

# Withdrawal/Redaction Sheet

## Clinton Library

| DOCUMENT NO.<br>AND TYPE | SUBJECT/TITLE                          | DATE       | RESTRICTION |
|--------------------------|----------------------------------------|------------|-------------|
| 001. cable               | re: Embassy Action Plan. (7 pages)     | 12/07/1999 | P1/b(1)     |
| 002. cable               | re: Belgrade or WTO. (6 pages)         | 12/14/1999 | P1/b(1)     |
| 003. cable               | re: EU Trade Commissioner. (6 pages)   | 01/25/2000 | P1/b(1)     |
| 004. cable               | re: House WTO Vote. (2 pages)          | 05/23/2000 | P1/b(1)     |
| 005. cable               | re: HK Reporter. (4 pages)             | 10/26/2000 | P1/b(1)     |
| 006. cable               | re: Message for U.S. on WTO. (5 pages) | 10/30/2000 | P1/b(1)     |

### COLLECTION:

Clinton Presidential Records  
NSC Cables  
Jan 1999-Dec 2000 ([China, WTO, Barshefsky, Kantor])  
OA/Box Number: 530000

### FOLDER TITLE:

[12/05/1999-12/05/2000]

2010-1024-F

vz1897

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

# Cable

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PREC: IMMEDIATE  
CLASS: UNCLASSIFIED  
LINE1: OAAUZYUW RUEHCAA8864 3390324-UUUU--RHEHAAX.  
LINE2: ZNR UUUUU ZZH  
LINE3: O 050321Z DEC 99  
LINE4: FM SECSTATE WASHDC  
OSRI: RUEHC  
DTG: 050321Z DEC 99  
ORIG: SECSTATE WASHDC  
TO: ALL DIPLOMATIC AND CONSULAR POSTS IMMEDIATE  
SPECIAL EMBASSY PROGRAM IMMEDIATE  
INFO: ////  
SUBJ: WTO MINISTERIAL STATUS READOUT  
TEXT:  
UNCLAS STATE 228864  
  
FOR AMBASSADOR, ECONOMIC COUNSELOR, AND PAO, GENEVA FOR USTR  
  
E.O. 12958: N/A  
TAGS: ETRD, WTO, ECON  
SUBJECT: WTO MINISTERIAL STATUS READOUT  
  
1. FOLLOWING IS A BRIEF REVIEW OF THE WTO MINISTERIAL DECEMBER 3RD DECISION TO SUSPEND DELIBERATIONS ON THE LAUNCH OF A NEW ROUND. DIRECTOR GENERAL MOORE WAS ASKED TO CONSULT WITH DELEGATIONS AND PREPARE THE WAY FOR A SUCCESSFUL CONCLUSION. POSTS MAY DRAW ON THIS INFORMATION AND SUBSEQUENT TALKING POINTS IN CONVERSATIONS WITH HOST GOVERNMENT OFFICIALS AND CONTACTS. CONFIDENTIAL SEPTEL FOLLOWS WITH FURTHER BACKGROUND AND ASSESSMENT.  
  
2. AS POSTS ARE AWARE, THE MEMBER COUNTRIES OF THE WTO HAVE AGREED TO SUSPEND THE THIRD WTO MINISTERIAL, A RECOMMENDATION SUPPORTED BY WTO DIRECTOR GENERAL MOORE AND MINISTERIAL CHAIR BARSHEFSKY. DG MOORE AND AMBASSADOR BARSHEFSKY PROPOSED AT THE FINAL PLENARY SESSION THE EVENING OF DECEMBER 3RD RECONVENING THE MINISTERIAL; THIS PROPOSAL SUBSEQUENTLY WAS ACCEPTED BY WTO MEMBERS. AMBASSADOR BARSHEFSKY EMPHASIZED THAT WE HAVE HAD SIMILAR OUTCOMES IN EARLIER MINISTERIAL MEETINGS, (E.G., MONTREAL 1988 AND BRUSSELS 1990), WHICH THEN WENT AHEAD TO FINAL RESOLUTION.  
  
3. AMBASSADOR BARSHEFSKY CITED SEVERAL FACTORS FOR THE SUSPENSION OF THE NEGOTIATIONS:  
  
A) THE ISSUES FACING DELEGATES ARE "DIVERSE, COMPLEX AND OFTEN NOVEL." AMONG THESE ARE EXCEPTIONALLY DIFFICULT QUESTIONS WHICH COULD NOT BE RESOLVED IN PREVIOUS ROUNDS, AND WHICH HAVE NOT PREVIOUSLY BEEN

CONSIDERED IN THE CONTEXT OF THE INTERNATIONAL TRADING SYSTEM.

B) MOREOVER, THIS WAS THE FIRST EFFORT TO MAKE MINISTERIAL DELIBERATIONS MORE INCLUSIVE, NOT ONLY FROM THE OUTSIDE WITH NGOS AND CIVIL SOCIETY, BUT ALSO FROM THE INSIDE BY ATTEMPTING TO CONSTRUCT A BROAD CONSULTATIVE PROCESS TO ENGAGE THE BROAD AND DIVERSE MEMBERSHIP OF THE WTO. TO CARRY FORWARD THE WORK, FOUR MINISTERIAL-LEVEL WORKING GROUPS (AGRICULTURE, MARKET ACCESS, RULES AND IMPLEMENTATION AND SINGAPORE-RELATED AND OTHER ISSUES GROUP) WERE ESTABLISHED DURING THE MINISTERIAL WITH WIDE MEMBER PARTICIPATION.

C) THE COMBINATION OF MORE DIVERSE AND COMPLEX ISSUES AND EFFORTS TO ADOPTSKY STRESSED THAT PROGRESS INDEED HAS BEEN MADE IN A NUMBER OF AREAS. DG MOORE CITED GAINS MADE, BUT NOT YET BROUGHT TO FINAL FRUITION, ON BEHALF OF LEAST DEVELOPED AND DEVELOPING COUNTRIES. DURING THE WEEKS BETWEEN NOW AND THE RECONVENING OF THE MINISTERIAL, DG MOORE WILL CONSULT WITH DELEGATIONS AND DEVELOP CREATIVE WAYS TO BRIDGE REMAINING SUBSTANTIVE GAPS. ADDITIONALLY, HE WILL WORK TO PUT IN PLACE A DELIBERATIVE PROCESS WHICH IS BOTH INCLUSIVE AND EFFICIENT, TO ENABLE MINISTERS TO REACH CONSENSUS ON THE LAUNCH OF A NEW ROUND.

5. DG MOORE AND AMBASSADOR BARSHEFSKY STRESSED THAT A NUMBER OF IMPORTANT WTO-RELATED ACTIVITIES WILL CONTINUE ON SCHEDULE: WORK WILL BEGIN IN JANUARY 2000 ON AGRICULTURE AND SERVICES - THE "BUILT-IN AGENDA" - AS MANDATED AT THE CONCLUSION OF THE URUGUAY ROUND. THE QUAD COUNTRIES (U.S, EU, CANADA AND JAPAN) WILL WORK ON A PROGRAM OF CAPACITY BUILDING AND TECHNICAL ASSISTANCE FOR LEAST DEVELOPED COUNTRIES A PROCESS INITIATED BY THE U.S, AND THE EU THAT NOW HAS BEEN TAKEN UP BY JAPAN AND CANADA AS WELL. MOREOVER, WE WILL TAKE UP WITH THE U.S. CONGRESS THE ISSUE OF CHINAS MEMBERSHIP IN THE WTO.

6. BEGIN TALKING POINTS:

-- LIKE OTHER COUNTRIES, THE UNITED STATES IS DISAPPOINTED THAT WE DID NOT REACH FINAL AGREEMENT ON THE LAUNCH OF A NEW WTO ROUND IN SEATTLE.

-- THERE WERE A NUMBER OF REASONS FOR THIS, INCLUDING THE FACT THAT WE FACED MANY COMPLICATED ISSUES, SOME OF WHICH ARE NEW TO THE TRADING SYSTEM.

-- GIVEN THE COMPLEXITY OF BOTH THE SUBSTANTIVE ISSUES AND STAKE AND THE DESIRE OF WTO MEMBER COUNTRIES TO ESTABLISH A MORE INCLUSIVE AND TRANSPARENT PROCESS, A "TIME OUT" IS APPROPRIATE. DURING THE INTERVENING WEEKS BETWEEN NOW AND THE RECONVENING OF THE MINISTERIAL, DG MOORE WILL CONSULT WITH DELEGATIONS AND DEVELOP CREATIVE WAYS TO BRIDGE REMAINING SUBSTANTIVE GAPS. ADDITIONALLY, HE WILL WORK TO PUT IN PLACE A DELIBERATIVE PROCESS WHICH IS BOTH

INCLUSIVE AND EFFICIENT, TO ENABLE MINISTERS TO REACH CONSENSUS ON THE LAUNCH OF A NEW ROUND.

-- STILL, OUR EFFORTS YIELDED SIGNIFICANT PROGRESS. THAT PROGRESS WILL NOT BE LOST. FOR EXAMPLE, WE WILL NOT LOSE THE HARD WORK, STILL TO BE FINISHED, ON BEHALF OF LEAST DEVELOPED COUNTRIES. THE QUAD COUNTRIES WILL WORK ON A PROGRAM OF CAPACITY BUILDING AND TECHNICAL ASSISTANCE FOR LEAST DEVELOPED COUNTRIES - A PROCESS INITIATED BY THE U.S, AND THE EU WHICH NOW HAS BEEN TAKEN UP BY JAPAN AND CANADA AS WELL.

-- WORK WILL BEGIN AS PLANNED IN JANUARY 2000 ON AGRICULTURE AND SERVICES - THE "BUILT-IN AGENDA" AS MANDATED AT THE CONCLUSION OF THE URUGUAY ROUND.

-- NOW IS NOT THE TIME FOR RECRIMINATIONS, BUT RATHER FOR RECOMMITMENT TO ACHIEVING THE KICK-OFF A NEW ROUND AS SOON AS POSSIBLE. WE ARE CONFIDENT THAT THE NEW PROCESSES PUT IN PLACE AND THE PROGRESS MADE IN SEATTLE WILL HELP STRENGTHEN THE INTERNATIONAL TRADING SYSTEM, BENEFITING ALL MEMBER COUNTRIES AND MAKING THE WTO AS AN INSTITUTION MORE OPEN, TRANSPARENT, AND CAPABLE OF DEALING WITH THE CHALLENGES OF THE 21ST CENTURY.

7. FOLLOWING ARE THE TEXTS OF THE DECEMBER 3RD CLOSING PLENARY STATEMENTS OF USTR BARSHEFSKY AND DG MIKE MOORE:

WTO: THIRD MINISTERIAL CONFERENCE, 30 NOVEMBER - 3 DECEMBER 1999

REMARKS OF AMBASSADOR CHARLENE BARSHEFSKY  
CLOSING PLENARY SESSION

DECEMBER 3, 1999

LET ME BEGIN BY OFFERING MY SINCERE THANKS TO DIRECTOR-GENERAL MOORE, TO OUR WORKING GROUP CHAIRS AND CO-CHAIRS, THE WTO SECRETARIAT, AND TO EACH OF THE DELEGATIONS REPRESENTING THEIR GOVERNMENTS HERE AT THIS MINISTERIAL, FOR THEIR VERY HARD AND PRODUCTIVE WORK OVER THE PAST WEEK. I WOULD ALSO LIKE TO THANK OUR HOSTS IN THE SEATTLE COMMUNITY FOR THEIR HOSPITALITY AND PATIENCE DURING A SOMETIMES VERY DIFFICULT WEEK.

OVER THE PAST FOUR DAYS, WE ENGAGED IN INTENSE DISCUSSION AND NEGOTIATIONS ON ONE OF THE CORE QUESTIONS FACING THE WORLD TODAY: THE CREATION OF A GLOBAL TRADING ECONOMY FOR THE NEXT CENTURY. THE DELEGATES HAVE TAKEN UP SOME OF THE MOST PROFOUND AND IMPORTANT ISSUES AND POLICY DECISIONS IMAGINABLE, INCLUDING ISSUES THAT PREVIOUS ROUNDS COULD NOT RESOLVE, AND MATTERS THAT HAVE NOT COME BEFORE THE TRADING SYSTEM IN THE PAST. THEY TOOK UP THESE ISSUES WITH GOOD WILL AND MUTUAL RESPECT, AND MADE PROGRESS ON MANY OF THEM.

HOWEVER, THE ISSUES BEFORE US ARE DIVERSE, COMPLEX AND

OFTEN NOVEL. AND TOGETHER WITH THIS, WE FOUND THAT THE WTO HAS OUTGROWN THE PROCESSES APPROPRIATE TO AN EARLIER TIME. AN INCREASING AND NECESSARY VIEW, GENERALLY SHARED AMONG THE MEMBERS, WAS THAT WE NEEDED A PROCESS WHICH HAD A GREATER DEGREE OF INTERNAL TRANSPARENCY AND INCLUSION TO ACCOMMODATE A LARGER AND MORE DIVERSE MEMBERSHIP.

THIS IS A VERY DIFFICULT COMBINATION TO MANAGE. IT STRETCHED BOTH THE SUBSTANTIVE AND PROCEDURAL CAPACITY OF THE MINISTERIAL, AND WE FOUND AS TIME PASSED THAT DIVERGENCES OF OPINION REMAINED THAT WOULD NOT BE OVERCOME RAPIDLY. OUR COLLECTIVE JUDGMENT, SHARED BY THE DIRECTOR-GENERAL, THE WORKING GROUP CHAIRS AND CO-CHAIRS, AND THE MEMBERSHIP GENERALLY, WAS THAT IT WOULD BE BEST TO TAKE A TIME OUT, CONSULT WITH ONE ANOTHER, AND FIND CREATIVE MEANS TO FINISH THE JOB.

THEREFORE, MINISTERS HAVE AGREED TO SUSPEND THE WORK OF THE MINISTERIAL. DURING THIS TIME, THE DIRECTOR-GENERAL CAN CONSULT WITH DELEGATIONS AND DISCUSS CREATIVE WAYS IN WHICH WE MIGHT BRIDGE THE REMAINING AREAS IN WHICH CONSENSUS DOES NOT YET EXIST, DEVELOP AN IMPROVED PROCESS WHICH IS BOTH EFFICIENT AND FULLY INCLUSIVE, AND PREPARE THE WAY FOR SUCCESSFUL CONCLUSION. THE MINISTERIAL WILL THEN RESUME ITS WORK.

AGAIN, I WISH TO THANK DIRECTOR-GENERAL MOORE, THE SEATTLE COMMUNITY, AND ALL OUR DELEGATIONS FOR THEIR HARD WORK AND THEIR PARTICIPATION IN THESE TALKS. OUR WORK TOGETHER HAS BEEN A HONOR AND A PRIVILEGE FOR ME, AND I LOOK FORWARD TO ITS CONTINUATION IN THE WEEKS AND MONTHS AHEAD.

8. WTO: THIRD MINISTERIAL CONFERENCE, 30 NOVEMBER - 3 DECEMBER 1999  
WORLD TRADE ORGANIZATION'S THIRD MINISTERIAL CONFERENCE, SEATTLE, WASHINGTON, UNITED STATES OF AMERICA  
- 30 NOVEMBER - 3 DECEMBER, 1999

WORLD TRADE ORGANIZATION'S THIRD MINISTERIAL CONFERENCE

STATEMENT BY WTO DIRECTOR GENERAL MIKE MOORE  
CLOSING PLENARY SESSION  
WTO MINISTERIAL  
DECEMBER 3, 1999

MR. MOORE: I WANT TO PAY TRIBUTE TO OUR CHAIRPERSON, CHARLENE, FOR HER WORK AND DEDICATION OVER THE LAST FEW DAYS. I WANT TO PAY TRIBUTE TO THE MINISTERS, AMBASSADORS AND THE LOYAL AND DEDICATED STAFF OF THE WTO. WE HAVE NEVER HAD SO MANY MINISTERS AT A WTO MEETING. THEY CAME FROM ALL OVER THE WORLD, FROM THE SMALL ISLAND COUNTRIES TO THE GREAT DEMOCRACIES. THOSE MINISTERS PROBABLY REPRESENTED OVER A BILLION VOTERS, AND THEY CAME TO A CONFERENCE TO TRY AND PUT TOGETHER A PACKAGE THAT WOULD ADVANCE LIVING STANDARDS IN THEIR OWN COUNTRY AND PROVIDE MORE JUSTICE ELSEWHERE.

THIS WAS A REMARKABLE MEETING. MUCH WAS DONE. THAT WORK WILL NOT BE LOST. WE WILL NOT LOSE THE WORK THAT WE DID AND BEGAN -- THE SMALL ISLAND COUNTRIES, THE VULNERABLE ATOLLS. WE WILL NOT LOSE THE HARD WORK WE DID, AND YET TO FINISH, FOR THE LEAST DEVELOPED COUNTRIES, AND WE'LL NEVER TURN OUR BACK ON THOSE MEMBERS OF THIS ORGANIZATION WHO WORKED SO HARD.

AND TO THOSE MINISTERS AND TO THEIR GOVERNMENTS AND TO THEIR PARLIAMENTS THAT THEY RETURN TO, I WANT TO SAY THANK YOU. YOU ARE THE ELECTED REPRESENTATIVES OF YOUR PEOPLE, AND THERE IS NO GREATER HONOR THAN TO SERVE YOUR COUNTRY THIS WAY. CHARLENE SAID IT RIGHT: IT'S TIME-OUT. AND THIS IS NOT THE FIRST TIME THIS SORT OF THING HAS HAPPENED. SEVERAL TIMES, GATT MEETINGS IN THE OLD DAYS COULDN'T QUITE MAKE IT. THE ISSUES WERE SO COMPLEX. AND HEAVENS, WE'RE AS COMPLEX AS THE WORLD ITSELF AND GETTING MORE COMPLEX.

AND WE DO, AS CHARLENE SAYS, HAVE A DEEP INSTITUTIONAL PROBLEM. HERE WE ARE SERVICING THE GOVERNMENTS THAT DRIVE US. WE ARE OWNED BY THE GOVERNMENTS. ANY DEAL WE DO HAS TO BE RATIFIED AND AGREED BY PARLIAMENTS AND CONGRESSES, AND IT'S HARD WORK -- AND THAT'S WHY I ADMIRE THE MINISTERS AND THEIR AMBASSADORS SO MUCH.

WE HAD A FIRST IN SEATTLE, AN ASSEMBLY OF LEGISLATORS FROM DOZENS OF PARLIAMENTS ALL INTERESTED IN WHAT'S HAPPENING BECAUSE, IN THE END, THEIR VOTES IN THE CONGRESS AND THE PARLIAMENT DECIDES UPON THE FORTUNES OF THIS INSTITUTION. SO WE'RE TAKING TIME OUT BECAUSE THAT WAS THE JUDGMENT OF THE TEAM. IT'S HAPPENED MANY TIMES BEFORE. WE DON'T LOSE THE WORK. WE'VE GOT AN END-BUILT AGENDA, AND WE'VE GOT A MANDATE TO CONTINUE DOING SOME OF THIS WORK -- AND I LOOK FORWARD TO SERVICING MY COLLEAGUES AND FRIENDS THAT WAY.

SO TO THE PEOPLE OF SEATTLE AND OTHERS WHO HAVE BEEN SO FRIENDLY OVER THE LAST FEW DAYS. I WANT TO SAY THANK YOU. IT HAS BEEN A GREAT PLEASURE AND HONOR TO MEET WITH MANY OF YOU. THERE'S HUNDREDS OF VOLUNTEERS WHO HAVE BEEN HELPING THE ORGANIZATION, THE HOST COMMITTEE WORKING HARD. THEY'RE THE TRUE HEROES. AND THIS CITY, WHAT A MAGNIFICENT PLACE. YOU HAVE EVERYTHING. YOU HAVE NATURE, YOU HAVE CREATIVE BUSINESS PEOPLE, YOU HAVE A TALENTED WORKFORCE. OH, IF ONLY THE WORLD COULD BE LIKE SEATTLE. OF COURSE IT'S NOT; THEY JUST WANT TO BE LIKE SEATTLE. THAT'S WHY THEY'RE MEMBERS OF THE WTO.

9. A TRANSCRIPT OF DG MOORE AND AMBASSADOR BARSHEFSKYS PRESS CONFERENCE IMMEDIATELY FOLLOWING THE CLOSING PLENARY WILL BE POSTED AS SOON AS POSSIBLE ON THE OFFICIAL USG WTO WTO WEB PAGE: WWW.USIA.GOV/WTO.  
ALBRIGHT

SECT: SECTION: 01 OF 01

SSN: 8864

TOR: 991204222538 M4183846

DIST:

SIT: DUNCAN HAMMONDS LEE SCHAEFER  
SIT: NSC

# Cable

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PREC: PRIORITY  
CLASS: UNCLASSIFIED  
LINE1: PAAUZYUW RUEHBSA7306 3401307-UUUU--RHEHAAX.  
LINE2: ZNR UUUUU ZZH  
LINE3: P 061307Z DEC 99  
LINE4: FM AMEMBASSY BRUSSELS  
OSRI: RUEHBS  
DTG: 061307Z DEC 99  
ORIG: AMEMBASSY BRUSSELS  
TO: SECSTATE WASHDC PRIORITY 5642  
INFO: /////  
SUBJ: BRUSSELS MEDIA REACTION WTO YUGO

TEXT:

//////////////////// INCOMPLETE MESSAGE //////////////////////

UNCLAS SECTION 01 OF 03 BRUSSELS 007306

FOR EUR/UBI, EUR/PAO, INR/R

E.O. 12958: N/A

TAGS: KMDR, BE

SUBJECT: BRUSSELS MEDIA REACTION WTO YUGO

I. (WTO) SEATTLE WTO MINISTERIAL

1. ALL PRINT MEDIA REPORT ON THE OUTCOME OF THE SEATTLE SUMMIT OF THE WTO -- THE WRONG TRADE ORGANIZATION IN THE WORDS OF ONE OF THE NGOS -- HIGHLIGHTING THAT NO ONE CAN CLAIM VICTORY -- WITH PERHAPS THE EXCEPTION OF THIRD WORLD COUNTRIES SINCE THE WTO WILL BE RESTRUCTURED TO GIVE THEM A GREATER ROLE -- AND SPECULATING WHETHER THE UNITED STATES, THE HOST COUNTRY, DID NOT DELIBERATELY CAUSE THE FAILURE OF THE SUMMIT FOR DOMESTIC ELECTORAL REASONS.

2. NICOLAS GHISLAIN REPORTS IN CONSERVATIVE CATHOLIC LA LIBRE BELGIQUE (12/6) (CIRC. 54,000): "AT FIRST GLANCE, THE NGOS WHICH ARE OPPOSED TO GLOBALIZATION AND THE DEMONSTRATORS WHO MARCHED IN SEATTLE HAVE WON. BUT IF ONE TAKES A CLOSER LOOK, ONE NOTICES THAT MANY DEMANDS OF THOSE NGOS WERE DEFENDED BY THE UNITED STATES AND EUROPE: THE AMBITION TO MAKE SOME PROGRESS IN THE FIELD OF SOCIAL AND ENVIRONMENTAL NORMS, THE PROPOSED PREFERENTIAL TREATMENTS FOR THE POOREST COUNTRIES, ETC. SO, A PYRRHIC VICTORY FOR THE NGOS? IT SEEMS TO BE THE CASE..."

3. "CLINTON'S LAST 'FLOP'"

U.S. CORRESPONDENT NATHALIE MATTHEIEM REPORTS IN INDEPENDENT LE SOIR (12/6) (CIRC. 137,000): "EVERYBODY ADMITS THAT THE SEATTLE SUMMIT ENDED IN A FAILURE: NO AGREEMENT ON THE NEXT MILLENNIUM ROUND AND A CITY IN A STATE OF SIEGE. BUT BILL CLINTON IS NEVERTHELESS CROWING: HE SAYS IT IS THE VICTORY OF HIS FIRMNESS...

"BUT THE RESULT IS ANOTHER DEFEAT FOR A PRESIDENT WHO, AFTER HAVING EXPERIENCED SEVERAL SNUBS -- FROM HIS IMPEACHMENT TO THE NON-RATIFICATION OF THE CTBT, ONLY LEAVES A VERY MEAGER POLITICAL HERITAGE TO HIS PROGRESSIVE ALLIES: NO RIGHT TO STRIKE, NO HEALTH CARE FOR ALL, BUT A REFORM OF THE SOCIAL LAWS IMPOSING DRACONIAN OBLIGATIONS FOR WELFARE RECIPIENTS.

"THE SEATTLE CONFERENCE, FAR FROM CONCEALING THESE PROBLEMS IN THE EUPHORIA OF THE 'GROWTH THROUGH FREE TRADE,' HAS INSTEAD GALVANIZED ALL THOSE TO WHOM PRESIDENT CLINTON -- USUALLY AN EXPERT IN PERSUASION -- FAILED TO EXPLAIN HIS AGENDA AT THE WTO. THIS ERROR OF COMMUNICATION HAS RUINED THE PRESIDENT'S HOPE TO LEAVE THE WHITE HOUSE WITH A MAJOR PROJECT WHICH WOULD RECONCILE HIS MAIN SUCCESS -- THE UNPRECEDENTED GROWTH -- WITH HIS INTERNATIONAL AMBITIONS WHICH WERE TOO OFTEN DISAPPOINTED."

4. SPECULATING ON THE REASONS FOR THE FAILURE IN SEATTLE AND UNDER THE HEADING "AND IF THE SEATTLE FAILURE HAD BEEN DELIBERATELY ORCHESTRATED BY THE UNITED STATES?" PHILIPPE REGNIER ANALYZES IN INDEPENDENT LE SOIR (12/6) (CIRC. 137,000): "WASHINGTON, THE TRADITIONAL HOST OF THESE KINDS OF MEETINGS, SEEMS TO HAVE LACKED 'LEADERSHIP.' WITH PRESIDENTIAL ELECTIONS LESS THAN A YEAR AWAY, THE CLINTON ADMINISTRATION HAD TO DO THE SPLITS BETWEEN A CONGRESS WHICH IS DOMINATED BY REPUBLICANS AND VOTERS FROM THE TRADE UNIONS WHO ARE LARGELY OPPOSED TO THE WTO, TRYING TO COMBINE FREE TRADE, PROTECTIONISM, AND SOCIAL NORMS.

"BESIDES, PEOPLE ALSO NOTICED A SURPRISING GAP BETWEEN THE PRESIDENT'S 'ELECTORAL' SPEECH LAST WEDNESDAY AND THE POSITIONS OF HIS TRADE REPRESENTATIVE, CHARLENE BARSHEFSKY. THE EMPHASIS WHICH PRESIDENT CLINTON PLACED ON ENVIRONMENT PROTECTION OR ASSISTANCE TO THE THIRD WORLD CONTRASTED WITH THE AMERICAN NEGOTIATORS' INFLEXIBILITY ON THESE SUBJECTS..

"LASTLY, THE CHINESE-AMERICAN AGREEMENT ON CHINA'S ACCESSION TO THE WTO CONCLUDED TWO WEEKS BEFORE SEATTLE MAY ALSO HAVE SPOILED THE SUMMIT. IT INCREASED THE PRESSURE FROM AMERICAN UNIONS -- WHO ARE AFRAID OF CHINA'S COMPETITION WHICH MIGHT LEAD TO LOSSES OF JOBS. IN ADDITION, THE CHINESE WERE PROBABLY NOT TOO ENTHUSIASTIC ABOUT A NEW ROUND OF TRADE LIBERALIZATION, ESPECIALLY IF THEY CANNOT TAKE PART IN DRAFTING THE PROGRAM.

"THIS IS WHY SOME DELEGATES WERE CONVINCED..."

5. IN INDEPENDENT CATHOLIC DE STANDAARD (12/6) (CIRC.  
77,000) SPECIAL CORRESPONDENT BERNARD BULCKE QUOTES  
EUROPEAN COMMISSIONER PASCAL LAMY AS SAYING: 'NO BLAME  
GAME, NO FINGER POINTING' WHEN HE WAS ASKED WHETHER

**SECT:** SECTION: 01 OF 03

**SSN:** 7306

**TOR:** 991206080700 M4184806

**DIST:**

SIT: NSC

# Withdrawal/Redaction Marker

## Clinton Library

| DOCUMENT NO.<br>AND TYPE | SUBJECT/TITLE                      | DATE       | RESTRICTION |
|--------------------------|------------------------------------|------------|-------------|
| 001. cable               | re: Embassy Action Plan. (7 pages) | 12/07/1999 | P1/b(1)     |

### COLLECTION:

Clinton Presidential Records  
NSC Cables  
Jan 1999-Dec 2000 ([China, WTO, Barshefsky, Kantor])  
OA/Box Number: 530000

### FOLDER TITLE:

[12/05/1999-12/05/2000]

2010-1024-F  
vz1897

### RESTRICTION CODES

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- 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).

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- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

# Cable

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PREC: ROUTINE  
CLASS: UNCLASSIFIED  
LINE1: RAAUZYUW RUEHGZA3196 3410715-UUUU--RHEHAAX.  
LINE2: ZNR UUUUU ZZH  
LINE3: R 070715Z DEC 99  
LINE4: FM AMCONSUL GUANGZHOU  
OSRI: RUEHGZ  
DTG: 070715Z DEC 99  
ORIG: AMCONSUL GUANGZHOU  
TO: RUEHC/SECSTATE WASHDC 2800  
RUEHBJ/AMEMBASSY BEIJING 3694  
INFO: RUEHHK/AMCONSUL HONG KONG 3842  
RUESLE/AMCONSUL SHANGHAI 7809  
RUEHSH/AMCONSUL SHENYANG 0118  
RUEHCN/AMCONSUL CHENGDU 0162  
RUEHIN/AIT TAIPEI 6712  
RUCPDOG/USDOC WASHDC  
RUEHRC/USDA FAS WASHDC 0407  
SUBJ: GUANGZHOU WTO SEMINAR: AGRICULTURE

TEXT:  
UNCLAS SECTION 01 OF 02 GUANGZHOU 003196

STATE PASS USTR

E.O. 12958: N/A  
TAGS: PREL, EAGR, ECON, WTO, ETRD, CH  
SUBJECT: GUANGZHOU WTO SEMINAR: AGRICULTURE

REF: GUANGZHOU 3097

1. SUMMARY: THIS MESSAGE IS ONE OF A SERIES ON THE NOVEMBER 19-20 SEMINAR HELD IN GUANGZHOU BY A TEAM OF BEIJING EXPERTS TO DISCUSS THE U.S.-CHINA AGREEMENT AND ITS MEANING. THE MEETING WAS CLOSED TO FOREIGNERS, BUT OUR LOCALLY ENGAGED STAFF IN THE E/P SECTION WAS ABLE TO ATTEND AND DRAFTED THESE REPORTS. THIS MESSAGE DEALS WITH THE NOVEMBER 20 REMARKS OF DR. CHENG GUO QIANG, CHIEF OF THE AGRICULTURAL EXPERTS CONSULTATIVE TEAM FOR NEGOTIATIONS ON WTO ENTRANCE AND DIRECTOR OF THE RESEARCH CENTER ON INTERNATIONAL AGRICULTURAL PRODUCT TRADE OF THE CHINA AGRICULTURAL SCIENCE INSTITUTE.

2. DR. CHENG'S SPEECH COVERED FOUR MAJOR SUBJECTS: HO

W

AGRICULTURE IN CHINA WOULD BE OPENED; WHAT WAS ACTUALLY TALKED ABOUT DURING THE WTO NEGOTIATIONS; HOW CHINA'S ENTRY INTO THE WTO WOULD AFFECT AGRICULTURE, AND WHAT PEOPLE IN CHINA SHOULD DO NEXT. DR. CHENG DID NOT AGREE THAT CHINA HAD MADE CONCESSIONS IN THE WTO NEGOTIATION

ON AGRICULTURE. HE SAID CHINA HAD JUST MADE A PROMISE TO OPEN THE MARKET FOR AGRICULTURAL PRODUCTS. THE CHINESE GOVERNMENT WOULD PROVIDE FOREIGN COMPANIES ACCESS TO THE CHINESE MARKET, BUT IT WOULD BE THE MARKET, NOT THE GOVERNMENT, THAT WOULD REGULATE THE ACTUAL SIZE OF IMPORT TRANSACTIONS. DR. CHENG INSISTED THAT THE MARKET BE OPENED UNDER CONDITIONS ACCEPTABLE TO EVERY DEVELOPING COUNTRY. HE ALSO ENDORSED CHINA'S ENTRANCE TO THE WTO. HE CONSIDERED IT AS A GOOD WAY FOR REGULATIONS BECAUSE THEY REGARDED AGRICULTURE AS A POLITICAL MATTER. IT WAS NOT UNTIL THE WTO URUGUAY ROUND IN 1993 THAT AGRICULTURE WAS PUT ON THE AGENDA. IN 1995, A NEW AGREEMENT WAS SIGNED BY WTO MEMBERS TO REGULATE AGRICULTURAL TRADE. THE AGREEMENT CONTAINS REGULATIONS CONCERNING MARKET ACCESS, INTERNAL AGRICULTURAL POLICIES, AGRICULTURAL EXPORT SUBSIDIES AND ANIMAL AND PLANT QUARANTINE INSPECTIONS. THE SINO-US NEGOTIATION ON AGRICULTURE MAINLY FOCUSED ON MARKET ACCESS IN CHINA.

4. DR. CHENG NOTED THAT ACCORDING TO THE WTO AGRICULTURAL AGREEMENT, SINGLE TARIFFS EXCISED ON AGRICULTURAL PRODUCTS SHOULD BE LOWERED. CHINA CURRENTLY IMPOSES AN AVERAGE TARIFF RATE OF 21.2 PERCENT ON AGRICULTURAL PRODUCTS, MUCH HIGHER THAN THE 13 TO 14 PERCENT RATES IN DEVELOPING COUNTRIES AND THE 10 PERCENT OR LESS RATES IN DEVELOPED COUNTRIES. THE AVERAGE TARIFF RATE OF 80 AGRICULTURAL PRODUCTS OF SPECIAL IMPORTANCE FOR U.S. EXPORTERS IS NOW 30.8 PERCENT. QUOTING USTR BARSHEFSKY, HE EXPLAINED THAT THE RATE IS EXPECTED TO DROP TO 14.5 TO 15 PERCENT. NON-TARIFF MEASURES SUCH AS THE USE OF QUOTA PERMITS SHOULD BE ELIMINATED AND SWITCHED TO TARIFF MEASURES. THE TAX BASE WILL DEPEND ON THE DIFFERENCE BETWEEN A PRODUCT'S PRICE IN A COUNTRY AND ITS PRICE IN THE WORLD.

5. KEY AGRICULTURAL PRODUCTS WILL BE SUBJECT TO A TARIFF QUOTA SYSTEM IN WHICH A COUNTRY'S GOVERNMENT WILL ALLOW IMPORT OF A CERTAIN AMOUNT OF THE PRODUCT AND THEN LET THE MARKET ADJUST THE REAL IMPORT QUANTITY. THE AMOUNT PERMITTED CAN BE EASILY CALCULATED, WHICH MAKES THE SYSTEM TRANSPARENT AND PREDICTABLE. PLANNING COMMISSIONS IN CHINA USED TO BE IN CHARGE OF GIVING OUT IMPORT QUOTAS TO VARIOUS COMPANIES, BUT COMPANIES INTERESTED IN DOING THE BUSINESS DID NOT REALLY KNOW HOW MANY QUOTAS THE PLANNING COMMISSIONS HELD.

6. SUCH A PRACTICE HAS TO BE CHANGED NOW. THE WTO AGREEMENT REQUIRES TRANSPARENCY. IT BY NO MEANS COMPELS ANY COUNTRY TO IMPORT THE TOTAL AMOUNT OF GOODS INDICATED BY THE QUOTA. AS A MATTER OF FACT, MANY COUNTRIES OR REGIONS INCLUDING THE US, CANADA AND EU HAVE SOMETIMES NOT FULFILLED THEIR IMPORT QUOTAS. DR. CHENG STATED THAT ON ENTERING THE WTO, FOREIGN GRAINS WOULD NOT FLOOD INTO CHINA AS MANY PEOPLE HAD DESCRIBED, AND THE RISKS COULD BE CONTROLLABLE. HE ALSO

CITED A SPECIAL SAFETY CLAUSE IN THE AGREEMENT WHICH COULD ALLOW AN AFFECTED COUNTRY TO APPLY TO THE WTO FOR UNCLAS SECTION 02 OF 02 GUANGZHOU 003196

STATE PASS USTR

E.O. 12958: N/A

TAGS: PREL, EAGR, ECON, WTO, ETRD, CH

SUBJECT: GUANGZHOU WTO SEMINAR: AGRICULTURE

ADDITIONAL TARIFF RELIEF TO PROTECT ITS LOCAL PRODUCE. THUS CHINESE PEOPLE DO NOT HAVE TO WORRY TOO MUCH ABOUT THE SITUATION IN THE FUTURE, ALTHOUGH THEY SHOULD PREPARE FOR POTENTIAL RISKS. DR. CHENG MENTIONED THAT ANIMAL AND PLANT QUARANTINE INSPECTION --- A TECHNICAL BARRIER --- IS PROBABLY ONE OF THE MOST EFFECTIVE METHODS TO LIMIT THE INFLUX OF FOREIGN AGRICULTURAL PRODUCTS INTO A COUNTRY. WHEN CHINA OPENS THE MARKET, IT ALSO MAKES CORRESPONDING ADJUSTMENTS IN ITS QUARANTINE RESTRICTIONS.

7. ALTHOUGH DR. CHENG FELT CHINA'S WTO ENTRY HAD BOTH DOWN AND UPSIDES, HE WAS VERY MUCH OPTIMISTIC ABOUT THE SITUATION IN THE FUTURE. ON THE ONE HAND, JOINING THE WTO WILL MAKE CHINA ADAPT ITSELF MORE TO THE WORLD COMMUNITY, PROVIDE NECESSARY CONDITIONS FOR THE COUNTRY TO OPEN ITSELF MORE AND PREPARE THE COUNTRY FOR THE TECHNICAL UPGRADING OF AGRICULTURE. WHEN CHINA BECOMES A MEMBER OF THE WTO, THE EXPORT ENVIRONMENT FOR ITS AGRICULTURAL PRODUCTS WITH BETTER COMPARATIVE ADVANTAGES WILL BE IMPROVED. THE COUNTRY WILL ALSO BE ABLE TO HAVE AN INPUT INTO THE DISCUSSION OF NEW AGREEMENTS AND WILL THEN GET DEVELOPING COUNTRIES' SUPPORT.

8. CHINA CAN ALSO LEARN HOW OTHER COUNTRIES REGULATE THEIR POLICIES AND BETTER ARRANGE ITS AGRICULTURAL. FOR EXAMPLE, CHINA NOW HAS EIGHT DEPARTMENTS IN CHARGE OF AGRICULTURE IN THE COUNTRY. THE MINISTRY OF AGRICULTURE ONLY TAKES CARE OF AGRICULTURAL PRODUCTION AND TECHNICAL PROMOTION. OTHER AGRICULTURE-RELATED SUBJECTS FALL INTO THE REMAINING SEVEN ORGANIZATIONS' JURISDICTION. IN US OR CANADA, ONLY ONE OFFICE MANAGES AGRICULTURE. THAT IS ONE OF THE AREAS WHERE CHINA CAN MAKE AN ADJUSTMENT.

9. HOWEVER, ON THE OTHER HAND, WHEN CHINA STARTS TO IMPLEMENT NEW POLICIES AFTER IT JOINS THE WTO, IT MIGHT NOT BE VERY EXPERIENCED WITH THE NEW PRACTICES AND MIGHT ENCOUNTER DIFFICULTIES. THE FORMER PLANNED ECONOMY STILL HAS LINGERING EFFECTS ON THE COUNTRY'S AGRICULTURE, AND THE CURRENT MANAGERIAL SYSTEM IS NO LONGER SUITABLE TO THE INTERNATIONALIZATION OF AGRICULTURE. THEREFORE, WTO ENTRY WILL RAISE NEW CHALLENGES FOR MANAGEMENT. SOME OF CHINA'S EXISTING AGRICULTURAL PROBLEMS SUCH AS FARMERS' DIFFICULTIES IN SELLING THEIR PRODUCTS MIGHT BECOME HARDER TO TACKLE AFTER THE COUNTRY GETS INTO THE WTO.

10. AMONG ALL THE SPEECHES, DR. CHENG WAS THE ONLY PERSON WHO WAS ASKED QUESTIONS BY THE AUDIENCE. QUESTIONER ASKED WHETHER ANY WTO MEMBERS' AGRICULTURAL DEVELOPMENT HAD BEEN UPGRADED THROUGH WTO ENTRY. DR. CHENG'S REPLY WAS POSITIVE. HE CITED BRAZIL AND ARGENTINA AS AN EXAMPLE. ASKED WHETHER AGRICULTURE IN BACKWARD AREAS IN CHINA WOULD BE AFFECTED BY WTO PRACTICES, DR. CHENG SAID BACKWARD AREAS WOULD BE CONFRONTED WITH MORE CHALLENGES, BUT CHINA WOULD REVISE ITS POVERTY RELIEF PLAN ACCORDINGLY.

11. COMMENT: DR. CHENG'S REMARKS IN GENERAL TRACK WITH WHAT WE HAVE HEARD FROM OTHER SOURCES -- GENERALLY TAKING A CAN-DO APPROACH, WHILE WARNING THAT THERE WOULD BE PLENTY OF PITFALLS ON THE ROAD TO READJUSTMENT. SIGNIFICANTLY, HE QUITE EXPLICITLY EXPRESSED HIS DISREGARD FOR THE MEDIA DURING THE SPEECH. HE SAID A REPORTER HAD ONCE DISTORTED HIS WORDS. HE EMPHASIZED THAT HE DID NOT WANT ANY MEDIA TO QUOTE HIS WORDS. TO BE SURE, THIS DEMAND WAS FOLLOWED TO THE LETTER.

HACKER

**SECT:** SECTION: 01 OF 02  
<^SECT>SECTION: 02 OF 02

**SSN:** 3196  
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**TOR:** 991207032621 M4186709  
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SIT: NSC

# Cable

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RUEKJCS/SECDEF WASHDC  
RHHMUNA/USCINCPAC HONOLULU HI  
SUBJ: DECEMBER 7 MFA PRESS BRIEFING: FALUNGONG,  
INTERNATIONAL RELIGIOUS FREEDOM ACT, WTO, YELTSIN VISIT

**TEXT:**

//////////////////// INCOMPLETE MESSAGE //////////////////////

UNCLAS SECTION 01 OF 03 BEIJING 011286

DEPT ALSO FOR EAP/PA  
DEPT PASS USTR FOR BARSHEFSKY/CASSIDY/LUND  
CINCPAC FOR PUBLIC AFFAIRS ADVISOR

E.O. 12958: N/A  
TAGS: PREL, ETRD, PHUM, WTRO, MARR, CH  
SUBJECT: DECEMBER 7 MFA PRESS BRIEFING: FALUNGONG,  
INTERNATIONAL RELIGIOUS FREEDOM ACT, WTO, YELTSIN VISIT

1. SUMMARY: MFA SPOKESPERSON ZHANG QIYUE ON DECEMBER 7  
EXPRESSED "STRONG DISSATISFACTION" WITH A STATEMENT BY  
PRESIDENT CLINTON ON CHINA'S HANDLING OF FALUNGONG.  
ZHANG ALSO EXPRESSED CHINA'S "STRONG INDIGNATION"  
TOWARDS THE U.S. INTERNATIONAL RELIGIOUS FREEDOM ACT;  
CHINA ASKED THE U.S. TO "CORRECT ITS MISTAKES" AND  
"ELIMINATE THE ADVERSE IMPACT" OF THE ACT. THE FACT  
THAT THE SEATTLE WTO MINISTERIAL DID NOT INAUGURATE A  
NEW TRADE ROUND WOULD NOT HAVE A BEARING ON CHINA'S

EXPECTED WTO ACCESSION, ZHANG SAID. RUSSIAN PRESIDENT BORIS YELTSIN WOULD ARRIVE IN BEIJING ON DECEMBER 9 FOR TALKS WITH JIANG ZEMIN, WHILE TANG JIAXUAN WOULD SOON TRAVEL TO THE ROK FOR A WORKING MEETING WITH HIS COUNTERPART. ZHANG WOULD NOT COMMENT ON TAIWAN PRESIDENTIAL CANDIDATE LIEN CHAN'S STATED DESIRE TO VISIT THE MAINLAND IF ELECTED. END SUMMARY.

FALUNGONG: REACTION TO PRESIDENT CLINTON REMARK  
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2. ZHANG EXPRESSED CHINA'S "STRONG DISSATISFACTION" WITH A STATEMENT ATTRIBUTED TO PRESIDENT CLINTON THAT EXPRESSED HIS "WORRY" OVER CHINA'S HANDLING OF FALUNGONG. THE U.S. HAD ADOPTED A DOUBLE STANDARD ON THE CULT, ZHANG SAID, "TURNED A DEAF EAR TO THE ADVERSE EFFECT AND DAMAGE CAUSED BY FALUNGONG TO CHINESE PEOPLE AND SOCIETY," AND "EVEN TRIED TO BEAUTIFY (SIC) THIS CULT AND INTERFERE IN CHINA'S INTERNAL AFFAIRS." ZHANG ADDED THAT CHINA "URGED THE U.S. GOVERNMENT TO STOP DOING ANYTHING TO HARM THE CHINESE PEOPLE'S FEELINGS AND STOP ERECTING NEW HURDLES TO IMPROVED SINO-U.S. RELATIONS." "MANY PEOPLE FROM RELIGIOUS CIRCLES SUPPORTED THE BAN" ON FALUNGONG, SHE INSISTED, AND SO DID "AN INCREASING NUMBER OF PEOPLE FROM THE INTERNATIONAL COMMUNITY."

U.S. INTERNATIONAL RELIGIOUS FREEDOM ACT SANCTIONS  
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3. CHINA AND THE CHINESE PEOPLE EXPRESSED THEIR "STRONG INDIGNATION" TOWARDS THE U.S. INTERNATIONAL RELIGIOUS FREEDOM ACT, ZHANG SAID. SHE CLAIMED THAT THE U.S. HAD RECENTLY DISREGARDED THE SOLEMN REPRESENTATIONS AND STRONG OPPOSITION OF CHINA, DISTORTED FACTS, WAGED A GROUNDLESS ATTACK AGAINST THE CHINESE GOVERNMENT, AND IMPOSED "SO-CALLED SANCTIONS" AGAINST CHINA. THIS WAS A SERIOUS VIOLATION OF THE BASIC RULES GOVERNING INTERNATIONAL RELATIONS, ZHANG INSISTED, AND INTERFERENCE IN CHINA'S INTERNAL AFFAIRS. CHINA HAD ALWAYS BEEN OPPOSED TO ANY INTERFERENCE IN THE AFFAIRS OF ANOTHER COUNTRY IN THE NAME OF RELIGION, ZHANG SAID, AND U.S. ACTIONS WERE RESPONSIBLE FOR CREATING THE CURRENT BASIS FOR CONTACT (SIC) BETWEEN THE TWO GOVERNMENTS ON RELIGIOUS ISSUES. CHINA DEMANDED THAT THE U.S. CORRECT ITS MISTAKES IMMEDIATELY, REPEAL THE SANCTIONS, AND "TAKE CONCRETE ACTIONS TO ELIMINATE THE ADVERSE IMPACT OF ITS ACT ON BILATERAL RELATIONS," ZHANG PRONOUNCED.

WTO, AFTER SEATTLE  
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4. ZHANG SAID THAT CHINA DID NOT THINK THAT THE SEATTLE MINISTERIAL'S FAILURE TO REACH AN AGREEMENT ON THE LAUNCHING OF A NEW ROUND OF NEGOTIATIONS ON WORLD TRADE WOULD HAVE ANY BEARING ON CHINA'S ACCESSION TO THE WTO. SHE ADDED THAT CHINA HOPED THAT THE U.S. CONGRESS WOULD

GRANT CHINA PERMANENT NTR STATUS AT AN EARLY DATE, AS THEY BELIEVED THAT THIS WOULD BE CONDUCIVE TO THE ACCELERATION OF CHINA'S WTO ACCESSION.

YELTSIN TO ARRIVE DECEMBER 9  
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5. RUSSIAN PRESIDENT YELTSIN WOULD HOLD AN "INFORMAL UNCLAS SECTION 02 OF 03 BEIJING 011286

DEPT ALSO FOR EAP/PA  
DEPT PASS USTR FOR BARSHEFSKY/CASSIDY/LUND  
CINCPAC FOR PUBLIC AFFAIRS ADVISOR

E.O. 12958: N/A  
TAGS: PREL, ETRD, PHUM, WTRO, MARR, CH  
SUBJECT: DECEMBER 7 MFA PRESS BRIEFING: FALUNGONG,  
INTERNATIONAL RELIGIOUS FREEDOM ACT, WTO, YELTSIN VISIT

SUMMIT" WITH PRESIDENT JIANG ZEMIN DURING HIS VISIT TO CHINA DECEMBER 9-10, ZHANG ANNOUNCED. AT THE MEETING, WHICH ZHANG LABELLED "VERY IMPORTANT," THE TWO LEADERS WOULD HOLD DISCUSSIONS ON HOW TO FURTHER STRENGTHEN THE "STRATEGIC PARTNERSHIP" BETWEEN THE TWO COUNTRIES, AS WELL AS ON "THE CURRENT INTERNATIONAL SITUATION." WHILE IN BEIJING YELTSIN WOULD ALSO MEET WITH LI PENG AND ZHU RONGJI, AND WOULD AWARD THE RUSSIAN "FRIENDSHIP MEDAL" TO SIX CHINESE WHO HAVE MADE CONTRIBUTIONS TO SINO-RUSSIAN RELATIONS. ZHANG HAD NO INFORMATION ON WHETHER ANY CONTRACTS WOULD BE SIGNED DURING THE VISIT.

CHECHNYA  
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6. ASKED IF JIANG AND YELTSIN WOULD DISCUSS CHECHNYA, ZHANG REPLIED THAT THE INTERNATIONAL COMMUNITY HAD ACKNOWLEDGED THAT CHECHNYA WAS PURELY RUSSIA'S INTERNAL AFFAIR. CHINA UNDERSTOOD AND SUPPORTED RUSSIA'S EFFORTS TO MAINTAIN ITS NATIONAL UNITY AND TERRITORIAL INTEGRITY, ZHANG CONTINUED. LATER, WHEN ASKED IF CHINA'S SUPPORT FOR RUSSIA ON THIS ISSUE WAS RELATED TO PROBLEMS IT HAD WITH MINORITIES IN XINJIANG AND TIBET, ZHANG REPEATED THE SAME STATEMENT. ZHANG WAS THEN QUERIED ON WHETHER CHINA WOULD JOIN THE U.S. IN PRESSING RUSSIA NOT TO GO FORWARD WITH AN ULTIMATUM TO CHECHNYAN INSURGENTS; SHE SAID ONLY THAT CHINA DID NOT MAKE "IRRESPONSIBLE REMARKS" ABOUT THE INTERNAL AFFAIRS OF OTHER COUNTRIES. AS TO WHETHER OR NOT CHECHNYA WOULD BE RAISED DURING YELTSIN'S VISIT, ZHANG SAID THAT THAT WAS UP TO THE TWO LEADERS TO DECIDE.

U.S. AND RUSSIA: BOTH CHINA'S STRATEGIC PARTNER?  
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7. ZHANG WAS ASKED TO EXPLAIN HOW CHINA'S "STRATEGIC PARTNERSHIP" WITH RUSSIA DIFFERED FROM ITS "STRATEGIC PARTNERSHIP" WITH THE U.S. SHE RESPONDED THAT RUSSIA AND CHINA HAD AGREED TO CALL THEIR PARTNERSHIP A

"STRATEGIC PARTNERSHIP OF COOPERATION," WHILE CHINA AND THE U.S. HAD CONCURRED THAT "THE TWO SIDES ARE DEVOTED TO DEVELOPING THE STRATEGIC PARTNERSHIP" BETWEEN THE TWO COUNTRIES. THESE KINDS OF RELATIONS WERE DIFFERENT FROM THE COLD WAR ALLIANCES, ZHANG EXPLAINED, AND WERE A "NEW TYPE" OF STATE-TO-STATE RELATIONS, "WITHOUT CONFRONTATION."

FM TANG JIAXUAN TO VISIT SOUTH KOREA  
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8. ZHANG EXPECTED THAT TANG JIAXUAN'S WORKING VISIT TO SEOUL WOULD PLAY A POSITIVE ROLE IN PROMOTING THE DEVELOPMENT OF CHINA-SOUTH KOREAN RELATIONS. WHEN A JAPANESE REPORTER ASKED IF TANG'S VISIT TO THE ROK HAD ANY CONNECTION WITH HIS OCTOBER TRIP TO THE DPRK, ZHANG TOLD HIM THAT SHE THOUGHT HE WAS "IN A BETTER POSITION TO ANALYZE THIS."

TAIWAN ELECTION  
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9. ASKED ABOUT TAIWAN KMT PRESIDENTIAL CANDIDATE LIEN CHAN'S STATED DESIRE TO VISIT THE MAINLAND IF ELECTED, ZHANG SAID CHINA'S POLICY WAS NOT TO COMMENT ON THE TAIWAN ELECTION CAMPAIGN. CHINA'S POSITION WAS THAT CHINA AND TAIWAN SHOULD BEGIN POLITICAL NEGOTIATIONS "UNDER THE FRAMEWORK OF ONE CHINA." HOWEVER, CROSS-STRAIT RELATIONS HAD BEEN UNDERMINED BY LEE TENG-HUI'S TWO-STATES' THEORY. TAIWAN AUTHORITIES SHOULD "RENOUNCE THE TWO-STATES' THEORY AND ABANDON ALL ACTIVITIES AIMED AT SPLITTING THE MOTHERLAND."

MACAU HANDOVER GUESTS  
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SECT: SECTION: 01 OF 03  
<^SECT>SECTION: 02 OF 03  
SSN: 1286  
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TOR: 991207050618 M4186826  
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RUEHLI/AMEMBASSY LISBON 0250  
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RUEHCN/AMCONSUL CHENGDU 0689  
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SUBJ: DECEMBER 7 MFA PRESS BRIEFING: FALUNGONG,  
INTERNATIONAL RELIGIOUS FREEDOM ACT, WTO, YELTSIN VISIT  
TEXT:

////////////////////// DUPLICATE SECTION ////////////////////////

UNCLAS  
DEPT ALSO FOR EAP/PA  
DEPT PASS USTR FOR BARSHEFSKY/CASSIDY/LUND  
CINCPAC FOR PUBLIC AFFAIRS ADVISOR

E.O. 12958: N/A  
TAGS: PREL, ETRD, PHUM, WTRO, MARR, CH  
SUBJECT: DECEMBER 7 MFA PRESS BRIEFING: FALUNGONG,  
INTERNATIONAL RELIGIOUS FREEDOM ACT, WTO, YELTSIN VISIT

10. CHINA AND PORTUGAL HAD NOT YET FINALIZED THE GUEST  
LIST FOR THE MACAU HANDOVER, BUT SOME GUESTS FROM TAIWAN  
WOULD BE INVITED, ZHANG SAID.

SUBMARINE TECHNOLOGY  
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11. ZHANG ADMITTED TO SEEING REPORTS THAT CHINA HAD  
DEVELOPED NEW SUBMARINE TECHNOLOGY, BUT SAID THAT THESE  
STORIES HAD BEEN "FABRICATED OUT OF ULTERIOR MOTIVES."  
CHINA'S DEFENSIVE CAPABILITIES WERE ONLY FOR THAT  
PURPOSE, SHE STATED.

SINO-BRITISH RELATIONS  
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12. THE "SMOOTH SOLUTION" OF ISSUES RELATED TO THE HONG KONG HANDOVER MARKED "A NEW STARTING POINT" FOR COOPERATION BETWEEN CHINA AND THE U.K., ZHANG SAID. JIANG ZEMIN HAD PAID A SUCCESSFUL STATE VISIT TO THE U.K., ZHANG POINTED OUT, AND CHINA HOPED THAT SINO-BRITISH RELATIONS WOULD HAVE "A SMOOTH AND ALL-AROUND DEVELOPMENT" IN THE NEW CENTURY.

MCCAHILL

**SECT:** SECTION: 01 OF 01

**SSN:** 1286

**TOR:** 991207050949 M4186832

**DIST:**

SIT: NSC

# Withdrawal/Redaction Marker

## Clinton Library

| DOCUMENT NO.<br>AND TYPE | SUBJECT/TITLE                  | DATE       | RESTRICTION |
|--------------------------|--------------------------------|------------|-------------|
| 002. cable               | re: Belgrade or WTO. (6 pages) | 12/14/1999 | P1/b(1)     |

### COLLECTION:

Clinton Presidential Records  
NSC Cables  
Jan 1999-Dec 2000 ([China, WTO, Barshefsky, Kantor])  
OA/Box Number: 530000

### FOLDER TITLE:

[12/05/1999-12/05/2000]

2010-1024-F  
vz1897

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

# Cable

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TO: AMEMBASSY BEIJING PRIORITY 0443  
INFO: ////  
SUBJ: LETTER FROM PRESIDENT CLINTON TO CHARGE MCCAHERILL  
ON WTO  
TEXT: UNCLAS STATE 240036

E.O. 12958: N/A  
TAGS: OPDC, ETRD, PREL, CH  
SUBJECT: LETTER FROM PRESIDENT CLINTON TO CHARGE MCCAHERILL  
ON WTO

1. FOLLOWING IS THE TEXT OF A LETTER FROM THE PRESIDENT TO BILL MCCAHERILL AND THE ENTIRE EMBASSY STAFF EXPRESSING PRAISE AND GRATITUDE FOR THE EMBASSY'S SUPERB SUPPORT OF THE USG EFFORT TO ACHIEVE A BILATERAL WTO ACCESSION AGREEMENT WITH CHINA. AMBASSADOR IS REQUESTED TO DISTRIBUTE WIDELY THE TEXT OF THE PRESIDENT'S LETTER TO CONVEY THE PRESIDENT'S PERSONAL THANKS FOR A JOB WELL DONE TO ALL OF THOSE WHO CONTRIBUTED TO THIS ACHIEVEMENT.

2. FYI: A TEXT WILL BE PROVIDED SEPARATELY TO BILL MCCAHERILL.

3. BEGIN TEXT:

DECEMBER 16, 1999

DEAR BILL:

I WANT TO THANK YOU AND YOUR EMBASSY STAFF FOR THE EXTRAORDINARY WORK YOU DID IN SUPPORT OF OUR WTO

UNCLASSIFIED

UNCLASSIFIED

2

NEGOTIATIONS IN NOVEMBER. CHINA'S ENTRY INTO THE WORLD TRADE ORGANIZATION WILL BE A DEVELOPMENT OF ENORMOUS LONG-

TERM SIGNIFICANCE FOR OUR DOMESTIC AND FOREIGN POLICIES. YOU AND YOUR TEAM HAVE PROVIDED INVALUABLE COUNSEL AND HAVE BEEN AN INTEGRAL PART OF THE ADMINISTRATION'S EFFORT THAT RESULTED IN THIS HISTORIC AGREEMENT.

OUR NEGOTIATING TEAM IMPOSED SIGNIFICANT BURDENS ON YOUR EMBASSY ON VERY SHORT NOTICE AS WE BROUGHT THE LONG-STANDING NEGOTIATIONS TO A CLOSE. CHARLENE BARSHEFSKY, GENE SPERLING, AND THE ENTIRE TEAM REPORTED TO ME THAT YOU HANDLED THIS SITUATION IN A WAY THAT REFLECTED THE VERY BEST TRADITIONS OF THE FOREIGN SERVICE.

PLEASE CONVEY MY SINCERE THANKS TO YOUR ENTIRE STAFF FOR THEIR OUTSTANDING EFFORTS TO ACCOMPLISH THIS IMPORTANT JOB. I CONGRATULATE ALL OF YOU FOR THIS SIGNAL ACHIEVEMENT.

SINCERELY,  
BILL CLINTON /S/

MR. WILLIAM C. MCCAHERILL, JR.  
CHARGE D'AFFAIRS AD INTERIM  
OF THE UNITED STATES OF AMERICA  
BEIJING

END TEXT.  
ALBRIGHT

**TOR:** 12/21/99 17:04:38

**DIST:** SIT: NSC DUNCAN Ficklin HAMMONDS LEE Millison SUM2 Wasserman  
PRT: SIT{C2}

# Cable

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ORIG: USMISSION GENEVA  
TO: RUEHC/SECSTATE WASHDC 0985  
INFO: RUCNDT/USMISSION USUN NEW YORK 6284  
SUBJ: CODEL GILMAN: DISCUSSIONS ON WTO ISSUES  
TEXT: UNCLAS GENEVA 000556

DEPT PLEASE PASS TO USTR  
DEPT FOR IO

E.O. 12958: N/A  
TAGS: OREP, OVIP  
SUBJECT: CODEL GILMAN: DISCUSSIONS ON WTO ISSUES

REF: GENEVA 497

1. AMBASSADOR HAYES BRIEFED THE DELEGATION ON JANUARY 11 AND AGAIN BEFORE THEIR DEPARTURE ON JANUARY 12 WITH DEPUTY DIRECTOR GENERAL ANDREW STOLER AND USDA MINISTER COUNSELOR KEN ROBERTS. THE CODEL WAS PARTICULARLY INTERESTED IN POST-SEATTLE WTO PREPARATIONS.

2. THE CODEL ASKED WHAT WAS NEXT AFTER SEATTLE, IN PARTICULAR ON WHAT BASIS WTO DG MOORE IS NOW CONSULTING; WHAT WAS THE STATUS OF THE CONFERENCE NOW. AMBASSADOR HAYES RESPONDED THAT THE MEETING WAS ADJOURNED UNTIL THE DIRECTOR GENERAL COULD CONSULT WITH MEMBERS ON NEXT STEPS. SHE MENTIONED THAT THE DIRECTOR GENERAL WOULD REPORT TO MEMBERS ON THE RESULTS OF SUCH CONSULTATIONS IN EARLY FEBRUARY SO THAT A DECISION CAN BE TAKEN ON HOW TO RESUME THE THIRD MINISTERIAL SESSION BEGUN IN SEATTLE. HOWEVER, SHE NOTED THAT WTO MEMBERS HAVE PROCEEDED WITH MAPPING OUT AND CONSULTING ON NEXT STEPS IN SERVICES AND AGRICULTURE NEGOTIATIONS AS THOSE ARE PART OF THE EXISTING URUGUAY ROUND BUILT-IN-AGENDA.

3. WHILE ALL MEMBERS OF THE CODEL SAID THEY WERE LESS THAN HAPPY WITH TRADE RULES THAT DON'T SUPPORT HUMAN RIGHTS, LABOR AND OTHER VALUES THEY ACKNOWLEDGE THAT THE SYSTEM IS NECESSARY. AFTER GRILLING AMBASSADOR HAYES ON VARIOUS ISSUES, ALL CONSISTENTLY EXPRESSED APPRECIATION FOR HER RESPONSES AND WORK AND ALSO EXPRESSED ADMIRATION FOR AMBASSADOR BARSHEFSKY AND AMBASSADOR ESSERMAN. THE CODEL SEEMED VERY ENGAGED ON THE ISSUES.

4. A FEW MEMBERS WERE CONCERNED ABOUT CHINA. REPRESENTATIVES LANTOS AND SANDERS SAID THEY WOULD OPPOSE CHINA'S ENTRY. AMBASSADOR HAYES TOLD THEM THAT IT WOULD BE BETTER TO HAVE CHINA IN THE SYSTEM AND PART OF A RULE-BASED SYSTEM. SHE IDENTIFIED PROBLEMS THAT COULD CONTINUE WITH CHINA OUTSIDE THE WTO AND SAID THAT BARSHEFSKY'S DEAL WAS A GOOD ONE. REP. SANDERS THEN ACKNOWLEDGED THAT HE WASN'T FOR ISOLATING CHINA.
5. OTHER SPECIFIC QUESTIONS RAISED BY THE CODEL WERE AS FOLLOWS: REP. PHIL ENGLISH WAS CONCERNED ABOUT THE EUROPEANS' BEHAVIOR AT SEATTLE - THEY HAD EARLIER GIVEN HIM THE IMPRESSION THAT THEY WERE WITH THE U.S. ON MOST ISSUES INCLUDING IP AND DUMPING, BUT THE EU SEEMED ULTIMATELY TO STRAY FROM THAT POSITION IN SEATTLE. HE WAS IN SEATTLE IN PARTICULAR TO WATCH WHAT WAS HAPPENING ON DUMPING. HE WANTED SOME INSIGHTS BEFORE THE CODEL'S NEXT STOP IN BRUSSELS THAT MORNING. AMBASSADOR HAYES INFORMED HIM OF THE EU'S INITIAL COOPERATION BUT SOMEWHAT CIRCUMSPECT BEHAVIOR IN THE LAST DAYS OF SEATTLE WHICH APPEARED TO BE POSTURING AND HIDING BEHIND THE JAPANESE EFFORT TO SEEK ANTIDUMPING NEGOTIATIONS AND THE U.S. CONSISTENT UNWILLINGNESS TO LAUNCH SUCH AN APPROACH.
6. ONE MEMBER ASKED ABOUT STRATEGY FOR DEALING WITH THE EU, PARTICULARLY ON AGRICULTURE AND OTHER OBSTACLES.
7. SEN. INHOFE AND REP. MORAN ASKED ABOUT THE INTEGRITY OF THE EU ON HUSHKITS AND MEETING THEIR INTERNATIONAL COMMITMENTS INSTEAD OF CONSTANTLY MOVING THE GOAL POST. MORAN WAS ALSO CONCERNED ABOUT CONTINUED EU AIRBUS SUBSIDIES, PARTICULARLY WHETHER WE HAD ANY RECOURSE IN THE WTO TO ADDRESS THE PROBLEM.
8. REP. SANDERS WANTED TO KNOW IF COUNTRIES' RIGHTS TO PROTECT HUMAN RIGHTS WERE FRUSTRATED BY TRADE RULES. IN PARTICULAR, HE CITED THE AFFECT ON THE MASSACHUSETTS BURMA LAW.
9. ALL ACKNOWLEDGED THAT TRADE WAS IMPORTANT, BUT FELT THAT HUMAN RIGHTS ISSUES WERE MORE IMPORTANT. LANTOS SAID THAT WHILE HE DID NOT IN ANY WAY SUPPORT THE RIOTERS IN SEATTLE, HE SUPPORTED THE REAL ORGANIZERS OF LEGITIMATE DEMONSTRATIONS THAT SHOWED HUMAN RIGHTS AND OTHER ISSUES WOULD BE A FORCE TO RECKON WITH.
10. REP. KNOLLENBERG ASKED ABOUT CHINA AND ALSO NOTED THAT ON AGRICULTURE THE EU MEMBER STATES ARE DIVIDED AND ON OTHER ISSUES THE MEMBER STATES ARE FRAGMENTED. AS SUCH, HE WONDERED IF THE U.S. COULDN'T TAKE ADVANTAGE OF THE FRAGMENTATION.
11. AFTER SEEING THE EU-JAPAN STATEMENT ON WTO, REP. ENGLISH WAS DISTURBED WITH THE REFERENCE TO INCLUDING "IMPROVEMENTS" TO EXISTING RULES ON DUMPING. HE ASKED HOW WE WOULD INTERPRET THAT. HE WILL INVESTIGATE WHAT THE EU'S INTENTIONS ARE AND URGE THEM TO STOP HIDING BEHIND US.

12. REP. MORAN HAD A FEW QUESTIONS ABOUT AGRICULTURE AS WELL. HE ALSO WANTED US TO DO MORE PUBLIC RELATIONS ON HOW THE U.S. IS NOT THE PROBLEM IN THE WTO ON PUSHING LABOR AND ILO OBSERVER STATUS. HE SAID MORE EMPHASIS SHOULD BE PLACED ON DEVELOPING COUNTRY OPPOSITION. HE COULDN'T UNDERSTAND WHY THE WTO JUST WOULDN'T LET THE ILO SIT IN AND LISTEN, AND A WORKING GROUP WAS HARMLESS. MR. STOLER AND AMBASSADOR HAYES MENTIONED THAT ONE ISSUE WAS SOME COUNTRIES WANTING THEIR FAVORITE GROUPS IN AS OBSERVERS, THEREFORE BLOCKING THE U.S. PROPOSALS FOR ILO STATUS.

13. REP. GILMAN ASKED ABOUT REFORMING THE DSU RULES WITH RESPECT TO TRANSPARENCY. AMBASSADOR HAYES INFORMED HIM OF THE U.S. PROPOSALS IN THAT AREA.

14. REP. SANDERS ASKED POINTED QUESTIONS ABOUT HOW THE U.S. COULD ADVOCATE FOR CHIQUITA (BIG CORPORATE INTERESTS) IN BANANAS WHEN WE DON'T GROW THEM. AMBASSADOR HAYES POINTED OUT THAT THE EU WAS VIOLATING WTO RULES CONCERNING SERVICES AND DISTRIBUTION LICENSES. SANDERS ALSO REPEATEDLY EXPRESSED CONCERN FOR THE AFFECT THE NEGOTIATIONS WOULD HAVE ON FARM COOPERATIVES AND SAID HE SUPPORTED EXPORT SUBSIDIES FOR AMERICAN FARMERS.  
MOOSE

TOR: 01/24/00 14:08:53

DIST: SIT: BLINKEN NSC CRAWFORD DAVIDSON DUNCAN KASS LEE MUNTER NORLAND  
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# Cable

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PREC: PRIORITY  
CLASS: UNCLASSIFIED  
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LINE2: ZNR UUUAX  
LINE3: P 241955Z JAN 00  
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RUFQBBA/US SURVEY DIV SHAPE BE  
RHHJRAP/USARPAC INTEL FT SHAFTER HI//APIN//  
RHHMUNA/USCINCPAC HONOLULU HI  
RUMIAAA/USCINCSO MIAMI FL//SCJ2//  
RUMIAAA/USCINCSO MIAMI FL//SCJ3-PSY//  
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INFO: ////

SUBJ: Brazil Supports Acceleration of China's WTO Entry

TEXT: UNCLAS 6M

WARNING: FTS\_DOC\_ID: FTS20000124001832

WARNING: TOPIC: INTERNATIONAL ECONOMIC

SERIAL: WA2401195100

COUNTRY: BRAZIL,CHINA,UNITED STATES

SUBJ: Brazil Supports Acceleration of China's WTO Entry

SOURCE: Sao Paulo Folha de Sao Paulo (Internet Version) in  
Portuguese 23 Jan 00

TEXT:

[Article by Denise Chrispim Marin]

[FBIS Translated Text]

Brasilia--Brazil is going to join with the United States to accelerate the process of including China in the WTO. The negotiations, which have been going on for 13 years, entered their final stage this year.

Support for the US proposal will be formalized in Washington during a meeting on Monday between Ambassadors Jose Alfredo Graca Lima, secretary general of integration and economic and foreign trade affairs in the Ministry of Foreign Affairs, and Richard Fischer, US deputy trade representative. Agreement on the accord was reached last week between Minister of Foreign Affairs Luiz Felipe Lampreia and US Trade Representative Charlene Barshefsky.

"We have always supported China's inclusion in the WTO. Considering the size of that market and its gradual integration with world trade, there is no reason for that country to be left out of multilateral discussions," Graca Lima said.

The interests of both countries coincide completely in this case. The United States and Brazil intend to win sizable slices of the Chinese market--with its 1.2 billion potential consumers--but are interested in different segments of that market.

Both countries have now completed their respective missions of

negotiating with China to reduce tariffs on the products of which they are the chief suppliers to the Chinese market.

Brazil reached agreement with China's negotiators on Friday. The accord deals with four products: orange juice, instant coffee, soybean oil, and cellulose. Now both countries want the remaining discussions--such as those underway by the European Union--to move faster. Once that stage is over, China will be able to file with the WTO its pledge to stick to the percentages negotiated as the maximum tariff for each product on its import list. That tariff will then apply to everyone.

China's membership will also require a joint negotiation with all WTO members regarding the organizational rules on such topics as industrial property, measures for trade protection, and subsidies. The most optimistic prediction is that the process will be completed within six months at most. According to Graca Lima, the United States is also in a hurry because of an institutional problem. That country is facing resistance from labor unions to the idea of letting China into the WTO.

The union lobby may thwart US congressional approval of the agreement between the United States and China. One antidote would be the outcome of the negotiations between the EU and that Asian country.

According to Ambassador Valdemar Carneiro Leao, director general of the Economic Department at the Ministry of Foreign Affairs, Brazil will have the chance to become China's biggest supplier of the four products it negotiated, even though the reduced tariff will be the same for all exporting countries. Brazil will also benefit from the agreements made by other countries to reduce the tariffs on products of interest to them--examples being sugar, beef, auto parts, and chicken offals.

The change is likely to improve the flow of bilateral trade, which amounted to only \$1.541 billion in 1999, as well as the balance for Brazil, which was negative by \$189 million in 1999.

In the case of soybean oil, the import tariff applied by China will drop from 85 percent to 9 percent on an initial quota of 1.7 million metric tons (scheduled to rise to 3.2 million metric tons in 2005) when China's membership in the WTO becomes official. In the case of orange juice, the tariff will drop from 35 percent to 15 percent, with no maximum amount. In the case of instant coffee, it will drop from 50 to 30 percent. The rate on cellulose, currently 1 percent, will drop to zero. The sugar tariff negotiated with Australia, the biggest supplier of the product to China, will drop from 76 to 30 percent, but only on a quota of from 1.6 million to 1.9 million metric tons.

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| 003. cable               | re: EU Trade Commissioner. (6 pages) | 01/25/2000 | P1/b(1)     |

### COLLECTION:

Clinton Presidential Records  
NSC Cables  
Jan 1999-Dec 2000 ([China, WTO, Barshefsky, Kantor])  
OA/Box Number: 530000

### FOLDER TITLE:

[12/05/1999-12/05/2000]

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### RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
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- b(1) National security classified information [(b)(1) of the FOIA]
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# Cable

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PREC: ROUTINE  
CLASS: UNCLASSIFIED  
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LINE4: FM AMEMBASSY BEIJING  
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ORIG: AMEMBASSY BEIJING  
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ZEN/AMCONSUL CHENGDU  
SUBJ: VICE PREMIER LI TELLS AMBASSADOR CHINA WILL PROTECT  
IPR, EXPAND AG TRADE, ACT RESPONSIBLY IN WTO  
TEXT: UNCLAS SECTION 01 OF 03 BEIJING 001490

SENSITIVE

TREASURY FOR OASIA, INA/CRANE

STATE PASS USTR FOR PHILLIPS/LUND AND PAPOVICH

USDOC FOR 4420, 4122/MAC/OMA AND PTO

GENEVA FOR USTR

USDA FOR U/S SCHROETER

E.O. 12958: N/A

TAGS: KIPR, ECON, ETRD, EAGR, USTR, WTRO, CH

SUBJECT: VICE PREMIER LI TELLS AMBASSADOR CHINA WILL PROTECT  
IPR, EXPAND AG TRADE, ACT RESPONSIBLY IN WTO

REF: A) SECSTATE 25904

1. (SBU) SUMMARY: VICE PREMIER LI LANQING ASSURED THE AMBASSADOR ON FEBRUARY 17 THAT CHINA WAS DETERMINED TO PROTECT INTELLECTUAL PROPERTY, EXPAND AGRICULTURAL COOPERATION, AND ACT RESPONSIBLY ONCE IT JOINED THE WTO. LI SAID THAT HE HAD READ CAREFULLY THE LETTER ON IPR PROTECTION FROM AMBASSADOR BARSHEFSKY AND THAT PROTECTING IPR WAS IN CHINA'S OWN INTEREST. LI'S APRIL U.S. VISIT, U.S.-CHINA RELATIONS, FALUNGONG, AND OTHER POLITICAL TOPICS COVERED

SEPTTEL. END SUMMARY.

2. (SBU) DURING A ONE-HOUR CALL ON VICE PREMIER LI LANQING ON FEBRUARY 17, THE AMBASSADOR EXPLAINED THAT HE WAS RETURNING TO THE UNITED STATES THE FOLLOWING DAY TO TALK WITH THE AMERICAN CONGRESS AND PUBLIC ABOUT U.S.-CHINA RELATIONS AND THE IMPORTANCE OF APPROVING PERMANENT NORMAL TRADE RELATIONS (PNTR) LEGISLATION. HE SAID THAT DURING THE DEBATE ON PNTR, MANY AMERICANS WOULD RAISE CONCERNS ABOUT CHINA'S ROLE IN THE WTO, ABOUT ITS HUMAN RIGHTS POLICIES, AND ABOUT ITS WILLINGNESS TO ABIDE BY COMMITMENTS IN AREAS SUCH AS THE AGRICULTURAL COOPERATION AGREEMENT AND IPR.

CHINA WANTS TO INCREASE AGRICULTURAL COOPERATION WITH U.S.  
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3. (SBU) VICE PREMIER LI SAID THAT THE AGRICULTURE COOPERATION AGREEMENT'S PROVISIONS TO RESOLVE QUESTIONS OVER IMPORTS OF WHEAT FROM THE PACIFIC NORTHWEST WOULD NOT HAVE BEEN POSSIBLE WERE IT NOT FOR YEARS OF PREPARATION AND RESEARCH ON TCK (WHEAT SMUT) ISSUES. LI NOTED WITH PRIDE HIS WORK TO RESOLVE THE DISPUTE IN A MANNER THAT ADDRESSED CHINA'S CONCERNS OVER INFECTING DOMESTIC WHEAT WITH TCK. HE SAID CHINA HAD SPENT OVER ONE MILLION DOLLARS ON SCIENTIFIC EXPERIMENTS ON PROTECTING DOMESTIC WHEAT FROM INFESTATION. HE SAID THAT AS AN ENGINEER, HE SUPPORTED USING SCIENTIFIC METHODS TO RESOLVE DIFFICULT PROBLEMS. CHINA WANTED TO INCREASE AGRICULTURAL COOPERATION WITH THE UNITED STATES, LI SAID, OTHERWISE WHY WOULD CHINA HAVE SPENT SO MUCH ON THESE EXPERIMENTS?

CHINA AS A RESPONSIBLE WTO MEMBER  
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4. (SBU) HE CITED TWO EXAMPLES TO STRESS THE POINT THAT CHINA WOULD BE A RESPONSIBLE MEMBER OF THE WTO. HE SAID THAT WHEN HE SERVED AS TRADE MINISTER FOURTEEN YEARS AGO, CHINA WAS JUST STARTING ITS GATT ACCESSION NEGOTIATIONS. AT THAT TIME, MANY IN CHINA ARGUED THAT THE COUNTRY COULD GET ALONG WITHOUT ACCEDING TO THE GATT. CHINA'S GLOBAL TRADE HAD GROWN FROM \$20 BILLION IN 1979 TO OVER \$300 BILLION ANNUALLY. A NATION WITH THAT LARGE OF A STAKE IN INTERNATIONAL TRADE HAD AN INTEREST IN DEVELOPING AND SUPPORTING COMMON RULES. CHINA HAD REALIZED THAT WITHOUT TRADE RULES THERE WOULD BE CHAOS. IN THE SAME WAY, CHINA, AS A COUNTRY WITH LARGE POLITICAL INTERESTS, HAD A STAKE IN SUSTAINING THE UNITED NATIONS. LI CONCLUDED THAT CHINA NEEDED THE WTO BUT THAT THE WTO ALSO NEEDED CHINA. HE NOTED WTO DIRECTOR-GENERAL MIKE MOORE'S COMMENT THAT THE WTO WOULD BE INCOMPLETE WITHOUT CHINA.

5. (SBU) AS ANOTHER EXAMPLE OF CHINA'S RESPONSIBLE ROLE ON THE INTERNATIONAL ECONOMIC STAGE, LI RECALLED CHINA'S REACTION TO THE ASIAN FINANCIAL CRISIS IN 1997. AT THAT TIME, MANY COUNTRIES, INCLUDING JAPAN, REACTED TO THE PROBLEM BY DEVALUING THEIR CURRENCIES IN ORDER TO GAIN A COMPETITIVE EDGE. CHINA REFUSED TO FOLLOW SUIT. CHINA SUSTAINED LOSSES IN ORDER TO MAINTAIN THE VALUE OF THE

RENMINBI. INSTEAD, CHINA ADJUSTED ITS POLICY TO STIMULATE DOMESTIC DEMAND TO MAKE UP FOR THE LOSS OF EXPORTS. IN CONTRAST, LI SAID, JAPAN PLEDGED TO INCREASE DOMESTIC DEMAND, BUT ITS INCREMENTAL POLICIES HAD NO BENEFICIAL RESULTS.

UNCLAS SECTION 02 OF 03 BEIJING 001490

SENSITIVE

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E.O. 12958: N/A

TAGS: KIPR, ECON, ETRD, EAGR, USTR, WTRO, CH

SUBJECT: VICE PREMIER LI TELLS AMBASSADOR CHINA WILL PROTECT IPR, EXPAND AG TRADE, ACT RESPONSIBLY IN WTO

LI URGES CONGRESS TO APPROVE PNTR  
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6. (SBU) THE U.S.-CHINA BILATERAL AGREEMENT ON CHINA'S WTO ACCESSION WAS A "WIN-WIN" AGREEMENT, LI SAID, BUT THERE WAS NO FREE LUNCH. HE HOPED THAT THE U.S. CONGRESS WOULD APPROVE THE PNTR SOON. HE SAID THAT THE ANNUAL REVIEW OF NTR CAUSED PSYCHOLOGICAL UNCERTAINTY FOR COMPANIES IN BOTH COUNTRIES THAT DAMPENED BILATERAL COMMERCIAL RELATIONS.

CHINA DETERMINED TO PROTECT IPR  
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7. (SBU) "I HAVE READ CHARLENE BARSHEFSKY'S LETTER TO ME ON IPR" (SEE REFTEL), LI SAID, "AND SHE RAISED SEVERAL ISSUES." WHEN I WAS TRADE MINISTER, LI NOTED, I SUPPORTED THE BILATERAL AGREEMENT ON IPR PROTECTION BECAUSE IT WOULD PROTECT CHINESE AS WELL AS AMERICAN INTELLECTUAL PROPERTY. WITHOUT IPR PROTECTION, CHINA COULD NOT DEVELOP A KNOWLEDGE-BASED ECONOMY. LI SAID THAT THE CHINESE GOVERNMENT, IN THE FACE OF PRESSURE FROM CHINESE HI-TECH INDUSTRIES, HAD RAPIDLY DEVELOPED A LEGAL FRAMEWORK TO PROTECT IPR. NEW LAWS ON PATENTS AND COPYRIGHTS AS WELL AS ADMINISTRATIVE MEASURES HAD BEEN INTRODUCED. LI SAID THAT IN DEVELOPING THE LEGAL FRAMEWORK FOR IPR PROTECTION, CHINA HAD ACHIEVED IN YEARS WHAT TOOK OTHER COUNTRIES DECADES.

8. (SBU) THERE WAS STILL ROOM TO IMPROVE CHINA'S IPR PROTECTION, LI ADMITTED. THE GOVERNMENT WOULD CONTINUE TO WORK TO INTENSIFY ITS EFFORTS, BECAUSE IPR PROTECTION WAS IN

CHINA'S OWN INTEREST. LAST YEAR, CHINESE LAW ENFORCEMENT AGENCIES HAD DESTROYED 21 MILLION COUNTERFEIT COMPACT DISKS AND DISMANTLED 80 PRODUCTION LINES. (NOTE: THE FIGURE FOR PRODUCTION LINES SHUT DOWN ACTUALLY REPRESENTS THE NUMBER OF CLOSURES SINCE THE US-CHINA IPR AGREEMENT WAS SIGNED IN 1995, NOT SINCE 1999. END NOTE.)

9. (SBU) LI SAID HE WAS SO STRONGLY OPPOSED TO IPR INFRINGEMENTS BECAUSE IPR INFRINGEMENTS WERE COUNTER TO CHINA'S OWN ECONOMIC INTERESTS. THEREFORE, HE WAS DETERMINED TO COMBAT THIS PROBLEM. THE ISSUES RAISED BY AMBASSADOR BARSHEFSKY, LI SAID, WERE AN AREA WHERE THE UNITED STATES AND CHINA COULD WORK TOGETHER. HE SAID HE HOPED TO COMPARE NOTES IN THE FUTURE IN ORDER TO INTENSIFY THE BILATERAL DIALOGUE ON INTELLECTUAL PROPERTY.

10. (SBU) THE AMBASSADOR PROMISED TO RELAY LI'S COMMENTS TO AMBASSADOR BARSHEFSKY. HE THOUGHT SHE WOULD BE GLAD TO HEAR HIS VIEWS. THE UNITED STATES ACKNOWLEDGED THAT ENFORCING IPR RULES WAS NOT EASY AND WANTED TO WORK WITH CHINA TO ADDRESS THE PROBLEM.

11. (SBU) LI RESPONDED THAT IPR PROTECTION WAS AN AREA OF COMMON INTEREST WHERE THE UNITED STATES AND CHINA COULD WORK TOGETHER. HE SAID CHINA WAS PREPARED TO LISTEN TO ANY CONCRETE SUGGESTIONS FROM THE UNITED STATES ON HOW TO DO THE JOB BETTER.

COMMENT

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12. (SBU) LI WAS WELL BRIEFED FOR THE MEETING (BOTH THE FOREIGN AND TRADE MINISTRIES HAD ASKED US EARLIER IN THE DAY FOR COPIES OF THE BARSHEFSKY LETTER REFTEL TO AID IN PREPARATION OF THEIR BRIEFING PAPERS FOR THE AMBASSADOR'S MEETING) AND IS CLEARLY INTERESTED IN THE PNTR DEBATE IN WASHINGTON. AS A FORMER TRADE MINISTER SUPPORTIVE OF ECONOMIC REFORM, LI TAKES A GENUINE INTEREST IN AGRICULTURE COOPERATION AND IPR PROTECTION. WE BELIEVE WE SHOULD TAKE LI UP ON HIS OFFER TO LISTEN TO CONCRETE SUGGESTIONS ON HOW CHINA CAN IMPROVE ITS IPR PROTECTION.  
UNCLAS SECTION 03 OF 03 BEIJING 001490

SENSITIVE

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E.O. 12958: N/A

TAGS: KIPR, ECON, ETRD, EAGR, USTR, WTRO, CH

SUBJECT: VICE PREMIER LI TELLS AMBASSADOR CHINA WILL PROTECT  
IPR, EXPAND AG TRADE, ACT RESPONSIBLY IN WTO

MARTIN

**TOR:** 02/23/00 15:26:56

**DIST:** SIT: BRUNS NSC DUNCAN HUSO KEITH LEE LIEBERTHAL OSIUS PRITCHARD  
SIT: BRUNS NSC DUNCAN HUSO KEITH LEE LIEBERTHAL OSIUS PRITCHARD

# Cable

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PREC: IMMEDIATE  
CLASS: UNCLASSIFIED  
LINE1: OAAUZYUW RUEHBSA2976 1401406-UUUU--RHEHAAX.  
LINE2: ZNR UUUUU ZZH  
LINE3: O 191406Z MAY 00 ZDK  
LINE4: FM USEU BRUSSELS  
OSRI: RUEHBS  
DTG:  
ORIG: USEU BRUSSELS  
TO: RUEHC/SECSTATE WASHDC IMMEDIATE  
INFO: RUEHXQ/ALL EUROPEAN UNION POST COLLECTIVE  
RUEHBJ/AMEMBASSY BEIJING  
RUEHGV/USMISSION GENEVA  
SUBJ: EU WTO DEAL WITH CHINA  
TEXT: UNCLAS BRUSSELS 002976

STATE FOR SECRETARY ALBRIGHT, U/S LARSON, EB - WAYNE, EUR -RIES

STATE PLEASE PASS USTR FOR AMB BARSHEFSKY, AMB ESSERMAN,  
PHILLIPS, DWOSKIN, NOVELLI

USDOC FOR SECRETARY DALEY

TREASURY FOR DEPUTY SECRETARY EIZENSTAT

GENEVA FOR USTR - AMB HAYES

FROM AMBASSADOR MORNINGSTAR

E.O. 12958: N/A

TAGS: ETRD, EUN, WTRO

SUBJECT: EU WTO DEAL WITH CHINA

1. (U) HANS BESELER TELEPHONED ME FROM CHINA AT PASCAL LAMY'S REQUEST TO PROVIDE SOME DETAILS OF THE EU'S WTO AGREEMENT WITH CHINA. HE MADE THE CALL ON AN URGENT BASIS BECAUSE THEY WERE CONCERNED THAT THEY WERE HEARING THAT THE U.S. PRESS WAS DOWNPLAYING THE SIGNIFICANCE OF THE DEAL.

2. (U) BESELER, NEEDLESS TO SAY, WAS EXCEEDINGLY ENTHUSIASTIC ABOUT THE RESULTS. HE PROVIDED THE FOLLOWING DETAILS:

A. THEY ACHIEVED NEW TARIFF LIBERALIZATION ON 150 PRODUCTS.

B. THEY BROKE THE STATE OIL SECTOR MONOPOLY WITH A RESULT SIMILAR TO WHAT WE DID ON FERTILIZERS.

C. WITH RESPECT TO MOTOR VEHICLES, THEY GOT RID OF THE JOINT VENTURE REQUIREMENT FOR ENGINES AND SIMPLIFIED THE AUTHORIZATION PROCEDURES TO PRODUCE CARS.

D. ON THE AGRICULTURAL SIDE, THEY REDUCED TARIFFS ON EUROPEAN AGRICULTURAL PRODUCTS SUCH AS MANDARIN ORANGES.

E. TELECOMMUNICATIONS: THE 49% OWNERSHIP RESTRICTION STILL HOLDS BUT THE STAGING IS BETTER; 25% AT ACCESSION, 35% AFTER ONE YEAR AND 49% AFTER THREE YEARS.

F. BETTER LICENSING PROVISIONS FOR INSURANCE AND BANKING.

G. WITH RESPECT TO DISTRIBUTION, THEY RECEIVED SIGNIFICANT EASING OF CHAIN STORE RESTRICTIONS.

H. WITH RESPECT TO LEGAL SERVICES, ACCOUNTING SERVICES, AND OTHER SERVICES, THEY MADE PROGRESS BUT BESELER DID NOT GO INTO DETAIL.

3. FURTHER DETAILS CONTAINED IN AN EU FACT SHEET BEING FAXED TO USTR, STATE, USDOC AND TREASURY.

MORNINGSTAR

**TOR:** 06/05/00 06:24:07

**DIST:** SIT: NSC

PRT: USTR{P\SOCKS\GRD-2PS,06}

# Withdrawal/Redaction Marker

## Clinton Library

| DOCUMENT NO.<br>AND TYPE | SUBJECT/TITLE                 | DATE       | RESTRICTION |
|--------------------------|-------------------------------|------------|-------------|
| 004. cable               | re: House WTO Vote. (2 pages) | 05/23/2000 | P1/b(1)     |

### COLLECTION:

Clinton Presidential Records  
NSC Cables  
Jan 1999-Dec 2000 ([China, WTO, Barshefsky, Kantor])  
OA/Box Number: 530000

### FOLDER TITLE:

[12/05/1999-12/05/2000]

2010-1024-F  
vz1897

### RESTRICTION CODES

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

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

P1 National Security Classified Information [(a)(1) of the PRA]  
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]  
P3 Release would violate a Federal statute [(a)(3) of the PRA]  
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.

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

# Cable

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PREC: PRIORITY  
CLASS: UNCLASSIFIED  
LINE1: PAAUZYUW RUEHHKA8380 2870740-UUUU--RHEHAAA.  
LINE2: ZNR UUUUU ZZH ZUI HCB 2535 2921635 ZDK  
LINE3: P 130740Z OCT 00  
LINE4: FM AMCONSUL HONG KONG  
OSRI: RUEHHK  
DTG:  
ORIG: AMCONSUL HONG KONG  
TO: RUEHC/SECSTATE WASHDC PRIORITY 4841  
INFO: RHEHAAA/WHITE HOUSE WASHDC  
RUCPDO/USDOC WASHDC  
RUEHBJ/AMEMBASSY BEIJING 1042  
RUESLE/AMCONSUL SHANGHAI 5315  
RUEHGZ/AMCONSUL GUANGZHOU 1653  
RUEHIN/AIT TAIPEI 6317  
RHHMUNA/USCINCPAC HONOLULU HI//J007//  
SUBJ: MEDIA REACTION CHINA: WTO  
TEXT: UNCLAS HONG KONG 008380

FOR INR/R/MR, EAP/PD, I/FW, P/M, P/P, P/FN, VOA/BRF,  
TV-WPA, EAP/CM, EAP/P, INR/IC/CD;

WHITE HOUSE FOR NSC; PRC POSTS FOR PA; AIT FOR CIS;  
CINCPAC FOR PD ADVISER

E.O. 12958: N/A  
TAGS: OPRC, KMDR  
SUBJECT: MEDIA REACTION CHINA: WTO

TOPIC: CHINA:WTO

HEADLINES AND EXCERPTS:

TRADING TROUBLES

THE INDEPENDENT SOUTH CHINA MORNING POST HAD THIS EDITORIAL (10/13): BUT MUCH MORE TROUBLE ARE THE ISSUES WHICH CAUSED U.S. TRADE REPRESENTATIVE CHARLENE BARSHEFSKY TO RUSH TO BEIJING THIS WEEK, WHERE PREMIER ZHU RONGJI FOUND TIME FOR HER BY DELAYING HIS IMPORTANT JAPANESE TRIP. THESE PROBLEMS REFLECT THE FUNDAMENTAL DIFFERENCES BETWEEN THE LEGAL AND ECONOMIC SYSTEMS OF CHINA AND THOSE OF ITS MAIN TRADING PARTNERS.... IT APPEARS THAT U.S. AND D  
EUROPEAN UNION OFFICIALS SUSPECT SOME CHINESE BUREAUCRATS ARE HAVING SECOND THOUGHTS ABOUT MOVING QUICKLY TO CARRY THROUGH THE FULL WTO PACKAGE. IF SO, SUCH RESERVATIONS WOULD BE UNDERSTANDABLE. EVENTUALLY, MEMBERSHIP WILL BRING RIGOROUS NEW COMPETITION TO CHINESE INDUSTRY, FINANCE AND AGRICULTURE, AND MANY MANAGERS ARE NOT EAGER FOR THE EXPERIENCE. THEY WOULD RATHER DELAY THE PROCESS AND SOME ATTEMPTS TO DO JUST THAT APPEAR

TO BE UNDER WAY.... IT SEEMS CERTAIN THE CURRENT ISSUES WILL BE  
RESOLVED; MR. ZHUS DELAY OF HIS JAPAN TRIP SHOWS HE IS SERIOUS  
ABOUT PUSHING AHEAD WITH WTO MEMBERSHIP. BUT EVEN IF THIS DETOUR  
PROVES BRIEF, IT SUGGESTS THERE WILL BE CONTINUAL PROBLEMS ALONG  
THE WAY AS CHINA TRIES TO ADJUST ITS SOCIALIST HERITAGE TO THE  
GLOBAL TRADING SYSTEM.

KLOSSON

**TOR:** 10/18/00 22:43:16

**DIST:** SIT: BRUNS NSC CHRISTY DUNCAN JARRETT OSIUS PRITCHARD SAMANS SMITHH  
TIGHE

# Withdrawal/Redaction Marker

## Clinton Library

| DOCUMENT NO.<br>AND TYPE | SUBJECT/TITLE              | DATE       | RESTRICTION |
|--------------------------|----------------------------|------------|-------------|
| 005. cable               | re: HK Reporter. (4 pages) | 10/26/2000 | P1/b(1)     |

### COLLECTION:

Clinton Presidential Records  
NSC Cables  
Jan 1999-Dec 2000 ([China, WTO, Barshefsky, Kantor])  
OA/Box Number: 530000

### FOLDER TITLE:

[12/05/1999-12/05/2000]

2010-1024-F  
vz1897

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

# Withdrawal/Redaction Marker

## Clinton Library

| DOCUMENT NO.<br>AND TYPE | SUBJECT/TITLE                          | DATE       | RESTRICTION |
|--------------------------|----------------------------------------|------------|-------------|
| 006. cable               | re: Message for U.S. on WTO. (5 pages) | 10/30/2000 | P1/b(1)     |

### COLLECTION:

Clinton Presidential Records  
NSC Cables  
Jan 1999-Dec 2000 ([China, WTO, Barshefsky, Kantor])  
OA/Box Number: 530000

### FOLDER TITLE:

[12/05/1999-12/05/2000]

2010-1024-F  
vz1897

### RESTRICTION CODES

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

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

P1 National Security Classified Information [(a)(1) of the PRA]  
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b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]  
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]  
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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]

# Cable

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PREC: PRIORITY  
CLASS: UNCLASSIFIED  
LINE1: PATUZYUW RUCWAAA0342 3160614-UUAA--RHEHOND.  
LINE2: ZNR UUUA  
LINE3: P 120614Z NOV 00  
LINE4: FM FBIS RESTON VA  
OSRI: RUCWAAA  
DTG:  
ORIG: FBIS RESTON VA  
TO: RAYMIK/ASTJIC OBU  
RAYWAP/ATTORNEY GENERAL D BRANCH  
RAYWBBK/DIO CANBERRA AS  
RAYWBFA/ONA CANBERRA ACT AS  
RHAKAAA/353OSS KADENA AB JA//IN//  
RHEHOND/DIR ONDCP WASHINGTON DC//OR//  
RHHJDHA/PACAF IDHS PEARL HARBOR HI  
RHHJJAA/JICPAC HONOLULU HI  
RHHJJPI/PACOM IDHS HONOLULU HI  
RHHJRAP/USARPAC INTEL FT SHAFTER HI//APIN//  
RHHMUNA/USCINCPAC HONOLULU HI  
RUAGAMS/COMUSKOREA SEOUL KOR//FKJ2-IS-H//  
RUANJTF/DIRJIATF EAST//J2//  
RUCXNIS/DIRNAVCRIMINVSERV WASHINGTON DC  
RUCXONI/ONI WASHINGTON DC//2140//  
RUCXQAN/MARCORINTACT QUANTICO VA  
RUDFGHA/JWAC DAHLGREN VA  
RUEABND/DRUG ENFORCEMENT ADMIN HQ WASHINGTON DC//POL//  
RUEABNE/EPIC EL PASO TX  
RUEABOL/497IG AMHS BOLLING AFB DC  
RUEAIIS/STORAGE CENTER FBIS RESTON VA  
RUEANTX/CJTF SIX FT BLISS TX//J2//  
RUEHBJ/AMEMBASSY BEIJING  
RUEHC/SECSTATE WASHINGTON DC//EEC//  
RUEHC/SECSTATE WASHINGTON DC//INR//  
RUEHC/SECSTATE WASHINGTON DC//SIL//  
RUEHC/SECSTATE WASHINGTON DC//STR//  
RUEHMC/AMCONSUL MONTERREY  
RUEHME/AMEMBASSY MEXICO  
RUEHVI/AMEMBASSY VIENNA  
RUEKDIA/DIA WASHINGTON DC  
RUEKJCS/SECDEF WASHINGTON DC  
RUEOAYA/CDRNGIC CHARLOTTESVILLE VA  
RUEPMA/GISA FT BRAGG NC  
RUEPPOG/CDR PSYOPGP FT BRAGG NC//ASOF-POG-SB//  
RUEPPOG/CDR4THPSYOPGP FT BRAGG NC//AOCF-POG-SB//  
RUEPWDC/DA AMHS WASHINGTON DC  
RUETIAA/NSACSS FT GEORGE G MEADE MD  
RUHBABA/CG III MEF//G-2//  
RUHDFTB/CDRUSAFDSTA OPS KUNIA HI  
RUHDKAN/NAVSECGRUACT KUNIA HI  
RUHDTSN/WARFIGHTER SIGINT SUPPORT KUNIA HI  
RUHHAEA/NAIC WRIGHT PATTERSON AFB OH

RUHVPA/HQ PACAF HICKAM AFB HI//XPXP//  
RUQVKEW/AFIWC KELLY AFB TX//OSKC//  
RUWSMXI/USCINCTRANS INTEL CEN SCOTT AFB IL//J2-O/J2-J//  
RUYLBAH/DODSPECREP OKINAWA JA  
ACCT FBWA-EWDK

INFO: ////

SUBJ: AFP Cites PRC FM Spokeswoman on China, Mexico Meeting on  
WTO During APEC Meeting

TEXT: UNCLAS

WARNING: TOPIC: INTERNATIONAL ECONOMIC, INTERNATIONAL POLITICAL,  
URGENT

SERIAL: CPP20001112000022

PASS: ATTN WIRE SELECT

COUNTRY: CHINA, MEXICO, BRUNEI

SUBJ: AFP Cites PRC FM Spokeswoman on China, Mexico Meeting on  
WTO During APEC Meeting

SOURCE: Hong Kong AFP in English 0602 GMT 12 Nov 00

TEXT:

[FBIS Transcribed Text] BANDAR SERI BEGAWAN, Nov 12 (AFP) --  
China said Sunday it was set to hold talks with Mexico on the  
sidelines of an APEC forum here to try to iron out differences  
blocking its entry to the World Trade Organization.

Mexico is the only member of the Geneva-based WTO with which  
China has not completed bilateral talks to enable its long-awaited  
accession to the global trade body.

"China and Mexico are trying to arrange a meeting," Chinese  
foreign ministry spokeswoman Zhang Qiyue said in Brunei as  
ministers from the 21-member Asia-Pacific Economic Cooperation  
(APEC) forum held talks.

"It won't be today, but probably some time in the coming days,"  
Zhang said.

Chinese Foreign Trade Minister Shi Guangsheng, who arrived here  
late Saturday, is also likely to meet Charlene Barshefsky, the US  
trade representative, the spokeswoman added.

Chinese President Jiang Zemin is scheduled to meet US President  
Bill Clinton on the sidelines of the Brunei meeting on Thursday, at  
the end of a two-day APEC leaders' summit.

Vice Foreign Trade Minister Zhang Xiang said last month that  
China and Mexico were very close to agreement.

Talks in Geneva are attempting to place China's bilateral  
commitments into an overall "multilateral accession protocol," to  
ensure that countries that did not negotiate bilateral deals with  
China enjoy the same commercial concessions.

The Chinese government said Thursday that progress had been made in the Geneva talks, marking a "critical step forward" towards its accession to the WTO.

China clinched a critical bilateral WTO agreement with the United States a year ago, and with the European Union last month.

[Description of Source: Hong Kong AFP in English -- Hong Kong service of the independent French press agency Agence France-Presse]

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(endall)

**TOR:** 11/12/00 01:23:30

**DIST:** SIT: NSC