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S. 1083

To provide structure for and introduce balance into a policy of meaningful engagement with the People's Republic of China.

IN THE SENATE OF THE UNITED STATES

JULY 29, 1997

Mr. MACK (for himself, Mr. HUTCHINSON, and Mr. ASHCROFT) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

A BILL

To provide structure for and introduce balance into a policy of meaningful engagement with the People's Republic of China.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “United States-People’s
5 Republic of China National Security and Freedom Protec-
6 tion Act of 1997”.

7 **SEC. 2. DECLARATION OF POLICY.**

8 The policy of Congress with respect to the People’s
9 Republic of China is as follows:

1 (1) To encourage the liberalization of the Gov-
2 ernment of the PRC, responsible behavior by the
3 PRC, and integration of the PRC into the commu-
4 nity of nations.

5 (2) To support a strong presence, and commit-
6 ment to leadership and involvement in the Asian Pa-
7 cific region, to support integration of the PRC both
8 regionally and globally, and to share a stake in the
9 future of China with the people of the People's Re-
10 public of China, the region, and the world.

11 (3) To encourage friendship between the United
12 States and the People's Republic of China, while
13 protecting national interests and acting on national
14 values.

15 (4) To recognize the PRC does not today, and
16 will not for the foreseeable future, pose a direct mili-
17 tary threat to the United States. To recognize that
18 the PRC is not an enemy of the United States and
19 should not be made out as such.

20 (5) To develop a policy toward the PRC that
21 contains resolute and straight-forward toughness,
22 and to not paper over issues which make the PRC
23 feel uncomfortable, but to not allow the issues to
24 dominate the United States relationship with the
25 People's Republic of China.

1 (6) To seek to overcome differences with the
 2 PRC, to act honestly and directly, and to provide the
 3 American people with a foreign policy that is honest
 4 and direct.

5 (7) To implement a policy that is one of “mean-
 6 ingful engagement” which includes the mechanisms
 7 set forth in this Act.

8 **SEC. 3. TABLE OF CONTENTS.**

9 The table of contents for this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Declaration of policy.
- Sec. 3. Table of contents.
- Sec. 4. Definitions.

TITLE I—NATIONAL SECURITY

- Sec. 101. Congressional findings.
- Sec. 102. Prohibition of PLA commercial activities in the United States.
- Sec. 103. Reporting requirements.
- Sec. 104. Taiwan relations.
- Sec. 105. Missile nonproliferation enforcement.

TITLE II—HUMAN RIGHTS

- Sec. 201. Congressional findings.
- Sec. 202. International broadcasting.
- Sec. 203. Freedom from religious persecution.
- Sec. 204. Forced abortion.
- Sec. 205. Combating slave labor and “reeducation” centers.
- Sec. 206. Political freedom in China.

TITLE III—TRADE

- Sec. 301. Findings.
- Sec. 302. Statement of policy regarding People’s Republic of China accession.
- Sec. 303. Taiwan’s accession to the World Trade Organization.

TITLE IV—REVIEW OF POLICY

- Sec. 401. Review of policy.

10 **SEC. 4. DEFINITIONS.**

11 In this Act:

1 (1) PEOPLE’S LIBERATION ARMY; PLA.—For
2 purposes of this Act, the terms “People’s Liberation
3 Army”, and “PLA” mean any branch or division of
4 the land, naval, or air military service or the police
5 of the Communist Government of the People’s Re-
6 public of China and any member of any such service
7 or such police.

8 (2) PRC.—The term “PRC” means the Peo-
9 ple’s Republic of China.

10 (3) COMMUNIST CHINESE MILITARY COM-
11 PANY.—The term “Communist Chinese military
12 company” has the meaning given that term in sec-
13 tion 102(b)(1)(B) of this Act.

14 **TITLE I—NATIONAL SECURITY**

15 **SEC. 101. CONGRESSIONAL FINDINGS.**

16 (a) FINDINGS ON THE UNITED STATES NATIONAL
17 SECURITY THREAT FROM THE PLA.—Congress makes
18 the following findings with respect to the national security
19 threat from the PLA:

20 (1) The People’s Liberation Army poses no di-
21 rect military threat to the United States of America
22 and will not have the capability to do so for the fore-
23 seeable future, however, the PLA’s practice of weap-
24 ons proliferation poses a clear and present danger to
25 the global interests of the United States.

1 (2) Through the sale of weapons and weapons
2 technology sponsors of terrorism such as Iran, the
3 PRC, and PLA threaten United States security.

4 (3) The PLA is an instrument of oppression
5 within the People's Republic of China which the
6 United States finds offensive and unacceptable.

7 (4) The People's Liberation Army is engaged in
8 a military buildup, for undisclosed purposes, which
9 since 1992 has involved a doubling of military
10 spending by the People's Republic of China.

11 (5) The People's Liberation Army is engaging
12 in a major ballistic missile modernization program
13 which could undermine peace and stability in East
14 Asia, including 2 new intercontinental missile pro-
15 grams, 1 submarine-launched missile program, a
16 new class of compact, long-range cruise missiles, and
17 an upgrading of medium- and short-range ballistic
18 missiles.

19 (6) The People's Liberation Army is working to
20 co-produce the SU-27 fighter with Russia, and is in
21 the process of purchasing several substantial weap-
22 ons systems from Russia, including the 633 model of
23 the Kilo-class submarine and the SS-N-22 Sunburn
24 missile system specifically designed to incapacitate
25 United States aircraft carriers and Aegis cruisers.

1 (7) The People's Liberation Army has carried
2 out acts of aggression in the South China Sea, in-
3 cluding the February 1995 seizure of the Mischief
4 Reef in the Spratley Islands, and the July 1995 and
5 March 1996 missile tests near Taiwan. These ac-
6 tions cause concern over China's future intentions
7 and threaten regional stability.

8 (8) In March 1996, the People's Republic of
9 China effectively demonstrated the capacity to block-
10 ade both the international shipping lanes of the Tai-
11 wan Strait and the airspace over Taiwan by means
12 of repeated launches of M-9 ballistic missiles in the
13 South China Sea. This was a deliberate attempt to
14 intimidate the people of Taiwan.

15 (9) The effective blockade of Taiwan's two larg-
16 est ports, Keelung and Kaohsiung, and Taiwan's air-
17 space interfered with United States commercial ship-
18 ping and aviation and impinged upon the national
19 security interests of the United States, requiring the
20 dispatch of two aircraft carrier battle groups to the
21 South China Sea.

22 (10) The People's Liberation Army has contrib-
23 uted to the proliferation of technologies relevant to
24 the refinement of weapons-grade nuclear material,
25 including transferring ring magnets to Pakistan.

1 (11) The People’s Liberation Army and associ-
2 ated defense companies have provided ballistic mis-
3 sile components, cruise missiles, and chemical weap-
4 ons ingredients to Iran, a country that the executive
5 branch has repeatedly reported to Congress as
6 among the greatest sponsors of terrorism in the
7 world.

8 (12) In May 1996, United States authorities
9 caught representatives of the People’s Liberation
10 Army enterprise, Poly Technologies, and the civilian
11 defense industrial company, Norinco, attempting to
12 smuggle 2,000 AK-47s into Oakland, California,
13 and offering to sell to Federal undercover agents
14 300,000 machine guns with silencers, 66-millimeter
15 mortars, hand grenades, and “Red Parakeet” sur-
16 face-to-air missiles, which, as stated in the criminal
17 complaint against one of those representatives,
18 “. . . could take out a 747” aircraft.

19 (13) The China National Precision Machinery
20 Import-Export Corporation is marketing the C-802
21 model cruise missile which poses a clear and present
22 danger to the United States Fifth Fleet in the Per-
23 sian Gulf. The United States escort vessel U.S.S.
24 Stark was struck by a cruise missile in the Persian
25 Gulf, causing the death of 37 United States sailors.

1 (14) The China National Precision Machinery
2 Import-Export Corporation delivered 60 C-802
3 cruise missiles to Iran for use by vessels of the Ira-
4 nian Revolutionary Guard Navy.

5 (15) Iran is constructing sites and equipment to
6 launch C-802 cruise missiles which will provide its
7 armed forces with a weapon of greater range, reli-
8 ability, accuracy, and mobility than before.

9 (16) Fifteen thousand members of the United
10 States Armed Forces are stationed within the range
11 of the C-802 cruise missiles acquired by Iran.

12 (17) Although the Department of State believes
13 that “[t]hese cruise missiles pose new, direct threats
14 to deployed United States forces,” the President has
15 concluded that the known types of C-802 cruise
16 missiles are not of a “destabilizing number and
17 type”.

18 (18) The delivery of cruise missiles to Iran by
19 the PRC is a violation of the Iran-Iraq Arms Non-
20 proliferation Act of 1992 (50 U.S.C. 1701 note).

21 (b) FINDINGS ON THE UNITED STATES NATIONAL
22 SECURITY INTEREST IN TAIWAN.—Congress makes the
23 following findings with respect to the national security in-
24 terests in Taiwan:

1 (1) The security of Taiwan is vital to the peace
2 and stability in East Asia and is a vital national se-
3 curity interest of the United States.

4 (2) The People’s Republic of China’s current
5 missile modernization program could threaten Tai-
6 wan, thereby destabilizing East Asia.

7 (3) Taiwan has requested further United States
8 cooperation on missile defense, including the conduct
9 of a joint architecture study of the requirements for
10 the establishment and operation of a theater ballistic
11 missile defense system for Taiwan, including the
12 Penghu Islands, Kinmen, and Matsu.

13 (4) Establishment of an effective missile de-
14 fense for Taiwan, including the Penghu Islands,
15 Kinmen, and Matsu, is a direct and appropriate re-
16 sponse to the threat posed by increased development
17 and aggressive use of ballistic missiles by the Peo-
18 ple’s Republic of China. Deployment of such a sys-
19 tem could deter attempts at intimidation in the fu-
20 ture and would thereby reduce the potential need for
21 United States intervention.

22 (c) FINDINGS ON THE COMMERCIAL SUBSIDIZATION
23 OF THE PLA.—Congress makes the following findings
24 with respect to the PRC’s subsidization of the PLA’s com-
25 mercial activities:

1 (1) The estimated \$2,000,000,000 to
2 \$3,000,000,000 in annual earnings of PLA's com-
3 mercial enterprises subsidize the military expansion
4 and activities of the People's Liberation Army.

5 (2) The aggregate value of outstanding Chinese
6 securities currently held by Chinese nationals and
7 foreign persons is \$175,000,000,000, and from 1993
8 through 1995 foreign persons invested
9 \$10,540,000,000 in Chinese stocks.

10 (3) Entities controlled by the Government of
11 the People's Republic of China have issued 75 bonds
12 since 1988, including 36 dollar-denominated bond
13 offerings valued at more than \$6,700,000,000. The
14 total value of long-term Chinese bonds outstanding
15 as of January 1, 1996, was \$11,709,000,000.

16 (4) The People's Republic of China received al-
17 most \$1,000,000,000 in foreign aid grants and an
18 additional \$1,566,000,000 in technical assistance
19 grants from 1993 through 1995. In 1995, the PRC
20 received \$5,540,000,000 in bilateral assistance
21 loans, including concessional aid, export credits, and
22 related assistance.

23 (5) The bonds and stocks underwritten and sold
24 on the United States securities market by the Peo-
25 ple's Liberation Army are used to subsidize the op-

1 erations and modernization activities of the People's
2 Liberation Army.

3 **SEC. 102. PROHIBITION OF PLA COMMERCIAL ACTIVITIES**
4 **IN THE UNITED STATES.**

5 (a) PROHIBITION.—Notwithstanding any other provi-
6 sion of law, commercial activities in the United States of
7 the People's Liberation Army or any other Communist
8 Chinese military company are prohibited.

9 (b) PROHIBITION.—

10 (1) DETERMINATION OF COMMUNIST CHINESE
11 MILITARY COMPANIES.—

12 (A) IN GENERAL.—Subject to subpara-
13 graphs (B) and (C), not later than 90 days
14 after the date of enactment of this Act, the Sec-
15 retary of Defense, in consultation with the Sec-
16 retary of the Treasury, the Attorney General,
17 the Director of Central Intelligence, and the Di-
18 rector of the Federal Bureau of Investigation,
19 shall compile a list of persons who are Com-
20 munist Chinese military and who are operating
21 directly or indirectly in the United States, its
22 territories and possessions, and shall publish
23 the list of such persons in the Federal Register.
24 On an ongoing basis, the Secretary of Defense,
25 in consultation with the Secretary of the Treas-

1 ury, the Attorney General, the Director of
2 Central Intelligence, and the Director of the
3 Federal Bureau of Investigation, shall make ad-
4 ditions or deletions to the list based on the lat-
5 est information available.

6 (B) COMMUNIST CHINESE MILITARY COM-
7 PANY.—For purposes of making the determina-
8 tion required by subparagraph (A), the term
9 “Communist Chinese military company” means
10 a person that is—

11 (i) engaged in providing commercial
12 services, manufacturing, producing, or ex-
13 porting, and

14 (ii) provides financial subsidies de-
15 rived from the commercial activities de-
16 scribed in clause (i) to the People’s Libera-
17 tion Army.

18 The term includes any person identified in the
19 United States Defense Intelligence Agency pub-
20 lication numbered VP-1920-271-90, dated
21 September 1990, or PC-1921-57-95, dated
22 October 1995, or any update of such reports.

23 (2) AUTHORITY TO BAN COMMERCIAL ACTIVI-
24 TIES OF PLA AND MILITARY COMPANIES.—

25 (A) BAN ON COMMERCIAL ACTIVITY.—

1 (i) IN GENERAL.—Notwithstanding
2 the provisions of section 202 of the Inter-
3 national Emergency Economic Powers Act
4 (50 U.S.C. 1701), the President shall have
5 the authority provided for in section 203 of
6 such Act with respect to commercial activ-
7 ity of the PLA or of any Communist Chi-
8 nese military company in the United
9 States.

10 (ii) PENALTIES.—The penalties pro-
11 vided in section 206 of such Act shall
12 apply to violations of any license, order, or
13 regulation issued pursuant to the authority
14 of clause (i).

15 (B) BAN ON IMPORTS.—Notwithstanding
16 any other provision of law, the President shall
17 prohibit the importation of any product that is
18 produced, manufactured, or grown by the PLA
19 or by a Communist Chinese military company.

20 (C) BAN ON CERTAIN SECURITIES TRANS-
21 ACTIONS.—Notwithstanding any other provision
22 of law, the President shall prohibit the sale of
23 any debt on the United States bond market
24 which benefits the PLA or a Communist Chi-
25 nese military company.

1 **SEC. 103. REPORTING REQUIREMENTS.**

2 (a) REPORT ON INTELLIGENCE ACTIVITIES OF THE
3 PEOPLE'S REPUBLIC OF CHINA.—

4 (1) REPORT TO CONGRESS.—The Director of
5 Central Intelligence and the Director of the Federal
6 Bureau of Investigation, jointly, in consultation with
7 the heads of other appropriate Federal agencies, in-
8 cluding the National Security Agency, and the De-
9 partments of Defense, Justice, Treasury, and State,
10 shall prepare and transmit to Congress a report on
11 intelligence activities of the People's Republic of
12 China directed against or affecting the interests of
13 the United States.

14 (2) CONTENTS OF REPORT.—Each report under
15 paragraph (1) shall include information concerning
16 the following:

17 (A) political, military, and economic espio-
18 nage;

19 (B) intelligence activities designed to gain
20 political influence, including activities under-
21 taken or coordinated by the United Front Work
22 Department of the Chinese Communist Party;

23 (C) efforts to gain direct or indirect influ-
24 ence through commercial or noncommercial
25 intermediaries subject to control by the People's

1 Republic of China, including enterprises con-
2 trolled by the People's Liberation Army; and

3 (D) disinformation and press manipulation
4 by the People's Republic of China with respect
5 to the United States, including activities under-
6 taken or coordinated by the United Front Work
7 Department of the Chinese Communist Party.

8 (3) SUBMISSION OF REPORT.—Not later than
9 March 31 of each year, the Director of Central In-
10 telligence and the Director of the Federal Bureau of
11 Investigation, jointly, shall submit to the Speaker
12 and minority leader of the House of Representatives,
13 the majority and minority leaders of the Senate, the
14 Chairman and Ranking Member of the Permanent
15 Select Committee on Intelligence of the House of
16 Representatives, and the Chairman and Vice-Chair-
17 man of the Select Committee on Intelligence of the
18 Senate, classified and unclassified versions of the re-
19 port described in paragraph (1).

20 (b) REPORT ON PRC MILITARY MODERNIZATION.—

21 (1) REPORT TO CONGRESS.—The Secretary of
22 Defense shall prepare and transmit to Congress a
23 report on the military modernization of the People's
24 Liberation Army.

1 (2) CONTENTS OF REPORT.—Each report under
2 paragraph (1) shall include developments within the
3 People’s Liberation Army and the implications of
4 the developments for United States policy toward
5 the People’s Republic of China. Information should
6 describe the scope and pace of PLA modernization.
7 The report shall also analyze, to the extent possible,
8 the intent of the modernization programs. The re-
9 port should complement and not replace applicable
10 sections of the State Department’s annual report on
11 human rights in China.

12 (3) SUBMISSION OF REPORT.—Not later than
13 March 31 of each year, the Secretary of Defense, in
14 consultation with the Secretary of State, shall sub-
15 mit to the Speaker and minority leader of the House
16 of Representatives, the majority and minority lead-
17 ers of the Senate, the Chairman and Ranking Mem-
18 ber of the International Relations and National Se-
19 curity Committees of the House of Representatives,
20 and the Chairman and Ranking Member of the For-
21 eign Relations and Armed Services Committees of
22 the Senate, classified and unclassified versions of the
23 report described in paragraph (1).

24 (c) REPORT ON PLA COMMERCIAL ACTIVITIES.—

1 (1) REPORT TO CONGRESS.—The Secretary of
2 the Defense shall prepare and transmit to Congress
3 a report on the commercial activities of the People’s
4 Liberation Army and any other Communist Chinese
5 military company.

6 (2) CONTENTS OF REPORT.—Each report under
7 paragraph (1) shall include the list of all persons
8 identified pursuant to section 102(b)(1) and the
9 commercial activities in which each such person is
10 engaged in the United States.

11 (3) SUBMISSION OF REPORT.—Not later than
12 March 31 of each year, the Secretary of Defense, in
13 consultation with the Secretary of the Treasury, Di-
14 rector of Central Intelligence and the Director of the
15 Federal Bureau of Investigation, shall submit to the
16 Speaker and Minority Leader of the House of Rep-
17 resentatives, the Majority and Minority Leaders of
18 the Senate, the Chairman and Ranking Member of
19 the Permanent Select Committee on Intelligence of
20 the House of Representatives, and the Chairman
21 and Vice-Chairman of the Select Committee on In-
22 telligence of the Senate, the report described in
23 paragraph (1).

24 (d) PUBLICATION IN THE FEDERAL REGISTER; PUB-
25 LIC AVAILABILITY.—The unclassified version of each re-

1 port required by this section shall be published in the Fed-
2 eral Register and shall be available to the public.

3 **SEC. 104. TAIWAN RELATIONS.**

4 (a) **APPLICABILITY OF TAIWAN RELATIONS ACT.**—
5 Section 3 of the Taiwan Relations Act (22 U.S.C. 3302)
6 is amended by adding at the end the following new sub-
7 section:

8 “(d) The provisions of subsections (a) and (b) super-
9 sede any provision of the Joint Communique of the United
10 States and China of August 17, 1982.”.

11 (b) **TAIWAN MISSILE DEFENSE.**—

12 (1) **JOINT STUDY RELATING TO ESTABLISH-**
13 **MENT AND OPERATION OF A THEATER BALLISTIC**
14 **MISSILE DEFENSE SYSTEM FOR TAIWAN.**—

15 (A) **STUDY.**—The Secretary of Defense
16 shall carry out, with appropriate representatives
17 of the Government of Taiwan, a joint study of
18 the architecture requirements for the establish-
19 ment and operation of a theater ballistic missile
20 defense system for Taiwan, including the
21 Penghu Islands, Kinmen, and Matsu. The study
22 shall include the following:

23 (i) An assessment of missile threats to
24 Taiwan.

1 (ii) Identification of the requirements
2 of Taiwan for deployment of an effective
3 theater ballistic missile defense system.

4 (iii) Identification of existing theater
5 ballistic missile defense systems or existing
6 technology for such systems, that the Unit-
7 ed States could sell to Taiwan to assist in
8 meeting the requirements identified under
9 clause (ii).

10 (iv) Systems or technologies the Unit-
11 ed States is developing that could address
12 the missile threats to Taiwan's security.

13 (v) Identification of potential joint co-
14 operative efforts by the United States and
15 Taiwan to develop theater ballistic missile
16 defense systems.

17 (B) REPORT.—Not later than July 1,
18 1998, the Secretary of Defense shall submit to
19 the Committee on National Security and the
20 Committee on Appropriations of the House of
21 Representatives and the Committee on Armed
22 Services and the Committee on Appropriations
23 of the Senate the study conducted under sub-
24 paragraph (A).

1 (C) FORM OF STUDY.—The study under
2 subparagraph (A) shall be submitted in both
3 classified and unclassified form.

4 (2) SALE OF THEATER BALLISTIC MISSILE DE-
5 FENSES TO TAIWAN.—It is the sense of Congress
6 that the President, if requested by the Government
7 of Taiwan and in accordance with the results of the
8 study conducted under paragraph (1), should sell to
9 the Government of Taiwan appropriate defense arti-
10 cles, defense services, or design and construction
11 services for the purpose of establishing, deploying,
12 and operating a defensive theater ballistic missile de-
13 fense system for Taiwan, including the Penghu Is-
14 lands, Kinmen, and Matsu.

15 (3) STATEMENT OF POLICY RELATING TO EAST
16 ASIAN MISSILE DEFENSE COOPERATION.—Congress
17 declares that it is in the national interest of the
18 United States that Taiwan be included in any effort
19 at ballistic missile defense cooperation, networking,
20 or interoperability among East Asian nations.

21 **SEC. 105. MISSILE NONPROLIFERATION ENFORCEMENT.**

22 Congress—

23 (1) finds that the delivery of cruise missiles to
24 Iran is of a destabilizing number and type and,
25 therefore, is a violation of the Iran-Iraq Arms Non-

1 proliferation Act of 1992 (50 U.S.C. 1701 note);
2 and

3 (2) urges the President to enforce the Iran-Iraq
4 Arms Nonproliferation Act of 1992 (50 U.S.C. 1701
5 note) with respect to the acquisition by Iran of C-
6 802 model cruise missiles.

7 **TITLE II—HUMAN RIGHTS**

8 **SEC. 201. CONGRESSIONAL FINDINGS.**

9 (a) FINDINGS ON THE HUMAN RIGHTS REPORT.—
10 Congress makes the following findings with respect to the
11 report on human rights:

12 (1) Congress concurs in the following conclu-
13 sions of the Department of State regarding human
14 rights in the People’s Republic of China in 1996:

15 (A) The People’s Republic of China is “an
16 authoritarian state” in which “citizens lack the
17 freedom to peacefully express opposition to the
18 party-led political system and the right to
19 change their national leaders or form of govern-
20 ment”.

21 (B) The Government of the People’s Re-
22 public of China has “continued to commit wide-
23 spread and well documented human rights
24 abuses, in violation of internationally accepted
25 norms, stemming from the authorities’ intoler-

1 ance of dissent, fear of unrest, and the absence
2 or inadequacy of laws protecting basic free-
3 doms”.

4 (C) “[a]buses include torture and mistreat-
5 ment of prisoners, forced confessions, and arbi-
6 trary and incommunicado detention”.

7 (D) “[p]rison conditions remained harsh
8 [and] [t]he Government continued severe re-
9 strictions on freedom of speech, the press, as-
10 sembly, association, religion, privacy, and work-
11 er rights”.

12 (E) “[a]lthough the Government denies
13 that it holds political prisoners, the number of
14 persons detained or serving sentences for
15 ‘counterrevolutionary crimes’ or ‘crimes against
16 the state’ and for peaceful political or religious
17 activities are believed to number in the thou-
18 sands”;

19 (F) “[n]on-approved religious groups, in-
20 cluding Protestant and Catholic
21 groups . . . experienced intensified repression”.

22 (G) “[s]erious human rights abuses persist
23 in minority areas, including Tibet, Xinjiang,
24 and Inner Mongolia [, and] [c]ontrols on reli-

1 gion and other fundamental freedoms in these
2 areas have also intensified”.

3 (H) “[o]verall in 1996, the authorities
4 stepped up efforts to cut off expressions of pro-
5 test or criticism. All public dissent against the
6 party and government was effectively silenced
7 by intimidation, exile, the imposition of prison
8 terms, administrative detention, or house ar-
9 rest. No dissidents were known to be active at
10 year’s end.”.

11 (2) In addition to the State Department, credi-
12 ble independent human rights organizations have
13 documented an increase in repression in China dur-
14 ing 1996, and effective destruction of the dissident
15 movement through the arrest and sentencing of the
16 few remaining pro-democracy and human rights ac-
17 tivists not already in prison or exile.

18 (3) Among the activists sentenced were—

19 (A) Wang Dan, a student leader of the
20 1989 pro-democracy protests, sentenced on Oc-
21 tober 30, 1996, to 11 years in prison on
22 charges of conspiring to subvert the Govern-
23 ment;

24 (B) Li Hai, sentenced to 9 years in prison
25 on December 18, 1996, for gathering informa-

1 tion on the victims of the 1989 crackdown,
2 which according to the court’s verdict con-
3 stituted “state secrets”; and

4 (C) Liu Nianchun, an independent labor
5 organizer, sentenced to 3 years of “reeducation
6 through labor” on July 4, 1996, due to his ac-
7 tivities in connection with a petition campaign
8 calling for human rights reforms.

9 (4) Many political prisoners are suffering from
10 poor conditions and ill treatment leading to serious
11 medical and health problems, including—

12 (A) Wei Jingsheng, sentenced to 14 years
13 in prison on December 13, 1996, for conspiring
14 to subvert the government and for “communica-
15 tion with hostile foreign organizations and indi-
16 viduals, amassing funds in preparation for over-
17 throwing the government and publishing anti-
18 government articles abroad,” is currently held
19 in Jile No. 1 Prison (formerly the Nanpu New
20 Life Salt Farm) in Hebei province, where he re-
21 portedly suffers from severe high blood pressure
22 and a heart condition, worsened by poor condi-
23 tions of confinement;

24 (B) Gao Yu, a journalist who has a heart
25 condition sentenced to 6 years in prison on No-

1 vember 1994 and honored by UNESCO in May
2 1997; and

3 (C) Chen Longde, a leading human rights
4 advocate now serving a 3-year reeducation
5 through labor sentence imposed without trial in
6 August 1995, has reportedly been subject to re-
7 peated beatings and electric shocks at a labor
8 camp for refusing to confess his guilt.

9 (5) Currently there is only 1 official in the
10 United States Embassy in Beijing assigned to mon-
11 itoring human rights in the People's Republic of
12 China. There are no officials assigned to monitor
13 human rights in United States consulates in the
14 People's Republic of China.

15 (6) The People's Liberation Army is a principal
16 instrument of repression within the People's Repub-
17 lic of China, responsible for occupying Tibet since
18 1950, massacring hundreds of students and dem-
19 onstrators for democracy in Tiananmen Square on
20 June 4, 1989, and running the Laogai ("reform
21 through labor") slave labor camps.

22 (b) FINDINGS ON COERCIVE FAMILY PLANNING
23 PRACTICES OF THE PRC.—Congress makes the following
24 findings with respect to family planning practices:

1 (1) For over 15 years there have been frequent
2 and credible reports of forced abortion and forced
3 sterilization in connection with the coercive popu-
4 lation control of the People's Republic of China.

5 (2) Forced abortion was rightly denounced as a
6 crime against humanity by the Nuremberg War
7 Crimes Tribunal.

8 (3) Although it is the stated position of the po-
9 litburo of the Chinese Communist Party that forced
10 abortion and forced sterilization have no role in the
11 population control program, in fact the policy of the
12 Communist Chinese Government seems to encourage
13 both forced abortion and forced sterilization through
14 a combination of strictly enforced birth quotas and
15 impunity for local population control officials who
16 engage in coercion. Officials acknowledge that there
17 have been instances of forced abortions and steriliza-
18 tion, yet there is no evidence that the perpetrators
19 have been punished.

20 (4) The People's Republic of China population
21 control officials, in cooperation with employers and
22 works unit officials, monitor women's menstrual cy-
23 cles and subject women who conceive without gov-
24 ernment authorization to extreme psychological pres-
25 sure, to harsh economic sanctions, including

1 unpayable fines and loss of employment, and to
2 physical force.

3 (5) Official sanctions for giving birth to unau-
4 thorized children include fines in amounts several
5 times larger than the per capita annual incomes of
6 residents of the People's Republic of China. In
7 Fujian, for example, the average fine is estimated to
8 be twice a family's gross annual income. Families
9 who cannot pay the fine have had their homes and
10 personal property confiscated and destroyed.

11 (6) Especially harsh punishments have been in-
12 flicted on those whose resistance is motivated by re-
13 ligion. For example, according to a 1995 Amnesty
14 International report, the Catholic inhabitants of 2
15 villages in Hebei Province were subjected to popu-
16 lation control under the slogan "better to have more
17 graves than one more child". Enforcement measures
18 included torture, sexual abuse, and the detention of
19 resisters' relatives as hostages.

20 (7) Forced abortions in Communist China often
21 take place in the very late stages of pregnancy, or
22 even during the process of birth itself.

23 (8) Since 1994 forced abortion and sterilization
24 have been used in Communist China not only to reg-
25 ulate the number of children, but also to eliminate

1 those who are regarded as defective in accordance
2 with the official eugenic policy known as the “Natal
3 and Health Care Law”.

4 (c) FINDINGS ON RELIGIOUS PERSECUTION IN THE
5 PRC.—Congress makes the following findings with re-
6 spect to religious persecution:

7 (1) Despite public assurances by the Govern-
8 ment of the People’s Republic of China that it would
9 abide by the principles of the Universal Declaration
10 of Human Rights and despite the United Nations
11 Charter requirement that all members promote re-
12 spect for and observance of basic human rights, in-
13 cluding freedom of religion, the Chinese Government
14 continues to place severe restrictions on religious ex-
15 pression and practice.

16 (2) It has been reported that at an internal
17 Central Communist Party meeting in 1994, Presi-
18 dent Jiang Zemin asserted that religion is one of the
19 biggest threats to Communist Party rule in China
20 and Tibet.

21 (3) On January 31, 1994, Premier Li Peng
22 signed decrees number 144 and 145 which restrict
23 worship, religious education, distribution of Bibles
24 and other religious literature, and contact with for-
25 eign coreligionists.

1 (4) The Chinese Government has created offi-
2 cial religious organizations that control all religious
3 worship, activity, and association in China and Tibet
4 and supplant the independent authority of the
5 Roman Catholic Church, independent Protestant
6 churches, and independent Buddhist, Taoist, and Is-
7 lamic associations.

8 (5) In July 1995, Ye Xiaowen, a rigid com-
9 munist hostile to religion, was appointed to head the
10 Bureau of Religious Affairs, a Chinese Government
11 agency controlled by the United Front Work Depart-
12 ment of the Chinese Communist Party. The Bureau
13 of Religious Affairs has administrative control over
14 all religious worship and activity in China and Tibet
15 through a system of granting or denying rights
16 through an official registration system. Those who
17 fail to or are not allowed to register are subject to
18 punitive measures.

19 (6) In the past year, the Chinese Government
20 has expressed great concern over the spread of
21 Christianity and particularly over the rapid growth
22 of Christian religious institutions other than those
23 controlled by the Chinese Government, including the
24 Roman Catholic Church and the evangelical Chris-
25 tian “house churches”.

1 (7) Hundreds of Chinese Protestants and
2 Catholics are among those now imprisoned, detained,
3 or continuously harassed because of their religious
4 beliefs or activities.

5 (8) The prisons and labor camps which hold
6 these religious prisoners are run by the Ministry of
7 Public Security and the Ministry of Justice of the
8 Chinese Government.

9 (9) Although some negotiations have taken
10 place, the Chinese Government refuses to permit the
11 appointment by the Vatican of Catholic bishops and
12 the ordination of priests not approved by the Gov-
13 ernment and insists on appointing its own “Catholic
14 bishops”.

15 (10) The Tenth Panchen Lama died in January
16 1989 at Tashilhunpo Monastery, his traditional spir-
17 itual seat in Shigatze, Tibet’s second largest city.

18 (11) It has always been the right and the role
19 of the Dalai Lama to recognize the successor to the
20 Panchen Lama. On May 14, 1995, His Holiness the
21 Dalai Lama announced recognition of a six-year-old
22 boy, Gedhun Choekyi Nyima, as the Eleventh Pan-
23 chen Lama, according to Tibetan tradition.

24 (12) The young boy, recognized by the Dalai
25 Lama, and his family have been brought to Beijing

1 by Chinese authorities and have not been seen for
2 months. The Chinese authorities announced publicly
3 in June 1996 that they are holding Gedhun Choekyi
4 Nyima.

5 (13) Chadrel Rimpoche, abbot of Tashilhunpo
6 Monastery and head of the original search commit-
7 tee for the Eleventh Panchen Lama, and his assist-
8 ant, Champa Chung, are believed to have been
9 seized and detained by Chinese authorities in May of
10 1995.

11 (14) Chinese Government authorities subse-
12 quently detained other Tibetan Buddhists in connec-
13 tion with the selection of the Eleventh Panchen
14 Lama, including Gyatrol Rimposhe, Shepa Kelsang,
15 Lhakpa Tsering, and Ringkar Ngawang.

16 (15) The Chinese Government convened a con-
17 ference in Beijing where Tibetan monks were co-
18 erced to select a rival candidate to the child recog-
19 nized by the Dalai Lama as the Eleventh Panchen
20 Lama.

21 (16) On November 29, 1995, officials of the
22 Chinese Government orchestrated an elaborate cere-
23 mony designating a six-year-old boy selected by the
24 Chinese Government as the Eleventh Panchen Lama
25 and on December 8, 1995, a Government-sponsored

1 ceremony was held in Shigatze, Tibet, where the boy
2 selected by the Government was enthroned as the
3 Eleventh Panchen Lama.

4 (17) By seeking to impose its own candidate as
5 the Eleventh Panchen Lama and detaining the six-
6 year-old boy recognized for that position in accord-
7 ance with Tibetan tradition, the Chinese Govern-
8 ment is infringing on a purely Tibetan religious mat-
9 ter, in blatant violation of the fundamental human
10 rights of the Tibetan people.

11 (d) FINDINGS ON SLAVE LABOR AND “REEDUCA-
12 TION” CAMPS IN THE PRC.—Congress makes the follow-
13 ing findings with respect to slave labor and reeducation
14 camps:

15 (1) The People’s Republic of China operates
16 and maintains an extensive forced labor camp sys-
17 tem—the Laogai.

18 (2) The Laogai is made up of more than 1,100
19 forced labor camps, with an estimated population of
20 6,000,000 to 8,000,000 prisoners.

21 (3) In one part of the Laogai system, known as
22 lao jiao, or reeducation-through-labor, Chinese citi-
23 zens can be detained for up to 3 years without any
24 judicial review or formal appearance in the judicial
25 system.

1 (4) The Laogai sector of the export economy of
2 the People's Republic of China is engaged in the ex-
3 port to the United States of the goods made with
4 forced labor.

5 (5) The Government of the People's Republic of
6 China employs a system of dual names for the
7 camps to deceive the international community.

8 (6) The United States Customs Service has
9 taken formal administrative action banning the im-
10 portation of 27 different products found to have
11 been made in the Laogai.

12 (7) Despite the fact that the People's Republic
13 of China has entered into binding agreements with
14 the United States (the 1992 Memorandum of Un-
15 derstanding on Prison Labor, and the 1994 State-
16 ment of Cooperation on the Implementation of the
17 Memorandum of Understanding on Prison Labor) to
18 allow inspections of its forced labor camps to deter-
19 mine the origins of suspected Laogai imports to the
20 United States, the People's Republic of China has
21 frustrated the implementation of these agreements.

22 (8) The State Department's Human Rights
23 Country Reports in 1995 and 1996 each stated,
24 "Repeated delays in arranging prison labor site vis-
25 its called into question Chinese intentions regarding

1 the implementation of” the agreements referred to
2 in paragraph (7).

3 (9) Concerning the ability of the United States
4 Customs Service to identify Communist Chinese
5 products that originate in the Laogai, the Commis-
6 sioner of Customs stated in testimony before the
7 Senate Foreign Relations Committee on May 22,
8 1997: “We simply do not have the tools within our
9 present arsenal at Customs to gain the timely and
10 in-depth verification that we need.”.

11 (e) FINDINGS ON THE NEED FOR INTERNATIONAL
12 BROADCASTING INTO THE PRC.—Congress makes the
13 following findings with respect to broadcasts to the Peo-
14 ple’s Republic of China:

15 (1) The Government of the People’s Republic of
16 China systematically controls the flow of information
17 to the Chinese people.

18 (2) The Government of the People’s Republic of
19 China threatened economic development by announc-
20 ing in January 1996 that its official news agency
21 Xinhua, will supervise wire services selling economic
22 information, including Dow Jones-Telerate,
23 Bloomberg, and Reuters Business, and in announc-
24 ing in February of 1996 the “Interim Internet Man-

1 agement Rules”, which have the effect of censoring
2 computer networks.

3 (3) Under the May 30, 1997, order of Premier
4 Li Peng, all organizations that engage in business
5 activities related to international computer
6 networking must apply for a license, increasing still
7 further government control over access to the
8 Internet.

9 (4) Both Radio Free Asia and the Voice of
10 America, as a surrogate for a free press in the Peo-
11 ple’s Republic of China, provide an invaluable source
12 of uncensored information to the Chinese people, in-
13 cluding objective and authoritative news of in-coun-
14 try and regional events, as well as accurate news
15 about the United States and its policies.

16 (5) Radio Free Asia currently broadcasts only
17 5 hours a day in the Mandarin dialect and 2 hours
18 a day in Tibetan.

19 (6) Voice of America currently broadcasts only
20 10 hours a day in Mandarin and 3½ hours a day
21 in Tibetan.

22 (7) Radio Free Asia and Voice of America
23 should develop 24-hour-a-day service in Mandarin,
24 Cantonese, and Tibetan, as well as further broad-

1 casting capability in the dialects spoken in Xinjiang
2 and other regions of the People's Republic of China.

3 (8) Radio Free Asia and Voice of America, in
4 working toward continuously broadcasting to the
5 People's Republic of China in multiple languages,
6 have the capability to immediately establish 24-hour-
7 a-day Mandarin broadcasting to that nation by stag-
8 gering the hours of Radio Free Asia and Voice of
9 America.

10 (9) Simultaneous broadcasting on Voice of
11 America radio and Worldnet television 7 days a
12 week in Mandarin are also important and needed ca-
13 pabilities.

14 **SEC. 202. INTERNATIONAL BROADCASTING.**

15 (a) AUTHORIZATION OF APPROPRIATIONS FOR IN-
16 CREASED FUNDING FOR RADIO FREE ASIA AND VOICE
17 OF AMERICA.—

18 (1) AUTHORIZATION OF APPROPRIATIONS FOR
19 INTERNATIONAL BROADCASTING TO CHINA.—In ad-
20 dition to such sums as are otherwise authorized to
21 be appropriated for “International Broadcasting Ac-
22 tivities” for fiscal years 1998 and 1999, there are
23 authorized to be appropriated for “International
24 Broadcasting Activities” \$46,900,000 for fiscal year
25 1998 and \$31,200,000 for fiscal year 1999, which

1 shall be available only for broadcasting to the Peo-
2 ple's Republic of China.

3 (2) LIMITATIONS.—

4 (A) RADIO FREE ASIA.—

5 (i) Of the funds authorized to be ap-
6 propriated under paragraph (1),
7 \$26,900,000 is authorized to be appro-
8 priated for fiscal year 1998 and
9 \$21,200,000 is authorized to be appro-
10 priated for fiscal year 1999 for Radio Free
11 Asia.

12 (ii) Of the funds under paragraph (1),
13 \$1,200,000 is authorized to be appro-
14 priated for each such fiscal year for addi-
15 tional personnel to staff Cantonese lan-
16 guage broadcasting.

17 (iii) Of the total funds under para-
18 graph (1), \$900,000 is authorized to be
19 appropriated for additional advanced edit-
20 ing equipment.

21 (B) FISCAL YEAR 1998.—

22 (i) Of the funds under paragraph (1)
23 authorized to be appropriated for fiscal
24 year 1998, \$11,800,000 is authorized to be
25 appropriated for capital expenditures for

1 the purchase and construction of trans-
2 mission facilities.

3 (ii) Of the funds under paragraph (1)
4 authorized to be appropriated for fiscal
5 year 1998, \$3,000,000 is authorized to be
6 appropriated to facilitate the timely aug-
7 mentation of transmitters at Tinian, Mar-
8 shall Islands.

9 (3) ALLOCATION.—Of the amounts authorized
10 to be appropriated under paragraph (1), the Direc-
11 tor of the United States Information Agency and the
12 Board of Broadcasting Governors shall seek to en-
13 sure that the amounts made available for broadcast-
14 ing to nations whose people do not fully enjoy free-
15 dom of expression do not decline in proportion to the
16 amounts made available for broadcasting to other
17 nations.

18 (b) REPORTING REQUIREMENT.—Not later than 90
19 days after the date of enactment of this Act, in consulta-
20 tion with the Board of Broadcasting Governors, the Presi-
21 dent shall prepare and transmit to Congress a report on
22 a plan to achieve continuous broadcasting of Radio Free
23 Asia and Voice of America to the People's Republic of
24 China in multiple major dialects and languages.

1 **SEC. 203. FREEDOM FROM RELIGIOUS PERSECUTION.**

2 (a) CONGRESSIONAL STATEMENT OF POLICY.—It is
3 the sense of Congress that the President should make free-
4 dom of religion one of the major objectives of United
5 States foreign policy with respect to the People’s Republic
6 of China. As part of this policy, the Department of State
7 should raise in every relevant bilateral and multilateral
8 forum the issue of individuals imprisoned, detained, con-
9 fined, or otherwise harassed by the Chinese Government
10 on religious grounds. In its communications with the Chi-
11 nese Government, the Department of State should provide
12 specific names of individuals of concern and request a
13 complete and timely response from the Chinese Govern-
14 ment regarding the individuals’ whereabouts and condi-
15 tion, the charges against them, and sentence imposed. The
16 goal of these official communications should be the expedi-
17 tious release of all religious prisoners in China and Tibet
18 and the end of the Chinese Government’s policy and prac-
19 tice of harassing and repressing religious believers.

20 (b) PROHIBITION ON USE OF FUNDS FOR THE PAR-
21 TICIPATION OF CERTAIN CHINESE OFFICIALS IN CON-
22 FERENCES, EXCHANGES, PROGRAMS, AND ACTIVITIES.—

23 (1) PROHIBITION.—

24 (A) IN GENERAL.—Notwithstanding any
25 other provision of law, for fiscal years after fis-
26 cal year 1997, no funds appropriated or other-

1 wise made available for the Department of
2 State, the United States Information Agency,
3 or the United States Agency for International
4 Development may be used for the purposes of
5 providing travel expenses and per diem for the
6 participation of a national of the People's Re-
7 public of China described in subparagraph (B).

8 (B) NATIONAL DESCRIBED.—A national
9 described in this subparagraph means any mili-
10 tary or civilian official or employee of the Gov-
11 ernment of the People's Republic of China who
12 is directly involved in any of the following poli-
13 cies or practices or who was responsible for the
14 supervision of persons directly involved in such
15 policies or practices:

16 (i) Formulating, drafting, or imple-
17 menting repressive religious policies.

18 (ii) Imprisoning, detaining, or
19 harassing individuals on religious grounds.

20 (iii) Promoting or participating in
21 policies or practices which hinder religious
22 activities or the free expression or religious
23 beliefs.

24 (2) CERTIFICATION.—

1 (A) IN GENERAL.—Each Federal agency
2 subject to the prohibition of paragraph (1) shall
3 certify in writing to the Committee on Foreign
4 Relations of the Senate and the Committee on
5 International Relations of the House of Rep-
6 resentatives, not later than 120 days after the
7 date of enactment of this Act, and annually
8 thereafter, that the agency did not pay for, ei-
9 ther directly or through a contractor or grantee,
10 travel expenses or per diem of any national of
11 the People’s Republic of China described in
12 paragraph (1)(B).

13 (B) CONTENTS OF CERTIFICATION.—Each
14 certification under subparagraph (A) shall be
15 supported by the following information:

16 (i) The name of each employee of any
17 agency of the Government of the People’s
18 Republic of China whose travel expenses or
19 per diem were paid by funds of the report-
20 ing agency of the United States Govern-
21 ment.

22 (ii) The procedures employed by the
23 reporting agency of the United States Gov-
24 ernment to ascertain whether each individ-
25 ual under clause (i) did or did not partici-

1 pate in activities described in paragraph
2 (1)(B).

3 (iii) The reporting agency's basis for
4 concluding that each individual under
5 clause (i) did not participate in such activi-
6 ties.

7 (c) CERTAIN OFFICIALS OF THE PRC INELIGIBLE
8 TO RECEIVE VISAS AND EXCLUDED FROM ADMISSION.—

9 (1) IN GENERAL.—Notwithstanding any other
10 provision of law, any national of the People's Repub-
11 lic of China described in subsection (b)(1)(B) shall
12 be ineligible to receive a visa and shall be excluded
13 from admission into the United States.

14 (2) WAIVER.—The President may waive the
15 provisions of paragraph (1) in order to carry on the
16 normal course of foreign policy.

17 **SEC. 204. CONDEMNATION OF FORCED ABORTION.**

18 (a) POLICY.—It is the policy of the United States to
19 condemn those officials of the Chinese Communist Party,
20 the Government of the People's Republic of China, and
21 other persons who are involved in the enforcement of
22 forced abortions, by preventing such persons from enter-
23 ing or remaining in the United States.

24 (b) DENIAL OF ENTRY INTO THE UNITED STATES
25 OF PERSONS IN THE PEOPLE'S REPUBLIC OF CHINA EN-

1 GAGED IN ENFORCEMENT OF FORCED ABORTION POL-
 2 ICY.—

3 (1) IN GENERAL.—The Secretary of State may
 4 not issue any visa to, and the Attorney General may
 5 not admit to the United States, any national of the
 6 People’s Republic of China, including any official of
 7 the Communist Party or the Government of the Peo-
 8 ple’s Republic of China including regional and local
 9 authorities of the People’s Republic of China, who
 10 the Secretary finds, based on credible information,
 11 has been involved in the establishment or enforce-
 12 ment of population control policies resulting in a
 13 woman being forced to undergo an abortion against
 14 her free choice, or resulting in a man or woman
 15 being forced to undergo sterilization against his or
 16 her free choice.

17 (2) WAIVER.—The President may waive the
 18 provisions of paragraph (1) in order to carry on the
 19 normal course of foreign policy.

20 **SEC. 205. COMBATING SLAVE LABOR AND “REEDUCATION”**
 21 **CENTERS.**

22 (a) AUTHORIZATION FOR ADDITIONAL CUSTOMS AND
 23 STATE DEPARTMENT PERSONNEL TO MONITOR EXPOR-
 24 TATION OF SLAVE LABOR PRODUCTS BY THE PEOPLE’S
 25 REPUBLIC OF CHINA.—There are authorized to be appro-

1 priated \$2,000,000 for fiscal year 1998 and \$2,000,000
2 for fiscal year 1999 for monitoring by the United States
3 Customs Service and the Department of State products
4 exported by the People's Republic of China to the United
5 States of products which may be made with slave labor,
6 in violation of section 307 of the Tariff Act of 1930 or
7 section 1761 of title 18, United States Code.

8 (b) REPORTING REQUIREMENT ON EXPORTATION OF
9 PRODUCTS MADE WITH SLAVE LABOR.—

10 (1) REPORT TO CONGRESS.—The Commissioner
11 of Customs and the Secretary of State shall each
12 prepare and transmit to Congress reports on the
13 manufacturing and exportation of products made
14 with slave labor in the People's Republic of China.

15 (2) CONTENTS OF REPORT.—Each report under
16 paragraph (1) shall include information concerning
17 the following:

18 (A) The extent of the use of slave labor in
19 manufacturing products for exportation by the
20 People's Republic of China, as well as the vol-
21 ume of exports of such slave labor products by
22 that country.

23 (B) The progress of the United States
24 Government—

1 (i) in identifying products made with
2 slave labor in the People's Republic of
3 China that are destined for the United
4 States market in violation of section 307 of
5 the Tariff Act of 1930 or section 1761 of
6 title 18, United States Code, and

7 (ii) in stemming the importation of
8 such products.

9 (3) SUBMISSION OF REPORT.—Not later than 1
10 year after the date of enactment of this Act and an-
11 nually thereafter, the Commissioner of Customs and
12 the Secretary of State shall each submit to the
13 Speaker and minority leader of the House of Rep-
14 resentatives, the majority and minority leaders of
15 the Senate, the Chairman and Ranking Member of
16 the Committee on International Relations of the
17 House of Representatives, and the Chairman and
18 Ranking Member of the Committee on Foreign Rela-
19 tions of the Senate, classified and unclassified ver-
20 sions of the report described in paragraph (1).

21 (c) RENEGOTIATION OF THE MEMORANDUM OF UN-
22 DERSTANDING ON PRISON LABOR WITH THE PEOPLE'S
23 REPUBLIC OF CHINA.—It is the sense of Congress that,
24 since the People's Republic of China has substantially
25 frustrated the purposes of the 1992 Memorandum of Un-

1 derstanding with the United States on Prison Labor, the
 2 President should immediately commence negotiations to
 3 replace the current Memorandum of Understanding on
 4 Prison Labor with one providing for effective monitoring
 5 of forced labor in the People’s Republic of China, without
 6 restrictions on which prison labor camps international
 7 monitors may visit.

8 **SEC. 206. POLITICAL FREEDOM IN CHINA.**

9 There are authorized to be appropriated \$2,200,000
 10 for fiscal year 1998 and \$2,200,000 for fiscal year 1999,
 11 to support personnel in the United States Embassy in
 12 Beijing, as well as the American consulates in Guangzhou,
 13 Shanghai, Shenyang, Chengdu, and Hong Kong to mon-
 14 itor political repression in the People’s Republic of China
 15 and the use of the Laogai system of forced labor and re-
 16 education as tools of political repression.

17 **TITLE III—TRADE**

18 **SEC. 301. FINDINGS.**

19 (a) FINDINGS ON UNITED STATES INTERESTS.—
 20 Congress makes the following findings with respect to
 21 United States interests:

22 (1) The United States has an interest in seeing
 23 that the People’s Republic of China’s membership in
 24 the World Trade Organization (in this title referred
 25 to as the “WTO”) is based on a commitment to

1 open its economy to international trade and invest-
2 ment and to adhere to all World Trade Organization
3 rules.

4 (2) The purpose of the World Trade Organiza-
5 tion is to enable member countries to conduct trade
6 based upon free market principles, by limiting gov-
7 ernment intervention in the form of state subsidies,
8 by limiting non-tariff barriers, and by encouraging
9 reciprocal reductions in tariffs among members.

10 (3) The WTO is based on the assumption that
11 the import and export of goods are conducted by
12 independent enterprises responding to profit incen-
13 tives and market forces.

14 (4) The WTO requires that countries with non-
15 market economies implement significant reforms to
16 change centralized and planned economic systems
17 before they may be considered for WTO member-
18 ship, and the existence of a decentralized and a free
19 market economy is considered a condition for fair
20 trade among WTO members.

21 (b) FINDINGS ON TAIWAN'S ADMISSION INTO THE
22 WTO.—Congress makes the following findings with re-
23 spect to Taiwan:

1 (1) Pursuant to its charter and rules, member-
2 ship in the WTO is not limited to nations nor indic-
3 ative of sovereignty.

4 (2) Taiwan has applied for membership in the
5 WTO as a separate customs territory including Tai-
6 wan, Penghu, Kinmen, and Matsu. Taiwan's appli-
7 cation is under review by a Working Party appointed
8 under Article XXXIII of the GATT 1994 (as de-
9 fined in section 2 of the Uruguay Round Agree-
10 ments Act (19 U.S.C. 3501)).

11 (3) Taiwan has a free market economy that has
12 existed for more than 3 decades, and is currently the
13 14th largest trading nation in the world.

14 (4) Taiwan's gross national product is the 20th
15 largest in the world, its foreign exchange reserves
16 are the 3rd largest in the world, and it has become
17 the world's 7th largest foreign investor.

18 (5) Taiwan is the 7th largest trading partner of
19 the United States and its purchases of United States
20 exports are more than 60 percent greater than those
21 of the People's Republic of China.

22 (6) Taiwan has already agreed to reduce the
23 tariff level of many products, and to eliminate other
24 non-tariff barriers as a condition of its admission to
25 the WTO.

1 (7) The United States and Taiwan have enjoyed
2 a longstanding and uninterrupted friendship, which
3 has only increased in light of the remarkable eco-
4 nomic development and political liberalization in Tai-
5 wan in recent years.

6 (8) Taiwan reached a historic turning point in
7 the development of Chinese democracy on March 23,
8 1996, when it conducted the first competitive, free,
9 fair, direct, and popular election of a head of state
10 in over 4,000 years of recorded Chinese history,
11 leading to Lee Teng-hui's inauguration as President
12 on May 20, 1996.

13 (9) For the past century the United States has
14 promoted democracy and economic freedom through-
15 out the world, and the evolution of Taiwan is an
16 outstanding example of the success of that policy.

17 (10) Taiwan's accession to the WTO is impor-
18 tant to the United States because it is the largest
19 importer of United States goods of any country that
20 is not a member of the WTO, and because Taiwan's
21 entry into the WTO would promote significant new
22 market opportunities for United States exporters
23 and investors.

24 (11) A declaration of the European Parliament
25 made on July 18, 1996, rightly found that "the peo-

1 ple of Taiwan ought to be better represented to
2 international organizations than they are at present,
3 which would benefit both Taiwan and the whole of
4 the international community”.

5 (12) Notwithstanding these circumstances, the
6 People’s Republic of China has sought to block the
7 admission of Taiwan to the WTO until the People’s
8 Republic of China accedes to membership.

9 (13) The People’s Republic of China, in con-
10 trast to Taiwan, has applied for membership in the
11 WTO not as a developed nation, but rather as a de-
12 veloping nation, so that it would be relieved of the
13 obligations to reduce its tariffs and eliminate its
14 subsidies for government-controlled industries, even
15 after its admission to the WTO.

16 (14) In contrast to Taiwan, the Communist
17 government of the People’s Republic of China main-
18 tains strict government controls over most trade
19 within its territory, restricts and often outlaws free
20 market competition, and denies legal and regulatory
21 protection of property rights, all in ways that are in-
22 compatible with WTO principles.

23 (c) FINDINGS ON THE PEOPLE’S REPUBLIC OF CHI-
24 NA’S ADMISSION INTO THE WTO.—Congress makes the

1 following findings with respect to the People’s Republic
2 of China:

3 (1) The Communist Government of the People’s
4 Republic of China maintains an intricate system of
5 restrictive and punitive tariff and non-tariff adminis-
6 trative controls to implement its centrally planned
7 industrial and trade policies, with tariffs on foreign
8 goods, such as automobiles, as high as 150 percent,
9 even though the People’s Republic of China has
10 made commitments in the Memorandum of Under-
11 standing on market access it signed with the United
12 States on October 10, 1992, and reaffirmed in
13 March of 1995, to reform significant parts of its im-
14 port regime.

15 (2) The Communist Government of the People’s
16 Republic of China has denied conditions necessary
17 for free trade in announcing in January of 1996
18 that its official news agency, Xinhua, will supervise
19 wire services selling economic information, including
20 Dow Jones-Telerate, Bloomberg, and Reuters Busi-
21 ness, and in announcing in February of 1996 the
22 “Interim Internet Management Rules”, which have
23 the effect of censoring computer networks.

24 (3) Under the May 30, 1997, order of Premier
25 Li Peng of the People’s Republic of China, all units

1 which engage in business activities related to inter-
2 national computer networking must now apply for
3 a license, increasing government control over access
4 to the Internet.

5 (4) The People's Republic of China's failure to
6 implement its March 11, 1995, agreement with the
7 United States to curtail piracy of products protected
8 by intellectual property rights, including music, vid-
9 eos, books, and software, prompted a threat by the
10 United States to impose trade sanctions propor-
11 tionate to the estimated loss of \$2,300,000,000 to
12 the United States economy in 1995 caused by the
13 piracy.

14 (5) The Communist Government of the People's
15 Republic of China continues to use direct and indi-
16 rect government subsidies to unfairly advantage its
17 own exports in contravention of market principles.

18 (6) Approximately 100,000 state enterprises are
19 currently operating in the People's Republic of
20 China, accounting for over a third of the total indus-
21 trial production and employing two thirds of the
22 urban workforce in that country.

23 (7) The People's Liberation Army contributes
24 to the People's Republic of China's failure to meet
25 the standards of the 1995 Memorandum of Under-

1 standing with the United States on intellectual prop-
2 erty rights by running factories which pirate videos,
3 compact discs, and computer software that are prod-
4 ucts of the United States.

5 (8) The People's Liberation Army contributes
6 to the People's Republic of China's failure to meet
7 the standards of the February 1997 Memorandum
8 of Understanding with the United States on textiles,
9 by operating enterprises engaged in the trans-
10 shipment of textile products to the United States
11 through third countries.

12 (9) The commercial activities of the People's
13 Liberation Army are frequently conducted on non-
14 commercial terms, or for noncommercial purposes
15 such as military or foreign policy considerations.

16 (10) As a consequence of these practices, the
17 People's Republic of China is not ready for, and
18 does not meet the criteria for, admission to the
19 WTO either as a developed nation or a developing
20 nation.

21 **SEC. 302. STATEMENT OF POLICY REGARDING PEOPLE'S**
22 **REPUBLIC OF CHINA ACCESSION.**

23 It is the policy of Congress that the United States
24 should aggressively support the People's Republic of Chi-

1 na's accession to the WTO under commercially viable
2 terms.

3 **SEC. 303. TAIWAN'S ACCESSION TO THE WORLD TRADE OR-**
4 **GANIZATION.**

5 It is the sense of Congress that—

6 (1) Taiwan should be admitted to the WTO as
7 a separate customs territory without making such
8 admission conditional on the previous or simulta-
9 neous admission of the People's Republic of China
10 to the WTO, whether as a developing or a developed
11 nation; and

12 (2) it should be United States policy to support
13 Taiwan's admission to the WTO forthwith, without
14 making such admission conditional on the previous
15 or simultaneous admission of the People's Republic
16 of China to the WTO.

17 **TITLE IV—REVIEW OF POLICY**

18 **SEC. 401. REVIEW OF POLICY.**

19 The Chairman and Ranking Member of the Commit-
20 tee on Foreign Relations of the Senate and the Chairman
21 and Ranking Member of the Committee on International
22 Relations of the House of Representatives shall review the
23 provisions of this Act at the request of the President or
24 upon any of the following conditions being met:

1 (1) The People’s Republic of China’s entry into
2 the WTO.

3 (2) The President’s certification to Congress
4 that the People’s Republic of China has fully imple-
5 mented and is in compliance with bilateral and inter-
6 national nonproliferation agreements and standards.

7 (3) The President’s certification to Congress
8 that the People’s Republic of China is actively and
9 effectively combatting all forms of religious persecu-
10 tion.

11 (4) The People’s Republic of China’s reevaluat-
12 ing its official view of the Tiananmen Square Mas-
13 sacre of June 4, 1989, consistent with the findings
14 of this Act.

15 (5) The People’s Republic of China’s publica-
16 tion of a defense white paper that provides a com-
17 prehensive description and transparency of the
18 PLA’s modernization program roles and missions.

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