Case Number: 2010-1024-F

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the Clinton Presidential Library Staff.

Folder Title:
China (April to August 1999, Post Zhu Visit) [11]
Staff Office-Individual:
National Economic Council-Lee, Malcolm
Original OA/ID Number:
CF 1176

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23	5	5	3	V

Withdrawal/Redaction Sheet
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	White House Situation Room to Alexander Arvizu, Holly Hammonds, Richard Holtzapple et al. Subject: Chinese (2 pages)	05/19/1999	P1/b(1)
002. email	White House Situation Room to Alexander Arvizu, Holly Hammonds, Richard Holtzapple et al. Subject: Australia. (4 pages)	05/18/1999	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) [11]

2010-1024-F
vz1842

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]
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.

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

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) 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]

Richard L. Siewert
05/19/99 05:49:16 PM

Record Type: Record

To: Malcolm R. Lee/OPD/EOP@EOP

cc:
Subject: CHINA WTO POINTS

---------------------- Forwarded by Richard L. Siewert/WHO/EOP on 05/19/99 05:49 PM ---------------------------

ZIEGLER_JAY@ustr.gov
05/10/99 09:50:00 AM

Record Type: Record

To: D Holly Hammonds@eop, Malcolm R. Lee@eop, Richard L. Siewert@eop

cc:
Subject: CHINA WTO POINTS

Q: Doesn't this turn of events (bombing of Chinese Embassy in Belgrade), undermine WTO negotiations with China?
A: It is not for us to make that determination. We hope to continue to have a constructive dialogue with the Government of China to resolve areas of remaining differences. We believe that it is in China's interest, the interests of the international community, the WTO's interest, and our interest to advance talks expeditiously.

Q: The New York Times story today indicates that China has pulled trade concessions back in recent negotiations. What is the status of the WTO negotiations?
A: There is always an ebb and flow in negotiations, and public posturing for advantage is one part of that process. The focus of our negotiations with the Chinese has been in those areas where we identified differences during the Premier's visit (market access in banking, securities, and audio visual, and remaining Protocol issues including dumping, and import surge protection). We will need to see further progess in China's services offers in order to conclude this negotiation.

Q: But has China withdrawn offers in areas the U.S. felt had been agreed as indicated by the European Union?
A: Europe has its bilateral negotiations with China. We have a separate bilateral negotiation. It is not surprising that there may be different issues and offers in their negotiations than ours. As to

any particular matters, we do not give these reports much credence.

Q: Do you still intend to send Robert Cassidy to lead a negotiating team next week?
A: We will be in consultation with Chinese officials and the State Department in devloping plans for further talks.

Richard L. Siewert
05/19/99 05:49:26 PM

Record Type: Record

To: Malcolm R. Lee/OPD/EOP@EOP

cc:
Subject: CHINA WTO TALKING POINTS (5/7)

---------------------- Forwarded by Richard L. Siewert/WHO/EOP on 05/19/99 05:49 PM ---------------------------

ZIEGLER_JAY@ustr.gov
05/07/99 09:02:00 AM

Record Type: Record

To: Lael Brainard@eop, Malcolm R. Lee@eop, Richard L. Siewert@eop

cc:
Subject: CHINA WTO TALKING POINTS (5/7)

Q: The Chinese have indicated that commitments which the U.S. has publicly presented to not reflect their actual commitments. What is the status of these negotiations?
A: We know, and the Chinese Government knows the basis upon which a WTO accession deal can be concluded. Public comments are a predictable element of the negotiating process. The set of commitments China made during the Zhu visit must remain intact for WTO accession to proceed. We have made this very clear in our discussions.

Q: Are you concerned that the Chinese comments may indicate that they are now unable to match the offers they put forward during the Premier's visit?
A: We have clearly outlined the issues which must be addressed to conclude a deal. The issues that we outlined during the Premier's visit -- market access concerns related to securities, banking, and audio-visual, and Protocol issues (dumping and import safeguards) -- are the basis of our on-going discussions.

Q: Do you believe the outcome of these negotiations -- once thought to be all but a formality -- are now in jeopardy?
A: The issues that were not concluded during the Premier's visit are important issues. In a negotiation of the scope and complexity of China's WTO accession -- indeed any accession negotiation -- nothing is agreed until everything is completed. It is quite common for

bargaining and public maneuvering to continue throughout the process. There is likely to be further posturing in the weeks ahead. At the same time, we will also seek improvements in China's services offer.

LAEL - NOTE & HA

KOSOVO: CHINESE EMBASSY
May 18, 1999

Can you confirm that a bomb went off in Shenzhen in southern China? Was this directed at Americans?

- We have seen unconfirmed reports of a bomb explosion at a Chinese department store and the discovery of several additional bombs and an extortion note. This reportedly happened two days ago. The Chinese authorities have not yet confirmed whether the reports are accurate. Press accounts indicate that this reported incident is being pursued as a criminal extortion case. There is thus far no indication that Americans or any other foreigners were specifically targeted, although one of the bombs was reportedly planted at an American restaurant.

The Chinese continue to question the U.S. and NATO explanations as to how this accident occurred and characterize Western apologies as insufficient. Any reaction?

- NATO and NATO members have apologized publicly and privately to the Chinese government and people for this tragic accident. Will have to ask Chinese for their views, but can tell you that our formal apologies are sincere and heartfelt.

Will there be an investigation? Will the results be made public?

- Yes, we and NATO are investigating and will make further information available publicly.

The Chinese are suspending some ties - does that mean a greater chill in our relationship?

- China has indicated it is suspending some of our ties in the security, non-proliferation, and human rights spheres after NATO's accidental bombing of their embassy in Belgrade on 8 May. We deeply regret the suffering and loss of life caused by the tragic mistake in Belgrade, and we have expressed our heartfelt apologies and sympathy to the Chinese. But effective US-China relations serve the vital interests of both sides and are very important for the peace, prosperity, and stability of Asia. We look forward to stabilizing our relationship with China and then to moving forward in a way that serves the interests of both countries.

(Only if asked) Has China suspended U.S. ship visits to Hong Kong?

- We understand that the Chinese have denied all pending U.S. Navy port visits to Hong Kong.

(Only if asked) What impact will this have on the Navy? How often do Navy ships visit Hong Kong?

- A few planned port visits are affected. You'll have to ask DoD for further information.

(Only if asked) What is the U.S. response to this action?

- We are prepared to resume port visits when the Chinese are prepared to do so.

Has the level of demonstrations ceased?

- Demonstrations have ceased. The Department of State has advised Americans to be alert to the potential for anti-foreign incidents, but we are no longer recommending that Americans defer travel to China.

Was there faulty intelligence that caused NATO to strike Chinese embassy?

- As you know, NATO struck a series of command and control targets in Belgrade that are at the core of Milosevic's repression in Kosovo.
- Unfortunately, one strike mistakenly hit the Chinese embassy.
- This is deeply regrettable and our condolences go out to those that were injured and to the families of the three who were killed in this accident. NATO and NATO member countries, including the United States, have apologized to the Chinese government, the families of those killed and injured, and to the Chinese people for this tragic mistake.
- Let's remember that at the NATO Summit two weeks ago, the 19 leaders of the Alliance reaffirmed that Milosevic must stop his ethnic cleansing, all the refugees must be allowed to return to their homes, and he must accept an international security force with NATO at its core to guarantee security and self government to the Kosovars.
- He has not met these conditions.
- Despite the accident, NATO air campaign will continue until these conditions are met.

But how did it happen that you hit the Chinese embassy?

- NATO and the USG are investigating.
- We continue to take every precaution to avoid civilian casualties and minimize collateral damage.

- Unfortunate that this accident happened; we regret it.

- Will continue pursuing air campaign until objectives are met.

Will the U.S. send a special envoy to brief the Chinese about the investigation?

- The President committed to President Jiang that he would ensure that the Chinese were briefed on the results of our investigation. When the investigation is complete we will brief the Chinese government.

Will NATO or U.S. pay compensation to Chinese?

- That issue is under review by appropriate authorities.

Will the U.S. and other NATO members seek compensation for damage done to their Embassies in China during recent rioting?

- Any and all issues relating to compensation are under review. I have nothing more for you on that pending completion of that review.

Did the President receive a letter from father of one of Chinese victims?

- Yes, the President did receive a letter and will be responding to it.

Will you be releasing the text?

- No. This is private correspondence between the family and the President.

CHINA WTO – STATUS
May 20, 1999
Washington International Trade Association

- Thank you. Many familiar faces. Want to update you on where we are in our talks with China, why we believe they are important and where we want to go. I will be short, and take a few questions after my colleagues have spoken.

- First, let me say that President Clinton and the entire Administration strongly support China's admission to the WTO this year on strong commercial terms.

- Our WTO discussions with China, led by Ambassador Barshefsky and her superb team of negotiators led by Assistant U.S. Trade Representative Robert Cassidy – are an integral part of our broader strategy of engagement.

- We have no illusions about China. But we must engage the world's most populous nation. It serves our broad national interest to do so – working together where possible, and dealing forthrightly with our differences whereever necessary. This is the best way to advance our national interests and promote our values.

- We believe that China's accession to the WTO -- on strong commercial terms -- is in America's interest. We also believe it is squarely in the interest of China, and in the interest of the global trading system.

- China's emergence as a trade power is of enormous global significance. WTO accession represents an important opportunity for Asia' largest nation and fastest growing economy to create and implement a rules-based trade regime, and to advance fundamental and historic economic reforms.

- It is also an opportunity to open China's largely closed agricultural, manufacturing and services markets to our exports, and to bring China into a rules-based trading system.

- To meet WTO requirements, China must, among other things, make laws public, require judicial review of all trade actions, apply all trade laws uniformly, and submit to WTO dispute settlement to ensure compliance with WTO rules. These sound basic, but for those of you who have done business in China, they are enormously important.

- All of these measures enhance the rule of law and the application of international norms in China's trade regime. They would benefit China and the United States. And we believe the rule of law in trade has spillover benefits to the rule of law elsewhere.

<u>So Where Are We in the Talks</u>

- These discussions have been going on for over a decade. We were very disappointed China was not prepared to make sufficient market opening commitments during the President's trip to Beijing last June. We have made consistently clear that any agreement must be commericially viable. That standard has not changed, and will not change.

- A "political" accession would have weakened, not strengthened the global trading system, and slowed domestic reform and sustainable growth in China.

- Thus we rejected attempts by China to win accession at the creation of the WTO in 1995 and before the Presidential Summits in 1997 and 1998.

- Late last year and early this year, we began to test the waters once again. When Deputy USTR Fisher and I traveled to Beijing in late January, we did not know whether the Chinese would engage seriously or not.

- Ambassador Fisher committed to table a serious offer that reflected our interests. Many of you consulted closely with USTR in that process.

- In the weeks before Premier Zhu's visit in ~~May~~ April, our USTR-led negotiators made very meaningful progress. Not details.

  - China made important commitments to open its goods, services and agricultural markets, covering unfair trade practices including quotas, other non-tariff measures, application of non-scientific agricultural standards, discriminatory regulatory processes, lack of transparency, export subsidies, and other barriers.

- China agreed to address tariffs and other barriers at the border; limits on trading rights and distribution in the Chinese market, and restrictions on services, and to address subsidies, state trading, technology transfer, offsets, export performance requirements and other rules issues.

- China agreed to begin opening its market on day one, with phase in of further concessions limited to five years in almost all cases, and in many cases in one to three years.

- With this package, we came close, but were unable to resolve a few important issues.

  - These include both market access issues (greater openign of banking, securirties and audiovisual markets), and some rules that would apply to China as it transitions to a market economy (e.g., preserving our ability to continue apply normal ~~special~~ rules to China for dumping cases and to address import surges, ~~a mechanism~~ to address China's implementation of WTO obligations, and textile treatment).

- At the conclusion of the visit, President Clinton and Priemier Zhu instructed our respective trade ministers to satisfactorily resolve the important remaining issues and reach agreement on strong commercial terms as soon as possible in support of the PRC's accession to the WTO in 1999.

- That is what we have been working to do ever since.

- In late April, Assistant USTR Cassidy led a full negotiating team to Beijing. I joined him. He had a mandate to close the deal if we could satisfactorily resolve the remaining issues. The talks were constructive in clarifying our positions, but we were unable to resolve the remaining issues.

- You are all aware of the tragic accidental bombing in Belgrade. As our spokesperson Mr. Mr. Lockhart has stated, and I will not comment further on this, the President, in a call with President Jiang last week, expressed his sincere regrets and condolences to President Jiang and the Chinese people concerning the tragic accident. The President expressed his desire to move beyond this tragic accident in our relationship. WTO did come up briefly. As Mr. Lockhart stated, the President expressed his view that both sides need to continue working this subject.

- We stand prepared to reengage, and look forward to a clear signal from the Chinese government they are prepared to do so.
- Are we confident that we will do so and conclude a deal? We continue to believe that effective U.S.-China relations serve the vital interests of both sides and are very important for the peace, stability and prosperity of Asia. We believe the Chinese ultimately share that view, ~~and~~ we look forward to stabilizing our relationship and moving forward in a way that serves the interests of both countries and the international community. That includes resolving all outstanding issues and bringing China into the WTO in 1999 on strong commercial terms.

WITA WITA WITA
Washington International Trade Association
WITA WITA WITA

Upcoming Events

Please click here to register electronically

China WTO: Status Check

Early May's storm of tragic and dramatic events in the U.S.-China relationship having passed, it is time to check the status of the major joint trade project. Where are we now in the long, once nearly completed, and globally important negotiations to bring China into the World Trade Organization? The panel of experts who will address that question at the WITA breakfast on May 20 will include:

Christopher Jackson
Hong Kong Economic and Trade Office

Malcolm R. Lee
The White House (NEC/NSC)

Raymond Garcia
Rockwell & NAM

Caroline Normand
Delegation of the European Union

Ronald Reagan International Trade Center
Horizon Ballroom
1300 Pennsylvania Ave. NW
Enter through Pennsylvania Ave. entrance
Nearest Metro: Federal Triangle or Metro Center

Thursday, May 20
8:00-9:30 a.m.

Registration begins at 7:45 a.m. and a continental breakfast will be served. All registrations must be received before noon on Wednesday, May 19. Cancellations not received 24 hours in advance will be billed to cover costs.

MALCOLM R. LEE

Malcolm Lee is Senior Director for International Economic Policy at the National Economic Council of the White House, where he helps to develop and coordinate U.S. international economic policy. He served as Director of International Economic Affairs for the National Security Council and National Economic Council from April, 1996 to November, 1998. He is responsible for U.S. trade laws and policy generally, and economic policy with respect to Asia. He also covers several specific areas including steel, telecommunications, financial services, competition policy, aviation and transportation.

Before joining the NEC and NSC in April, 1996, Mr. Lee served as Special Assistant to Under Secretary of State for Economic, Business and Agricultural Affairs Joan E. Spero , where he worked on international trade and economic matters involving East Asia, South Asia, APEC, NAFTA, the Uruguay Round, trade laws, sanctions, telecommunications, agriculture, worker and human rights. He also coordinated economic dialogues with South Korea, India and Egypt.

Prior to his appointment to the State Department in July, 1993, Mr. Lee was an international trade lawyer in Washington, D.C. with the law firm Akin, Gump, Strauss, Hauer & Feld. He also served for two years as a foreign affairs aide in the U.S. Senate (1982-84).

Mr. Lee graduated from Yale University, *cum laude*, in 1982, where he majored in Economics and Political Science, with a second major in East Asian Studies. He graduated from the University of Pennsylvania School of Law in 1987.

CHINA WTO – STATUS
May 20, 1999
Washington International Trade Association

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R. K. Morris
c/o Samuels International
1133 21st Street, NW (Suite 710)
Washington, DC 20036

Tel: (202) 223-7683
Fax: (202) 223-7687
Email: morr579@ibm.net

May 12, 1999

Mr. Malcolm R. Lee
Senior Director, International Economic Affairs
National Economic Council
The White House
Washington, DC 20504

Dear Mr. Lee:

I write at the suggestion of Bruce Wilson, the President of the Washington International Trade Association (WITA), to ask if you would be willing to share yours and the Administration's thinking on the issue of China's WTO application at WITA's policy breakfast next Thursday. This breakfast will be held at the Hotel Washington on Thursday, May 20, from 8 a.m. until 9:30 a.m. As a rule, the actual presentations begin at around 8:15.

If this is something you can do, you would of course be the first speaker. I realize this is a delicate period in U.S.-China relations generally. Still, from press reports it would appear that neither the United States nor China has given up on the WTO negotiations. Whatever the truth may be, it would be extremely helpful for the Washington trade community, which WITA embodies, to hear your assessment of the current situation. Ten minutes or so of comments, together Q&A, would be very helpful and much appreciated.

In one sense, all WTO issues are global, and we thought it would be helpful to hear other perspectives as well. Chris Jackson of the Hong Kong Economic and Trade Office has agreed to participate, and so has the Delegation of the European Commission. The EU, however, has not yet committed to who their speaker will be. I also expect someone to speak on behalf of one of the major U.S. business groups.

Obviously, I hope this is something you can do. In any case, I very much appreciate your consideration of this request and look forward to hearing from you. As indicated above, I can be reached at 202-223-7683. With best wishes,

Yours sincerely,

Judge Morris

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051011A2.TXT

R. K. MORRIS
At
Samuels International
Washington, DC 20036
Tel: 202-223-7683
Fax: 202-223-7687
E-mail: morr579@ibm.net

FAX TRANSMITTAL COVER SHEET

DATE: **May 12, 1999** **PAGES:**

TO: **Ms. Gay Joslin** **Fax: 456-9290**
NSC/NEC

FROM: **R. K. Morris**

SUBJECT: LETTER FOR MR. MALCOLM LEE

Dear Mr. Joslin:

Further to our conversation earlier this afternoon, please find below my letter to Mr. Lee, inviting him to speak at the WITA breakfast on the morning of May 20. Your help in this matter is much appreciated.

Best regards,

Judy Morris

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release May 14, 1999

REMARKS BY THE PRESS SECRETARY
IN READOUT TO THE POOL

9:50 A.M. EDT

MR. LOCKHART: President Clinton and President Jiang spoke for about 30 minutes this morning, beginning around 9:00 a.m.

Q Thirty minutes?

MR. LOCKHART: Thirty minutes. It was a constructive call. The President once again expressed his sincere regrets and condolences to President Jiang and the Chinese people concerning the tragic accident of last week. The President expressed his desire that we move beyond this tragic accident in our relationship. President Jiang took the opportunity to express his views. I will, obviously, leave it to him to do that.

One particular -- WTO did come up briefly. The President expressed his view that both sides need to continue working on this subject.

Q Can you describe Jiang's response at all, Joe?

MR. LOCKHART: No, I'm going to leave it to them.

Q Did he accept his apology?

MR. LOCKHART: I'm going to leave it to them to do it, because no matter how I characterize it --

Q Thirty minutes -- that's -- well, I guess with interpreters, that's still a pretty good conversation.

MR. LOCKHART: Yes. Constructive.

Q Constructive. Okay. Okay.

Q Any reaction on the inflation numbers? They're up.

MR. LOCKHART: I think most of it is we had a spike in the oil prices, which you saw reflected in the VPI yesterday. And I think you also have some increase in tobacco prices. So I think -- inflation remains low. And oil prices it looks like have begun to come down, but overall, inflation over the last year remains at historically low levels.

Q You're good at this. (Laughter.)

MR. LOCKHART: I listened to Janet Yellen this morning talking about it.

Q Is she going to put out a statement or anything?

MR. LOCKHART: I don't think so. I mean, you can give her a call, or Gene or somebody, but I think if you look at it -- I mean, it was slightly above what the market expected, but it was mostly based on tobacco and oil. And the oil prices have already begun to dip a little bit.

Q Okay. All right.

END

9:55 A.M. EDT

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Malcolm Lee
OA/Box Number: CF 1176

FOLDER TITLE:

China (April to August 1999, Post Zhu Visit) [11]

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RESTRICTION CODES

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Lee, Malcolm R.

From:	WHSR
Sent:	Monday, May 17, 1999 10:30 AM
To:	Arvizu, Alexander A.; Keith, James R.; Lieberthal, Kenneth G.; Osius, Theodore G.; Pritchard, Charles (Jack) L.
Subject:	China-WTO

CLASS:	INTERNATIONAL
ORIG:	AP/East
PREC:	RUSH
TOR:	990517094835 A0191100

a0517
^PM-China-WTO,0496<
^China wants WTO, but says there are limits to concessions<
BEIJING (AP) China hopes to join the World Trade Organization by year's end but there are limits to the concessions it can offer, the foreign trade minister said today.

Meeting with Australia's deputy prime minister, foreign trade minister Shi Guangsheng said China remained committed to getting into the WTO, the official Xinhua News Agency reported.

Shi acknowledged the commitment made by trade ministers from the United States, Japan, Canada and the European Union last week to see China in the Geneva-based WTO this year, but Xinhua quoted the official as saying ``there is an ultimate limitation on what China can offer."

Shi's remarks were the most authoritative statement on the trade impasse since NATO's May 7 bombing of the Chinese Embassy in Yugoslavia that killed three journalists.

The accidental attack on the embassy set off anti-U.S. protests in China and prompted Beijing to cut off discussions on military relations and other issues with the United States.

In a related development, Hong Kong's chief executive said today that steady U.S.-China ties are crucial to global stability and that the United States should be sensitive to Chinese history and culture.

Tung Chee-hwa told an international business conference in Hong Kong that ``stable and constructive Sino-U.S. relations are crucial, not only to China and the United States, not only to the Asia-Pacific region, but to the world as a whole."

``In dealing with China and many other developing nations, the challenge for the United States, as the only superpower in the world, is for her to understand and remain sensitive to the aspirations of these nations," Tung added.

The two countries have sped up talks on China's entry into WTO, the global trade liberalization watchdog, but their relationship was strained after the Chinese Embassy bombing.

Chinese State Councilor Wu Yi, chief negotiator in China's WTO talks, said the bombing was a ``serious incident" that hurt the feelings of the Chinese people. He didn't comment on whether it would derail the ongoing WTO talks.

The bombing probably strengthened the hand of anti-Western hard-liners in the leadership and came at a critical time in China's 13-year effort to join world trade's leading rule-making body.

Even before the bombing, senior officials had criticized the broad market-opening offer Premier Zhu Rongji made in Washington last month.

After meeting Shi, the Australian deputy premier told reporters ``there has been encouraging progress this day" on China's WTO bid.

Tim Fischer's assessment contrasted with reports by U.S. and European Union trade negotiators who have left Beijing in recent weeks complaining of little progress.

Australia is seeking a loosening of Chinese quotas on wool imports. China is the largest market for Australian wool, buying $590 million of it in 1998.

APE- 05/17/99 09:34:00

From: WHSR
Sent: Saturday, May 15, 1999 6:01 AM
To: Allen, Charles A.; Arvizu, Alexander A.; Babbitt, James F.; Bell, Robert G.; Benjamin, Daniel; Braden, Susan R.; Brown, Keirn C.; Busby, Scott W.; Butler, Lawrence E.; Davidson, Leslie K.; Flanagan, Stephen J.; Guarnieri, Valerie N.; Hurley, C. Michael; Kaufman, Stuart J.; Keith, James R.; Lieberthal, Kenneth G.; Miller, Laurel E.; Osius, Theodore G.; Pritchard, Charles (Jack) L.; Sapiro, Miriam E.; Schulte, Gregory L.; Schwartz, Eric P.; Stromseth, Jane E.; Vaccaro, Jonathan M. (Matt)
Subject: CHINA:'Source':PRCSets

CLASS: INTERNATIONAL
ORIG: FBIS
PREC: RUSH
TOR: 990515053812 F0179165

F5085
FBIS

085MAY15
UNCLAS 1B

CHINA: 'Source': PRC Sets Condition for Accepting Explanation OW1505093899
Hong Kong Sing Tao Jih Pao in Chinese 15 May 99 p A4

By reporter Li Yu (2621 3768): "Beijing Plans To Accept 'Mistaken Bombing' Explanations but United States Must Punish CIA Director and Military Officials"]

[PTS Translated Text for FBIS] According to news from Beijing, the Chinese Government has reached a tacit agreement with the United States, under which China will accept US explanations that the Chinese embassy in Yugoslavia was "mistakenly bombed" because of mistaken choice of targets, but the United States must punish a number of those in charge in the CIA including its director, as well as some military officials.

According to a source, the Chinese central leadership recently reached a common understanding. No doubt, the bombing of the Chinese embassy was a premeditated attack, but they could not find a reasonable explanation for the cause and purpose of the attack. The US explanation that it was caused by the use of an "old map" is hardly convincing. Technically speaking, however, such a possibility cannot be ruled out.

The source added: According to some analyses, although the Clinton administration does not regard China as a friend like Britain and Germany, there is no reason to believe that it wants to turn China into an enemy given the present international situation. This is because the United States needs China's cooperation on many issues vital to the US immediate interests, such as the Iraqi issue in the past and the ongoing nonproliferatio n issue.

Moreover, the United States needs China's cooperation on money-related financial and trade issues, as well as the Korean Peninsular issue. Therefore, it is detrimental to the United States to drive China into its own antithesis.

According to the analyses, neither should China, on account of this incident, turn Sino-US relations into something incompatible as fire and water. In terms of economic and military strength, China is unable to confront the United States head-on. More important, China needs a safe external environment to carry out economic construction. And it needs to cooperate with the United States on a number of international issues. For example, the question of China's accession to the World Trade Organization is very urgent one. The United States is also a major market for its commodities.

The source said: The central authorities have gradually cooled the public's anti-American sentiment, turning it into a kind of patriotic fervor in order as to increase national cohesiveness. This will be conducive to China's social stability and the development of its economic construction.

The source added: Four days ago the Central Propaganda Department ordered the media to pay attention to the guidance of news. Instead of focusing on the anti-US demonstrations in front of the US embassy as well as the US consulate generals in various cities, they should concentrate on reporting the central leaders'

solicitude toward the dead and the wounded, as well as their family members, "turning indignation into strength in building the country."

[Description of Source: Hong Kong Sing Tao Jih Pao in Chinese

- non-PRC-owned daily newspaper; contains features on and analysis of PRC and Hong Kong political, social, and economic issues]

FBIS 05/15/99 05:24:00

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release April 10, 1999

JOINT STATEMENT BY
PRESIDENT BILL CLINTON AND PREMIER ZHU RONGJI

On the occasion of the signing of the Agreement on U.S. China Agricultural Cooperation, President Bill 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 accession 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 continue bilateral negotiations in order to satisfactorily resolve the important remaining issues and reach agreement on strong commercial terms as soon as possible.

30-30-30

TRADE POLICY TOWARD THE 21ST CENTURY

Ambassador Charlene Barshefsky
U.S. Trade Representative

American News Women's Club
Washington, DC

May 5, 1999

Good evening. Thank you for inviting me to speak with you today.

I'm sure as journalists and editors you will be a tough, challenging audience. So I am mindful of the words of the Danish physicist Niels Bohr: "Never express yourself more clearly than you are able to think." Many lawyers and politicians have prospered by taking that to heart – but I always feel we are better off being clear and straightforward.

Choosing a topic this evening has been an interesting challenge. We have talks underway on China's membership in the World Trade Organization; market-opening and deregulation in Japan; regional initiatives in Europe, Africa, Asia, the Western Hemisphere and the Middle East; as well as the WTO's Third Ministerial Conference in Seattle this fall and a new international Round of trade negotiations. It is a full agenda; and so rather than take up any one of these topics by itself, I will address a thread which ties them all together: the place of trade in creating the economy of the 21st century.

THE REVOLUTION IN SCIENCE AND TECHNOLOGY

To open with a platitude, we live in an age of profound change – and much of this can be attributed to the revolution in science and technology.

In health, pharmaceutical research creates new and cheaper medicines each month; CAT Scans and MRIs reduce the need for surgery; family doctors consult on-line with the Centers for Disease Control through telemedicine.

In agriculture, biotechnology techniques raise yields and build resistance to pests while information technologies help farmers improve irrigation and seeding.

In transport, commerce and family vacations are growing easier, cheaper and safer with intelligent highways, the Global Positioning System, aerospace and fuel-efficient vehicles.

In manufacturing, factories are becoming more productive and safer through computerized machine tools and robotics.

And in the realm of values, freedom of inquiry and expression is blossoming, as new forms of art and communications emerge and the Internet reaches every country in the world.

At times, of course, the most brilliant advances in technology can cast darker shadows. New aerospace or information technologies have national security implications we must address, including through export controls in sensitive areas. Hate groups and scam artists can use the Internet as easily as anyone else. Automated manufacturing raises social questions by reducing demand for low-skilled labor -- 80% of job displacement comes from new technologies rather than competition from trade or domestic industries -- which we must meet with the best possible education and job training. In all fields, fair, efficient and science-based regulation is crucial for consumer protection and public confidence.

THE PLACE OF TRADE

But these concerns must not obscure the larger benefits of technological progress – which include their extraordinary economic benefits.

High technology is America's comparative advantage. Medicine, information and telecommunications, aerospace, advanced manufacturing, modern agriculture are almost without exception fields in which we lead the world. Industries which barely existed in 1975 -- from software and biotechnology to cell phones and satellites -- now create hundreds of billions of dollars in wealth and employ millions of Americans. To note a statistic, as our manufacturing production has grown 38% since 1992, our production of computers, telecommunications equipment and semiconductors has grown 441%. This is an industrial revolution, and a social revolution, comparable to mechanized textile production in the early 19th century, and mass production in the 1920s. If it reaches its full potential, we can imagine still more.

Open trade helps us get there. For industries and the national economy, trade creates economies of scale, allowing us to sell to larger markets, devote more resources to research and development and progress more rapidly. For individual Americans, together with commitment to education and scientific research, trade lets us specialize in the highest-skilled and highest-paid fields in the world.

Benefits for our trading partners are equally great: trade always shares knowledge as well as goods, as far back as the Book of Kings, when King Solomon sends wheat and oil to Tyre in exchange for the cedar logs and expert architects with which he builds the Temple. Today, as trade barriers come down, our partners gain access to communications, information technologies and transport networks and services at the heart of growth. Their schools and hospitals improve. And their own technological capacity and potential for growth expands.

Trade policy thus can help us create a 21st-century economy in which people are more prosperous; economies more efficient; the environment cleaner; and nations less threatened by hunger and disease. And it can do so by creating a framework of rules, accepted worldwide, that in the Vice President's words, "accommodate change." These are, broadly speaking, principles that operate today in our domestic economy: respect for intellectual property rights; open markets; fair, nondiscriminatory and transparent regulatory policies; and the prevention of artificial new barriers to progress.

INTELLECTUAL PROPERTY

I will start with intellectual property rights. As the U.S. Constitution recognizes, strong standards of copyright, patent and trademark protection are the foundation of scientific and technical progress. Today they are fundamental to the success of copyright industries valued at $433 billion, or more than one dollar in twenty of American GDP; to medicine and agriculture; and to competitiveness in manufacturing.

Our challenge is to extend the strong standards we have at home worldwide. And we began from a very low base. Fifteen years ago, many countries had no copyright, trademark or patent laws at all. Some saw intellectual property rights -- especially when applied to products like computer software or pharmaceuticals -- as obstacles to development. Thus, piracy was not just common but universal. For example, at least 90% of copyright works on sale in developing countries worldwide were pirated.

Our work began with bilateral negotiations with governments where piracy was most common, with the support of the "Special 301" law, passed in 1988. These were difficult; at times, as with China in 1995 and 1996, we threatened sanctions on billions of dollars in trade. But we raised standards significantly, spurring passage of internationally compatible copyright and patent laws around the world, in both developed and developing countries. This approach remains crucial today on enforcement of these laws -- just last week, our 1999 Special 301 report cited noted concern about practices in 54 countries, including special concern about Ukraine, Israel and Hong Kong over copyright, and the announcement of WTO cases against Argentina, Canada, Uruguay and Egypt for failing to enforce patent rights in medicines.

But we are also now able to go beyond solely adversarial tactics. As our trading partners strengthened their laws and enforcement, many began to see positive economic effects at home, and conclude that strong standards speed their own economic development. Pirates who copy American films and software will copy local works too. This growing consensus helped us make a fundamental advance with the agreement on intellectual property (TRIPs) as part of the creation of the World Trade Organization in 1995.

TRIPs obliged all members to pass and enforce modern copyright, patent and trademark laws, with these obligations phasing in for developing countries on New Year's Day, 2000. This is a basic obligation of the WTO, which most members meet and which we expect all new WTO members to accept. We are focused this year on implementation of all commitments, to ensure that all developing countries meet the deadline. We are helping arrange technical assistance to those which would like advice; and we are prepared to file cases against those which refuse to meet their obligations.

But we are also addressing newer problems. One focus is end-user piracy of software -- that is, massive copying of a software program throughout, for example, a government agency. This caused most of the losses our software industry attributes to piracy worldwide. We set an example with President Clinton's Executive Order ensuring that U.S. agencies use only legal software. Colombia, Paraguay, the Philippines, Korea, Thailand, and Jordan have issued similar directives. And we made another advance with China's publication of a State Council Directive in March, barring government agencies and ministries from using pirated software. We are now working to ensure effective enforcement and full transparency in implementation, as well as to extend these directives to other countries.

A second focus is control of pirate production and distribution of optical media: high-value products like CDs, CD-ROMs, Video CDs and DVDs (digital videodiscs). We have noted rapid growth in this problem most recently in Malaysia. Here we are working with the European Union and other trade partners, both to prevent pirate production and to find effective tools that will help establish legal industries, like licensing for optical disc manufacturing facilities and import/export licensing for manufacturing equipment.

Finally, as we open a new Round of global negotiations in Seattle at the end of this year, we are reviewing our needs for the future. This is a quickly changing field, and we have to be sure our laws and policies are adequate for emerging technologies -- from biotechnology products and new plant varieties to the prospect of an explosion in on-line piracy, which we are combatting by encouraging wide ratification of recent World Intellectual Property Organization treaties which address Internet piracy, among other topics. We will be studying a range of these latest issues under the WTO's scheduled review of the TRIPs agreement next year; but for now, implementation is an overriding priority.

MARKET ACCESS

Intellectual property rights create the foundation for technical advance. But for the world's newest industries to develop as rapidly as they should in the 21st century, they must be able to take advantage of economies of scale. This allows them to recoup research investments more rapidly by selling to larger markets. And since 96% of the world's population, and 80% of economic consumption, are overseas, our high-tech industries and those of other nations need open markets.

As with intellectual property, we began in a difficult environment. Many countries have long seen protection and subsidies for favored industries, as opposed to open markets, as effective ways to develop high-tech economies. We thus began in the 1980s with specific negotiations in sectors where these were especially common, focusing most often on Japan, but also on Europe and other advanced trade partners.

1. Bilateral and Sectoral Initiatives

The result was a series of bilateral agreements in specific high-tech sectors: with Japan on semiconductors, satellites, computers, supercomputers, cellular phones, medical equipment, telecommunications and NTT procurement; with Europe, Mutual Recognition Agreements in telecommunications and other fields such as pharmaceuticals.

In Japan this approach was especially successful in semiconductors, cell phones and medical technology. And it remains very important to us: we are now promoting further market-opening and deregulation measures in basic telecommunications, wireless cable, direct-to-home satellite services and cable TV, medical equipment and pharmaceuticals, financial services, energy and other fields. And with Prime Minister Obuchi's visit this week, we reached agreement with Japan on further steps in these fields. Of course, protection and subsidies are deeply entrenched in some sectors -- and not only in Japan; the Airbus program in Europe is an example -- and we have much work ahead.

But as in intellectual property, our initial agreements helped shift perspective. Our trade partners more often see open markets as in their own interests -- and not only as exporters, but also as buyers of computers, specialized computer chips, telecommunications products and services, and other technologies that improve efficiency and growth prospects. Thus, we now can develop broader, sometimes world-wide agreements.

The Semiconductor Agreement is one such case. In 1996, our bilateral agreement with Japan was broadened to include Europe and Korea. Taiwan now also participates. And its coverage grew to include research and development, and private sector cooperation. We are now working toward its renewal as a plurilateral agreement, including extension of the private-sector World Semiconductor Council, broader membership and a new charter.

2. ITA, Financial Services and APEC

In 1997, we negotiated the much broader Information Technology Agreement (ITA). By 2004 it will eliminate all tariffs on $600 billion worth of goods: 95% of the world production of semiconductors, computers, telecom equipment, integrated circuits and other goods associated with the Information Superhighway.

This is the equipment every factory needs to become safer, more productive, and more flexible; and every country needs to make its economy more efficient. The ITA is a step important for its vast size -- these products make up about one in every thirty dollars of world GDP -- and its potential to promote economic growth and freedom of information; for its social implications; and for the precedent it sets for future sectoral agreements. We are now seeking consensus on an expansion of this agreement -- the "ITA II" -- to include even more products.

The WTO Financial Services Agreement we negotiated in the same year is a second example. This creates market access commitments in banking, insurance, and securities, from a wide range of countries around the world including the key emerging markets of primary interest to U.S. industry. The agreement covers an overwhelming share of global trade in this sector, including the most important international financial services markets and encompassing $38 trillion in global domestic bank lending, $19.5 trillion in global securities trading, and $2.1 trillion in world wide insurance premiums, accounting for approximately 95% of bank lending, stock turnover, capitalization of stock markets and insurance premiums.

And we can go further. APEC, for example, has begun an eight-sector initiative which, if completed at the WTO, will eliminate barriers to environmental goods and services, helping countries control pollution and guarantee their people clean drinking water. It will end tariffs on energy equipment to promote clean and efficient power generation, reduce urban air pollution, and help us address climate change. And it will liberalize trade in medical equipment and scientific instruments, improving health care and research capabilities. The new WTO Round will offer us many more opportunities to open specific industrial sectors.

REGULATION AND CONSUMER PROTECTION

But intellectual property and market access alone are not enough. As in our domestic economy, progress requires fair, non-discriminatory, transparent and "least trade restrictive" regulation, which promotes competition and innovation while ensuring consumer safety. This enables us to develop both specific new products and transformational technologies which create entirely new industries.

1. Telecommunications

One example is telecommunications.

This, in the U.S. and elsewhere, was for many years dominated by national monopolies and closed markets. In the 1980s we broke with this pattern, easing access to our domestic market for new companies; the 1996 Telecommunications Act took us much further. Once almost immune to competition, our local telecommunications markets now host vast numbers of new competitive local providers, who have attracted $30 billion in investment and are bringing advanced services to millions of Americans, from cell phones and satellite service to video-conferencing and beyond.

The WTO's Basic Telecommunications Agreement we negotiated in 1997 extended those opportunities worldwide. Its pro-competitive regulatory principles allow competition and promote innovation in one-time monopolies all over the world, covering covering over 95% of world telecom revenue in an industry whose value approaches $1 trillion. Over seventy WTO members have joined, and membership is one of our fundamental expectations for newly acceding WTO members, including China.

This is of course immensely important for some of America's leading exporters. But it is equally important as a source of new technologies for those countries, especially in the developing world, which join. By giving U.S. and foreign companies access to local, long-distance and international service through any network technology, and allowing them to acquire, establish or hold a significant stake in telecom companies around the world, the agreement also supports creation of modern, high-tech infrastructure.

Thus, adding new members is also a high priority and a special focus of our African trade initiative. Uganda, for example, has only 50,000 telephones for a population of 20 million, and has recently joined the agreement as a way to rapidly gain access to modern technologies. African nations are also among the strongest supporters of our proposal to open satellite phone systems with global coverage. And our work to bring African countries into the Agreement -- the most recent signatories are Ghana and Uganda – goes together with technical assistance through the Agency for International Development and the FCC which offers technical advice, seminars for officials and legislative suggestions to ensure effective regulation.

Together with the Financial Services Agreement, the telecom experience has offered us important lessons as we approach the new Round, in which liberalization of services is at the heart of the agenda. At the same time, we will begin a work-program to consider newer issues, including how competition and investment policies help assure fair and open trade and contribute to domestic efforts to promote competition and innovation.

2. Agriculture, Medicine and Biotechnology

As we look ahead to the regulatory issues of the next Round, a key focus will be biotechnology. This has the potential to transform industries which depend on the life sciences -- notably agriculture and medicine -- just as telecommunications has transformed finance, transport and other industries.

In agriculture generally, open trade can mean better prices for both consumers and producers, and more diverse sources of food supply that make nations less vulnerable to famine. Lower trade barriers are essential to reaching this goal; but they mean little without fair, transparent regulation.

We took the first step in the Uruguay Round's Agreement on Sanitary and Phytosanitary Measures was the first step. It required trade restrictions taken to protect plant, animal and human health to have a scientific basis. For the first time, this set a worldwide standard requiring agricultural inspections to be based on science and concern for health rather than trade protection.

Biotechnology -- the use of genetic techniques to create new medicines and plant strains – is the second step. In the future, it will help develop strains of plants resistant to drought and other natural stresses, along with cures for forms of cancer, aging diseases and birth defects. The promise for improved health and longevity, and higher farm yields that reduce hunger and ease pressure on land, water and wildlife habitat is immense. To quote Sir John Maddox, the retiring editor of *Nature*, in his 1998 book on the future of science:

> "The understanding of life that has followed from the structure of DNA ensures that the century ahead will be transformed by engineered forms of plants and animals, and by different and more effective human medicines. ... They will feed the hungry and cure the sick of simple ailments; it is a matter of time only before they can list the kinds of cancers that are curable this year, and those that are on the cards for cure next year or sometime soon afterwards."

But biotechnology also raises some public and consumer concerns about potential unintended effects. This is especially true in Europe. These are fears we must address squarely; but the fact is, virtually all foods we now eat are genetically engineered in some way -- through selective breeding dating back thousands of years and the Green Revolution of the 1950s and 1960s. Biotechnology speeds the process but does not fundamentally change it.

Fair, transparent and scientific regulation should reveal any threats to health and allow us to win its maximum potential benefit. This is what we encourage in our Transatlantic Economic Partnership talks with the EU. And it will be a fundamental part of our agenda in the new WTO Round set to begin next fall at the WTO Ministerial Conference in Seattle. A worldwide consensus on this in the next Round is a fundamental part of any policy to support rural economies, guarantee world food security and fight hunger in the next century.

PREVENT MISTAKES: ELECTRONIC COMMERCE

This leads me to a fourth and final issue. I noted when I opened these remarks that the high-tech sectors are an economic competitive advantage for the United States. It may be immodest, but I think this is because our historic enthusiasm for new ideas -- in science, in political debate, in arts and entertainment -- is an area of intellectual competitive advantage. Like Thucydides' Athenians, Americans are:

> "in love with innovation, and their designs are characterized by swiftness alike in conception and execution ... and the disappointment created by the failure of an enterprise is soon replaced by fresh hopes."

This has made us an innovative society throughout the 20th century: cars, airplanes, radios, television, microchips, lasers, antibiotics, aerospace, fiber-optics, biotech, computer networks and the Internet all arose here, and this is because we think first of the benefits new technologies can bring us, rather than the threats. And the fourth and final strategic goal of our trade policy is to create a similar intellectual environment worldwide.

In essence, much of global trade policy since World War II amounts to undoing the mistakes of various sorts which stem from the 1920s and 1930s -- years in which an open world economy was unravelled by colonial preference schemes, the Smoot-Hawley tariff in the United States, and the communist experiment. Thus our work aims at ending tolerance of intellectual piracy; ensuring market access by removing tariffs and eliminating subsidies; and replacing monopolies and unscientific standards with fair and transparent regulation. The ideal approach, though would be to prevent mistakes in the first place. And we have precisely that opportunity in a third transformational technology: electronic commerce, or trade conducted over the Internet.

The Internet, developed only a few years ago, is growing with incredible speed. It had 3 million users in 1994; fewer than 10 million in 1996; 140 million today; and may have 320 million by next year. Commerce over the Net is rising even faster still. This can raise productivity, make almost every existing industry more efficient, and create new ones we have not yet imagined. In trade, our task is simply to prevent mistakes that could reduce its potential.

Today, in trade terms, the Internet is pristine. No member of the WTO considers electronic transmissions imports subject to duties for customs purposes. There are no customs duties on cross-border telephone calls, fax messages or computer data links, and this duty-free treatment should include electronic transmissions on the Interne. We secured a temporary "standstill"on application of tariffs in this area at the WTO last year, and will seek consensus on extension this year.

We are also working with our trading partners to develop a consensus on appropriate treatment of consumer issues. Electronic commerce cannot flourish without an environment of trust, where consumers feel safe from unscrupulous practices. Industry-led efforts to maintain this trust are the optimal solution, but where those fail, government have a clear role in protecting their consumers. In all areas where the government plays a role in e-commerce, however, we need to such action should meet a clear standard established by the WTO to ensure that trade is not impaired -- that measures are the least burdensome possible, and not used as trade barriers.

And in our regional trade initiatives – the Free Trade Area of the Americas, APEC, the Transatlantic Economic Partnership – we have created special committees to advise us on ways to ensure all participants can take maximum advantage of electronic commerce. These are especially exciting for their potential to speed development in disadvantaged regions.

Internet access requires little capital, helps entrepreneurs find customers and suppliers quickly, and eases technical and paperwork burdens that can slow participation in trade. Thus it is ideally suited for developing countries and people with a good idea but little capital. In the Africa trade initiative, AID has helped eight nations set up national gateways, and begun discussions with four more. AID has also reallocated existing funds for e-commerce development to Jamaica, Guatemala, Uganda, Bulgaria, Morocco, Egypt, Ghana and Haiti. Within a few years, if our work succeeds, we will have a seamless, worldwide network that promotes growth, entrepreneurialism, and the principles of open society everywhere.

CONCLUSION

And perhaps this can be a lesson for us in years ahead. If I can conclude with a second quotation from Dr. Bohr: "prediction is extremely difficult ... especially about the future."

Neither government, business, nor even the best-informed scientists and engineers can predict the future of the scientific revolution. But we can observe that with sound intellectual property laws; open markets; fair regulation; and the courage to let new technologies develop freely , the possibilities are infinite. And if we can simply give humanity's inherent genius the freedom to let them emerge, we will have served our country and the world well.

We can look forward to a future in which people live safer, healthier, longer lives. In which the air and the water are cleaner and the future of wildlife more secure, even as economies grow and living standards rise. Censorship and limits on freedom of speech fade into the past. And human reason and good will are free to reach the furthest horizon.

Those of us in trade have just a small role in this; but it is one we are very proud to play.

TESTIMONY ON U.S. TRADE POLICY IN CHINA

Ambassador Charlene Barshefsky
U.S. Trade Representative

Senate Committee on Finance
Washington, DC

April 13, 1999

Mr. Chairman, Senator Moynihan, Members of the Finance Committee, thank you for inviting us to review with you the status of our trade policy with China today.

The past weeks have been eventful ones for this relationship. Our negotiations since the beginning of this year have been highly productive in all the major areas of American trade concern: agriculture, industrial goods, services and rules. China has made very significant commitments across the range of sectors and issues of concern to us, but a number of important issues remain to be resolved.

President Clinton and Premier Zhu have stated their goal of continuing negotiations to try to resolve the outstanding issues. We have, for six years, pursued these negotiations in a methodical manner, insisting at every juncture that accession must be on commercially meaningful terms. We have come far but are not there yet. This is the right approach for America's business, agriculture and workers. Now is not the time to depart from this careful, substantive approach and allow arbitrary deadlines to influence our negotiating position.

Our work has involved negotiations on a very large number of issues. Today I will review our progress so far. But let me begin with some more general comments about the place of China's accession to the WTO in our Pacific strategy and our national trade interest. I will then move on to review the specific commitments China has made, and to your questions and concerns about the work we have done and that which lies ahead.

TRADE IN AMERICAN CHINA POLICY

Fundamentally, we have worked toward China's integration into the global rules-based trading system, because as a Pacific nation we have a vital interest in a peaceful, stable and prosperous Asia-Pacific region.

To secure this interest we maintain 100,000 troops in Asia, and we maintain strong alliances with Japan and other Asian democracies. We vigorously promote human rights, democratic principles and the rule of law throughout the region. And we engage China -- Asia's largest nation and fastest-growing economy -- to address our differences and find common ground wherever possible.

This includes a wide range of issues, from cooperation in regional security issues like the Korean peninsula to control over weapons proliferation, advocacy of human rights improvements at the UN Human Rights Commission and in our bilateral relationship, promoting labor rights, addressing climate change and other environmental questions, narcotics and crime control, and other issues as well. And a fundamental part of this policy, as a matter of commercial interest and as a complement to our strategic and security policies, is support for the economic integration of China into the Asia-Pacific region and the world economy.

China's economic isolation during the Cold War was vastly damaging to both China and to the Pacific region. For nearly forty years, China's economy was almost entirely divorced from the outside world. The consequent loss of foreign markets and investment impoverished China at home, and meant that Asia's largest nation had little stake in prosperity and stability -- in fact, saw advantage in warfare and revolution -- beyond its borders. Every Pacific nation felt the consequences not only in economics and trade but in peace and security.

Our effort to undo this isolation -- a bipartisan, patient effort continuing over the nearly thirty years since President Nixon's visit to China in 1972 -- has included the lifting of the U.S. economic embargo in the mid-1970s; our initial Commercial Agreement and mutual grant of normal trade relations in 1979 and 1980; the consistent renewal of normal trade relations for the past 20 years; and the market access, textile and intellectual property agreements we have negotiated in the 1990s. All of these trade policies have had multiple goals: the creation of opportunity for American businesses, working people and agricultural producers; the guarantee of fair trade principles; the advance of the rule of law, and the strengthening of China's own stake in the stability and prosperity of its neighbors.

And this policy has succeeded over the years. It has increased China's contacts with the outside world, bringing new ideas and opportunities to its people and giving China greater common interests with its Asian neighbors and with us. China's constructive approach to the Asian financial crisis may well be at least a partial consequence of this policy.

U.S.-CHINA TRADE RELATIONS TODAY

But at the same time, the progress has been slow. China remains a country characterized by high trade barriers and numerous unfair trade practices -- which create inefficiencies within the Chinese economy; slow the process of integration; and cause frustration and sometimes injury to American farmers, worker, and businesses.

China's formal and informal trade barriers remain high. Its agricultural standards are based on bureaucratic fiat rather than science. Key service sectors like distribution, finance and telecommunications remain closed, depriving China of the jobs, efficiency and innovation competition could bring to the domestic economy. And the rule of law -- as Hong Kong Chief Secretary Anson Chan said last summer, the "infrastructure which enables enterprise to flourish" in any economy -- is undeveloped.

Thus, China remains insecurely integrated, and only opportunistically so, with the world outside; and its economy faces severe challenges which, over time, more open trade could help to solve. Likewise, China's neighbors remain blocked from an economy which -- like Japan's -- could be an engine of growth in the present financial crisis and in the future. One index of this is our trade deficit with China, now over $1 billion per week. Another is that between the opening of Normal Trade Relations (formerly MFN status) in 1980 and 1997, our exports to China grew only $9 billion -- barely half of our $16 billion in export growth to Taiwan, and less than a quarter of our $39 billion in export growth to the ASEAN nations.

WTO accession allows us to address the policy issues at the root of these problems in a comprehensive way. As it does so, it also is an opportunity to advance our broader interests and values beyond trade:

- As a matter of trade policy, a sound agreement will open Chinese markets to our exports, and give American domestic industries stronger protection against unfair trade practices.

- As a matter of strategy, WTO membership will complement our efforts to maintain peace and stability in the Pacific by linking China's economy more closely with the world's, creating constituencies within China for stability beyond its borders.

- And as a matter of values, WTO principles – transparency, fair and impartial judicial practices, peaceful settlement of disputes, the rule of law – are those we hope to advance in China and worldwide.

To win these benefits, an agreement on WTO accession must be commercially meaningful, addressing our major concerns in a detailed, enforceable and rapid way. This is also true for China -- a weak, "political" agreement would not yield the full potential for economic efficiency and growth in China. Thus, we are committed to a commercially meaningful accession; but while we have not yet reached agreement on such a package, in the past months we have made significant progress toward the goal.

PROGRESS THUS FAR

We have reached consensus with China on a broad range of market access commitments covering each major sector: agricultural products, manufactured goods, and services. And we have reached consensus with China on some of the most important and difficult Protocol issues, including safeguards against import surges, guarantees for our right to use appropriate non-market economy methodology in dumping cases, and protection against abusive investment policies like forced technology transfer and offset requirements. Talks will continue on a range of important market access and Protocol issues, however -- including many that must be addressed multilaterally -- and until they are each concluded on an acceptable basis, we will not be in a position to conclude the WTO accession. These include banking, securities, consumer auto finance, and the duration of rules regarding dumping and safeguards.

Let me now review the progress we have made thus far in agriculture, industrial goods, services and rules.

OUTLINES OF COMMITMENTS THUS FAR

On market access, we have a broad set of Chinese commitments covering most of our concerns. This set of commitments has four features:

- First, it is broad. It covers agriculture, industrial goods and services; and unfair trade practices including quotas, other non-tariff measures, application of non-scientific agricultural standards, discriminatory regulatory processes, lack of transparency, export subsidies and other barriers to trade. It will address tariffs and other barriers at the border; limits on trading rights and distribution within the Chinese market; unjustified sanitary and phytosanitary standards; and restrictions on services.

- Second, it grants no special favors. It requires China to reduce its trade barriers to levels comparable to those of major trade partners, including some industrial countries.

- Third, it is fully enforceable. The commitments China has made in all areas are specific, and enforceable through our trade laws and WTO dispute settlement and other special mechanisms, including some of the protocol issues.

- Fourth, its results will be rapid. The agreements on sanitary and phytosanitary standards concerning TCK wheat, citrus and meat took effect immediately on their signature last Saturday, lifting import bans of long duration. On accession to the WTO, China will begin opening its market from day one, in virtually every area. The phase-in of further broad concessions in all these areas will be limited to five years in almost all cases; in many instances the transition time ranges from one to three years.

Some examples of the progress thus far include:

1. Agriculture

In agriculture, China will make substantial reductions in tariffs both on accession to the WTO and over time, adopt liberal tariff-rate quotas in bulk commodities of special importance to American farmers, apply science-based sanitary and phytosanitary standards including in grains, meats and fruits, and eliminate export subsidies. Notable achievements here include:

Sanitary & Phytosanitary Standards – China will apply sanitary and phytosanitary standards based on science, eliminating its bans on American meats, citrus fruit and Pacific northwest wheat. In citrus, the industry estimates that this can mean up to $700 million in new exports, when coupled with China's market access commitments on accession and later.

Tariffs – China's agricultural tariffs will decline to 14.5% for our priority items. All cuts will occur within a maximum four-year time-frame; by contrast, WTO developing countries received ten years. Results in some top priorities include tariff cuts from 45% to 12% in beef; 40% to 12% in citrus; 30% to 10% in apples; 50% to 12% in cheese; and 65% to 20% in wine. And all tariff cuts will be bound at applied levels – that is, unlike many of our trading partners, China will not have a right to raise tariffs beyond these levels once it enters the WTO.

TRQs – China will liberalize its purchase of bulk agricultural commodities like wheat, corn, soybeans, rice, cotton and so on. It will adopt tariff-rate quotas – that is, very low tariffs on a set volume of commodities – in these bulk commodities. The wheat TRQ, for example, begins at 7.3 million tons and rises to 9.3 million tons by 2004. (Present import levels are below 2 million metric tons.) In all these TRQs, private traders will be guaranteed a share of the TRQ and a right to use unused portions of the share given to state trading companies. This will help establish legitimate private-sector trade in China.

Export Subsidies – China will not provide agricultural export subsidies. This is an important achievement in its own right, and a major step toward our goal of totally eliminating export subsidies in the next WTO Round.

2. Industrial Goods

In industrial goods, China will cut tariffs and bind them at the new, lower levels; make the deepest cuts in the areas of highest priority to the U.S.; allow American firms to import, export and distribute their products freely in China; and eliminate quotas and other numerical restrictions. Specific achievements in industrial goods include:

Trading Rights and Distribution – China will grant American companies, over a three-year phase-in period, rights to import and export products without Chinese middlemen, and to market, wholesale, retail, repair and transport their products -- whether produced in China or imported. Companies which set up business in China will also be able to import the goods they choose from the United States. Even for China's most protected sectors, such as fertilizer, China will grant full trading rights and distribution rights in five years.

Tariffs – China will make substantial tariff cuts on accession and further cuts phased in, two thirds of which will be completed in three years and virtually all of which will be completed within five years. On U.S. priority items, tariffs will drop on average to 7.1% -- a figure comparable to those of most major U.S. trading partners. As in agriculture, China will bind tariffs at these levels. Some specific examples include:

Information Technology Agreement – China will participate in the Information

Technology Agreement (ITA), eliminating all tariffs on such information technology products as semiconductors, telecommunications equipment, computer and computer equipment and other items connected to the information superhighway by 2003 in most cases and 2005 in a few others. This places China on the same footing as other ITA participants, who are required to phase out all tariffs in these sectors by 2005.

Autos – China will reduce tariffs on autos from 80%-100% today to 25%, and on most auto parts to 10%. This will be done by 2005.

Wood and Paper Products – China will reduce high tariffs on wood and paper to levels generally between 5% and 7.5%.

Chemicals – China will commit to the vast bulk of chemical harmonizations, reducing tariffs from present rates between 10%-35% to 5% to 6.5% in most cases. In other high-tariff items, China will cut tariffs significantly as well.

APEC -- China has agreed to implement the early voluntary sectoral liberalization initiative of APEC now under consideration in the WTO, when consensus is achieved. This would eliminate tariffs on forest products, environmental goods and services, energy and energy equipment, fish, toys, gems and jewelry, medical equipment and scientific instruments, and also includes chemical harmonization.

Non-Tariff Barriers – China will eliminate all quotas and other quantitative measures on accession for top U.S. priorities such as certain fertilizers and fiber-optic cable, by 2005 in all cases and by 2002 in most cases. In autos, China has committed to an initial quota of $6 billion – well above our current exports and the highest level of exports achieved in the past, and thus large enough that it will pose no restriction on trade. That quota will grow by 15% each year and will be eliminated entirely in 2005.

3. Services

In services, while discussions continue on audiovisual, banking and securities, China has agreed to broad-ranging commitments such as:

Grandfathering – China will guarantee to protect the existing rights and market access of all service providers operating in China.

Insurance – China will end restrictions on large-scale risk insurance throughout China immediately, grant licenses solely on prudential criteria, phase out restrictions on internal branching and remove restrictions on majority control or joint ventures, gradually eliminate geographical and numerical limits on licenses, and take several other measures.

Telecommunications – China will join the Basic Telecommunications Agreement, implementing regulatory principles including interconnection rights and regulatory rules. It will end geographic restrictions for paging and value-added services within four years, mobile and cellular within five years; and domestic wireline and closed user groups in six. It will also end its ban on foreign direct investment in telecommunications services, phasing in 49% foreign equity in all services in six years and 51% foreign ownership for value-added and paging services in four.

Audiovisual – Here, China will allow 49% foreign equity for the distribution of video and sound recordings, majority ownership in three years for construction, and ownership and operation of cinemas. We continue to discuss several issues here as well.

Distribution – China will remove all restrictions on wholesaling, retailing, maintenance and repair, and transportation within three years, along with restrictions on auxiliary services including express delivery, air courier, rental and leasing, storage and warehousing, advertising and others. This is of immense importance in its own right and as a step that will enable our exporters to do business more easily in China.

Also covered, of course, is a broad range of other services – architecture, engineering, legal, travel and tourism, computer and business services, environmental services, franchising and direct sales, and many more.

4. Protocol

Let me now turn to the Protocol issues. Some of these are completed; on others we will need work, including as part of the WTO process involving a large number of other countries. China has already made significant commitments in a number of major areas of concern, but significant issues remain outstanding. Commitments include:

- Product-specific safeguard provisions to ensure effective action in case of import surges.
- Guarantees that we will continue to use our current "non-market economy" methodology in anti-dumping cases.
- Commitments to eliminate requirements that companies export what they make in China or use Chinese parts or other products when they manufacture there. Our companies will not have to agree to offsets to invest in China or to receive permission to import U.S. goods.
- A ban on requirements for technology transfer for U.S. companies to invest in China.
- Guarantees that state trading companies and state-invested enterprises operate solely on commercial terms, and specification that purchases by these companies are not government procurements and are thus not subject to any special or different rules.

The important question of the duration of several of these special provisions remains open, and we continue to discuss other issues as well.

WTO ACCESSION AND OTHER AMERICAN PRIORITIES

Any final accession package must be judged primarily on its value to working people, businesses and agricultural producers. It is not a substitute for a vigorous and effective policy in other areas of our relationship with China, and is not intended to be such. When completed and when enforced, however, it will complement our work in such areas as human rights and security policy, helping us build a peaceful, prosperous and open Pacific region; and to advance fundamental American principles of freedom, transparency, accountable government and the rule of law.

Thus, as I welcome scrutiny of the trade policy details of the WTO accession, I also hope that Americans will think about them in the larger context of Pacific security and American values. And I would like to take the remainder of this time to speak to those questions.

1. Pacific Security

First of all, with respect to security, as ultimate WTO membership helps integrate China more fully in the Pacific and world economies, it will ensure that China's stake in its neighbors' stability and prosperity continues to grow.

This trend began with the economic opening of China in the late 1970s and early 1980s. Its results are clear in the contrast between the revolutionary foreign policy China pursued in the 1960s and early 1970s, when it sought the overthrow of neighboring governments; and the approach China has taken to the Asian financial crisis today, when it has sought to help stabilize their economies through contributions to IMF recovery packages and its own currency stability policies.

WTO accession, by reducing Chinese barriers to trade and investment and providing enforceable means of keeping them lowered, will deepen and accelerate this process of integration. Thus, this is in no sense a substitute for the U.S. military commitments, security treaties and other policies designed to ensure peace and security in the Pacific; but it will complement them in our larger search for a peaceful, stable and open Asia-Pacific region.

The WTO Accession and American Values

And as in the case of security, the WTO accession will complement and support efforts to advance the cause of human rights.

WTO membership, in its largest sense, represents adherence to a set of accepted international rules. They include the development and publication of laws and regulations;

consistency in decision making; recourse to law enforcement and judicial proceedings; curbs on the arbitrary exercise of bureaucratic discretion. And these concepts in turn rest upon universal values and ideals including transparency, public and enforceable commitments, and openness to the outside world.

The WTO accession thus will accelerate the trend toward development of the rule of law within China. It thus complements the work our colleagues in other agencies are doing in advocacy for political prisoners, activity at the UN Human Rights Commission and engagement with China's top leadership on human rights issues in the Administration's efforts to bring China closer to conformity with international standards of human rights.

CONCLUSION

In summary, over the past months we have made very significant progress on this work.

We have attempted to address the principal concerns of American agriculture, manufacturing, and service industries. And we have enhanced the work on rules.

If this progress continues, we will ultimately reach a result that creates a fundamentally fairer trade relationship. And at the same time, we will contribute to our larger goals of a Pacific region more stable and peaceful than it is today; and to the advance of universal values worldwide. This is a process which is in the American national interest.

Let me conclude, though, by saying once more that the work is not yet done. WTO accession will come only on completion of a commercially meaningful agreement; and that means each part of a commercially meaningful agreement, including the market access commitments and the Protocol issues, which are central. In the weeks ahead, we will consult with the Committee and other Members of Congress to make sure that our work meets your concerns.

Thank you very much. And now I will take your questions.

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

EXECUTIVE OFFICE OF THE PRESIDENT

WASHINGTON, D.C.

20508

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FOR IMMEDIATE RELEASE
APRIL 10, 1999

CONTACT: JAY ZIEGLER
HELAINE KLASKY
AMY STILWELL
(202) 395-3230

U.S. - CHINA SIGN BILATERAL AGRICULTURE AGREEMENT

United States Trade Representative Charlene Barshefsky welcomed the successful conclusion of the Agreement on U.S.-China Agricultural Cooperation, lifting long-standing prohibitions on the export of U.S. citrus, grain, beef and poultry to China. Together with Chinese Minister for Foreign Trade and Economic Cooperation Shi Guangsheng, Ambassador Barshefsky today signed this unprecedented agreement.

Ambassador Barshefsky stated, "This agreement removes unfair trade barriers to U.S. wheat, meat, citrus and poultry and signifies a new era in our bilateral agricultural relationship, one that is based on sound science and the mutual benefits of open markets. U.S. farmers, ranchers, and consumers will benefit substantially from this agreement."

Secretary Glickman stated, "This agreement is a fundamental breakthrough for American agriculture. Over the years we estimate that Chinese trade restrictions have cost America's competitive producers billions of dollars in sales. China's agreement to lift these longstanding and contentious barriers to our grain, citrus, and meat could have significant benefits in terms of greatly expanded exports of these products to the vast market."

With this agreement, the United States and China will launch an agricultural partnership for the 21st century. The Agreement highlights our core objectives: resolving trade barriers, increasing technical cooperation and scientific exchanges, and further developing our agricultural sectors. The agreement is expected to dramatically increase U.S. exports to China as well as to increase the cooperation between the U.S. and China in biotechnology, aquaculture, and other technical areas of assistance.

Background:

The Agreement includes lifting the ban on the export of citrus from Arizona, California, Florida and Texas, allowing the U.S. to develop legitimate commercial channels for U.S. citrus exports to China, which will reduce risk and permit exporters to market their product legally. Removal of the phytosanitary restrictions will translate into a direct increase in exports of U.S. citrus.

China's ban on citrus has been a longstanding irritant in our bilateral relationship. This agreement will allow us to export U.S. citrus based on U.S. national standards. The export program will be phased in over an interim period of two years, in terms of which counties in Florida and California can participate. During this period, the approved counties will be able to ship citrus that is produced in areas that are free of fruit flies and from areas outside of a 20 kilometer zone around fruit fly outbreaks. After two years, fruit from all counties can be shipped based on the U.S. National Program Guidelines.

China has agreed to recognize the U.S. certification system for meat and poultry, a move that will allow U.S. products immediate access to all segments of the Chinese market. Previously, meat and poultry could only be imported by two entities for use in some hotels and restaurants. As with citrus, this agreement will allow exporters to develop legal, commercial relationships for U.S. meat and poultry.

China has banned imports of U.S. wheat and other grains from the Pacific Northwest for over 26 years for scientifically unjustified reasons. In signing this agreement, China has acknowledged that TCK smut does not pose a risk to China's domestic wheat production, and will allow the import of U.S. wheat and other grain that is at or below a specific tolerance for TCK (43,000 spores per 50 grams).

R. K. MORRIS

At

Samuels International

Washington, DC 20036

Tel: 202-223-7683

Fax: 202-223-7687

E-mail: morr579@ibm.net

FAX TRANSMITTAL COVER SHEET

DATE: **May 17, 1999** **PAGES:**

TO: **Mr. Malcolm Lee** **Fax: 456-9290**

FROM: **R. K. Morris**

SUBJECT: **WITA EVENT**

Dear Mr. Lee –

Please see the letter below for further details on the above subject.

Best regards,

R. K. Morris
c/o Samuels International
1133 21st Street, NW (Suite 710)
Washington, DC 20036

Tel: (202) 223-7683
Fax: (202) 223-7687
Email: morr579@ibm.net

May 14, 1999

Mr. Malcolm R. Lee
Senior Director, International Economic Affairs
National Economic Council
The White House
Washington, DC 20504

VIA FAX TO: 456-9290
7 Pages

Dear Mr. Lee:

MAY 20 WITA INVITATION: FURTHER BACKGROUND

In our conversation yesterday (May 13), you asked for some sample flyers from earlier WITA programs. The flyer for next week's program is enclosed, along with five other samples. You can learn more about these and other back programs from the WITA web site, which is http://www.wita.org. As you know, we very much hope that you will be one of the speakers on May 20. If in fact that turns out to be something you can do, we will of course issue a new notice with your name on it.

Thanks again for your willingness to try to do this. If you need anything further from me or WITA, I hope you will give me a call. With best wishes,

Yours sincerely,

Rudge Morris

Enclosures

Washington International Trade Association

Policy Series

China WTO: Status Check

Early May's storm of tragic and dramatic events in the U.S.-China relationship having passed, it is time to check the status of the major joint trade project. Where are we now in the long, once nearly completed, and globally important negotiations to bring China into the World Trade Organization? The panel of experts who will address that question at the WITA breakfast on May 20 will include:

Christopher Jackson
Hong Kong Economic and Trade Office

Raymond Garcia
Rockwell International and NAM

Administration and other officials invited. Please visit our web site at www.wita.org for further details.

Ronald Reagan Building
Horizon Ballroom
1300 Pennsylvania Ave. NW
Enter through Pennsylvania Ave. entrance
Nearest Metro: Federal Triangle or Metro Center
Thursday, May 20
8:00-9:30 a.m.

Registration begins at 7:45 a.m. and a continental breakfast will be served. ***All registrations must be received before noon on Wednesday, May 19.*** **Cancellations not received 24 hours in advance will be billed to cover costs.**

Registration fee: $10.00 for WITA members who are U.S. gov't employees, full-time students, or unemployed
$20.00 for all other WITA members
$35.00 for all non-members

______Yes! I would like to become a member of WITA. Please charge my credit card for WITA membership *and* the appropriate member registration fee.

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To register electronically and learn more about WITA membership, visit our web site at **www.wita.org**

Washington International Trade Association

Trade Policy Series

Tracking Trade Bills

The House leadership has said there will be a vote on fast-track trade authority the week of September 21. The Senate Finance Committee has put together a major trade bill. And the Administration says the timing is wrong, at least for fast track. Who could navigate this channel without a pilot? On Tuesday, September 15, we will have two who can:

Angela Ellard

Staff Director
Ways and Means Trade
Subcommittee

Grant Aldonas

Chief Trade Counsel
Senate Finance Committee

Hotel Washington Ballroom (Lower Lobby)
515 15th Street, NW
Tuesday, September 15, 1998
8:00 to 9:30 a.m.

Continental breakfast will be served. Registration begins at 7:45 a.m. Spaces are limited, so please fax form and submit payment to reserve in advance. **Cancellations not received 24 hours in advance will be billed to cover costs.**

Press Notice: The remarks of these speakers will be *off the record.*

Registration fee: $20.00 for members $35.00 for non-members

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Washington International Trade Association

Trade Policy Series

US-EU Trade Relations

In the lead up to the US-EU Summit scheduled to take place December 18 in Washington, DC, US-EU trade relations have been both cooperative and confrontational. On the one hand, the Summit leaders are expected to unveil their action plan for the Transatlantic Economic Partnership (TEP) which will develop a framework for closer cooperation. Also, the Transatlantic Business Dialogue (TABD) recently finished its fourth CEO-level conference in Charlotte developing numerous recommendations on ways to facilitate trade and investment. On the other hand, long-standing trade disputes continue to plague the relationship including: bananas, Foreign Sales Corporation (FSC), unilateral sanctions, beef hormones and the EU Privacy Directive. What are the expected outcomes of the Summit? Is the US-EU relationship becoming more cooperative or more confrontational? How can the US and EU work together to support Asia's recovery and prepare for next year's WTO ministerial?

These are the topics that will be discussed at a WITA breakfast on Wednesday, December 16th, when the panelists will be:

John Richardson
Deputy Chief of Mission
European Commission

Cathy Novelli
Assistant USTR for Europe

Laura Peralta-Schulte
Warner-Lambert Company
1998 Co-Chair, TABD

Robert Cassidy
Wilmer, Cutler & Pickering
(Invited)

Hotel Washington Sky Room
15th and Pennsylvania Avenues
Wednesday, December 16, 1998
8:00 -9:30 am
Nearest Metro: Metro Center

Registration begins at 7:45 a.m. and a continental breakfast will be served. ***Pre-registration and pre-payment is required. No registrations will be accepted at the door. All registrations must be received at least 48 hours in advance of the event.***
Cancellations not received 48 hours in advance will be billed to cover costs.

Member fee: $20.00 **Non-member fee: $35.00**

Please charge my credit card for WITA membership *and* the member registration fee of $20.00 ☐

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Washington, DC 20004
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To register electronically and learn more about WITA membership, visit
www.wita.org

Washington International Trade Association

Trade Policy Series

in conjunction with the National Association of Manufacturers

Mickey Kantor
On
Trade, China,
and
the Clinton-Jiang Summits

Ambassador Mickey Kantor, former U.S. Trade Representative and Secretary of Commerce, will speak at the WITA breakfast on Tuesday, June 23. Ambassador Kantor will address a range of issues related to U.S. interests in Asia, including the current Asian financial crisis and its impact on international markets, and U.S.-China political and economic relations in the context of the second Clinton-Jiang Summit. Join us for this special WITA event at the:

Hotel Washington
15th and Pennsylvania Aves. NW
Skyroom
Tuesday, June 23, 1998
8:00 a.m.

Registration will begin at 7:45 a.m. Spaces are limited, so please ***fax form and submit payment before noon on Monday, June 22****. Cancellations not received 48 hours in advance will be billed to cover costs.*

Registration Fee: $20.00 for members $35.00 for non-members

Your name:____________________
Title:____________________
Firm:____________________
Address:____________________
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Washington International Trade Association

Trade Policy Series

Ambassador Fisher Talks Trade: Asia, China, the Americas and the WTO

President Clinton's recent trip to China underscored the importance of the U.S.-China relationship and improved the outlook for continued "normal trade" with China, a.k.a., MFN. Like any major event, it also generated questions: What next? What should the next step be in moving the United States and China towards a truly normal commercial relationship? And how will those actions fit with other important initiatives, such as the Free Trade Area of the Americas? These will be the issues at the next WITA policy breakfast, when our guest will be Deputy U.S. Trade Representative Richard Fisher. Please join us at:

The Hotel Washington
15th and Pennsylvania Aves. NW
Sky Room
Wednesday, July 22, 1998
8:00 a.m.

*Registration will begin at 7:45 a.m. Spaces are limited, so please **fax form and submit payment before noon on Monday, July 20**. Cancellations not received 48 hours in advance will be billed to cover costs.*

Registration Fee: $20.00 for members $35.00 for non-members

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Washington International Trade Association

Trade Policy Series

Trade and the Environment

A panel discussion with

Jennifer Haverkamp

Office of the U.S. Trade Representative

Robert Heine

Dupont

Jake Caldwell

National Wildlife Federation

Does expanded trade pose a threat to the environment? Should trade sanctions be used to enforce environmental agreements or laws? What are the issues that the environmental community want to see addressed at the upcoming Seattle Ministerial? What outcomes might we expect? Please join us for breakfast at the:

Hotel Washington
Washington Room
15th and Pennsylvnia Ave.
Nearest Metro: Metro Center
Wednesday, June 9, 1999
8:00 to 9:30 a.m.

Continental breakfast will be served. Registration will begin at 7:45 a.m. Spaces are limited, so please fax form and submit payment to reserve in advance. Cancellations not received 48 hours in advance will be billed to cover costs.

Registration fee: $10.00 for WITA members who are U.S. gov't employees, full-time students, or unemployed
$20.00 for all other WITA members
$35.00 for all non-members

______Yes! I would like to become a member of WITA. Please charge my credit card for WITA membership ***and*** the appropriate member registration fee.

Your name ______________________________
Firm ______________________________
Address ______________________________
City ____________ State ________ Zip ________
Tel ____________ Fax ____________
e-mail ______________________________
VISA ( ) MC ( )
Credit Card no. ______________________________
Exp. Date ________ Signature ______________

Return this form with your payment to:
WITA
1300 Pennsylvania Ave., NW Suite 350
Washington, DC 20004
Tel. (202) 312-1600 **Fax (202) 312-1601**
To register electronically and learn more about wita membership, visit our web site at **www.wita.org**

R. K. MORRIS
c/o Samuels International Associates, Inc.
Memorandum
Washington, D.C. 20036
Tel: 202-223-7683; 202-223-7687
Email: morr579@imb.net

DATE:	**May 19, 1999**	
TO:	**Mr. Malcolm Lee** **The White House**	**(456-9290)** 2 pages
FROM:	**R. K. Morris**	
SUBJ:	**MAY 20 WITA PROGRAM: FOLLOW UP TO TODAY'S CALL**	

Dear Mr. Lee:

Obviously, I am praying that you will be able to participate in the WITA program tomorrow morning. However, I have called CSPAN a) to alert them to the fact that you might not be there and b) to let them know that, even if you do come, your remarks may not be for attribution.

If it turns out that you cannot make it, I would be extremely grateful for a call, either at the above work number or at home at (703) 532-2067.

Lastly, if you could send me a short bio by fax to 202 223-7687, that too would be much appreciated.

The current notice about this meeting, as taken from the WITA web site, is attached.

Best regards,

Jeffrey Morris

The order of speakers is wrong on the notice. You would be the first speaker.

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Washington, D.C. 20036
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Email: morr579@imb.net

DATE:	**May 19, 1999**	
TO:	**Mr. Malcolm Lee**	**(456-9290)**
	Mr. Ray Garcia	**(703-516-8294)**
	Mr. Christopher Jackson	**(331-9487)**
	Ms. Caroline Normand	**(429-1766)**
FROM:	**R. K. Morris**	
SUBJ:	**MAY 20 WITA PROGRAM AND THE PRESS**	

Dear All – I thought you should know that CSPAN called to ask about tomorrow's program. They have not committed to being there, but they may be. As for other press, Inside USTrade and Radio Free Asia have signed up. Doubtless there will be others there as well.

Thank you all again for doing this. I am looking forward to seeing each of you in the morning.

Best regards,

Judy Morris