

105TH CONGRESS  
1ST SESSION

# S. 810

To impose certain sanctions on the People's Republic of China, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

MAY 23, 1997

Mr. ABRAHAM (for himself and Mr. DEWINE) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

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## A BILL

To impose certain sanctions on the People's Republic of China, and for other purposes.

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 "China Sanctions and  
5 Human Rights Advancement Act".

6 **SEC. 2. PURPOSE.**

7 It is the purpose of this Act—

8 (1) to impose certain sanctions on the People's  
9 Republic of China in response to the practices of the  
10 Government of the People's Republic of China which

1 limit the free exercise of religion and other human  
2 rights; and

3 (2) to require an annual report from the Presi-  
4 dent on such practices.

5 **SEC. 3. SANCTIONS.**

6 (a) DENIAL OF ENTRY OF CERTAIN GOVERNMENT  
7 OFFICIALS.—

8 (1) DENIAL OF ENTRY.—Except as provided in  
9 paragraph (2), the Secretary of State may not issue  
10 any visa to, and the Attorney General may not  
11 admit to the United States, any of the following offi-  
12 cials of the Government of the People’s Republic of  
13 China:

14 (A) High-ranking officials of the Public  
15 Security Bureau, as determined by the Sec-  
16 retary.

17 (B) High-ranking officials of the Religious  
18 Affairs Bureau, as so determined.

19 (C) Other high-ranking officials deter-  
20 mined by the Secretary to be involved in the im-  
21 plementation or enforcement of laws and direc-  
22 tives of the People’s Republic of China which  
23 restrict religious freedom.

24 (D) High-ranking officials determined by  
25 the Secretary to be involved in the implementa-

1           tion or enforcement of laws and directives of  
2           the People’s Republic of China on family plan-  
3           ning.

4           (E) Officials determined by the Secretary  
5           to have been materially involved in ordering or  
6           carrying out the massacre of students in  
7           Tiananmen Square in 1989.

8           (2) WAIVER.—

9           (A) IN GENERAL.—Subject to subpara-  
10          graph (B), the President may waive the applica-  
11          bility of paragraph (1) with respect to any offi-  
12          cial otherwise covered by that paragraph if the  
13          President determines that the waiver with re-  
14          spect to the official is in the national security  
15          interests of the United States.

16          (B) NOTICE.—

17           (i) REQUIREMENT.—The President  
18           may not exercise the authority provided in  
19           subparagraph (A) with respect to an offi-  
20           cial unless the President submits to Con-  
21           gress a written notification of the exercise  
22           of the authority.

23           (ii) CONTENTS.—Each notice shall in-  
24           clude a justification of the exercise of the  
25           authority, including—

1 (I) a statement why the exercise  
2 of the authority is in the national se-  
3 curity interests of the United States;  
4 and

5 (II) a statement why such inter-  
6 ests supersede the need for the United  
7 States to make the response described  
8 in section 2(1).

9 (b) MULTILATERAL ASSISTANCE.—

10 (1) INTERNATIONAL BANK FOR RECONSTRUC-  
11 TION AND DEVELOPMENT.—

12 (A) OPPOSITION TO ASSISTANCE.—The  
13 Secretary of the Treasury shall instruct the  
14 United States Executive Director of the Inter-  
15 national Bank for Reconstruction and Develop-  
16 ment to vote against any loan or other utiliza-  
17 tion of the funds of the bank to or for the Peo-  
18 ple's Republic of China.

19 (B) OPPOSITION TO MODIFICATION OF SIN-  
20 GLE COUNTRY LOAN LIMIT.—The Secretary  
21 shall instruct the United States Executive Di-  
22 rector of the International Bank for Recon-  
23 struction and Development to vote against any  
24 modification of the limitation on the share of

1 the total funds of the Bank that may be loaned  
2 to a single country.

3 (C) LIMITATION ON DOMESTIC BORROW-  
4 ING.—

5 (i) LIMITATION.—The Secretary shall  
6 restrict the ability of the International  
7 Bank for Reconstruction and Development  
8 to borrow in United States capital markets  
9 in a fiscal year by an amount equal to the  
10 amount of the loans approved for the Peo-  
11 ple's Republic of China in the preceding  
12 fiscal year 1997 for purposes other than to  
13 meet basic human needs.

14 (ii) EXCEPTION.—Clause (i) shall not  
15 apply to borrowing for purposes of meeting  
16 basic human needs.

17 (2) ASIAN DEVELOPMENT BANK.—

18 (A) OPPOSITION TO ASSISTANCE.—The  
19 Secretary shall instruct the United States Di-  
20 rector of the Asian Development Bank to vote  
21 against any loan or other utilization of the  
22 funds of the Bank to or for the People's Repub-  
23 lic of China.

24 (B) LIMITATION ON DOMESTIC BORROW-  
25 ING.—

1 (i) LIMITATION.—The Secretary shall  
2 restrict the ability of the Asian Develop-  
3 ment Bank to borrow in United States  
4 capital markets in a fiscal year by an  
5 amount equal to the amount of the loans  
6 approved for the People’s Republic of  
7 China in the preceding fiscal year 1997 for  
8 purposes other than to meet basic human  
9 needs.

10 (ii) EXCEPTION.—Clause (i) shall not  
11 apply to borrowing for purposes of meeting  
12 basic human needs.

13 (3) INTERNATIONAL MONETARY FUND.—The  
14 Secretary shall instruct the United States Executive  
15 Director of the International Monetary Fund to vote  
16 against any loan or other utilization of the funds of  
17 the Fund to or for the People’s Republic of China.

18 (4) REDUCTION IN CONTRIBUTIONS FOR MULTI-  
19 LATERAL ASSISTANCE.—The amount of the con-  
20 tributions of the United States to a multilateral de-  
21 velopment bank in or for a fiscal year shall be the  
22 amount otherwise available for such contributions in  
23 the fiscal year less the amount the committed by the  
24 bank to lend, utilize, or otherwise make available to  
25 or for the People’s Republic of China during the pre-

1 ceding fiscal year for purposes other than basic  
2 human needs.

3 (5) DEFINITIONS.—In this subsection:

4 (A) BASIC HUMAN NEEDS.—The term,  
5 “basic human needs” refers to human needs  
6 arising from natural disasters or famine.

7 (B) MULTILATERAL DEVELOPMENT  
8 BANK.—The term “multilateral development  
9 bank” means the following:

10 (i) The International Bank for Recon-  
11 struction and Development.

12 (ii) The International Development  
13 Association.

14 (iii) The International Finance Cor-  
15 poration.

16 (iv) The Asian Development Bank.

17 (c) REDUCTION IN ASSISTANCE FOR ORGANIZATIONS  
18 PROVIDING FAMILY PLANNING ASSISTANCE IN CHINA.—

19 (1) REDUCTION.—The amount of financial as-  
20 sistance provided by the United States in a fiscal  
21 year to a covered organization shall be the amount  
22 otherwise available for financial assistance to the or-  
23 ganization in the fiscal year less the amount utilized  
24 by the organization for family planning services or

1 assistance in or for the People’s Republic of China  
2 during the preceding fiscal year.

3 (2) CERTIFICATION.—

4 (A) REQUIREMENT.—In each fiscal year in  
5 which a covered organization is provided finan-  
6 cial assistance by the United States, the organi-  
7 zation shall certify to the Secretary of State the  
8 amount, if any, utilized by the organization in  
9 the preceding fiscal year for family planning  
10 services or assistance in or for the People’s Re-  
11 public of China.

12 (B) DEADLINE.—A covered organization  
13 shall make the certification required for a fiscal  
14 year not later than October 31 of that fiscal  
15 year.

16 (3) DEFINITION.—In this subsection, the term  
17 “covered organization” means an organization that  
18 provides family planning services or assistance in or  
19 for the People’s Republic of China.

20 (d) SANCTIONS REGARDING CHINA NORTH INDUS-  
21 TRIES GROUP AND CHINA POLY GROUP.—

22 (1) SANCTIONS.—Except as provided in para-  
23 graph (2), the President shall—

24 (A) prohibit the importation into the Unit-  
25 ed States of all products that are produced,

1 grown, or manufactured by Poly or Norinco,  
2 the parent company of Poly or Norinco, or any  
3 affiliate, subsidiary, or successor entity of Poly  
4 or Norinco;

5 (B) deny or impose restrictions on the  
6 entry into the United States of any foreign na-  
7 tional serving as an officer, director, or em-  
8 ployee of an entity described in subparagraph  
9 (A);

10 (C) prohibit the issuance to a person or en-  
11 tity described in subparagraph (A) of licenses in  
12 connection with the export of any item on the  
13 United States Munitions List;

14 (D) prohibit the export to a person or en-  
15 tity described in subparagraph (A) of any goods  
16 or technology on which export controls are in  
17 effect under section 5 or 6 of the Export Ad-  
18 ministration Act of 1979;

19 (E) direct the Export-Import Bank of the  
20 United States not to give approval to the issu-  
21 ance of any guarantee, insurance, extension of  
22 credit, or participation in the extension of cred-  
23 it, with respect to a person or entity described  
24 in subparagraph (A);

1 (F) prohibit United States nationals from  
2 directly or indirectly issuing any guarantee for  
3 any loan or other investment to, issuing any ex-  
4 tension of credit to, or making any investment  
5 in, a person or entity described in subparagraph  
6 (A); and

7 (G) prohibit departments and agencies of  
8 the United States and United States nationals  
9 from entering into any contract with a person  
10 or entity described in subparagraph (A) for the  
11 procurement or other provision of goods or  
12 services from such person or entity.

13 (2) EXCEPTIONS.—

14 (A) IN GENERAL.—The President shall not  
15 impose sanctions under this subsection—

16 (i) in the case of the procurement of  
17 defense articles or defense services—

18 (I) under contracts or sub-  
19 contracts that are in effect on October  
20 1, 1997 (including the exercise of op-  
21 tions for production quantities to sat-  
22 isfy United States operational military  
23 requirements);

24 (II) if the President determines  
25 that the person or entity to whom the

1 sanctions would otherwise be applied  
2 is a sole source supplier of essential  
3 defense articles or services and no al-  
4 ternative supplier can be identified; or

5 (III) if the President determines  
6 that such articles or services are es-  
7 sential to the national security; or

8 (ii) in the case of—

9 (I) products or services provided  
10 under contracts or binding agree-  
11 ments (as such terms are defined by  
12 the President in regulations) or joint  
13 ventures entered into before October  
14 1, 1997;

15 (II) spare parts;

16 (III) component parts that are  
17 not finished products but are essential  
18 to United States products or produc-  
19 tion;

20 (IV) routine servicing and main-  
21 tenance of products; or

22 (V) information and technology  
23 products and services.

24 (B) IMMIGRATION RESTRICTIONS.—The  
25 President shall not apply the restrictions de-

1           scribed in paragraph (1)(B) to a person de-  
2           scribed in paragraph (1)(A), if the President,  
3           after consultation with the Attorney General,  
4           determines that the presence of the person in  
5           the United States is necessary for a Federal or  
6           State judicial proceeding against a person or  
7           entity described in paragraph (1)(A).

8           (3) DEFINITIONS.—In this subsection:

9                   (A) AFFILIATE.—The term “affiliate” does  
10                  not include any United States national engaged  
11                  in a business arrangement with a person or en-  
12                  tity described in paragraph (1)(A).

13                  (B) COMPONENT PART.—The term “com-  
14                  ponent part” means any article that is not usa-  
15                  ble for its intended function without being em-  
16                  bedded or integrated into any other product  
17                  and, if used in the production of a finished  
18                  product, would be substantially transformed in  
19                  that process.

20                  (C) FINISHED PRODUCT.—The term “fin-  
21                  ished product” means any article that is usable  
22                  for its intended function without being embed-  
23                  ded in or integrated into any other product, but  
24                  does not include an article produced by a per-  
25                  son or entity other than a person or entity de-

1 scribed in paragraph (1)(A) that contains parts  
2 or components of a person or entity described  
3 in paragraph (1)(A) if the parts or components  
4 have been substantially transformed during pro-  
5 duction of the finished product.

6 (D) INVESTMENT.—The term “invest-  
7 ment” includes any contribution or commitment  
8 of funds, commodities, services, patents, proc-  
9 esses, or techniques, in the form of—

10 (i) a loan or loans;

11 (ii) the purchase of a share of owner-  
12 ship;

13 (iii) participation in royalties, earn-  
14 ings, or profits; and

15 (iv) the furnishing of commodities or  
16 services pursuant to a lease or other con-  
17 tract,

18 but does not include routine maintenance of  
19 property.

20 (E) NORINCO.—The term “Norinco” refers  
21 to China North Industries Group.

22 (F) POLY.—The term “Poly” refers to  
23 China Poly Group, also known as  
24 Polytechnologies Incorporated or BAOLI.

25 (G) UNITED STATES NATIONAL.—

1 (i) IN GENERAL.—The term “United  
2 States national” means—

3 (I) any United States citizen; and

4 (II) any corporation, partnership,  
5 or other organization created under  
6 the laws of the United States, any  
7 State, the District of Columbia, or  
8 any territory or possession of the  
9 United States.

10 (ii) EXCEPTION.—The term “United  
11 States national” does not include a sub-  
12 sidiary or affiliate of corporation, partner-  
13 ship, or organization that is a United  
14 States national if the subsidiary or affiliate  
15 is located outside the United States.

16 (e) CONSULTATIONS WITH ALLIES.—

17 (1) SENSE OF CONGRESS.—It is the sense of  
18 Congress that the President should begin consulta-  
19 tions with the major allies and other trading part-  
20 ners of the United States in order to encourage such  
21 allies and trading partners to adopt sanctions  
22 against the People’s Republic of China that are simi-  
23 lar to the sanctions imposed on the People’s Repub-  
24 lic of China by this section.

1           (2) REPORT.—Not later than 45 days after the  
2           completion of the first G–7 summit meeting after  
3           the date of enactment of this Act, the President  
4           shall submit to Congress a report on the results, if  
5           any, of consultations referred to in paragraph (1).

6           (f) DURATION OF SANCTIONS.—Except as provided  
7           in subsection (e)(2), the requirements and limitations set  
8           forth in this section shall apply during the period begin-  
9           ning on October 1, 1997, and ending on September 30,  
10          1998.

11 **SEC. 4. ANNUAL REPORT ON HUMAN RIGHTS PRACTICES**  
12                           **OF THE GOVERNMENT OF THE PEOPLE’S RE-**  
13                           **PUBLIC OF CHINA.**

14          Not later than 9 months after the date of enactment  
15          of this Act, and every year thereafter, the President shall  
16          submit to Congress a report on the practices of the Gov-  
17          ernment of the People’s Republic of China with respect  
18          to the free exercise of religion and other human rights dur-  
19          ing the one-year period preceding the submittal of the re-  
20          port. The report shall include a detailed statement of the  
21          improvements, if any, in such practices.

22 **SEC. 5. PUBLICATION OF LIST OF COMPANIES OWNED BY**  
23                           **THE PEOPLE’S LIBERATION ARMY.**

24          (a) PUBLICATION.—Not later than January 31 each  
25          year, the Secretary of State shall publish in the Federal

1 Register a list of each corporation or other business entity  
2 that was owned in whole or in part by the People’s Libera-  
3 tion Army of the People’s Republic of China as of Decem-  
4 ber 31 of the preceding year.

5 (b) PROTECTION OF SOURCES AND METHODS.—In  
6 publishing the list each under subsection (a), the Sec-  
7 retary shall take appropriate actions to ensure the protec-  
8 tion of sources and methods of gathering intelligence.

9 **SEC. 6. TRAINING FOR IMMIGRATION OFFICERS REGARD-**  
10 **ING RELIGIONS PERSECUTION.**

11 Section 235 of the Immigration and Nationality Act  
12 (8 U.S.C. 1225) is amended by adding at the end the fol-  
13 lowing:

14 “(d) TRAINING ON RELIGIOUS PERSECUTION.—The  
15 Attorney General shall establish and operate a program  
16 to provide to immigration officers performing functions  
17 under subsection (b), or section 207 or 208, training on  
18 religious persecution, including training on—

19 “(1) the fundamental components of the right  
20 to freedom of religion;

21 “(2) the variation in beliefs of religious groups;  
22 and

23 “(3) the governmental and nongovernmental  
24 methods used in violation of the right to freedom of  
25 religion.”.

1 **SEC. 7. PROMOTION OF DEMOCRATIC VALUES IN THE PEOP-**  
2 **LE'S REPUBLIC OF CHINA.**

3 (a) STUDENT, CULTURAL, AND LEGISLATIVE EX-  
4 CHANGE PROGRAMS.—Notwithstanding any other provi-  
5 sion of law, the aggregate amount utilized and made avail-  
6 able by the Director of the United States Information  
7 Agency in fiscal year 1998 for programs and grants relat-  
8 ing to student, cultural, and legislative exchange activities  
9 in or with the People's Republic of China may not be less  
10 than an amount equal to twice the aggregate amount uti-  
11 lized and made available for such programs and grants  
12 in fiscal year 1997.

13 (b) RADIO FREE ASIA.—Notwithstanding any other  
14 provision of law, the total amount of grants made to Radio  
15 Free Asia in fiscal year 1998 under section 309 of the  
16 United States International Broadcasting Act of 1994 (22  
17 U.S.C. 6208) may not be less than an amount equal to  
18 twice the amount of grants made to Radio Free Asia in  
19 fiscal year 1997 under that section.

20 (c) NATIONAL ENDOWMENT FOR DEMOCRACY.—Not-  
21 withstanding any other provision of law, the amount of  
22 the grant made to the National Endowment for Democ-  
23 racy by the Director of the United States Information  
24 Agency in fiscal year 1998 for purposes of programs relat-  
25 ing to the People's Republic of China may not be less than  
26 an amount equal to twice the amount of the grant made

1 to the Endowment in fiscal year 1997 for purposes of such  
2 programs.

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