBIS S 074MAY14
UNCLAS 1A

CHINA: Further on Spokesman Reassuring Foreign Investors OW1405091099
Beijing China.Radio International (Internet Version) in English 14
May 99

From the "Current Affairs" program]

[FBIS Transcribed Text] Zhu Bangzao said that the various protests of the Chinese people during the past few days showed their great indignation. Their acts have fully demonstrated their solemn and justified stance and their firm determination in safeguarding national sovereignty and maintaining national dignity.

Spokesman Zhu was responding to remarks made by US Secretary of Defense William Cohenduring a Senate hearing. The US official said that the Chinese people's outrage over the bombing of their embassy in Belgrade is understandable, but that expressions of justifiable anger are different from intentionally making use of the incident.

The Chinese spokesman says William Cohen disregards facts in describing the actions of the Chinese people as "intentional utilization," and has therefore confused right from wrong.

China has lodged a strong protest over Cohen's remarks.

Zhu Bangzao urged the United States to take concrete action in response to China's just and solemn demands following NATO's attack on Chinese embassy in Yugoslavia. He says the US must not shirk its responsibility and make irresponsible remarks about the just actions of the Chinese people, or it will face even stronger protests from them.

The spokesman said the Chinese Government firmly supports and protects all legal protest activities in accordance with law.

When asked how China will maintain the confidence of foreign investors, Zhu Bangzao said China will maintain its previous foreign and internal policies. It will deepen its reform, opening and modernization drive. China will continue to develop friendly and mutually beneficial ties with other countries.

Zhu Bangzao pointed out that the attack on the Chinese Embassy damaged the constructive atmosphere of Sino-US negotiations on China's entrance into the WTO. He said the accession to the WTO is essential to China's reform and opening.

However, he emphasized that China will only join the WTO as a developing country and will not sacrifice its fundamental interests

- FM Spokesperson
WTO access essential to reform
opening & to China
dev. country will not sacrifice
fund interests
- Bennett, Roth, ~~Bauer~~ Bauer
all

in exchange for entry. He urged the United States and other parties concerned to follow through on the commitments they have made to China.)

[Description of source: Beijing China Radio International in English -- official PRC radio for the Western North American audience]

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14 MAY 0908z FBIS NNNN
FBIS 05/14/99 04:55:00

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FBIS 05/14/99 04:55:00

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CLASS: INTERNATIONAL
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Zhu Bangzao urged the United States to take concrete action in response to China's just and solemn demands following NATO's attack on Chinese embassy in Yugoslavia. He says the US must not shirk its responsibility and make irresponsible remarks about the just actions of the Chinese people, or it will face even stronger protests from them.

The spokesman said the Chinese Government firmly supports and protects all legal protest activities in accordance with law.

When asked how China will maintain the confidence of foreign investors, Zhu Bangzao said China will maintain its previous foreign and internal policies. It will deepen its reform, opening and modernization drive. China will continue to develop friendly and mutually beneficial ties with other countries.

Zhu Bangzao pointed out that the attack on the Chinese Embassy damaged the constructive atmosphere of Sino-US negotiations on China's entrance into the WTO. He said the accession to the WTO is essential to China's reform and opening.

However, he emphasized that China will only join the WTO as a developing country and will not sacrifice its fundamental interests

in exchange for entry. He urged the United States and other parties concerned to follow through on the commitments they have made to China.

[Description of source: Beijing China Radio International in English -- official PRC radio for the Western North American audience]

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14 MAY 0908z FBIS NNNN
FBIS 05/14/99 04:55:00

Lee, Malcolm R.

From: WHSR
Sent: Thursday, May 13, 1999 2:24 AM
To: Arvizu, Alexander A.; Hammonds, D. Holly; Holtzapple, Richard A.; Keith, James R.; Lee, Malcolm R.; Lieberthal, Kenneth G.; Osius, Theodore G.; Pritchard, Charles (Jack) L.; Schaefer, Matthew P.; Shah, Sonal R.
Subject: China-BusinessBacklas
CLASS: INTERNATIONAL
ORIG: AP/East
PREC: RUSH
TOR: 990513020657 A0157595

a0474

^PM-China-Business Backlash, Bjt,0746<

^U.S. business feels the impact of China protests<

^With PM-China-Yugoslavia<

^By JOE McDONALD=

^Associated Press Writer=

SHANGHAI, China (AP) Recovery will be arduous for Kentucky Fried Chicken. After it rebuilds restaurants wrecked by rampaging protesters, it faces a new threat: calls for Chinese to boycott the Colonel's chicken.

Protesters enraged at the NATO bombing of China's embassy in Yugoslavia want Chinese to shun everything American, from KFC and Coca-Cola to Motorola mobile phones.

"We definitely will see in the short term, maybe one to two months, our sales will fall. How much, we don't know," said Tony Chen, a spokesman for Tricorn Global Restaurants Ltd., which owns 310 KFC restaurants in China.

Chinese leaders say foreigners are welcome and safe, but at least for now the boycott threats, security alerts and the echo of anti-American chants have changed the atmosphere for U.S. businesses in China.

Companies say long-term plans will not be affected by the events of this week when Chinese leaders encouraged protesters to stone the U.S. Embassy in Beijing. But many canceled their executives' trips to China or told American employees to stay at home.

The biggest change could be in attitude among customers and business contacts.

"We have seen among the Chinese almost a love affair with things American, and it's not clear whether that will continue. People are less enthralled," said Michael Furst, executive director of the American Chamber of Commerce in China.

Chinese leaders have tried to reach out to foreign investors amidst the din of protests that equated Americans with Nazi Germany. In Shanghai, Mayor Xu Kuangdi visited General Motors Corp. and other companies Tuesday to reassure them, said Lawrence B. Zahner Jr., president of GM China.

American companies say they accept those assurances.

Boeing Co. denied rumors that it was evacuating some of the 100 Americans working in its 18 offices in China.

"We thought everyone would take advantage of this to stay home, but it's been business as usual," said Tom McLean, a spokesman for the aircraft maker.

A U.S. presence is vital to China, which relies on foreign companies for jobs and investment at a time of slowing growth and massive restructuring of state industry.

Kentucky Fried Chicken alone employs 23,500 people in China.

And U.S. business is one of Beijing's best friends, lobbying in Washington against trade sanctions and in favor of World Trade Organization membership for China.

But even basic precautions will force companies to postpone high-level meetings and crimp other activities.

British Petroleum has told its 20 British and American employees

in China to avoid public events and others to put off trips from abroad, said Jeremy Yao, general manager of BP's Shanghai office.

And companies like Kentucky Fried Chicken and McDonald's, with far-flung restaurant networks spread across China, are hard to protect. KFC's signature Colonel Sanders statues were smashed this week outside dozens of restaurants.

"We have to open our doors everyday for customers. A company like GM, General Electric or Motorola has much more flexibility," Chen said.

The protests come at a time when economic reformers led by Premier Zhu Rongji are struggling with hard-liners who oppose the broad concessions Zhu offered the United States last month for WTO membership.

The scale and intensity of protests in some 20 Chinese cities could boost the premier's opponents, said Zhu Nongfei of the consulting firm A.T. Kearney.

Even before the protests, a string of surprise events had made companies more wary about possible political shifts on WTO and other issues, said Bob Broadfoot of the Political and Economic Risk Consultancy in Hong Kong.

They included the January collapse of a major investment trust and an extraordinary silent protest in central Beijing last month by as many as 30,000 members of a martial arts group.

"There's going to be greater caution on the part of both Chinese and the foreign companies about when China is going to get into WTO. That has a really big impact," Broadfoot said.

Foreign companies are watching for a long-term political backlash.

"We don't see any impact right now, but it's still too soon to know for sure," said Brian Zhou, a spokesman in Beijing for the U.S. computer chip maker Intel Corp.

APE- 05/13/99 01:52:00

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APE- 05/13/99 01:52:00

Withdrawal/Redaction Marker

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
007. draft	Letter to Jiang Zemin. (1 page)	c. 05/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Economic Council
Malcolm Lee
OA/Box Number: CF 1176

FOLDER TITLE:

China (April to August 1999, Post Zhu Visit) [1]

2010-1024-F
vz1834

RESTRICTION CODES

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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(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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From: WHSR
 Sent: Tuesday, May 11, 1998 6:44 AM
 To: Arvizu, Alexander A.; Hammonds, D. Holly; Holtzapple, Richard A.; Keith, James R.; Lee, Malcolm R.; Lieberthal, Kenneth G.; Oslus, Theodore G.; Pritchard, Charles (Jack) L.; Schaefer, Matthew P.; Shah, Sonal R.; Sigler, Ralph H.
 Subject: TRADE-CHINA-USA
 CLASS: INTERNATIONAL
 ORIG: Reuters
 PREC: RUSH
 TOR: 990511062728 R0137174

80883

^BC-TRADE-CHINA-USA 1STLD

^FOCUS-China seeks U.S. action on WTO pledge
 (Adds quotes from spokesman, Hong Kong and Japanese ministers)

By Benjamin Kang Lim

BEIJING, May 11 (Reuters) - China said on Tuesday it hoped the United States would make good on a promise to back its entry into the World Trade Organisation this year following three days of violent anti-U.S. demonstrations in Beijing.

"We hope the U.S. side can fulfil its promise to resolutely support China's entry to the WTO this year with actual action," Foreign Ministry spokesman Zhu Bangzao told reporters.

Zhu was asked if negotiations with the United States on China's WTO entry would proceed as scheduled after incensed protests at the U.S. embassy in the Chinese capital over what NATO says was the mistaken bombing of Beijing's mission in Belgrade.

China whipped up anti-U.S. fury by declaring the NATO bombing deliberate and suspended military cooperation and dialogues on arms control and human rights with the United States.

The bombing cast a shadow on Beijing's efforts to join the WTO this year, Hong Kong Financial Secretary Donald Tsang said.

"Quite clearly, it will increase uncertainty in a way in which China will open up to the rest of the world, particularly to America, and perhaps on the WTO accession," he said.

But Zhu said China still wanted to join the WTO.

"China joining the WTO is in China's interest and also in the interest of all WTO members," he said.

The spokesman quoted Premier Zhu Rongji as saying China would "continue to insist on its policy of reform and opening."

The spokesman said he did not know whether U.S. Assistant Trade Representative Robert Cassidy would arrive on schedule on Sunday to resume negotiations which ended last month with what China said was no obvious result.

The U.S. State Department has suspended travel to China by all officials and urged other Americans to defer plans to visit, citing the "volatile" conditions sparked by the bombing.

Japanese Trade Minister Kaoru Yosano said quadrilateral trade talks in Tokyo between Japan, Canada, the United States and the European Union should not politicise the bombing, which killed three Chinese journalists and wounded more than 20 people.

"There is a tendency for this to become politicised, but we would like a calm discussion, treating the accidental bombing and efforts to expand world trade as separate issues," he said.

The China Business Times said Washington could speed up talks on China's 13-year WTO bid as a form of compensation for the bombing.

Washington was likely to "take some postures" on Sino-U.S. economic and trade relations after the bombing, the newspaper

cc:Gene

Lael: still searching

for specific Vice FM.

Statement on resuming

talks. Commerce mentioned
 it this morning.

CS

5/11/98

quoted Chinese scholars as saying.

"It will certainly hatch small favours on the economic side, for example promising to accelerate China's entry into the WTO and offer more economic interests within the WTO," it said.

But China should give top priority to national dignity in deciding whether to accept offers from the United States, the newspaper said.

"Academics pointed out that national and state dignity should be above everything else, it should be maintained even though a high price will be paid," it said.

((Beijing Newsroom +8610 6532-1921, Fax +8610 6532-4978
beijing.newsroom+reuters.com))

RB-- 05/11/99 06:14:00

Lee, Malcolm R.

From: Keith, James R.
Sent: Tuesday, May 11, 1999 1:00 PM
To: Lee, Malcolm R.
Subject: AUSTRALIAN VIEWS CHINESE ACCESSION TO THE WTO [UNCLASSIFIED]

CLASS: UNCLASSIFIED
DTG: 110056Z MAY 99
MSGTO: RUEHC/SECSTATE WASHDC 3648
ORIG: AMEMBASSY CANBERRA
PREC: ROUTINE
SSN: 1521
TOR: 990510211427 M3848446

-----Original Message-----

From: WHSR
Sent: Monday, May 10, 1999 9:31 PM
To: Arvizu, Alexander A.; Hammonds, D. Holly; Holtzapple, Richard A.;
Keith, James R.; Lee, Malcolm R.; Lieberthal, Kenneth G.; Osius,
Theodore G.; Pritchard, Charles (Jack) L.; Schaefer, Matthew P.; Shah,
Sonali R.
Subject: AUSTRALIAN VIEWS CHINESE ACCESSION TO THE WTO

UNCLAS CANBERRA 001521

SENSITIVE

STATE ALSO FOR EAP/ANP
STATE PASS TO USTR FOR BARSHEFSKY/CASSIDY
WHITE HOUSE FOR NSC
GENEVA FOR USTR
USDOC FOR 4530/IEP/EAP/OPB

E.O. 12958: N/A
TAGS: ETRD, ECON, PREL, AS
SUBJECT: AUSTRALIAN VIEWS CHINESE ACCESSION TO THE WTO

REF: BEIJING 4246

1. (U) SENSITIVE BUT UNCLASSIFIED, NOT FOR INTERNET
DISTRIBUTION.

2. (SBU) SUMMARY: SENIOR GOA OFFICIALS PLAN TO TRAVEL TO
BEIJING ON MAY 12 TO CONTINUE NEGOTIATIONS ON CHINESE WTO
ACCESSION. MINISTER FOR TRADE TIM FISCHER WILL BE IN
BEIJING ON MAY 17. WHILE THE AUSTRALIANS HOPE TO FINALIZE A
BILATERAL AGREEMENT WITH CHINA AS PART OF FISCHER'S VISIT,
CONTACTS IN DFAT REMAIN SKEPTICAL THAT ALL THE DETAILS CAN
BE WRAPPED UP BY THEN. PRINCIPAL AUSTRALIAN CONCERNS ARE
WITH SUGAR, OILS AND OILSEEDS, AND SOME SERVICES. THEY HAVE
SOME LESSER CONCERNS WITH WOOL AND BEEF. END SUMMARY.

3. (SBU) THE WTO ACCESSIONS OFFICE IN THE DEPARTMENT OF
FOREIGN AFFAIRS AND TRADE (DFAT) CONFIRMED THAT TRADE
NEGOTIATOR GRAEME THOMPSON AND DEPUTY SECRETARY DAVID
SPENCER WILL GO TO BEIJING MAY 12 TO FURTHER WORK ON THE WTO
ACCESSION AGREEMENT. MINISTER FOR TRADE TIM FISCHER WILL
VISIT BEIJING MAY 17 ON HIS WAY TO WASHINGTON. THE
AUSTRALIANS ORIGINALLY HAD A LONG LIST OF OUTSTANDING ISSUES
TO BE RESOLVED AS PART OF CHINA'S ACCESSION TO THE WTO, BUT
WITH THE PROGRESS MADE DURING PREMIER ZHU'S VISIT TO THE
U.S., DFAT NOW SAYS THAT THE LIST HAS BEEN SHORTENED

CONSIDERABLY. DFAT SAYS THAT THE CHINESE CONCESSIONS MADE ON RICE AND WHEAT WERE IMPORTANT TO THEM.

4. (SBU) THE SINGLE GREATEST ISSUE OUTSTANDING FOR THE GOA IS SUGAR, WHERE THEY HOPE TO GET A REDUCTION IN THE CURRENT TARIFF OF 25 PERCENT. THE AUSTRALIANS ARE ALSO LOOKING FOR CHINESE CONCESSIONS ON OIL AND OIL SEEDS, TO BRING THE TREATMENT OF AUSTRALIAN CANOLA INTO LINE WITH U.S. SOYBEANS. THE AUSTRALIANS ARE ALSO HOPING TO MAKE PROGRESS ON WOOL, WHERE THEIR CONCERNS ARE WITH THE CHINESE INSPECTION AND LICENSING SYSTEMS. IN THE AREA OF SERVICES, THE AUSTRALIANS ARE HOPING TO OBTAIN A COMMITMENT FOR BETTER TREATMENT OF LEGAL AND ACCOUNTANCY FIRMS WITH RESPECT TO LICENSING.

5. (SBU) OUR SOURCES IN DFAT SAY THEY HAVE HAD CONTINUING DIFFICULTIES IN GETTING THE CHINESE TO MAKE COMMITMENTS IN WRITING. THE CHINESE HAVE MADE LOTS OF VERBAL STATEMENTS, BUT DFAT IS CONCERNED TO GET THEM PINNED DOWN. TO THIS END, DFAT HAS PREPARED A 78 PAGE DOCUMENT, COMPILING ALL THE COMMITMENTS THEY BELIEVE CHINA HAS MADE TO THEM UP TO NOW. SPENCER AND THOMPSON WILL LEAVE A COPY OF THIS PAPER WITH THE CHINESE DURING THEIR UPCOMING VISIT.

6. (SBU) WHEN ASKED WHY THE CHINESE HAVE RECENTLY BECOME MORE INTERESTED IN ATTAINING WTO MEMBERSHIP, JOHN STROOP OF THE DFAT WTO ACCESSIONS OFFICE SAID THAT IN HIS VIEW THERE ARE A NUMBER OF FACTORS AT PLAY. FOR THE PAST COUPLE OF YEARS, THE CHINESE HAVE BEEN MORE FOCUSED ON THE ASIAN FINANCIAL CRISIS. BUT THEY HAVE NOW BEGUN TO TURN THEIR ATTENTION TO THE DECLINE IN FOREIGN INVESTMENT IN THE WAKE OF THE CRISIS. THEY SEE WTO MEMBERSHIP AS A MEANS OF REASSURING INVESTORS AND ATTRACTING NEW INVESTMENT. WHEN ASKED WHAT IMPACT HE SAW THE ACCIDENTAL BOMBING OF THE BELGRADE EMBASSY MIGHT HAVE ON WTO ACCESSION, STROOP SAID THAT IT WAS TOO EARLY TO SAY, BUT THE AUSTRALIANS WILL CONTINUE WITH THEIR NEGOTIATIONS.
HOLMES

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Library WireSelectComeback: Document 40 of 1140 documents found

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UNCLAS 1B

(h1)CHINA: More on Vice President Hu Jintao TV Speech

[LITOM0905114399 Beijing Xinhua Domestic Service in Chinese 1013 GMT
09 May 99]

(sb)[Text of "Televised speech by Hu Jintao, member of the CPC Central Committee Political Bureau Standing Committee and vice president of the state," on CCTV at 1000 GMT on 9 May 1999"]

(txt)[FBIS Translated Text] Beijing, 9 May (Xinhua) -- Comrades and friends:

Early in the morning on 8 May Beijing time, US-led NATO brazenly attacked our embassy in the Federal Republic of Yugoslavia with missiles, resulting in casualties of Chinese personnel and serious destruction of the embassy building. This criminal act [zui e xing jing 4997 1971 5887 1777] that has violated the international law and the norms governing international relations has greatly infuriated the Chinese people. In a solemn and just statement issued on that same morning, the Chinese Government sternly condemns [yan li qian ze 0917 0632 6232 6307] this barbaric act of the US-led NATO, demanding that NATO be held fully accountable. Acting on the central authorities' decision, the Ministry of Foreign Affairs immediately summoned the US ambassador to China and lodged China's strongest protest. China also called on the UN Security Council to hold an emergency meeting to discuss and condemn the US-led NATO's barbaric act. It took all possible measures to rescue the wounded personnel and immediately dispatched a special plane to Belgrade to bring back the relevant personnel. In the statement, the Chinese Government also solemnly indicates that China will reserve the rights of taking further measures. All this has expressed the Chinese people's common aspirations for safeguarding national sovereignty, upholding justice, and opposing aggression. Now, on behalf of the party Central Committee, the Chinese Government, and the Chinese people, I would like to express their sincere regards to all the working staff of the Chinese embassy in Yugoslavia, express their profound condolences over the martyrs who were killed, and their cordial regards to their families and the wounded personnel.

Since yesterday, people in various parts of the country, through holding forums and assemblies and sending letters and telegrams of protest, have expressed their support for the Chinese Government's solemn and just statement and strongly condemned the US-led NATO's barbaric act. Students and people in Beijing, Shanghai, Guangzhou, Chengdu, and Shenyang also held demonstrations and parades in areas near the US diplomatic establishments in China. All this has fully reflected the Chinese people's great indignation over the US-led NATO's attack of our embassy in Yugoslavia and their strong patriotism. The Chinese Government firmly supports and protects all the protests that tally with the law. We believe that the vast number of people will take into consideration of the country's fundamental interests and act consciously to safeguard the interests of the whole so that these activities will proceed lawfully in an orderly fashion. We

http://SUN-FISH-DATA01.hq.mccb.osL...FXPHZAFOLGU&CQ_QUERY_HANDLE=130132

must guard against any overreactions, watch out for people who may take advantage of the opportunity to disrupt the normal social order, and take firm actions to safeguard social stability. 146

The Chinese Government firmly upholds an independent diplomatic policy of peace, firmly safeguards national sovereignty and national dignity, and is firmly against hegemonism and power politics. We will uphold the reform and opening up policy. To fully demonstrate the fine, civilized traditions of the Chinese nation, we will, in accordance with the relevant international laws and norms governing international relations as well as the relevant Chinese laws, protect foreign diplomatic establishments and their personnel in China, foreign nationals in China, and foreign personnel who are in China for economic, trade, educational and cultural activities.

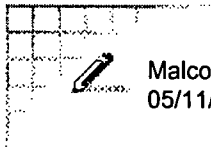
The Chinese people are justice-upholding and peace-loving people. We want to work with people in the world in rendering one another support, cooperate with them even more closely, and work hard with them together in promoting the lofty cause of peace and development of mankind.

Let us rally closely around the party Central Committee with Comrade Jiang Zemin as the core, hold the great banner of Deng Xiaoping Theory, work with higher spirit, unite as one, and push the great cause of building socialism with Chinese characteristics into the 21st century.

[Description of source: Beijing Xinhua Domestic Service in Chinese -- China's official news service (New China News Agency)]

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09 MAY 1143z FBIS

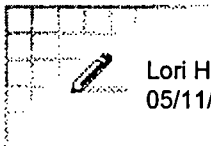


Malcolm R. Lee
05/11/99 12:55:21 PM

Record Type: Record

To: Lael Brainard/OPD/EOP@EOP, Sharon H. Yuan/OPD/EOP@EOP, Melissa G. Green/OPD/EOP@EOP
cc:
Subject: CBI

----- Forwarded by Malcolm R. Lee/OPD/EOP on 05/11/99 12:55 PM -----



Lori Hendricks
05/11/99 12:53:44 PM

Record Type: Record

To: Richard M. Samans/OPD/EOP@EOP
cc: Malcolm R. Lee/OPD/EOP@EOP, D Holly Hammonds/OPD/EOP@EOP
Subject: CBI

Rick: Per Malcolm, Chuck Brain called him re the Administration's CBI legislation that was sent to the Hill two months ago without a sponsor. Chuck notified Malcolm that we may now have a sponsor. Were you able to touch base w/ Chuck on this to close the loop. -- Pls let me know the outcome. many thanks Lori

ML/LH

Keep me
informed

PGS
5/11/99

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
008. email	Malcolm Lee to Melissa Green, Lael Brainard, Sharon Yuan and Johnathan Kaplan. Subject: Update on Thoughts. (3 pages)	05/11/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Economic Council
Malcolm Lee
OA/Box Number: CF 1176

FOLDER TITLE:

China (April to August 1999, Post Zhu Visit) [1]

2010-1024-F
vz1834

RESTRICTION CODES

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

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

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]
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P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

b(1) National security classified information [(b)(1) of the FOIA]
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b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
009. email	White House Situation Room to Alexander Arvizu, Holly Hammonds, Richard Holtzapple, James Keith et al. Subject: State Councilor Wu Yi. (4 pages)	05/10/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Economic Council
Malcolm Lee
OA/Box Number: CF 1176

FOLDER TITLE:

China (April to August 1999, Post Zhu Visit) [1]

2010-1024-F
vz1834

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
010. email	White House Situation Room to Alexander Arvizu, Holly Hammonds, Richard Holtzapple, James Keith et al. Subject: China WTO: Support at Top. (3 pages)	05/07/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Economic Council
Malcolm Lee
OA/Box Number: CF 1176

FOLDER TITLE:

China (April to August 1999, Post Zhu Visit) [1]

2010-1024-F
vz1834

RESTRICTION CODES

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
011. email	White House Situation Room to Alexander Arvizu, Holly Hammonds, Richard Holtzapple, James Keith et al. Subject: EU WTO Talks Inconclusive. (3 pages)	05/07/1999	P1/b(1)

COLLECTION:

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National Economic Council
Malcolm Lee
OA/Box Number: CF 1176

FOLDER TITLE:

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
012. email	Duplicate of 009. (3 pages)	05/07/1999	P1/b(1)

COLLECTION:

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National Economic Council
Malcolm Lee
OA/Box Number: CF 1176

FOLDER TITLE:

China (April to August 1999, Post Zhu Visit) [1]

2010-1024-F
vz1834

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
013. email	Malcolm Lee to Sharon Yuan at 3:58 PM. Subject: China WTO Conference Call. [partial] (1 page)	05/10/1999	b(2)

COLLECTION:

Clinton Presidential Records
National Economic Council
Malcolm Lee
OA/Box Number: CF 1176

FOLDER TITLE:

China (April to August 1999, Post Zhu Visit)[1]

2010-1024-F
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RESTRICTION CODES

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Sharon H. Yuan

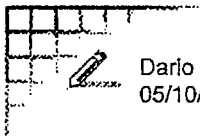
05/10/99 03:08:51 PM

Record Type: Record

To: Malcolm R. Lee/OPD/EOP@EOP
cc: Gay L. Joshlyn/OPD/EOP@EOP
Subject: China-WTO Interagency conference call

Please make sure to be on the call. Lael will still be in Boston. Thanks.

----- Forwarded by Sharon H. Yuan/OPD/EOP on 05/10/99 03:08 PM -----



Dario J. Gomez
05/10/99 03:07:56 PM

Record Type: Record

To: See the distribution list at the bottom of this message
cc: See the distribution list at the bottom of this message
Subject: China-WTO Interagency conference call

There will be an Interagency conference call, tomorrow, May 11 at 10:00 am to discuss legislative strategy for China-WTO.

The conference call number is

(b)(2)

[013]

Please ensure that someone from your office will be on the call. Thank you.

Message Sent To:

Charles M. Brain/WHO/EOP@EOP
Tracey E. Thornton/WHO/EOP@EOP
Alphonse J. Maldon/WHO/EOP@EOP
Miles M. Lackey/NSC/EOP@EOP
Lael Brainard/OPD/EOP@EOP
Malcolm R. Lee/OPD/EOP@EOP
Richard M. Samans/OPD/EOP@EOP

Message Copied To:

Marty J. Hoffmann/WHO/EOP@EOP
Christina L. Burrell/NSC/EOP@EOP
Elaine M. Mitsler/OPD/EOP@EOP
Sharon H. Yuan/OPD/EOP@EOP
Mindy E. Myers/WHO/EOP@EOP

Record Type: Record

To: Lael Brainard/OPD/EOP@EOP, Malcolm R. Lee/OPD/EOP@EOP, Melissa G. Green/OPD/EOP@EOP, Brian A. Barreto/OPD/EOP@EOP

cc:

Subject: Inside Trade- China WTO

CONGRESS WRESTLES WITH NEW WAY TO DEBATE CHINA AFTER MFN PROCESS

Date: May 7, 1999 - Inside US Trade -

China critics and supporters of the country's entry into the World Trade Organization are trying to develop a new approach that would allow members of Congress to highlight their objections to China's human rights abuses and other policies after the U.S. has extended permanent most-favored nation status to China.

Permanent MFN would eliminate annual renewal of MFN by Congress, which is usually accompanied by a debate over China's policies on both economic and non-economic issues.

This alternative approach would provide members with political cover to vote for permanent MFN, which is needed for the U.S. to accept China as a member of the WTO. Some business groups support an alternative outlet for congressional frustration with China as an effective legislative strategy to secure the passage of permanent MFN, according to informed sources.

They point out that Congress will have no leverage to act under such arrangement, but that members would keep political cover allowing them to highlight their opposition to China's policies. Members now have the option of withdrawing MFN in the annual renewal fight, although this has never been done.

But other sources said some members will push for stronger legislation on U.S.-China relations accompanying the MFN bill than merely setting up a debating forum. One approach could be to have legislation that would seek to enforce China's commitments in the WTO, one source speculated. This could be done by adopting ideas similar to a bill introduced by Rep. Doug Bereuter (R-NE), who has proposed giving the President authority to snap back China's tariffs to pre-Uruguay Round levels, if China does not open its market sufficiently, he said.

Bereuter has not offered this bill as a way to strengthen support for permanent MFN, and has instead hinted that the creation of a forum to discuss China issues may be helpful to build support for permanent MFN.

In the Senate, where permanent MFN for China appears to have more support than in the House, members may also find it "difficult" to give up the annual opportunity to complain about China, according to Sen. Joseph Lieberman (D-CT).

Lieberman reminded an April 28 forum by the Economic Strategy Institute that he had sponsored a bill in the last Congress that would address some of the human rights, economic and strategic concerns the U.S. has with China. It would do so through the creation of a commission that would

rate Chinese provinces on their economic openness and human rights record. Provinces that rated favorably would get economic benefits such as access to programs by the Overseas Private Investment Corporation, he said.

"We have got to find some creative ways to stay on track [of current China policy of engagement] but also give some expression [to U.S. concerns] without doing damage to the relationship," he said. House Democratic staff has been trying to develop a new approach since a Democratic Caucus meeting in late April.

"Democrats do not want to concede the human rights issue on China," one congressional source said. "Many Democrats want some reassurance that there is some way to address the issue [after permanent MFN]."

The need for such an alternate forum to debate China's policy became apparent in closed briefings by USTR on the WTO deal, in which members raised issues such as human rights and proliferation, Bereuter told the Economic Strategy Institute on April 27.

"A lot of thought" is being given to developing a way for members of Congress to have some other forum of expression on issues of human rights, military expansion and proliferation," he said. "Creative minds are beginning to think how to do that while still getting rid of annual MFN review."

Rep. Sander Levin (D-MI) agreed that there should be a forum to discuss non-trade issues with China, but cautioned that a China deal will ultimately be assessed by members of Congress on the basis of its economic content. Members will ask themselves how this agreement will impact the economic lives in their district and in the nation at large, he said.

House Democratic Leader Richard Gephardt (D-MO) emphasized the importance of human rights in an April 28 speech to the ESI, along with labor rights and environmental protection. "[T]angible Chinese progress on human rights, labor rights and environmental protection must also occur for many in Congress to support a deal," he said.

This comment reflects the sentiment by many in the Democratic Caucus who are wrestling with how to reconcile their labor and environmental demands with giving China permanent MFN, a congressional source said.

The debate over new legislation is a sign that Democrats are split over whether and under what terms to support China's entry into the WTO, sources said. In an April caucus meeting, Gephardt explored the possibility of developing a common approach on accession, but found vastly different positions, according to sources. Members have expressed opposition, support and support under certain conditions (Inside U.S. Trade, April 16, p. 14).

Democrats also disagree on whether to pursue a one or two vote strategy on MFN and when a vote should be held, according to congressional sources. Gephardt has said a permanent MFN vote should be held next year, while Levin has said that it would be difficult.

Some members, including Rep. Bob Matsui (D-CA), favor two votes, sources said. Matsui believes that a vote on permanent MFN should only take place when the entire accession process is completed, not when the U.S. has wrapped up its bilateral market access package and some of the key protocol issues, a congressional source said. Voting on a partial package would allow members an "out" by saying they cannot extend permanent MFN without seeing the final deal, he said.

Meanwhile, three industrial unions have expressed their opposition to China's WTO entry until China demonstrates respect for human rights and the rule of law. In an April 30 letter to members of Congress, the unions argued that there are moral as well as commercial reasons for those demands.

The absence of due process and other rudiments of justice makes a commercial agreement valueless, the letter said.

It was signed by United Auto Workers, International Brotherhood of Teamsters, UNITE, Citizens Trade Campaign, the United Methodist Church, Friends of the Earth, and Global Trade Watch. The UAW also urged Barshefsky in a separate letter by its President Stephen Yokich to insist on abolition of China's auto policy as a condition of its WTO entry.

The union representing the machinists also expressed opposition to the deal over human rights and China's industrial policies that demand forced technology transfer and offsets, sources said.

In meetings between the White House and business representatives, the White House has not revealed a strategy for getting permanent MFN passed. In addition, sources said, there has only been a general message to traditional Republican supporters of U.S.-China trade in the House that their help is needed to pass this legislation, and this has not been accompanied by a concrete plan on how to proceed.

The office of House Speaker Dennis Hastert (R-IL) has told business groups that Democrats must provide 100 votes for permanent MFN, according to some sources. Others say that only about 80 Democrats will be needed. In the 1998 vote on annual renewal of MFN, 11 Democrats voted in favor of MFN (Inside U.S. Trade, July 24, 1998, p. 16).

In the absence of a White House strategy on permanent MFN, it is more important than ever to have unified business strategy on MFN, and not have each business group involved in the lobbying take its own approach, sources said. In the annual MFN renewal context, these groups have often pursued strategies that give them the most visibility among their member companies, not necessarily approaches that were most effective, sources said.

Last week, different elements of the lobbying effort for permanent MFN were assigned to members of the Business Roundtable, whose trade and investment task force is chaired by Boeing, the U.S.-China Business Council, the U.S. Chamber of Commerce and the Emergency Committee for American Trade, sources said.

Lobbying tasks have been allocated to each of the four organizations, but informed sources said it is very clear that Boeing is seeking to dominate the campaign through funding and the hiring of key consultants that will smooth relationships with the Administration and both parties in Congress.

A leading Boeing role will increase the company's visibility with the Chinese government, sources said. They explained that companies are keenly aware of how foreign governments consider a company's effort in a U.S. lobbying campaign in subsequent purchasing decisions. For example, in the campaign to gain congressional approval of the North American Free Trade Agreement, companies worked hard to lobby for the deal because they feared the Mexican government would hurt them in procurement and investment decisions if they did not, these sources said.

Business sources have estimated that the campaign to secure permanent MFN for China may cost as much as \$10 million, and much of that money will come from individual companies because trade associations do not have access to such funds. Business representatives are scheduled to meet this week to reveal their financial contribution to the campaign, sources said.

Individual business associations are conducting their own lobbying efforts on China. For example, the American Council of Life Insurance last week urged Senate Majority Leader Trent Lott (R-MS) to support the conclusion of U.S.-China negotiations and the approval of permanent MFN. The group also wrote to President Clinton to transmit the copy of that letter and demonstrate its lobbying efforts.

Electronic copies of the letters by the American Council of Life Insurance to Senate Majority Leader Trent Lott and President Clinton, by the UAW and the machinists are available to subscribers of Inside U.S. Trade's website World Trade Online. To view the site, call for a free trial subscription.

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