S. HRG. 105–568

U.S. INTERESTS AT THE JUNE U.S.-CHINA SUMMIT

HEARING

BEFORE THE

COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE

ONE HUNDRED FIFTH CONGRESS

SECOND SESSION

MAY 14, 1998

Printed for the use of the Committee on Foreign Relations

Available via the World Wide Web: http://www.access.gpo.gov/congress/senate

U.S. GOVERNMENT PRINTING OFFICE

48–628 CC WASHINGTON : 1998

COMMITTEE ON FOREIGN RELATIONS

JESSE HELMS, North Carolina, *Chairman*

RICHARD G. LUGAR, Indiana
PAUL COVERDELL, Georgia
CHUCK HAGEL, Nebraska
GORDON H. SMITH, Oregon
CRAIG THOMAS, Wyoming
ROD GRAMS, Minnesota
JOHN ASHCROFT, Missouri
BILL FRIST, Tennessee
SAM BROWNBACK, Kansas

JOSEPH R. BIDEN, JR., Delaware
PAUL S. SARBANES, Maryland
CHRISTOPHER J. DODD, Connecticut
JOHN F. KERRY, Massachusetts
CHARLES S. ROBB, Virginia
RUSSELL D. FEINGOLD, Wisconsin
DIANNE FEINSTEIN, California
PAUL D. WELLSTONE, Minnesota

JAMES W. NANCE, *Staff Director*
EDWIN K. HALL, *Minority Staff Director*

C O N T E N T S

	Page
Jendrzejczyk, Mike, Washington Director, Human Rights Watch/Asia Division	33
Kagan, Robert, Senior Associate Carnegie Endowment for International Peace	46
Kapp, Robert A., President, U.S.-China Business Council	51
Roth, Stanley O., Assistant Secretary, East Asian and Pacific Affairs, Department of State	8
Waldron, Arthur, Ph.D., Lauder Professor of International Relations, University of Pennsylvania; Director of Asian Studies, American Enterprise Institute	28

APPEDIX

Responses of Secretary Roth to Questions Asked by Chairman Helms	67
Responses of Secretary Roth to Questions Asked by Senator Grams	68
Responses of Secretary Roth to Questions Asked by Senator Ashcroft	68
Responses of Secretary Roth to Questions Asked by Senator Thomas	74

U.S. INTERESTS AT THE JUNE U.S.-CHINA SUMMIT

THURSDAY, MAY 14, 1998

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met, pursuant to notice, at 10:10 a.m., in room SD–419, Dirksen Senate Office Building, Hon. Jesse Helms (chairman of the committee), presiding.

Present: Senators Helms, Thomas, Ashcroft, Feinstein, Wellstone, and Feingold.

The CHAIRMAN. The committee will come to order.

We have another one of those difficult mornings. I would say to our guests that every Senator belongs to at least two major committees, and some of us belong to three. Often there is a conflict.

Senator Biden is being delayed. He is in transit—Senator Biden, who is the Ranking Member—will be here shortly.

I am going to inquire of the minority side if there is any objection if we proceed. [No response.]

The CHAIRMAN. First off, over the past few days, repression against democracy demonstrators by Indonesia's military has mounted. All of you know that. A few days ago, the administration, in my judgment, belatedly and indirectly acknowledged the need for political reform in Indonesia.

Now, in light of the developments there, including the reports in various media, including the *New York Times* this morning, that the administration is sending a top-level military delegation to Jakarta to urge restraint upon Indonesia's armed forces, I have invited Assistant Secretary Roth to tell the committee about the military delegation and its mission, and to elaborate on the very brief statement issued by the State Department a few days ago, stating that all parties in Indonesia recognize the need for political reform.

Mr. Roth, I appreciate the circumstances you are in, and I appreciate your being here this morning. To get you cranked up, I am going to ask you a question. Is the U.S. making political reform—specifically a transition toward democratic—the top priority in its Indonesia policy? I bounce that ball to you, and you take it from there.

Mr. ROTH. Well, thank you very much, Mr. Chairman. Let me begin with a double apology, first, on behalf of Secretary Albright, the fact that she was not able to come today due to her overloaded schedule with travel, and she very, very much appreciates the graciousness of you personally and your staff in accommodating her.

The CHAIRMAN. I am going to ask you to pull the microphone a little closer to you so that the folks in the back can hear you.

Mr. ROTH. The Secretary is personally appreciative of the fact that you were willing to allow me to come up as a poor substitute for her today, to deal with the China issue. So I extend her regrets that she was unable to do it.

Second, because of the situation in Indonesia, as I explained to you just before we started the hearing, which kept us up most of the night, we were late in getting the testimony up to you. We pride ourselves on getting you the testimony in time. I want to give you an assurance we will try not to do that again. But, again, we appreciate the indulgence of you and your staff on this.

The CHAIRMAN. You certainly did the best you could. That I understand and I appreciate.

Mr. ROTH. Now, let me turn to your serious question about Indonesia.

First, I should give you a piece of news: That the military delegation is not going. The concept, first of all, was never a delegation. The concept was to have CINCPAC Admiral Prueher, who, as you know, travels almost constantly throughout the region, make yet another trip to Indonesia, to talk to his military counterparts, to continue to send a message of restraint, and to up the ante and the urgency in light of the terrible developments that took place this week.

We started talking about this trip before anybody had been killed anywhere in Indonesia. As we were planning for it, the situation obviously got worse.

This is not a new message. This is a message that I have made publicly in Indonesia, in a press conference weeks ago, again, before anybody was killed, urging restraint. We have made it privately. We have made it publicly. We regret that it has not been listened to. We will continue to urge this.

We thought that it was important to send this message through every possible channel, civilian and military. That was the reason why we had asked the CINC to go out there.

However, given the deterioration today and the situation in Jakarta, including the fact that the road to the airport is closed, there was a literal question of getting into the country, and then the question of whom do you meet with when you get there. So we have temporarily postponed this mission until such time as he can carry it out. But the message of restraint, you know, will go forward. I think that you asking this question at the very beginning of a hearing that is otherwise slated to be on China will certainly get the attention of the Indonesian authorities. I think that is positive.

Let me answer your next question. Which is, what is our number one priority?

I think you will agree with me that my absolute, number one priority, and what has to be the number one priority for the U.S. Government, is the lives of our own citizens. We have 2,000 to 3,000 Americans in Jakarta, 11,000 to 12,000 Americans in Indonesia—which, as you know, is a collection of more than 13,000 islands, slung across more than 3,000 miles. Given the situation in Jakarta, which has become very dicey, with a lot of rioting, a lot of looting

and little order at this point, we cannot guarantee the security of our American citizens, and neither can the Indonesian authorities.

So, we are spending most of today working to make arrangements to see what we can do to better protect our citizens and, if necessary, get some out. I do not want to overstate this. This is not a total evacuation. We are not closing our embassy. This is not panic. But we all take very seriously our obligations to protect American lives.

Going right behind that, of course, is the question of the situation in Indonesia itself. There I think Secretary Albright made a very direct statement. I was a little surprised by your characterization of it as indirect. Secretary Albright released a statement making four key points. First, she just categorically deplored the violence, and attributed it to the security forces. No beating around the bush; that is the Secretary Albright you expect to get.

Second, she made the plea at a much higher level than me, obviously, for restraint.

Third, she made a public statement, saying that there was a need for political reform. We wanted to make it very clear that this is not purely a technical/economic issue, in terms of implementation of an IMF agreement; that events have progressed so far that there has to be some political reform if there is going to be a peaceful resolution to this crisis.

What the statement meant, when it said that all parties have called for this, is the fact that in one way or another, there has been a plethora of calls for political reform in a way that did not exist had I been briefing you 10 days ago. President Suharto, before he went to Africa, made a statement, saying that he was prepared for political reform before 2003, which was the end of his term. More importantly, yesterday he made another statement, saying if people want reform now, political reform now, he is prepared to let that happen.

But I am not saying that means he and you and I have the same definition of political reform or that we are at the verge of resolution. He has called for it. The Speaker of their Parliament has called for reform. A key general has called for political reform. Needless to say, many opposition figures have called for political reform, as of course has the students. So, you have a totally new environment in Indonesia compared to only a few weeks ago, in terms of the public debate about political reform.

So, we feel this is an Indonesian issue. It is Indonesians, including the government, calling for it. They need to work this out. It is not for us to give an American plan. But we have made it absolutely unambiguous that we see the need for political reform. We think the way to get this is through something they have been talking about, but have not yet done in Indonesia, which is through dialog between the government and its citizens.

There are many different ways they could do this, ranging from the informal meetings to the formal, like convening some of their national organizations or assemblies. That is up to them. We do not think there should be an American plan. But we do think that the government has to be talking to its citizens, not shooting students in the street. We have made that absolutely clear.

So, we are looking for a process of political reform. Obviously we would hope that political reform will lead to a greater degree of democracy and pluralism.

The CHAIRMAN. I see the distinguished chairman of the relevant subcommittee, Mr. Thomas, is here. I invite you to make any comment and ask any questions you may have in mind, sir.

Senator THOMAS. All right, sir. Thank you, Mr. Chairman. I am pleased that you brought up the Indonesia thing. Obviously that is the issue. But I do want to make a short statement, please.

As we approach the second summit meeting between President Clinton and Jiang Zemin, as chairman of the subcommittee, I am encouraged at the present state of U.S.-China relations. From a low point in 1994–1995, I think relations have strengthened in the last 3 years. A number of promising developments have occurred even in the last year.

For example, the Mainland's threats and the displays of force with respect to Taiwan have receded, the transition of Hong Kong to Chinese governance has come off better than even the severest critics believed. China's violations of her bilateral IPR agreements appear to have diminished. China has selected an economist as their new Premier, and he has already announced plans to shrink the bureaucracy, make market reforms and dismantle the system of state-owned enterprises. We hope that happens. During the recent financial crisis, the Chinese have been helpful in stemming the growing panic in the market, and that is good.

So, I feel that China is doing better. Keep in mind I am speaking in a context, of course. China has still a long ways to go in some of the areas, we believe.

While I applaud the release of selected prisoners of conscience, we must remember they leave behind them thousands of prisoners that need to be dealt with. We must remember that the release of two or three, or even hundreds, of prisoners does not change the underlying system which still exists.

We continue to be disturbed by reports about nuclear proliferation in Pakistan, which becomes even more important now. Tibet remains an object of repression. Of course religious persecution from the government towards Buddhists, Catholics, Muslims, and Protestants continues, and we think for no other reason than religious beliefs.

But, on balance, I do believe that China is improving. Not as fast or broad, of course, as we would like. That is always the case. But there has been, I think, some evidence that the idea of engagement has been helpful, rather than containing or castigating or cutting off from the rest of the world.

So, I support the President's decision to go to this summit. However, I just want to make a couple of caveats. It is only 5 weeks away, and the administration has yet to make any step toward consulting with Congress about the agenda, as far as I know.

Last year, before Jiang Zemin's visit, the National Security Council and the State Department came to the Hill on several occasions, and we talked about our concerns. Where is that effort this year?

A lack of consultation has left the Congress kind of nervous. The situation is kind of like the President going to a wedding. We know

he is going to take a present, but he has already wrapped it and we have no idea what is inside. So, I think we ought to do something about that.

So, I strongly urge that the administration, if it wants to sort of sooth the apprehension in the Congress and assist those of us who believe in constructive engagement, we ought to have a little more input into it, and not have an unwelcome surprise package when the President goes there.

Secretary Roth, I am delighted to have you here.

Thank you, Mr. Chairman.

The CHAIRMAN. I thank you, Senator.

Now, Senator Wellstone, I have preempted the subject temporarily, the subject matter for which this meeting was called. I wonder if you would like to ask a question or if you have a statement, or both.

Senator WELLSTONE. Well, thank you, Mr. Chairman.

Let me just go with something that just kind of builds on what I have heard. I should be brief.

First of all, I would thank you for the focus on Indonesia. I have had a chance to speak twice from the Senate floor. The first time I talked about the students that are serving 12–14 year sentences for the crime of just trying to speak out and organize people. I worried, as President Suharto had left Indonesia for the conference, he made it crystal clear that heads could be cracked. Indeed, that is what has happened, and six students have lost their lives.

I really do hope that—Secretary Roth, I appreciate the statements that have been made, but I think that the words will not be taken seriously unless they are backed by concrete action. I think IMF support should be conditional upon respect for human rights. I do not believe we should be a party to providing the financial assistance to a country that systematically rounds up people, tortures people and, in the case of very courageous students, murders its citizens.

And so I want to be clear that I do not believe that our Government has—I do not believe that we are—I think our words are fine, but they are not matched by our actions. I think that we should be crystal clear that there will not be, from our point of view, the IMF support unless this government ends this repression.

Now is the time for the U.S. Government to be on the side of these students and to be on the side of these citizens in Indonesia. I guess that is more of a statement. But that is my very, very strong belief.

I guess we will have a chance to go into the debate about China. Let me just simply say, following on the comments of my colleague from Wyoming, that I appreciate the leadership of the chair. We were serious about what we were doing here. We had a resolution that had about 96 votes, I think, which said, Look, at the very minimum, bring up human rights at the U.N. Commission on Human Rights in Geneva. I am bitterly disappointed that our Government did not do that.

Now, we were told that the Chinese were going to sign onto this International Covenant on Civil and Political Rights. They have not done it. They have yet to sign it.

We have had people like Wei Jingsheng and others tell us that people in China, people have the courage to speak out, the courage to stand alone and speak out. Look to that conference in Geneva. Look to what we would do as to whether or not there would be support for people who showed this courage. We were silent.

And I believe our silence—I mean, I think the administration completely turned its thumbs down on a resolution passed with 96 votes—or was it more? Was it 96 votes?

The CHAIRMAN. Ninety-five votes.

Senator WELLSTONE. Ninety-five votes. I exaggerate by one.

So, I would just say that I think the record is weak. I think our country ought to be doing much more. That is going to be the subject of our hearing today. In particular, as long as—let me make my final point, Mr. Chairman. You gave me this opportunity. I hope you are not regretting it. There are 158—according to Wang, there are 158 Chinese men and women that remain in prison for their role in the Tiananmen Square protest. As long as they remain in prison, I do not think the President of the United States of America ought to be visiting there. I do not believe he should go there.

I think, symbolically, that sends the wrong message. It is a message of betrayal to those students and to other courageous citizens in China. I do not believe he should go there.

And we can talk more about other issues, as well, but I want to make that point.

The CHAIRMAN. Very well.

Before we begin, among the guests here this morning, there is one delegation that is very important to me, from my home State, the Chamber of Commerce of Asheville, North Carolina. Now, if you do not know anything about Asheville, North Carolina, you need to learn, and go see the beauty thereof and the warm hospitality.

Now, I would say to everyone here and those watching on television that the purpose of this hearing—we scheduled it to enable this committee to consider important issues related to the President's upcoming visit to China. I want to say to the Senator from Minnesota that I appreciate the comments that he has made.

I came to the Senate 26 years ago. Throughout that time I have been working with Chinese young people in this country—mainly students. I am sure other Senators have done as much, and this same sort of thing. But I think we better be careful where we put our priorities. Because I think the world is looking at us.

And let me say at the outset that Secretary Albright was willing to come here this morning, to include this meeting in her incredibly busy schedule. But I am the one who told her that she was overloading the circuit with her travels and self-defeating physical condition. So, I suggested that she not come, because she has been instantly available any time the chairman of this committee has called upon her. I wish her well. As I told her the other night, I think she ought to stay home and rest a little bit before she hits the road again. So, I gave her a rain check for a later date.

And with respect to the People's Republic of China—I call it Communist China—the President's trip to China will be the first by a U.S. President since the 1989 Tiananmen Square massacre of

democracy protestors. I will never forget that young man standing in front of that tank. I feel fairly certain that I speak for a lot of other Americans, too. That event was a major event in the relations between the United States and China.

And largely in response to the will of Congress, the Bush administration imposed a number of sanctions. Then the present administration arrived a few years later with fire-breathing rhetoric about coddling dictators, and emphasizing its resolve to use the administration's economic clout to pressure China to improve its record of respect for personal and political liberties.

Now, I think that what has happened, gentlemen and ladies, is a matter of record. The administration has stepped back from its promises to bring about improvements in China's human rights record, settling instead for token releases of major dissidents, often releasing them into exile into the United States. Which would be bad enough, but the administration has used these token actions by the Beijing Government to justify serious concessions and concerns by the United States.

In fact, the President recently concluded a lengthy ritual of multilateral diplomacy on human rights while at the very same time he was secretly negotiating an end to U.S. efforts to enact a resolution on China at the annual meeting of the U.N. Human Rights Commission to which Senator Wellstone just referred.

Worse still, weeks after signing on to a civilian nuclear power agreement with China, and telling Congress that China was no longer proliferating nuclear material to Iran, China was discovered—what else—discovered preparing to sell Iran tons and tons of a chemical used in making weapons-grade uranium. Nevertheless, the President insisted that China's commitments on proliferation were credible.

I do not believe that. I, frankly, disbelieve it. The *New York Times* reports that the administration is allowing U.S. companies to transfer satellite technology used in missile guidance systems. The *Washington Times* has published a memorandum, outlining an administration plan to offer China access to missile technology if Beijing renews promises not to export such material.

That will not wash, ladies and gentlemen—certainly not with me.

Having given up so much, one might assume that there was not much left to give up. You would be wrong in that assumption. Because there is a lot remaining that we better be careful about.

Let me try to be clear in my own judgment about what the United States interest must be. Those interests do not include going along to get along with China. U.S. interests are democracy and freedom in China, and in Tibet and in Taiwan and in Hong Kong. U.S. interests are synonymous, I think, with a democratic China that keeps its promises on proliferation, and on trade, and on human rights, and suffers the consequences when it does not do that.

So, let me again—we are now where we would have begun about 32 minutes ago if this meeting had not been overtaken by other events. So, we welcome you, Mr. Roth, for your discussion of U.S.-China relations and the summit agenda. You may proceed, sir.

STATEMENT OF STANLEY O. ROTH, ASSISTANT SECRETARY, EAST ASIAN AND PACIFIC AFFAIRS, DEPARTMENT OF STATE

Mr. ROTH. Thank you once again, Mr. Chairman. I will certainly relay your kind words about the Secretary to her upon my return.

The CHAIRMAN. Please do.

Mr. ROTH. In my testimony, what I have tried to do is to pick up where we left off. Meaning, since this is not the first time that I have testified on China, I have tried not to waste your time by going through the entire rationale of our engagement policy. You have heard it before. I am very happy to go through it again in response to questions if you want. But I really try to pick up from where we left off, which was the last summit. So, let me start from there.

In some sense, I might say that I think Senator Thomas perhaps has encapsulated my testimony better than I did it in my own statement, in talking about the dynamic of progress versus the need for more progress. I think he really summarized what it is we are trying to do, and I think how we think we are going to get there. But let me proceed.

I believe we have made encouraging progress in many—not all, but many—aspects of our relationship with China since the summit meeting. Given the priority that you have attached, Mr. Chairman, to a number of human rights issues, let me turn to this set of issues first.

Progress on human rights has been a vital component of our engagement with China. Just 6 months ago, members of this committee, as well as the international community at large, had grave concerns regarding the health and status of two of China's most prominent political dissidents, Wei Jingsheng and Wang Dan. Against the backdrop of intense dialog with the United States and continued public U.S. criticism of China's human rights record, the Chinese authorities have released both Mr. Wei and Mr. Wang on medical parole, and have permitted some other dissidents to depart China.

Let me say, Mr. Chairman, that it was one of the most poignant meetings that I have ever had, when I met with Mr. Wei's sister before his release, and she expressed her very grave concerns that he might not survive if he did not get out. So we, understandably, attached very high priority, on humanitarian grounds, to getting him out. I believe you share that priority.

None of us have tried to overstate the significance of his release or the release of several other dissidents. Our belief is we recognize progress when it occurs, and that we are very glad that Mr. Wei is out, has gotten medical treatment, is healthy, and is now functioning and expressing his views freely; the same with Wang Dan, the same with some of the other dissidents.

We are not saying this is enough. That is not our message to you. It is not our message to China. But it is progress.

Similarly, China has signed the U.N. Covenant on Economic, Social and Cultural Rights, and has pledged to sign the U.N. Covenant on Civil and Political Rights. We hope that they will do so before the summit.

President Jiang Zemin personally hosted a delegation of U.S. religious leaders, which was an unusual step. The Chinese Govern-

ment has agreed to followup on this visit with further dialog and exchanges. These exchanges can and do produce results. Again, not at the pace you and I would like, but, nevertheless, some results, we believe, are better than none.

We note, for example, the fact that Bishop Zeng Jingmu was released from prison this week, even though we are still trying to clarify the circumstances of whether he is under house arrest or a free man at home. But at least this elderly, distinguished bishop is not in jail. So, there is some progress.

In the meantime, we have not hesitated to call it as we see it. When we do not like what is going on, we say it. But the steps the Chinese have taken within the space of just a few months are nonetheless significant. We are going to continue to push forward in our dialog, in the expectation of greater progress on human rights issues in the future.

I think the same case can be made with respect to nonproliferation. China has taken concrete steps toward strengthening their export control regimes. In so doing, have contributed to regional and global stability. The Chinese have committed to phaseout nuclear cooperation with Iran, and to refrain from assisting unsafeguarded nuclear facilities anywhere. They have implemented strict nationwide nuclear export controls. They have issued a State Council directive, controlling the export of dual-use items with potential nuclear use. They have joined the Zangger Nonproliferation Treaty Exporters Committee. They have signed and ratified the Chemical Weapons Convention. They have adopted chemical export controls.

These steps build upon the progress that this and previous administrations have made in integrating China into international control regimes.

Let me now turn to the economic sphere. China's emergence on the world economic stage is of major significance to the United States. As our widening trade deficit with the PRC demonstrates, we have a major interest in working toward an open Chinese economy that is integrated into a rules-based trade regime. WTO accession, which we are working very hard on in the run-up to the summit, is intended to do just that—ensuring meaningful access for U.S. companies in the growing China market.

But WTO accession is a complex and lengthy process. Chinese accession can only come on a fully commercial basis. We believe that the reforms and openings that China must undertake to gain membership are fundamentally in China's interest, as well as in our interest. We are thus committed to working with China to advance this goal.

In this context, we are encouraged by one of the results from Secretary Albright's recent trip to China, when she met with Premier Zhu Rangii. He made it clear that China is committed to working toward a WTO agreement. We seem to have some momentum, that was established by Ambassador Barshefsky's latest round of negotiations a few weeks back.

Let me also say, on the economic side, that we welcome the responsible measures China has taken in the wake of the Asian financial crisis, particularly its commitment not to devalue in the face of regional depreciation.

We know, Mr. Chairman, how much importance you attach to Hong Kong and its continued well-being. We of course share that. One of the most important things China has done in order to ensure Hong Kong's continued prosperity is not to devalue its currency. I think that is a very favorable development for Hong Kong and the entire region.

As I just mentioned with human rights and with nonproliferation, this does not mean that everything is perfect on the economic side. We still have a long road ahead in addressing all of our bilateral economic concerns. The key, of course, to dealing with the trade deficit is to get China to take steps to address the growing imbalance. The key is increasing U.S. exports to China.

We are encouraged by some steps, such as the $3 billion Boeing sale that was signed at the last summit. We hope we will make further progress on the commercial side in the months ahead.

Let me turn, before I address the immediate issues you raised in your most recent letter to the Secretary on China—and I want to address each of those—but before I do, let me offer a little broader framework for where I think we are heading with China. That is the broadening and deepening strategic dialog between the United States and the PRC. Over the course of the past year, we have expanded the breadth and scope of our strategic dialog with China.

Let me give you one example where I think this is paying important results: North Korea. I am the head negotiator for the United States team at the four-party talks in Geneva. I can tell you it is truly remarkable to sit there and listen to the Chinese negotiator read points that I could have written. He has made points about how crucial it is, for example, for the North to talk to the South, and that peace has to be made between the parties on the Peninsula. It is not a question of peace between the U.S. and North Korea nearly as much as it is a question of peace between North Korea and South Korea.

That is a very welcome position, and a demonstration of shared interests that would not have happened several years ago. So, I use this as an example of how we are trying to find areas where we can work and cooperate productively with China. Again, none of this rationalizes bad behavior in other areas. It does not excuse it, apologize for it or mean we accept it. But what I am trying to do is suggest that we are seeking aggressively to maximize the number of issues where we can work together to promote American interests, even as we continue to push on the problem areas.

And a lot of the negotiations now are turning into nontraditional areas, the things that I guess you would call postcold war issues—the so-called global issues. So we are spending a lot of time, particularly since the last summit, in working on some promising areas.

Energy and the environment, we need China to stop polluting with the coal-powered energy plants that are contributing enormously to global warming. We are working on the rule of law, a program I hope you will endorse, to train lawyers, to train judges, to try to see that they enforce laws which read well but are useless of they are not enforced. But this is an area where we think we can make considerable progress in reforming their prison system, which I know has been a longstanding personal concern of yours.

So, there is a whole host of issues—we call them the nine baskets—that we are working on with China, to try to get some accomplishments before the next visit.

Finally, let me now turn to the specific issues you raised in your letter to Secretary Albright. First, on the nonproliferation side. The Secretary does not want me to tell you that everything is perfect. That is not our message. What we are emphasizing is very significant progress and what might work to get more progress. That is the message.

We are equally troubled, as are you, by troubling reports that China—you know, there are suspicions that China has violated its promise not to proliferate nuclear material, by arranging to ship chemicals necessary for the conversion of uranium to Iran. As you know, China is a major producer of nuclear, chemical and missile-related equipment and technology. Of course we must be vigilant in our monitoring to ensure China's adherence to its commitments.

Although I am limited to what I can say on this in open testimony, let me explain to you and the committee in broad terms how the specific case that I believe you were referring to was resolved. After receiving reports of the alleged transaction, we immediately approached the authorities in Beijing. The Chinese responded by conducting an investigation into the allegations, after which they assured us that although contacts have been made, no transfer of such chemicals had taken place, nor would they be permitted to take place.

Should you wish to discuss this issue in greater detail, Mr. Chairman, I would happy to arrange a time for you to do so in closed session.

I would like to point out, however, that this case is illustrative of how we think engagement with China enables us to deal with new challenges, and to make progress to resolve issues when problems comes up. We would have preferred if the problem had not come up, but we certainly prefer resolving it without a shipment of the materials to the reverse—the materials going forward.

Let me now turn to Taiwan, another priority issue for you and for us. Let me take this opportunity to categorically deny that progress at the summit will be achieved at Taiwan's expense. Despite widespread rumors to the contrary, there will be no fourth "communique" regarding Taiwan arms sales. I say that to you categorically.

The reason for this is quite simple, Mr. Chairman. Our position regarding Taiwan is clear and unchanged. We remain committed to our unofficial relationship with Taiwan, in accordance with the three U.S.-PRC joint communiques, and the Taiwan Relations Act, which of course is U.S. law. We continue to support—indeed, to insist—on the peaceful resolution of the Taiwan issue. Our efforts to improve relations with the PRC are intended to strengthen peace and stability in East Asia and, in that sense, will benefit the region as a whole, including Taiwan.

Furthermore, I believe that the record shows that tensions across the Taiwan Strait are lowest when U.S.-China relations are strong. In that regard, we are encouraged by signs of a renewed willingness on both sides of the Strait—meaning the PRC and Taiwan—to resume their very important cross-Strait dialog.

Last month, representatives from the two unofficial—PRC and Taiwan—organizations in charge of this issue met for the first time since 1995. They met in Beijing for 2 days of talks. We welcome this new development, and firmly believe that improvements in cross-Strait relations is in both parties' best interests, as well as that of the entire region.

The third issue you raised in your letter, Mr. Chairman, is Hong Kong. As the administration noted in its April 1 update of the Hong Kong Policy Act report, many aspects of the transfer of autonomy to the people of Hong Kong have gone well. Still, while the overall transition from a colony to a special autonomous region under Chinese sovereignty has been smooth, we recognize, as you have in your letter, Mr. Chairman, that serious issues of contention remain.

A new election law has been passed that will lead to a legislature that is less representative than the 1995–1997 Legislative Council. Other colonial era laws have been adapted to grant immunities to certain Chinese Government agencies.

We are troubled by these developments, and have not hesitated to share our concerns with officials at the highest levels in Hong Kong and in China. President Clinton himself candidly conveyed to Tung Chee Hwa his disappointment with changes in the election laws last year. Secretary Albright and other senior U.S. officials have repeatedly advocated free, fair and fully representative elections, as well as the maintenance of Hong Kong's judicial and legal autonomy.

The last issue you raised in your letter, Mr. Chairman, is the lack of tangible progress toward resolution of the Tibet issue. Tibet continues to be a priority for Secretary Albright. She discussed a number of Tibet-related issues in Beijing last month, and pushed hard for the resumption of dialog with His Holiness the Dalai Lama.

I think you know, Mr. Chairman, that there is enormous difference between a talking point and a major effort to try to resolve issues. I can assure you, having accompanied Secretary Albright, that Tibet figured prominently in each of her meetings, including with President Jiang Zemin. She further indicated that President Clinton is going to raise the issue of Tibet once again, just as he did with President Jiang Zemin last year.

And of course we are pushing for the resumption of a dialog between the Dalai Lama, or his representative, and the Chinese authorities, as the best means of trying to make progress on this issue.

The CHAIRMAN. I hope you will not consider me rude, for lack of a better word, but tell me what goes on when you are, quote, negotiating with China, Beijing, about Tibet. Give me a sample of the dialog. What do you say to them? Do you say, We hope you will stop? Or do you get stronger than that? What do you say and what does Madam Secretary say?

She and I have discussed this thing 100 times, I suppose, and it is getting worse and worse. If it keeps on, there will be no people of Tibet left to worry about. I hope that is not the resolution of the problem that the administration has in mind. What do you say to them and what do they say to you in response?

Mr. ROTH. I will answer it in general terms now, but I would be happy to be brief you completely, you know, in terms of the confidentiality of diplomatic conversations, but let me start generally and respond, and then I can——

The CHAIRMAN. Mr. Roth, that is not going to cut it.

Mr. ROTH. Well, let me give you an answer. First of all, I think the beginning of our position always is to make sure the Chinese understand just how important this issue is to the United States and to the Clinton administration. As you know, when you meet with another country like China and you have 5 or 6 hours of meetings, there tend to be a lot of issues on the agenda. So it is very important to differentiate with the other officials, so that they know what your priority issues are.

And let me tell you categorically, unequivocally, they know how important this issue is to President Clinton.

The CHAIRMAN. But they keep on killing the Tibetans, though. They are slaughtering people over there. Standing by and wringing our hands is not going to do it, Mr. Roth. I hope you will not mind my candor about this thing.

Let me tell you something. I have known the Dalai Lama for years and years and years. Probably you have, too. He, like the majority of the Tibetan people, is one of the kindest, dearest men that I have ever known. We do not agree on spiritual matters and that sort of thing. But I took him to North Carolina one time. You may know about this. I took him to a university campus. I did not know how many people would show up. But I thought the students there ought to be able to hear this man and see him.

Well, you have heard of standing room only in auditoriums. There was standing room only on the campus of that university. I never saw that many people who drove 100 miles just to see him.

So it does matter. It does matter to the people of North Carolina, and I think to all of the American people, what happens to, one, the Dalai Lama, and two, the Tibetan people. That is the reason I was sort of bearing in on you, to say, what kind of negotiating are we doing and what is the reaction of the Chinese people with whom you are negotiating?

If you do not want to discuss it in public, I will arrange for their to be an executive session so that you can discuss it with those members of the committee who are interested in it.

Mr. ROTH. I would welcome that.

The CHAIRMAN. All right. You may proceed.

Mr. ROTH. I think I have said enough, as we can, on Tibet in this session, but let me turn to an issue you did not raise.

The CHAIRMAN. I apologize, but this is just heavy on my heart.

Mr. ROTH. No apology necessary, Mr. Chairman. Let me say that we completely share your concern. What I was trying to say before is that this is not a boiler plate issue. This is not a talking point issue. It is not as if we say, OK, we have raised Tibet, now we can move on to something else. That the kind of conversation we have is sufficiently long, detailed, serious, high-level, going all the way up to the President of the United States, that they know this is an area where we need to have progress, and that they are not going to have the completely normal relationship with the U.S. they want if there is not progress.

The CHAIRMAN. Good.

Mr. ROTH. President Clinton has said this personally to the President of China, and I expect he will say again in the upcoming visit. I would look forward to giving you a fuller brief in executive session.

I wanted to address one more issue which, even though you did not raise it in your letter, is of personal interest I know to you and to me. That is the question of organ trafficking. Rather than wait for you to ask a question, let me address it in my testimony itself.

We have a shared personal interest on this issue. I have stated in my recent correspondence with you, as well as in my letter at the time of my confirmation hearing, that we are working to try to get the Chinese Government to ensure, one, that we believe that this is one of the most crucial human rights issues that has to be pursued. It is not sufficient for them simply to say it is not happening—which is what they say. They tell us it is not a matter—it is against the law and it is not a problem and we do not have to talk about it.

We do not accept that. Secretary Albright, on this most recent trip, once again told them that that is not a satisfactory answer. We are delighted that they tell us their laws do not provide for this. But what are they doing to implement the laws? What are the controls? What about this court case in New York? What steps are they taking to make sure the laws are enforced?

We do not, I am sorry to tell you today, have satisfactory answers to these questions. I wish we did. It is not, I can assure you, for lack of trying on our part. We will continue to raise the same questions, and we will continue to try to get the answers. We will continue to do it at a high level.

This is not one of the issues where I would say we have made any progress yet with China since the summit, regrettably. But this is an issue where I personally push and every senior administration official does, as well. So we will keep trying. That is the best I can tell you at this point.

In the meantime, I want to recall that I was pleased to have an opportunity to meet with Harry Wu, as you had asked me to, and as of course I was delighted to an American official, to receive information he has on this subject. I made a standing offer to him, which I reiterate today, that any time he has new information he wants to bring to the U.S. Government, just call. He will get an instant appointment. That is a genuine offer, and I would be delighted—I admire the work he has done. I believe that some of the progress that has been made on the judicial side, our court cases, is because of his activism. So this—you know, he is welcome in my office—is the message I am trying to transmit.

I have exceeded my time, Mr. Chairman, so why don't I conclude.

[The prepared statement of Mr. Roth follows:]

PREPARED STATEMENT OF STANLEY O. ROTH

Mr. Chairman, thank you for the opportunity to give the members of the Senate Foreign Relations Committee an update on the state of US-China relations. Secretary Albright has received your letter dated April 27th in which you raise specific concerns about US-China policy. The Secretary deeply regrets that she is unable to appear before you herself today and hopes that she will have the opportunity to continue her dialogue on US-China relations with this committee in the near future.

In the meantime, Secretary Albright has asked that I represent her this morning to address your concerns and outline where we are in our relationship with the PRC.

Mr. Chairman, since I last testified before this committee in September of 1997, we have made encouraging progress in many aspects of our relationship with China. From Jiang Zemin's state visit last October through Secretary Albright's recent trip to Beijing, we have worked hard with our Chinese counterparts to identify areas of common interest and to achieve progress on issues of concern.

Given the priority that you have attached to a number of human rights issues, Mr. Chairman, let me turn to this set of issues first. Progress on human rights has been a vital component of our engagement with China. Just six months ago members of this committee as well as the international community at large had grave concerns regarding the health and status of two of China's most prominent political dissidents, Wei Jingsheng and Wang Dan. Against a backdrop of intensive dialogue with the United States and continued, public U.S. criticism of China's human rights record, the Chinese authorities have released both Mr. Wei and Mr. Wang on medical parole and have permitted some other dissidents to depart China. China has also signed the UN Covenant on Economic, Social, and Cultural Rights and has pledged to sign the UN Covenant on Civil and Political Rights. President Jiang Zemin also recently hosted a delegation of U.S. religious leaders, and the Chinese government has agreed to follow up this visit with further dialogue and exchanges. These exchanges can and do produce results, as the release from prison just this week of Bishop Zeng Jingmu has demonstrated.

None of this is to suggest that human rights abuses in China are a thing of the past. On the contrary, we have reported to Congress that China continues to deny or curtail many fundamental freedoms. But the steps the Chinese have taken within the space of just a few months are nonetheless significant, and we will continue to push our human rights dialogue forward in the expectation of greater progress on these issues in the future.

As with our dialogue on human rights, we similarly pressed the Chinese for progress on non-proliferation. They have responded by taking concrete steps towards strengthening their export control regimes, and in so doing have contributed to regional and global stability. The Chinese have: committed to phase out nuclear cooperation with Iran and to refrain from assisting unsafeguarded nuclear facilities anywhere; implemented strict, nation-wide nuclear export controls; issued a State Council directive controlling the export of dual-use items with potential nuclear use; joined the Zangger NPT exporters' committee; signed and ratified the chemical weapons convention and adopted chemical export controls. These steps build upon the progress that this and previous administrations have made in integrating China into international control regimes and signify the PRC's growing acceptance that the proliferation of weapons of mass destruction is not in its own interests.

China's emergence on the world economic stage is of major significance to the United States, and as our widening trade deficit with the PRC demonstrates, we have a significant interest in working towards an open Chinese economy that is integrated into a rules-based trade regime. WTO accession is intended to do just that, ensuring meaningful access for U.S. companies in the growing China market. But WTO accession for any applicant is a complex and lengthy process, and Chinese accession can only come on a fully commercial basis. We believe that the reforms and openings that China must undertake to gain membership are fundamentally in China's interest as well as our own and thus are committed to working with China to advance this common goal.

In this context, we are encouraged by recent indications from Premier Zhu that China remains committed to working towards a WTO agreement and by the momentum that appears to have been established in USTR Barshefsky's latest round of negotiations in Beijing. We also welcome the responsible measures China has taken in the wake of the Asian financial crisis, particularly its commitment not to devalue in the face of regional depreciations. In light of your strong feelings regarding the future of Hong Kong, Mr. Chairman, it is worth noting that Hong Kong was a primary beneficiary of this policy.

As in other areas, there is still a long road ahead in addressing all of our bilateral economic concerns. While we are working with the Chinese on the challenge of WTO accession, we are pressing them to take steps to adders our growing trade deficit. The key is increasing U.S. exports to China. We are encouraged by steps, such as the $3 billion dollar Boeing contract signed at the October summit, and hope that we will be able to make further progress in the months ahead.

Movement forward on the areas I just indicated—human rights, non proliferation and economic cooperation—has been made within the broader framework of a deepening strategic dialogue between the United States and China. Over the course of

the past year, we have expanded the breadth and scope of our strategic dialogue with China, and Korea policy is one area where this expanded dialogue has yielded results. Peace on the Peninsula is as fundamental a strategic interest for China as it is for the United States. The heightened risk of instability in the North due to its prolonged food crisis, moreover, poses as much a security threat to the PRC as it does to our own troops and allies, and thus we share a common interest in working together to defuse tensions and deter aggression.

Still, despite such common cause, many observers speculated that historical ties to the North might prompt Beijing to play spoiler and thus complicate our efforts to deal with the DPRK. Thanks to the strategic dialogue we have been cultivating with the Chinese, however, the PRC has defied such expectations and emerged as a partner in the promotion of peace and stability on the Peninsula. China worked closely with the United States to bring North Korea to the negotiating table last fall and now sits with us at the four party talks in the common pursuit of a permanent peace. China chaired the most recent North-South negotiation, which we wholeheartedly support, and is pro actively addressing the humanitarian crisis in North Korea through substantial, ongoing food and fuel donations. These efforts have been complementary to our own and have contributed to the security and stability of the entire region.

Mr. Chairman, the above are not exhaustive examples of the fruits of engagement but rather highlights of the progress we have made in just the past eight months. We are moving forward with China in other areas as well, on issues as diverse as rule of law, energy and the environment, and law enforcement. I want to make clear that we are neither satisfied with nor complacent about this progress; there are issues on which we have admittedly made less headway as well as significant areas of contention on each of the fronts in which I noted progress.

On that note, Mr. Chairman, let me turn now to the specific concerns you raised in your letter to Secretary Albright. First in regards to suspicion that China violated its promise not to proliferate nuclear material by arranging to ship chemicals necessary for the conversion of uranium to Iran, let me assure you that we share your concerns about such troubling reports. China is a major producer of nuclear, chemical, and missile related equipment and technology and we must be vigilant in our monitoring to ensure China's adherence to its commitments.

Although I am limited as to what I can say on this in open testimony, let me explain to the committee in broad terms how this case was resolved. After receiving reports of the alleged transaction, we immediately approached the authorities in Beijing. The Chinese responded by conducting an investigation into the allegations, after which they assured us that although contacts had been made, no transfer of such chemicals had taken place or would be permitted to take place. Should you wish to discuss this issue in greater detail, Mr. Chairman, I would be happy to arrange a time to do so at your convenience in closed session.

I would like to make the point, however, that this case is illustrative of how engagement with China enables us to deal with new challenges. Regular contacts and dialogue between the United States and China provide a mechanism for dealing with problems as they arise.

As for your concerns regarding the Administration's attitude toward Taiwan, let me take this opportunity to categorically deny that progress at the summit will be achieved at Taiwan's expense. Despite widespread rumors to the contrary, there will be no fourth "communique" regarding Taiwan arms sales. The reason for this is quite simple, Mr. Chairman: our position regarding Taiwan is clear and unchanged. We remain committed to our unofficial relationship with Taiwan in accordance with the three U.S.-PRC joint communique's and the Taiwan Relations Act, and continue to support the peaceful resolution of the Taiwan issue. Our efforts to improve relations with the PRC are intended to strengthen peace and stability in East Asia and in that sense will benefit the region as a whole, including Taiwan.

Furthermore, the record shows that tensions across the Taiwan Strait are lowest when US-China relations are strong. In that regard, we are encouraged by signs of a renewed willingness on both sides of the Strait to resume their dialogue. Last month representatives from the PRC's ARATS and Taiwan's SEF, the two "unofficial" organizations which carry out direct contacts between Beijing and Taipei, met in Beijing for two days of talks, marking the first real step towards the resumption of formal cross-Strait dialogue since Beijing suspended the talks in June 1995. We welcome this new development and firmly believe that improvement in cross-Strait relations is in both parties' best interests as well as that of the entire region.

The third issue you raised in your letter, Mr. Chairman, is that of the state of democratic freedoms in Hong Kong. As we noted in our April 1, 1998 update of the Hong Kong Policy Act report, many aspects of the transfer of autonomy to the people of Hong Kong have gone well.

Still, while the overall transition from a colony under the British crown to a special autonomous region under Chinese sovereignty has been smooth, we recognize as you have in your letter, Mr. Chairman, that serious areas of contention remain. A new election law has been passed that will lead to a legislature that is less representative than the 1995-97 Legislative Council, and other colonial era laws have been adapted to grant immunities to certain Chinese government agencies.

We are troubled by these developments and have not hesitated to share our concerns with officials at the highest levels in Hong Kong. President Clinton himself candidly conveyed to Tung Chee Hwa his disappointment with changes in the election laws late last year, and Secretary Albright and other senior U.S. officials have repeatedly advocated free, fair, and fully representative elections as well as the maintenance of Hong Kong's judicial and legal autonomy.

The last issue raised in your letter, Mr. Chairman, is the lack of tangible progress towards resolution of the Tibet issue. Tibet continues to be a priority for Secretary Albright. She discussed a number of Tibet-related issues in Beijing last month and pushed hard for the resumption of dialogue with His Holiness the Dalai Lama. It is worth noting that the Dalai Lama himself has publicly stated support for U.S. engagement with China, expressing his firm belief that such engagement keeps the pressure on while keeping channels of communication open.

We share your concerns about the degradation of Tibet's unique cultural, linguistic and religious heritage and will continue to press the PRC for progress on the ground. Secretary Albright made it very clear during her recent trip to Beijing that President Clinton intends to discuss Tibet during his upcoming visit.

As a final note, Mr. Chairman, I'd like to address the problem of organ trafficking. We have shared a personal dialogue on this issue before, and as I stated in recent correspondence with you on this issue, we are working to ensure that the Chinese government understands in no uncertain terms that the allegations of organ trafficking are a key human rights issue for us. At the same time, we are continuing to press authorities in Beijing in an effort to ensure compliance with their own regulations. These regulations, as you know, require prior consent for the use of an executed prisoner's organs and prohibit the sale of organs for profit. We will continue to push for greater transparency in these areas and for improvements in China's legal system that would better safeguard individual rights and due process. Per your request, Mr. Chairman, I met with Harry Wu to discuss this issue, at which time I made a standing offer to meet with him again at any time. In the meantime, should any additional information regarding organ trafficking come to your attention, Mr. Chairman, I hope that you will share it with me so that I may continue to pursue this matter.

As the Secretary indicated in her remarks in Beijing, and as I have tried to give the members of this committee a sense of in my testimony, engagement with China is producing results. Our broad goal has been to work toward the emergence of a China that is stable and non-aggressive; that tolerates differing views and adheres to international rules of conduct; and that cooperates with us to build a secure regional and international order. We have made significant, if uneven, progress with the Chinese on all of these fronts, and in so doing have contributed to an ongoing process of change within China. Our candid dialogue on every aspect of the relationship will continue as we prepare for the June summit in Beijing, and I expect that we will continue to make progress, however modest, on various fronts. More importantly, we will continue to engage the Chinese long after the summit, expanding areas of cooperation, dealing forthrightly with our differences, and advancing American interests and values.

The CHAIRMAN. All right. I am going to forego questions at this time. We have been joined by the distinguished Senator from California, who has not had a chance to say one word. We are glad to have any comment that you have. I appreciate your coming. You have at him.

Senator FEINSTEIN. Well, I thank you very much, Mr. Chairman. I do not have any major comments to make at this time.

I think, however, that the President's visit to China in June really will signal a new era in terms of the policy of engagement with China, and will, I believe, put some "there" there. I happen to believe it is the right thing to do at this time. I am also heartened that in May there will be some direct communication links so that our leaders can talk to one another.

I believe very strongly that there is an opportunity coming in the next few months for some major breakthroughs with China. I am not sure that anyone should hold the President's visit necessarily as a determinant of this, but that the new leadership is now firmly in place in China, that the United States has the opportunity, really for the first time, to define this strategic partnership and to begin to impress on the Chinese, in a coordinated, unified and major way, some of our major concerns with the development of the rule of law; the treatment of minorities; the Tibetan issues, which are profound and festering and need direct attention; as well as some of the other areas of concern, involving nuclear nonproliferation, and particularly now with the Indian situation and the potential Pakistani situation.

I hope to ask, when I have an opportunity, some questions, Mr. Chairman, and I do not know if this is that time.

The CHAIRMAN. Yes.

Senator FEINSTEIN. It is.

Let me begin with a direct question of you, Mr. Roth. Again, welcome, and it is good to see you again. I wanted to ask a question. China is a party to the Nuclear Nonproliferation Treaty, and stated on May 11, 1996, that it will not provide assistance to unsafeguarded nuclear facilities. Also, at the October 1997 U.S.-China summit, China pledged that it would phaseout its nuclear energy cooperation with Iran.

What I would like to know is has China stopped its nuclear energy cooperation with Iran and its assistance to unsafeguarded nuclear facilities in Pakistan? We know that China has provided help to Pakistan. I think the record is clear. But has that ceased? And is China ceasing its nuclear energy cooperation with Iran?

I think these are very important things. Because it is so difficult the way the ministries function sometime outside of the scope of political control, have they set up a regime of export controls to protect against illegal exports by rogue ministries or companies, as they promised in the October summit?

Mr. ROTH. I believe in my statement, before you arrived, I indicated a number of specific steps which China has taken to indicate that it is fulfilling its commitment. At the same time, I indicated that there are questions about implementation, particularly about implementation not necessarily with the approval of the government, that, you know, we have to followup on as a key issue. I gave a specific example within the limits of what I could say in open session about a recent case in which we received reports of an activity that would not have been consistent. We brought this to the attention of Chinese authorities, and the shipment did not happen.

Obviously, in a classified version, we can give you real details on this. But the general point is yes, we believe, on the nuclear side, they have lived up to their commitments.

Senator FEINSTEIN. Because I think of the strategic partnership effort that you are engaging upon in the engagement effort, I think this is the most fundamental. I mean, this is where we have to have very clear cooperation, and particularly with the situation on the Subcontinent at the present time.

Some good news this month is that the first resumptions of the across-the-Strait discussion between Taiwan and China was to take

place in April, in Beijing. Do you have any reports from that meeting? Can you enlighten us if any progress was made, or even with what was discussed?

Mr. ROTH. Yes. I mean, obviously this is a very high priority for us, because we see cross-Strait dialog as the most promising means of trying to reduce tensions across the Strait. Our understanding is that this meeting was primarily about process rather than substance; that the purpose is to try to get back to where they had been in 1995, which was on the verge of a high-level political meeting, the so-called Wang-Ku talks, to really address some of the substantive issues.

So, my understanding, based on what we have heard from the parties, is that this was more of an organizational session than a substantive session. The important thing is that it appears increasingly likely, when you talk to the parties, both sides suggest that they will have a meeting before the end of the year and get this dialog back on track, to start addressing the substantive issues.

Senator FEINSTEIN. I think, indeed, that is very good news. I think there has been a kind of rumor going around that last year was Hong Kong, this year is Taiwan, next year is Tibet. I mean, I wish I could really add policy to that rumor, other than to express the hope that indeed it is true. It certainly seems that at least the discussions will begin. I know some of the parties on the Taiwan side will be coming to this country shortly. We will have an opportunity, hopefully, to discuss this with them, as well.

What is your assessment of the upcoming elections of the LegCo in Hong Kong? I just came from a meeting with representatives from the American Chamber of Commerce in Hong Kong. They indicated to me that they felt that the transition had gone, as they put it—and this is a quote—in a seamless way. They did have some concerns on the development of the rule of law. We discussed the elections that are upcoming.

What is your assessment of these elections which are going to be held next week?

Mr. ROTH. I think I met with the same delegation. The point that I made to them was obviously there is a considerable amount of good news, in terms of what took place in Hong Kong. For one thing, we have seen virtually no Chinese military presence, which had been a major concern, if you go back to less than 1 year ago. The troops have not left the barracks.

At the same time, there is absolutely no doubt that when it comes to the electoral process, I would say that is the issue where things have gone the least well. President Clinton himself has expressed disappoint to Tung Chee Hwa, when he came to the United States, about the arrangements, because we believe a system was adopted which is going to make this less representative than it had been previously.

The real issue is the future; where do we go from here? As you know, there is a process set out in the Basic Law that makes it possible to establish what we would call full democracy within 10 years. But when you talk to the Hong Kong people, you are finding that many of the Hong Kong people themselves are talking about expediting this process, not to have it take 10 years. I think that

is going to be the focus of the activities way beyond this specific election.

Senator FEINSTEIN. Thank you very much.

Thank you very much, Mr. Chairman.

The CHAIRMAN. Thank you very much. The Senator from Missouri, Mr. Ashcroft.

Senator ASHCROFT. Thank you, Mr. Chairman. Thank you for holding this hearing on the June summit between the United States and China. I will submit for the record a complete text, but I want to move through some of the statement that I would like to make.

We have of course the upcoming summit with China, which would be the second in less than a year. I am a little disappointed that this administration's greater time commitment to U.S.-China relations has not been matched by what I consider to be more effective and prudent policy. The administration's China policy has too often been one of appeasement. From weapons proliferation to trade agreements to human rights, China has made and broken commitments while this administration has looked the other way.

Nuclear detonations in India are deeply troubling, but the laxity of this administration's efforts to stop Chinese proliferation activity throughout South Asia over the last 6 years contributed to the level of regional insecurity.

For example, during last October's summit between President Clinton and President Jiang, the administration rewarded the Chinese for almost 20 years of broken nonproliferation pledges with implementation of the long dormant U.S.-China Nuclear Cooperation Agreement. This Agreement will allow the United States to send its best nuclear reactor technology to Communist China, the country which the Central Intelligence Agency has identified as, and I quote, the most significant supplier of weapons of mass destruction-related goods and technology to foreign countries.

I suppose it could be portrayed as a triumph, when the latest potential Chinese transfer to Iran's nuclear weapons program was detected and stopped. But I wonder if that is really a triumph, when the commitment of the Chinese appears to be that if you catch us with our hand in the cookie jar, we will drop the cookie. What about the items that we do not detect? Is the commitment only to discontinue deliveries when the United States develops information about them?

As a condition of implementing the Nuclear Cooperation Agreement, the President certified to Congress on January 12, 1998, that China had made clear and unequivocal commitments not to proliferate nuclear technology. Then, 2 months later, the *Washington Post* reported China was caught trying to ship to Iran hundreds of tons of anhydrous hydrogen fluoride to use to enrich uranium to weapons-grade. The material reportedly was destined for the Isfahan Nuclear Research Center, one Iran's principal sites to manufacture an explosive core for an atomic device.

The administration reportedly discovered this effort by China even before the President certified China's nonproliferation commitments to Congress. That is troubling.

How did the administration respond to this latest example of China's total disregard for honoring its nonproliferation commit-

ments? Outrage? Suspension of the Nuclear Cooperation Agreement? Not hardly.

The administration spun this troubling story into a diplomatic triumph, arguing that U.S. protests against the nuclear transfer to Iran were responded to more quickly by the Chinese, who made new pledges not to engage in such behavior in the future.

Nuclear technology is not the only area troubling to me. According to the *New York Times*, the President allowed satellite technology to be sent to China which benefited China's intercontinental ballistic missile program—missiles with nuclear warheads pointed at the United States, according to recent revelations.

Further, according to the reports in the *Washington Times*, the administration is trying to lure China into the Missile Technology Control Regime with promises of greater space cooperation with the United States, cooperation that would enhance their access to U.S. missile technology. The administration is offering to help arm China in exchange for Chinese entrance into a missile nonproliferation framework that China has violated repeatedly in the past, and is probably violating right now.

The picture is no better in our trade relations with the Chinese. The administration has administered U.S.-China trade relations with what appears to be a disregard for U.S. law and a dismal record of broken trade commitments by the Chinese Government. Ever since the United States and China normalized relations in 1979, the two countries have had a bilateral trade agreement, which is the foundation for China's MFN status.

Just 3 months ago, the President had to decide whether China's concessions in trade and services were satisfactory. The President said yes, even though the administration released a report on China, stating that its trade regime is, political; severely restricted; prohibitive; unpredictable; preferential; de facto; unpublished. It is vague according to the quotes from the report, inaccessible, inconsistent, non-comprehensive—and the list goes on.

Furthermore, when China was facing Congress' near withdrawal of MFN status and President Bush's threat of sanctions over its trade practices in 1991, China had to make specific, measurable trade commitments to the United States to preserve MFN and to obtain U.S. support for China's accession to the World Trade Organization. China has failed to honor these commitments by the December 31, 1997 deadline, which passed at the end of last year. Yet the administration is moving forward in negotiation for China's WTO accession.

So we had conditioned our help on an agreement between the Congress and the President of the United States, that China was going to be involved in certain kinds of activities. The President has ignored China's lack of compliance. The administration's consistent appeasement of China's predatory trade and investment practices has resulted in a 1997 trade deficit of $49.7 billion, an imbalance more than 2.5 times larger than the U.S. trade deficit with the entire European continent.

I see that the chairman is signalling that I should submit the rest of my statement for the record, and I will be happy to do so.

I am concerned that U.S. policy toward China is not being formulated to advance U.S. interests effectively. It seems to me that

there is a suggestion that the way we show concern about an issue is that we make sure we talk about it a long time when we show up for bilateral conferences. I think it is important that U.S. interests not just be bullet points on a meeting agenda. Defending U.S. interests has got to be the driving force of our policy and conduct.

We have to understand that China will draw lessons from our policy and conduct, and I fear that Beijing is sensing they will not be held accountable for behavior contrary to American interests to the values of a free society.

[The prepared statement of Senator Ashcroft follows:]

PREPARED STATEMENT OF SENATOR JOHN ASHCROFT

Mr. Chairman, I want to thank you for holding this hearing on the June summit between the United States and China. The upcoming summit with China will be the second in less than a year. Unfortunately, this Administration's greater time commitment to U.S.-China relations has not been matched with a more prudent and effective China policy.

This Administration's China policy can best be described as appeasement at every turn. From weapons proliferation to trade agreements to human rights, China has made and broken commitments while this Administration has looked the other way or worse.

Nuclear detonations in India are deeply troubling, but the laxity of this Administration's efforts to stop Chinese proliferation activity throughout South Asia over the last six years contributed to the level of regional insecurity.

U.S. National Security Interests

For example, during last October's summit between President Clinton and President Jiang, the Administration rewarded the Chinese for almost 20 years of broken nonproliferation pledges with implementation of the long-dormant U.S.-China nuclear cooperation agreement. This agreement will allow the United States to send its best nuclear reactor technology to Communist China—the country which the Central Intelligence Agency identified as the "most significant supplier of weapons of mass destruction-related goods and technology to foreign countries."

As a condition of implementing the nuclear cooperation agreement, the President certified to Congress on January 12, 1998 that China had made "clear and unequivocal" commitments to not proliferate nuclear technology. Only two months later, on March 13, 1998, *The Washington Post* reported that China was caught trying to ship Iran hundreds of tons of anhydrous hydrogen fluoride, a material used in enriching uranium to weapons grade. This material reportedly was destined for the Isfahan Nuclear Research Center, one of Iran's principal sites to manufacture the explosive core of an atomic device. The Administration reportedly discovered this effort by China even before the President certified China's nonproliferation commitments to Congress.

How did the Administration respond to this latest example of China's total disregard for honoring its nonproliferation commitments? Outrage? Suspension of the nuclear cooperation agreement? Not hardly. The Administration spun this troubling story into a diplomatic triumph, arguing that U.S. protests against the nuclear transfer to Iran were responded to more quickly by the Chinese, who made new pledges not to engage in such behavior in the future.

Nuclear technology is not the only area of troubling U.S. assistance to China. According to reports in *The New York Times*, the President allowed satellite technology to be sent to China which benefited China's intercontinental ballistic missile program missiles with nuclear warheads pointed at the United States.

Furthermore, according to reports in *The Washington Times*, the Administration is trying to lure China into the Missile Technology Control Regime with promises of greater space cooperation with the United States—cooperation that will enhance China's access to U.S. missile technology. The Administration is offering to help arm China in exchange for Chinese entrance into a missile nonproliferation framework that China has violated repeatedly in the past and probably is violating now.

U.S. Trade Interests

The picture is no better in our trade relations with the Chinese. This Administration has administered U.S.-China trade relations with what appears to be a disregard for U.S. law and a 4ismissal of the broken trade commitments by the Chinese government.

Ever since the United States and China normalized relations in 1979, the two countries have had a bilateral trade agreement that is the foundation for China's MFN status. Just three months ago, the President had to decide whether China's concessions in trade and services were satisfactory. The President said "yes" even though the Administration released a report on China stating that its trade regime is: "political," "severely restricted," "prohibitive," "unpredictable," "preferential," "de facto," "unpublished," "vague," "inaccessible," "inconsistent," "noncompetitive," and the list goes on.

Furthermore, when China was facing Congress' near withdrawal of MFN status and President Bush's threat of sanctions over its trade practices in 1991, China had to make specific, measurable trade commitments to the United States to preserve MFN and obtain U.S. support for China's accession to the WTO. China has failed to honor these commitments by the December 31, 1997 deadline, yet the Administration is moving forward in negotiations for China's WTO accession.

The Administration's consistent appeasement of China's predatory trade and investment practices has resulted in a 1997 trade deficit of $49.7 billion an imbalance more than 2.5 times larger than the U.S. trade deficit with the entire European Continent, and accounting for one-fourth of the U.S. trade deficit with the entire world.

U.S. Interests in Civil Liberty

Finally, China's human rights practices violate China's own constitution and the 14 international covenants on civil liberties China has signed. Beijing is engaged in a massive and systematic campaign to repress religious and political dissent. Imprisonment, forced abortion, torture, and summary execution are some of the atrocities listed in the State Department's latest report on China's human rights practices.

In spite of such behavior, the Administration declined even to introduce a resolution at the U.N. Commission on Human Rights condemning China's violations of civil liberty. Rather than confront China's oppression, the Administration reportedly is shifting its focus to encourage China to sign more international covenants on human rights. Paper covenants on human rights have not stopped the Chinese bayonet so far, and I submit they never will until there is genuine political change in China. Why is this Administration pushing China to sign more covenants to protect the human rights that the Chinese government has shown no intention of honoring?

The June Summit

Mr. Chairman, it is time for the Senate of the United States to take a stand on U.S.-China relations. The Senate must raise awareness of the obstacles to a strong U.S.-China relationship, and I intend to introduce a resolution on June 4—the anniversary of the Tiananmen Square massacre—outlining the real issues that need to be discussed at the June summit between President Clinton and President Jiang.

A positive relationship between our two countries is in the interest of the United States and China, but this Administration is laying the groundwork for serious problems with China in the future. A strong diplomatic relationship is based on mutual respect and trust. Rather than address Chinese behavior which undermines that trust, this Administration is covering up the landmines of U.S.-China relations that are bound to explode in the future. Helping China arm its defense establishment, overlooking China's broken trade and nonproliferation commitments, and turning a deaf ear to China's oppressed are not elements of a thoughtful and courageous China policy.

The President will be going to China next month, and his first stop will be at Tiananmen Square, the site of so much bloodshed just nine years ago. Paying homage to the students who died at Tiananmen Square should be the first thing the President does at the June summit. It should not be the last, though. National security, trade, and broader human rights issues should be addressed frankly and forthrightly throughout the summit.

Summits are about statesmanship, not salesmanship. Engaging in another photo-op summit with Beijing without addressing the fundamental deficiencies in U.S.-China relations is a disservice to the American people and a threat to a stable U.S.-China relationship in the future.

The CHAIRMAN. Thank you, Senator.

We have another panel, and I am interested in hearing from them, as well.

We have one final gentleman who has not been heard from this morning.

Senator Feingold, we welcome you and we would be glad to hear from you.

Senator FEINGOLD. Thank you, Mr. Chairman. I would ask unanimous consent that my statement be included in the record.

The CHAIRMAN. Without objection.

[The prepared statement of Senator Feingold follows:]

PREPARED STATEMENT OF SENATOR RUSS FEINGOLD

Mr. Chairman, thank you for calling this hearing today on this timely subject. I am pleased we have the opportunity to explore what U.S. interests are at the upcoming U.S.-China summit which will take place when President Clinton travels to China late next month. I appreciate the opportunity to discuss this agenda so far in advance of the actual visit, with the hope that the strong views of the members of this Committee might be taken into consideration as final decisions are made about the agenda.

As this hearing makes clear, there are myriad subjects at issue with respect to the relationship between the United States and China, and I am constantly struck by the challenges that China presents us. China has what I cannot help but call a "kaleidoscope" of problems: flagrant abuse of human rights, a brutal occupation of Tibet, the curtailment of civil liberties in Hong Kong, slave labor, nuclear proliferation, unfair trade practices, rampant copyright piracy—the list goes on and on. Looking at any one of these issues, I am hard pressed to find evidence—even after years of so-called constructive engagement—China has made any meaningful progress on any of these fronts.

The up-coming summit in Beijing is yet another in a long line of constructive engagement steps that the Administration has taken, steps which I have generally opposed because I do not see that progress has been achieved. This includes the October 1997 state visit of Chinese President Jiang Zemin and the failure of the United States to sponsor a resolution condemning human rights abuses in China and Tibet at the most recent meeting of the United Nations Commission on Human Rights. This latter decision by the Administration was made despite the overwhelming support in the Senate of a resolution, which I was proud to co-sponsor, that urged the United States to "introduce and make all efforts necessary to pass a resolution" at the Commission on Human Rights.

As we all know, for the past few years, China's leaders have aggressively lobbied against such efforts earlier and more actively than the countries that support a resolution. In 1997, they threatened Denmark, which had made a difficult decision to sponsor such a resolution. This year, Chinese officials played a diplomatic game with various European governments, and succeeded in getting European Union foreign ministers to drop any EU co-sponsorship of a resolution.

The complete failure of the United States and the EU to push for a resolution at the Commission was, in my mind, gravely unfortunate. The multilateral nature of the Commission makes it an appropriate forum to debate and discuss the human rights situation in China. By adopting international human rights treaties, China has made commitments to international human rights law, and one of the basic purposes of the Commission is specifically to evaluate China's performance with respect to those commitments. The Commission's review has lead to proven, concrete progress on human rights elsewhere, and the expectation has been that such scrutiny would lead to concrete progress in human rights in China.

Despite China's announcement last year that it would sign the United Nation's Covenant on Economic, Social and Cultural Rights and a few other token steps, I see no evidence of real human rights improvement on the ground in China. The fact that human rights conditions in China are growing worse, not better, indicates that human rights continues to demand top priority.

Nearly four years after the President's decision to de-link most-favored-nation status from human rights—a decision I have always said was a mistake—we can not forget that the human rights situation in China and Tibet remains abysmal. Hundreds, if not thousands of individuals are detained or imprisoned for their political and religious beliefs. The press is subject to tight restrictions. And monks in Tibet are harassed for showing reverence to the Dalai Lama, who coincidentally happens to be in my home state of Wisconsin this week.

In a well-quoted sentence, the most recent State Department human rights report notes that "the Government of China continued to commit widespread and well-documented human rights abuses, in violation of internationally accepted norms, including extra judicial killings, the use of torture, arbitrary arrest and detention, forced abortion and sterilization, the sale of organs from executed prisoners, and

tight control over the exercise of the rights of freedom of speech, press and religions."

In this light, I think the President's proposed trip to Beijing, which will take place barely a few weeks after the ninth anniversary of the June 4 crack down in Tiananmen Square, continues to send the wrong signal—not only to China's leaders, but also to those members of society in China and Tibet who have worked so tirelessly to achieve the basic freedoms. that we, as Americans, take for granted.

On top of this, in a move that almost adds insult to injury, the President has agreed to stage his arrival ceremony in Tiananmen Square, the site of the bloody events of June 1989.

Mr. Chairman, if the President feels he must go to Beijing, if he feels he must go there in June, and if he feels he must visit the site of that horrible 1989 crack down, then I hope he takes the opportunity to send a clear unequivocal message about the importance of human rights, of rule of law and of democratic governance.

If he does not do that, he will disappoint this Committee and he will disappoint the American people.

Senator FEINGOLD. Secretary Roth, thank you very much. I am sorry I missed your presentation. But I am obviously aware of a number of the issues that you have been discussing. I guess what I would like to do is start off by talking a little bit about specifically the President's upcoming visit. Apparently a conscious decision was made to move up the trip to an earlier time, to June, at least in part because of actions by China.

What kind of gains were you expecting to see in human rights prior to that trip, and then afterwards, after the trip, what can we expect to see?

Mr. ROTH. This is not completely science. A lot depends on what China does. So I cannot give you an absolutely precise answer. However, I think you have seen some of the evidence of what we expect by what has already happened. We see that Wang Dan is out of jail. We see that a prominent, elderly bishop has been released. We see that China has committed to signing the U.N. Political Covenant, which we expect to take place either before the summit or shortly thereafter. We expect the ratification of the Covenant that was signed last year on the economic side of the house.

We have seen President Jiang receive a religious delegation from the United States, of three very prominent individuals, and hope that is going to be a venue for achieving more progress on the very important issue of religious freedom. This delegation went to Tibet, insisted on getting into a hospital, insisted on meeting with some of the political prisoners, as opposed to common criminals. So we are seeing a process by which we are getting some specific results and setting the stage for some future results.

Senator FEINGOLD. What, for example, would the United States do if China actually did not sign the U.N. Covenant on Civil and Political Rights, as it has promised?

Mr. ROTH. Frankly, we have not addressed that because we fully expect them to.

Senator FEINGOLD. OK, then we will wait and see the outcome of that.

And I now want to turn to press reports that the President has agreed to attend a welcoming ceremony in Tiananmen Square, which I believe Senator Wellstone referred to. Which of course was the site of this horrible and bloody crackdown in 1989. Can you confirm that that will happen?

Mr. ROTH. Well, it is the White House that confirms his literal schedule. Let me say that for state visits, which this is, the normal

Chinese practice—which I do not think has ever been deviated from—is that the initial welcoming ceremony takes place in their capital of Tiananmen. It is not, in other words, a discretionary act. But the White House has not finalized the daily itinerary yet.

Senator FEINGOLD. I think that is an unfortunate decision on the part of the administration. Given that, do you think it might be a good idea for the President to also visit with the family members of at least one of the victims of the Tiananmen Square massacre?

Mr. ROTH. I think the President will obviously be looking for an opportunity to express our position on human rights the way he did during the last visit. Whether it will take that form or another activity remains to be seen. But I think there will be absolutely no doubt of the President's commitment on the human rights issue while he is there in China.

Senator FEINGOLD. Well, I would urge that as one possible approach. I think the symbolism would be important. There needs to be something to balance this unfortunate decision to have this ceremony in Tiananmen Square.

Mr. ROTH. I will take that back with me.

Senator FEINGOLD. I also want to echo what Senator Wellstone said about how disappointed we were about the United States not doing what it could do with regard to passing a resolution at the United Nations Commission on Human Rights. Can you share the administration's calculation and its decisionmaking to not sponsor such a resolution?

Mr. ROTH. Surely. This is obviously a very difficult judgment call, and not one which we undertook lightly. I think the starting point for us is that the real purpose of this exercise is not to pass a resolution but to try to get concrete progress on human rights. We have many venues for expressing our concerns about the overall human rights situation, not the least of which is our annual human rights report. But the real purpose, we thought, of the exercise in Geneva is, can we get tangible progress that would make it unnecessary for, this year, to go ahead on the resolution?

And we felt that, in the context of the dissident releases, particularly Wang Dan, plus the commitment to sign the Covenant on Political Rights, which is extremely significant because some of the steps China will have to take once that is ratified and comes into effect, that that was tangible progress of the type we were looking for. Consequently, we made that decision.

Senator FEINGOLD. I can understand the desire for tangible progress. But I am wondering what this does to the Geneva process itself. What does it mean when we do not use a very appropriate forum with regard to China, and then we may want to take actions with regard to Nigeria, Sudan, Algeria? What does it mean when we do not use a forum that is explicitly created for purposes of pursuing issues of human rights?

Mr. ROTH. I do not expect you will agree with this, Senator Feingold, but I think it actually enhances Geneva when you use the Geneva process to get tangible results on human rights. That converts it from a paper exercise, a debate of words—which they are very good at, at U.N. organizations—to actually accomplishing something on the ground. So, for me, that adds more emphasis to it, and it gives us greater ability to come back on other issues.

Senator FEINGOLD. So you are arguing that it was, in effect, a deterrent that led to some of the progress, the threat of that possibility; is that what you are suggesting?

Mr. ROTH. I do not know if I would say "deterrent," but it was an implement that we could use to get progress. I am happy that Wang Dan is out, and I am happy that they are going to sign the Covenant. I am not satisfied that that is enough. I do not think that lets them off the hook on human rights progress forever. But I think, in terms of one resolution's worth of results, that is a very significant package.

Senator FEINGOLD. Mr. Chairman, my time is up, but if I could just make one other comment.

The CHAIRMAN. I understand. But we have a second panel, and I want them to be heard and I want their views to be made a matter of the printed record, as well.

Mr. Roth, you earned your pay, but just as sort of a little help for me, at the behest of China, as I understand it—and most people do—the President is limiting his trip to China, to China and Hong Kong of course. No Korea, no Taiwan, no nothing. I just wonder what kind of signal you think that sends to our close friends and allies in Japan and Korea and all the rest of them? I did not know that they were in the business of serving as the travel agent for the President in Beijing. I hope that registers with you.

Mr. ROTH. It certainly registered, Mr. Chairman.

The CHAIRMAN. Do you have a comment?

Mr. ROTH. Yes. This is an issue which we have obviously taken up directly with some of the allies you referenced in the region. For example, Secretary Albright discussed it directly with Prime Minister Hashimoto, who said he completely understood and concurred.

But let me point out that I think the administration's priorities have been very clear. The President's first trip to Asia in 1993 was to two of our crucial allies: Japan and Korea. He went back, in 1996, and strengthened our security relationship with Japan. We have made it very clear where we stand.

The CHAIRMAN. But they did not dictate to him that he could not go to China.

Mr. ROTH. The Chinese did not dictate. This was a choice we made. We had an option.

The CHAIRMAN. Well, I will not debate you on it, but a number of people have noticed that.

Mr. ROTH. I will take back your point.

The CHAIRMAN. And thank you for your courtesy in coming here this morning. Give the Secretary my regards. Tell her to get some sleep.

Mr. ROTH. I will do that.

Senator WELLSTONE. Mr. Chairman, can I ask unanimous consent to have my complete statement included in the record?

The CHAIRMAN. Certainly.

Senator WELLSTONE. And could I ask unanimous consent to have a letter that I sent to the President about Indonesia, suggesting that IMF support be conditional on respect for human rights in Indonesia be included in the record?

The CHAIRMAN. It will be included, by unanimous consent, which is granted of course.

Senator WELLSTONE. I thank the chair.

The CHAIRMAN. We will cover all such requests of Senators. Thank you very much.

Now, we will welcome panel number two.

Senator FEINGOLD. Mr. Chairman, if I could just make one comment for the record.

The CHAIRMAN. Certainly.

Senator FEINGOLD. Mr. Chairman, I just want to acknowledge that the Dalai Lama is in Wisconsin this week. He addressed our State Legislature. I just want to note in the record that the people of our State appear extremely concerned about the situation in Tibet. I would just like our interest in Wisconsin in the human rights situation in Tibet noted for the record, as well.

The CHAIRMAN. I thank you for the comment. The same sort of reaction occurred in North Carolina.

All right, gentlemen and lady, if you will take a seat.

The second panel consists of Mr. Robert Kagan, Senior Associate of the Carnegie Endowment for International Peace, in Washington; Dr. Arthur Waldron, who is the Professor of International Relations, the Joseph H. Lauder Professor at the University of Pennsylvania; and Mr. Mike Jendrzejczyk—is that close?

Mr. JENDRZEJCZYK. Thank you, Mr. Chairman, yes.

The CHAIRMAN. OK. That is not a household word in North Carolina.

And Mr. Robert A. Kapp, President of the U.S.-China Business Council, in Washington, D.C.

And, gentlemen, since we have run so long this morning, let me say I do appreciate you coming. All of us do. If you will confine yourself to 5 minutes, as best you can, with the understanding that everything you have in writing will be printed, and we are going to distribute copies of this hearing. Dr. Waldron, why don't we begin with you.

STATEMENT OF ARTHUR WALDRON, PH.D., LAUDER PROFESSOR OF INTERNATIONAL RELATIONS, UNIVERSITY OF PENNSYLVANIA; DIRECTOR OF ASIAN STUDIES, AMERICAN ENTERPRISE INSTITUTE

Dr. WALDRON. Thank you, Mr. Chairman.

The first point I would like to make is that the situation in Indonesia has a significance which is not limited to Indonesia alone. It should serve to remind us that authoritarianism, coupled with rapid economic growth, is not enough for a country in today's world. My concern with the administration policy is that I do not think that they are realistic about the possibilities of political change in China.

Now, the way that Secretary Roth and others describe it, you would think that China was moving steadily toward democratization. But I would just note that among the people who are invisible on the Chinese scene is the former Prime Minister, Zhao Ziyang, who was a democratizer. Hu Yaobang, another former Prime Minister, who was a democratizer, now dead, is too controversial to be even mentioned in the People's Daily. The head of Jiang Zemin's think tank is a brilliant young political scientist, identified with "new authoritarianism."

In other words, my sense of what is going to happen in China is not that they are going to move seamlessly toward opening, which is what I think they should do, but rather they see that the dynamic of change which has been unleashed by very real economic change is now threatening their political position. Therefore, they are hoping to be able to hold on to their power by dint of selective repression, economic growth and foreign support.

So, rather than foreseeing a China which unfolds sm oothly into an ever-more attractive and ever-more democratic state with which we can have constructive relations, I think we have to understand that there may very well be serious bumps in the road ahead. I do not think that the present leadership—which although very capable, does not contain any political as opposed to economic reformers—I do not think they are going to do what has to be done as far as opening to society goes. Certainly they are not going to do it soon enough to be able to forestall problems.

So, therefore, I would expect that in the near to medium run, China is going to become rather more tense, maybe more disorderly. There will be unrest: There was a riot in Sichuan the other day in which a number of merchants were apparently killed by the police. This sort of thing is going to become more common.

And that being the case, I think we in the United States have to understand that engagement, while desirable and worthwhile, is at best half a policy. We have to prepare for the worst even while we hope for the best. That means hedging rather than endlessly raising. One of the administration's mistakes is to go along when they ought to be hedging.

Along with the policy of engagement, we need to have a very hard line of clear understanding of the need for democratic change. We also have to have deterrence of Chinese military adventures and the sorts of provocative measures which they sometimes take, to try to distract attention from the conditions at home.

Now, the problem is that rather than seeing the deterrence and engagement are two hands of the same person, or they are two aspects of the same policy, there is a tendency to trade one off against the other. If you are deterring, you cannot be engaging, and vice versa. I think nowhere is this clearer than in connection with our policy with respect to Taiwan. There is a regular dynamic in which an improvement of relations with China is accompanied by some kind of a gift. We sign chits on Taiwan's future.

This is not only a morally abhorrent policy, but it is not in our interest. I think that in the seventies, when we made our initial decisions to break with Taiwan, there was a tacit understanding in some policy circles—an expectation—that this really marked the end of the line for Taiwan; that Taiwan was going to disappear, it would cease to be a problem. This was a gross underestimation of the people of Taiwan. It also underestimated what the U.S. Congress would do.

However, some people still live in the seventies. We, in our dealings with the cross-Strait situation, tie our own hands by a whole series of restrictions that we have. I have a student who is an Army colonel, a career China specialist. Because of our restrictions, in 25 years, he has never been able to go to Taiwan. Our people

should be playing with the full deck. They should have all the cards.

The last thing I would like to say is that a classic and besetting error of American Asian policy is to put China at the center, to think that somehow if we can get China right, then everything else is going to fall into place. But history shows—and I would refer to the history of the 1920's and the 1930's, which eventuated in the catastrophe of the Second World War in Asia—that we have to deal most closely with the states which are our long-term allies and friends and the ones that share our system.

It is a jigsaw puzzle in other words, in which you put all the other pieces into place, and only then put China in. If you get the other pieces right, then China will fit in. If you start with China and you concentrate too much on China, then you are never going to solve it.

Thank you.

[The prepared statement of Dr. Waldron follows:]

PREPARED STATEMENT OF ARTHUR WALDRON

Mr. Chairman, Ladies and Gentlemen:

A "strong, stable, secure and open China": that is the repeatedly expressed goal of the administration's tactic of "engagement" with Beijing. I have no wish this morning to challenge that goal, which seems to me eminently reasonable. Rather, I will raise questions about how realistic it is, at least in the short term, and about the tactics used to reach it.

First, as to realism. Change in the economic and social realms in China since the death of Mao Zedong in 1976 has been real and extremely impressive. It might therefore seem reasonable to suggest that these changes will transform seamlessly into political change as well: indeed, the need for the United States to foster such steady and gradual change would appear to be the premise of the "engagement" policy. It may work: One can hope that change in China will follow the examples of Taiwan and Russia and the Philippines, among others, where the transition from dictatorship to democracy has been surprisingly smooth and not those of Romania or Indonesia, or China itself in 1989.

But we cannot count on such a smooth transition. Although economic and social change in China has been so rapid and so extensive that the country now finds itself at the point where some sort of government opening to the people is inescapable, the signs from Beijing are that no such opening is being prepared. Rather, the regime looks set to attempt to ride out the storm, hoping a combination of selective domestic repression, continuing economic growth, and foreign support, will provide it with a legitimacy and stability that it has not secured from its own people.

However China is no longer a land of impoverished subsistence farmers ruled by an all powerful "Chairman" in Beijing, and therefore we may doubt whether such an approach will work. It is a land today of entrepreneurs, of mobile labor, of vast investment, of markets of every sort, of high culture and of education in short, of every sort of ferment. Plans for economic change, moreover, envision major remodeling including putting millions of people out of work. Such measures demand governmental legitimacy. The society that China has become today can no longer be ruled autocratically. Its people must be involved in making the laws and legitimating authority. That means the sort of liberalization we have seen elsewhere in Asia and in the former Soviet bloc. To stand against this tide in China is to risk chaos and catastrophe.

Like the desire for prosperity, the desire for freedom and personal autonomy originates in China itself. They are not alien concepts, applied by arrogant and insensitive foreigners. Constitutional government has been a dream of Chinese people since the early years of this century. Many people supported the Communists in 1949 because they expected Mao and his followers to create such a regime. Although they were bitterly disappointed, such desire for political freedom continues to find a place in China and in the Chinese communist party. Today, however, political reformers are absent from the highest reaches of Party leadership and discussion of serious political reform is forbidden in the official media. Liberalizers of the past are still non-persons. Thus, Zhao Ziyang, prime minister until 1989, remains incommunicado, under house arrest. The name of Hu Yaobang, late prime minister and also

a political reformer, is too sensitive to be published in the official People's Daily. There is much talk about the bold economic reforms Prime Minister Zhu Rongji is supposed to under take; silence about the equally pressing need for bold political reforms.

These are not the omens of imminent and decisive political reform. My prognosis, therefore, is that the current Chinese administration is not going to move quickly enough to make the political changes that its already very successful economic reforms require and that the result will be an increasingly tense and disorderly situation inside China. A beleaguered Chinese government will almost certainly use force against its own people—several protesting shopkeepers were shot dead in Chengdu just a few days ago—and may well try to distract the population with nationalism and imaginary external threats.

So while the goal of a "strong, stable, secure and open China" is desirable, it is unlikely to be achieved soon, or by gradual steps. Major bumps can be expected in the road ahead as China changes regimes. Therefore even as we seek to foster such change through engagement, we must hedge against risks.

Foreign policy often mirrors domestic policy, and a China that is repressive at home is likely to be provocative and bullying abroad. We have seen plenty of examples of such behavior recently. Probes and intimidation in pursuit of dubious territorial claims continue, as the Japanese, the Indonesians, the Filipinos, the Vietnamese, the Taiwanese, the Indians, and others will testify. Chinese can be enormously courteous, but they are also masters of conflict: the protracted game, the zero sum "ni Si wo huo" ["you die I live"] struggle, the arts of isolating and intimidating adversaries, disarming and confusing opposition, and then quietly bludgeoning whoever remainsthese are unattractive but well developed parts of the Chinese cultural inventory. Current Chinese military preparations, moreover, seem designed to be used in connection with such tactics. Any sound US policy must deal with these serious challenges, by steady and unflinching deterrence.

Indeed "deterrence"—broadly speaking, the willingness to counter Chinese threats, support allies, and brave Beijing's displeasure (which is often expressed with the extravagant rhetoric of "calculated over reaction)"—is the second component (engagement being the first) of a successful China policy. It is the one that is largely missing from the current Clinton administration approach.

The reason for this absence is worth noting, for it gets at what is fundamentally wrong with the administration's strategy. Engagement and deterrence go together: one will not succeed without the other; they are mutually supporting. But that is not how the administration seems to understand it. They see the two as inimical: one either has a "friendly" relationship with China or a "hostile" one. Engagement is the route to the first, deterrence, to their way of thinking, leads to the second. Therefore deterrence is traded off in pursuit of engagement.

Nowhere is this pattern clearer than in our dealings with Taiwan. To be fair, the United States has shown itself on balance to be a very good friend to Taiwan: through unofficial contacts, military sales, and the carrier deployment in 1996, we have underlined our commitment to this brave and democratic society. However, when China confronts us, some in government still show a lamentable tendency to sign chits on Taiwan's future as a way of appeasing Beijing today. This practice has already gone too far, and should be stopped. I hope very much that President Clinton will stonewall any such Chinese demands in preparation for his trip: for example, he must refuse to incorporate the so called "three noes" into any official U.S. statement. [These are "no support for one China one Taiwan," "no support for Taiwan's entry into the UN", and "no support for Taiwan's independence."]

Looking to the future, it is important that we be as realistic about Taiwan as about China. Our current Taiwan policy of no official recognition or contact works against our national interests. Given that the Taiwan strait is an area of potential conflict on a level with Cyprus or Korea or the Middle East, it is important for us to have maximum contact with all players, in order to have maximum leverage. I have a student, an army Colonel and a career China specialist—a key player, in other words, in our Asia policy who, because of US government restrictions, has never been able to visit Taiwan. This amounts to tying our own hands. When I look forward, I ask how we are going to be able to secure our interests in the Straits area if our top officials cannot meet top officials from Taiwan. Arafat, after all, has come to the White House, not to mention Jiang Zemin, China's unelected president. No genuine dialogue or negotiation can take place at second hand yet we have, of our own accord, discarded, in the Taiwan relationship, all the standard tools of diplomacy.

Why? The answer is simple. In the 1970s, when we broke relations with Taiwan, we thought we were in fact ending Taiwan's existence as an independent player. The idea was, as Richard Holbrooke has put it in a different context, "a decent in-

terval followed by anschluss." The arrangements proposed by the Carter administration for Taiwan make sense as a transitional structure, but not as a permanent status. Contrary to expectations, however Taiwan did not disappear: that is owed first of all to the people of Taiwan, whom we underestimated, and second, to the many Americans who created the legislative instrument of the Taiwan Relations Act.

Unfortunately some in government are still living in the 1970s when it comes to Taiwan. But objectively we must recognize that in our eagerness to please China trading off deterrence for engagement we (and Beijing) have painted ourselves into a corner with our joint policy of debasing words and twisting diplomatic usages in an attempt to deny reality. Despite the urgings of those who want more chits signed who want, for example, official US opposition to Taiwan in the UN and international organizations, or want a freeze in arms sales, or want pressure on democratic Taipei to settle with autocratic Beijing it is clear that today we must, just for starters, drop the brush and stop painting. The corner is already too small. Then we and Beijing can consider more realistic and constructive approaches.

Important as Taiwan is, however, too much focus on it can lead us to overlook the larger regional and international context of our China policy. This brings me to my final and perhaps most important point. I fear that by making China the centerpiece of its Asian policy, instead of working with regional powers that share our values to create a multilateral security structure, the Clinton administration may be unwittingly recreating the sort of situation in Asia that has repeatedly led to trouble in Asia earlier in this century. For example, many scholars believe that an American overestimation of China and underestimation of Japan in the 1920s and 1930s contributed to the breakdown of Asian security that brought on World War II. We must not repeat those errors now that the Cold War no longer gives structure to our Asian policy.

The lesson of history is that American interests in Asia will best be served by working with states that share our economic and political values: Japan, Korea, Taiwan, the ASEAN states, India, Russia. We hope that China will become such a state in the future, but that result is not a certainty. Rather, as we have seen, China's future today is a question mark

In the 1970s our current China policy took its initial shape from the demands of the Cold War. It was "strategic": driven by the need in both Washington and Beijing for an ally against the Soviet threat. That threat has now disappeared, so it makes no sense to talk, as the Administration does, of a "strategic partnership" with China. The sorts of massive strategic issues that dominated the Cold War world no longer exist globally. Their place has been taken by what I call "governance" issues, and on these China lags far behind the rest of the world. During the Cold War shared strategic interests overshadowed these problems but today we can no longer avoid facing them. A liberalizing China will strengthen peace, but a China whose government attempts to sustain an outmoded dictatorship will be volatile domestically, and possibly dangerous in a world of democracies.

So until China matches her economic progress with political liberalization and a peaceful foreign policy, America's Asian policy should avoid staking too much on Beijing. Some in Washington seem to think that if only we can get China policy right, then the rest of Asia will somehow fall into place. The truth is the opposite: Asian policy is like a jigsaw puzzle with China the last piece to be fit in. Things will go well with China only if we place our primary emphasis on our traditional friends and states that share our values and economic system. If China reforms and makes herself stable that will be a great gain for all concerned. But we cannot cause that to happen and if we count on it and things go wrong, then problems in China may lead, as they did earlier in this century, to crisis in the region.

Our goal therefore must be to forge an Asian security order robust enough not to be shattered by tremors originating in China. What sort of policy will meet this requirement. First, it must be one understood and supported by the American people. The thirty year tradition of secrecy in China policy, of Congress and the White House at loggerheads, of executive actions in the teeth of public opinion—all of that must come to an end. The administration must be candid with the American people and the world about every aspect of the policy, from the good things, such as releases of prisoners and mutually advantageous trade, to the problems such as espionage, military development, repression, and so forth.

Second, the policy must begin with our allies and friends, and not with Beijing. Our policy today is reactive: it makes no sense on its own (why derecognize Taiwan?) but is intelligible if you look at the Chinese demands that have given it shape. We must adopt a positive policy, developed through extensive preliminary consultation with other interested states. Symbolic actions are important here. Taiwan, after all, took the brave action of releasing political prisoners and allowing the exiles to return at a time when it had almost zero international status. Korea and

the Philippines have shown the path to Asian democracy. China, which is far stronger, has shied away from any similar action. Yet which state receives the most symbolic attention and deference from the United States? Not the democratizers. In an Asia where "face" is so important, these things matter.

Finally, as for power relationships, the crucial ones are Japan-US and Japan-Korea. If these are firm, I am confident that Asia will be relatively peaceful. If; on the other hand, we do what Adminstrations have repeatedly done in the past: if we treat China as a sort of campaign stop, or wave her into the community of nations without checking her domestic credentials if we go long at the moment when we should be hedging or shorting if we turn a blind eye to security challenges and neglect our established friends with whom we share values in pursuit of new but highly problematical relationshi—then Asia's future, and with it our own, will be very much in question

The CHAIRMAN. Mr. Jendrzejczyk.

STATEMENT OF MIKE JENDRZEJCZYK, WASHINGTON DIRECTOR, HUMAN RIGHTS WATCH/ASIA DIVISION

Mr. JENDRZEJCZYK. Thank you, Mr. Chairman.

The CHAIRMAN. Will you pronounce your name for me?

Mr. JENDRZEJCZYK. It is Mike Jendrzejczyk. It is spelled correctly here, by the way. Thank you.

The CHAIRMAN. Very well. There are a limited number of your family in North Carolina.

Mr. JENDRZEJCZYK. Thank you, Mr. Chairman, for the invitation to testify this morning.

When President Clinton visits China and steps into Tiananmen Square, he will, as you know, be the first Chief Executive to do so since 1989. I want to emphasize, I am not opposed to high-level engagement. I am certainly not opposed to dialog and discussion. I think this can be quite useful. But this is not an ordinary visit. This is a very special visit, one that is especially meaningful, and a very powerful symbol for the new, emerging Chinese leadership.

We believe the administration should have laid out specific human rights preconditions before setting the date of the visit. Instead, the administration formally agreed to the summit, and now is scrambling to send one delegation to Beijing after another to try to get something in return.

Not only has the administration thus far failed to secure meaningful human rights improvements in advance of the summit, it also seems to be preparing to lift some of the few remaining postTiananmen sanctions imposed by the Bush administration, with strong support from the Congress.

And we believe that under the current human rights conditions in China and Tibet, the administration should not try to restore either OPIC, the Overseas Private Investment Corporation, loans and insurance, or TDA, Trade Development Administration programs, both of which were suspended in 1989.

We would also oppose any easing of existing restrictions on arms transfers to China, including the sales of dual-use technology.

Mr. Chairman, we believe that the cornerstone of the Clinton administration policy for the last year and a half—and Mr. Roth just repeated it a little while ago—trading away criticism of China in the U.N. Human Rights Commission in exchange for promises to sign human rights treaties and to release a few well-known dissidents into exile was a poor bargain. It certainly has not affected the fundamental human rights situation within China.

We know the administration hopes, out of this Presidential visit, to resume the formal dialog on human rights that was suspended by China in 1994, after Mr. Shattuck met with Wei Jingsheng, then in Beijing. We followed that dialog, when it began under the Bush administration, with Mr. Richard Schifter, then in the State Department. We followed that dialog as it continued under Mr. Shattuck. Frankly, it was virtually meaningless, and almost totally useless. I think it is a mistake for the administration to expect that a dialog under the current situation will lead to anything more significant than it had in the past.

We also very much share the concern articulated by Mr. Feingold, that the pomp and ceremony of the President being welcomed in Tiananmen Square will send a message to the Chinese and the American people that will far overshadow anything useful the President might say about human rights or the rule of law when he addresses university audiences. We think the White House should resist pressure from the Chinese to insist that he begin his visit in Tiananmen Square.

We also very much endorse Senator Feingold's suggestion that if the President is going to visit Tiananmen Square, he should find time to visit at least one family member of the victims—of the 89 massacre. These people continue to suffer, in many cases, discrimination and persecution.

One man we hope the President will in fact mention is Mr. Li Hai. He is now serving a 9-year prison sentence for collecting information on the victims of the 1989 massacre. In fact, the list of the 150 Beijing citizens still detained since 1989 attached to my testimony is largely based on his information. We think surely the President should insist on the unconditional release of all of these people.

We also hope the President will secure from China's leaders a pledge to remove by a certain date all the names on an official blacklist that was secretly published in 1994, that now contains more than 50 Chinese citizens who cannot go back to their own country, in violation of international law. This includes distinguished individuals like Dr. Fang Lizhi, the astrophysicist, now in Arizona; Han Dongfang, an activist and labor leader, who is not stranded in Hong Kong, stateless because his passport has been confiscated; as well as Liu Binyan, a prominent Chinese journalist studying in Princeton. All of these people cannot go back to their country.

This would be a significant gesture if these people could go back and begin to organize and carry on their lives, including their pro-democracy activities, peacefully back in their home country.

Mr. Chairman, I have attached to my testimony a number of other recommendations for the President's visit. Again, these are steps that we believe the President should insist upon in exchange for his being the first President to go to China since 1989. These are significant steps.

For example, releasing not a handful of prisoners, but large numbers of prisoners. China, for example, has abolished in its criminal code all of the offenses of "counterrevolution," in March 1997. It replaced these, I should add, with new provisions of, "endangering state security." But, nevertheless, there are more than 2,000 ac-

knowledged convicted counter-revolutionaries. All of those sentences should be reviewed. They should abolish reeducation through labor. Some 200,000 Chinese citizens are now in reeducation through labor camps, an arbitrary form of punishment handed out by the police, with no judicial review. Certainly they should take meaningful steps to improve the human rights situation in Tibet and to ease religious persecution.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Jendrzejczyk follows:]

PREPARED STATEMENT OF MIKE JENDRZEJCZYK

When President Clinton steps into Tiananmen Square, he will be the first U.S. head of state to visit China since the 1989 crack down on the pro-democracy movement. His visit will provide a huge propaganda boost to the new post-Deng leadership team of Jiang Zemin, Zhu Rongji and Li Peng, the last step in China's ten-year climb back from pariah status. More importantly, perhaps, with this visit both governments are signaling their determination not to allow human rights violations to interfere with closer political and economic relations.

We are not opposed to high-level engagement, discussion or dialogue with China, indeed, we believe such exchanges are necessary and useful. But presidential summits are not ordinary visits, and the Administration has thus far failed to effectively use the enormous leverage this summit provides to press for significant—not merely token or cosmetic—human rights improvements. We believe the White House should have laid out specific human rights preconditions before setting the date for the President's visit. Instead, the Administration formally agreed to the summit and now is scrambling to send one delegation after another to Beijing to try to get something in return.

Not only has the Administration failed thus far to secure meaningful improvements, but it appears to be intent on compounding that failure by moving to lift the sanctions that remain in place from 1989. We certainly understand that a combination of carrots and sticks can sometimes be useful in international diplomacy. But under the current human rights conditions in China, we would strongly oppose any move by the Administration to restore the Overseas Private Investment Corporation (OPIC) or Trade Development Administration (TDA) programs suspended in 1989. In addition, we would remind the Administration of the worker rights requirements for OPIC. We would also oppose any easing of existing restrictions on arms transfers to China including sales of dual use technology, such as Sikorsky helicopters.

Since the May 1994 decision to delink MFN from human rights, the Administration has yet to develop an effective bilateral or multilateral strategy for promoting meaningful improvements of human rights in China and Tibet. The cornerstone of its policy over the last year and a half—trading away criticism in the United Nations Human Rights Commission and going forward with summits in exchange for Chinese government promises to sign human rights treaties and releases of well-known dissidents—was a poor bargain. It did produce the release into exile of Wei Jingsheng and Wang Dan and the release, probably under heavy surveillance, of a Catholic bishop, but the overall pattern of human rights violations remains fundamentally unchanged.

The State Department hopes that one outcome of the President's visit will be a formal resumption of the "dialogue" on human rights that Beijing suspended in 1994 following Assistant Secretary John Shattuck's meeting in Beijing with Wei Jingsheng. That "dialogue" was more of a monologue, with the U.S. requesting information on prisoners that China never produced in full. The idea of what constitutes a "dialogue" may well have changed, but judging from the meager results of different human rights "dialogues" now underway between China and the European Union (EU), Japan, Australia, Canada and other governments, we are extremely skeptical that the process by itself will lead to concrete changes. Pressure is also needed.

The limited steps taken by Beijing in recent years have come about largely because of pressure, including the prospect of a resolution on China at the United Nations Commission on Human Rights in Geneva and the earlier debate over annual MFN renewal. Among these limited steps have been the release of prominent dissidents, visits by United Nations working groups and rapporteurs—including the UN Special Rapporteur on Religious Intolerance, who visited China and Tibet in 1994 and last year's trip by the UN Working Group on Arbitrary Detention—talks

with the International Committee of the Red Cross (ICRC), and Beijing's promises to sign and ratify the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR).

I would add that until Beijing both signs and ratifies these two important treaties—welcome steps if they happen—they have no binding force. On October 26, 1997, just prior to the Clinton/Jiang summit in Washington, China signed the ICESCR but to date has not ratified it. It has yet to sign the ICCPR. In private discussions with European diplomats and others, Chinese authorities have indicated they intend to attach reservations taking exception to particular provisions in both treaties. These include article 19 of the ICCPR on the right of freedom of expression; article 8 of the ICESCR on the right to form trade unions; and article 1 in both treaties on the right of freedom of self-determination. It is precisely these rights that are now directly under assault in China.

We are concerned that without the threat of action at the UN Human Rights Commission and without the leverage that a presidential summit could have provided, Beijing will have little incentive to follow through on its promises or to undertake more significant, far-reaching reforms.

The pomp and ceremony connected with the President's trip to China will likely obscure the extent of ongoing abuses. The symbolism of President Clinton's official arrival ceremony taking place in Tiananmen Square will send a message to the Chinese people and to the American people that will override anything the President might say about human rights and the rule of law when he gives speeches to a university audience in Beijing or Nanjing. The White House should have resisted pressure from Chinese officials to start his visit in the Square.

If the leverage provided by the impending summit has been partly wasted, it has not been totally lost, and the President can still make important human rights points during his visit to Beijing. Especially if the President does indeed begin his official visit in Tiananmen Square, he should find time to visit with the family members of one of the victims of the 1989 massacre. Many of them are still suffering from political harassment, discrimination or persecution. One man named Li Hai is serving a nine-year sentence for the "crime" of collecting information on the victims of the 1989 crack down. The list of more than 150 Beijing citizens who are still detained since 1989—which Li Hai helped to compile—is attached to my testimony.

The President should also secure from China's leaders during his visit a pledge to remove by a certain dates the names on an official re-entry blacklist. The list contains the names of more than fifty Chinese citizens now living in the U.S. who cannot return to China. (See names attached, from a document issued secretly by the Ministry of Public Security in May 1994. We expect that other names have been added since then). They have all been subject to government decrees banning them from returning to their own country due to their pro-democracy activities in China or while living abroad. Almost fifty percent of those listed were placed on "most wanted" notices after June 4, 1989; none of them is known to have committed any act which could be construed as criminal under international law. While of course we welcomed the release of Wei Jingsheng or Wang Dan, sending them into exile is hardly a sign of any greater tolerance for political dissent. By contrast, allowing pro-democracy activists, journalists or labor organizers to return to China unconditionally would be a significant gesture by the Chinese authorities.

Other steps the Administration should urge China to take in the context of the President's visit:

- releasing unconditionally large numbers of imprisoned political, religious and labor activists and Tibetans;
- revising China's draconian security laws, including the provisions on "endangering state security" added to the criminal code in March 1997 (see "State Security in China's New Criminal Code," published by Human Rights Watch and Human Rights in China, April 1997);
- reviewing the sentences of more than 2,000 convicted so-called "counterrevolutionaries" with a view towards releasing those convicted solely for exercising their internationally recognized rights of free speech and association, especially since the crime of "counterrevolution" has itself been abolished;
- abolishing "reeducation through labor," a form of arbitrary administrative punishment involving up to three years' detention without judicial review widely used in China;
- protecting freedom of association of workers;
- easing religious repression by abolishing the registration process in its current form and implementing the 1994 recommendations of the U.N. Special Rapporteur on Religious Intolerance;
- allowing regular access to Tibet and Xinjiang by independent human rights monitors.

Overview: Human rights conditions in China

There has been no substantial improvement in China's human rights record in the past year. Isolated prisoner releases, such as the release of Wang Dan last month and Wei Jingsheng in November 1997, have little impact on the overall state of repression in China. In the six months since Wei's release, others have been detained and arrested. The overall pattern of the government's treatment of political dissidents has not changed.

Just last week, Xu Wenli, a Democracy Wall activist who spent twelve years in prison, was apparently picked up the police and has disappeared. The police have kept him under surveillance since his release on parole in 1993. He tried to form a human rights organization and even applied for official approval, but the authorities responded by increasing the surveillance. On April 3, he was detained and held for twenty-four hours; his house was searched and his computer and fax machine were confiscated. The authorities urged him to leave the country, but he refused. On May 4, police stopped his car on the way to the airport as he was taking his wife to a flight to the U.S., on the grounds that he was not wearing a seat belt, and he was not allowed to see her off. Then, on May 9, 1998 he was reported to have boarded a train in Beijing for Wuhan but never arrived. In response to appeals from his family over the last few days, the police have insisted that they know nothing about his current whereabouts. He surfaced yesterday, according to press reports this morning, after being held by police for three days to prevent him from visiting other pro-democracy activists.

A few other recent examples:

- Yang Qinheng, a dissident in Shanghai, was sentenced in March 1998 to three years of "education through labor" after being arrested for reading an open letter on Radio Free Asia on January 27, 1998 calling for the right to unionize. He also said, in the broadcast, that the government's anti-unemployment efforts were threatening to social stability.
- Shen Liangqing, a former prosecutor from Anhui province, was sentenced to two years of "reeducation through labor" on April 4, 1998. He was arrested on February 25, in the run up to the annual meeting of the National People's Congress, after he sent letters to the government criticizing the selection of former premier Li Peng as the new chairman of the NPC. He also had contacts with outside human rights organizations and Western journalists.
- On January 16, 1998, Li Qingxi, an unemployed former health worker at a clinic attached to the Datong Coal Mining Administration in Shaaxi province, was arrested for putting up notices calling on worker to form their own independent trade unions. He was released on February 24, but put under a form of house arrest for one year, serving a "reeducation through labor" sentence.
- On April 5, 1998, Li Baiguang, a law professor on the southern island of Hainan, was reportedly detained by police for trying to start a "salon" with students to discuss political reforms. The university faculty fear he has been arrested.
- The wife of imprisoned labor activist, Liu Nianchun, serving a sentence of three years in a "reeducation through labor camp," applied for a permit to protest his imprisonment on May 1998, during Secretary Albright's visit. Liu signed a petition in 1995 calling for workers to be allowed to form free trade unions. Chu Hailan, his wife, was followed by plainclothes police and the protest was not allowed.

Are these signs of greater "tolerance" towards dissent, as the State Department claimed in its most recent annual country report on human rights?

On the issue of access to prisoners by international humanitarian organizations, there has been no breakthrough. Following a series of meetings between the International Committee of the Red Cross (ICRC) and Chinese authorities, Christian Brumme, regional deputy head of the ICRC, said in February 1998 that he did not expect the Chinese government to agree to the openness required by the ICRC; their non-negotiable requirements include access to all detainees of a similar category, access to all places of detention, completely confidential visits with detainees and so on. Justice Minister Xiao Yang (now head of the supreme court) said last year, after a set of talks, that the ICRC's conditions were too rigorous to be acceptable.

Last month, the U.N. Working Group on Arbitrary Detention delivered its report to the UN Commission on Human Rights in Geneva, describing its visit to China in October 1997 in some detail and making recommendations. Although we believe the Group failed to adequately address some key issues, such as the lack of independence of the Chinese judicial system, it did make some useful findings. For example, it cited the failure of the Chinese Criminal Law to clearly and precisely define offenses "endangering state security," which can be used to imprison political

and religious dissidents as was the case with the "counterrvolutionary" offenses they replaced. The Working Group was told that as of December 1997, there were 230,000 persons being held in reeducation through labor centers throughout China, both ordinary prisoners and political and religious dissidents. According to Chinese government statistics, this is an increase of more than 50 percent over the number of detainees in labor camps just four years earlier (in mid-1993, there were less than 150,000 inmates.) Conditions in the labor camps are often harsh. These administrative punishments clearly violate numerous provisions of international law.

The report of the Working Group does not mention a peaceful protest that took place in Drapehi Prison in Lhasa, Tibet that occurred in the presence of the delegation. A prisoner openly declared his support for the Dalai Lama in a protest planned by several inmates. They were reported to have been intensively interrogated later, severely beaten, and put into solitary confinement after the U.N. delegation left the premises. Yet the delegation received assurances from Chinese authorities that no prisoners would be harmed.

Greater cooperation by China with the U.N.'s human rights mechanisms and perhaps, over time, to greater transparency in China's legal and detention system is clearly desirable, but nothing in the Administration's human rights policy offers China any incentive to make progress in that regard.

There has been some incremental progress in the area of legal reforms. For example, the implementing regulations issued in December 1997 for amendments to Criminal Procedure Law adopted in 1996 allow defendants access to lawyers while they are still in police custody (though meetings with attorneys can be monitored), but there is still a long way to go. There is often a wide gap between laws and amendments on the books and their actual implementation and enforcement. As the Lawyers Committee for Human Rights points out in its new study, "Lawyers in China: Obstacles to Independence and the Defense of Rights" (March 1998), "There are a number of structural and institutional impediments to the development of a strong legal system and an independent and authoritative court system in particular." Among them, according to the Committee, are lack of transparency, poor quality legislation, lack of clear jurisdictional authority for making and interpreting the law, the influence of the Chinese Communist Party and local governments on judicial appointments, and corruption.

Worker Rights

As I noted earlier, we would oppose the lifting of remaining Tiananmen sanctions, such as controls on military transfers or starting up an OPIC program in China; the latter should be ruled out, in any case, by the pervasive violations of worker rights in China. OPIC assistance, under the U.S. Trade Act of 1974, as amended, can only be given to countries that are taking steps to adopt and implement internationally recognized worker rights, including the right of association, the right to organize and bargain collectively, and that prohibit forced labor. As the State Department points out in the 1997 country reports, "Independent trade unions are illegal (in China)... Credible reports indicate that the Government has attempted to stamp out illegal union activity."

During the past year, there have been a series of major protests by workers and other disaffected urban residents in various Chinese cities, mainly sparked by the layoffs at state-owned enterprises. An estimated 25 percent of the urban industrial labor force (about 30 million people) were actually or effectively unemployed. The most serious large scale worker protest erupted early in 1997 in several cities in Sichuan, and other protests also took place in Nanchong in March. In July, in Mianyang, Sichuan, more than 4,000 workers demonstrated outside the city government office demanding jobs. When officials refused to meet with them, the protests became more heated, and the People's Armed Police broke up the gathering. Several dozen demonstrators were injured and there were a number of arrests. In another incident, in May, when laid off workers from the Zhongyuan Oilfield in Henan province organized an unofficial union and sent delegates to Beijing to plead their case, the delegates disappeared and were feared to be arrested. There has been no further word on their fate.

At a Labor Day event earlier this month, a member of the Politburo Standing Committee, Wei Jianxing, warned that increasing labor unrest is likely; Beijing had announced that 3.5 million workers will lose their jobs this year. "Whether we can solve the problem of the livelihood and job placement for the unemployed affects not only the success of the reform of the state-run enterprises," he said, "but social stability and the viability of the socialist regime." On the one hand, the authorities are trying to create jobs—the city of Beijing has ordered the firing of 120,000 migrant workers to open up jobs for unemployed Beijing citizens—and to quell unrest by paying overdue wages to disgruntled workers, but also by urging security officials

to maintain social stability by preventing any overt challenges to the government's rule.

Religious Freedom

We are deeply concerned about official controls over religious belief and practice in China and Tibet. The Chinese government has been conducting an intensive campaign to convince foreign governments that there are no meaningful constraints on religious practice, despite evidence of continuing persecution. Last October, the Information Office of the State Council published a "White Paper on Freedom of Religious Belief in China," asserting that the right to freedom of religion is respected and protected.

Earlier this year, a senior delegation of Chinese religious officials visited the U.S., and in February, three prominent U.S. clerics went to China and Tibet to open an unprecedented dialogue with Chinese officials on religious freedom. The delegation's visit was negotiated during the summit meeting between President Clinton and President Jiang last October. We believe the delegation deserves credit for its principled approach. In its report, it criticized the Chinese government's requirement that all religious sites register with the official Religious Affairs Bureau, and strongly condemned the use of administrative punishments imposed on some religious believers. But the delegation failed to produce any breakthrough, and made the mistake of taking a showcase tour of a prison in Lhasa, Tibet. This provided the authorities with a major propaganda coup. The head of the prison told Archbishop Theodore McCarrick that well-documented reports of torture and ill-treatment of imprisoned monks and nuns were just "stories." The group was shown a prison factory in which "scores of inmates were weaving blankets, with some humming popular songs," according to Xinhua, the official Chinese news agency.

For the past few years, we have documented the Chinese government's increasing control over religious organizations, which has paralleled an increasing interest in religion by Chinese citizens. (For details, see the Human Rights Watch reports "China: State Control of Religion" issued in October 1997, and an update published in March 1998). The government singles out Christianity and Islam as two avenues for subversion by "hostile foreign forces," and views religion as "a critical element of the nationalist movements in Tibet and Xinjiang." It is also concerned about the growth of religious activity exacerbating social instability at a time when the government's economic reforms are creating greater dislocation.

I would like to briefly refer to two recent examples of restrictions on religious freedom: two Roman Catholic bishops, Duan Yiming and Xu Zhixuan, were invited by the Pope to attend a synod of Asian bishops at the Vatican that concludes today. There were refused permission to leave China because the Vatican does not have diplomatic ties with Beijing; in addition, Bishop Duan accepted the Vatican's invitation without first consulting with the Chinese government's Religious Affairs Bureau.

Members of this Committee may have read recent news stories about the release of Bishop Zeng Jingmu, a 78-year old Catholic cleric, who was freed earlier this month, six months before the expiration of his three year sentence to reeducation through labor. His release was confirmed by the U.S. embassy in Beijing, and according to the Washington Post (May 10, 1998) was "seen as another gesture to President Clinton to improve the atmosphere between China and the U.S. before Clinton's visit...." His case was apparently at the top of a list of about 30 clerics and lay believers handed over to authorities in Beijing by the U.S. religious delegation in February. As noted above, there are now unconfirmed reports that he has been placed under heavy surveillance.

Tibet

Finally, I would like to comment briefly on the human rights conditions in Tibet, which remain grim. We were encouraged by reports that the Administration intends to use the President's visit to press for an overall improvement in the situation in Tibet. We hope the Administration will, for example, urge the Chinese government to allow access by credible, independent human rights or humanitarian organizations to the nine-year-old boy recognized by the Dalai Lama in 1995 as the reincarnation of the Panchen Lama. Gendun Choekyi Nyima's whereabouts are currently unknown and there is conflicting information about his current living conditions. Last September, an official of the Tibet Communist Party said that he goes to school and is "perfectly free." Other accounts indicate that he is held under some form of house arrest in Beijing, or is living in his native village in Tibet. The U.S. religious delegation that visited Tibet requested access to him, but it was denied.

Secondly, the U.S. should urge that all monks and nuns expelled from their monasteries and nunneries be immediately reinstated, and that the government's cur-

rent reeducation campaign be ended. Buddhist monks and nuns are expelled for failing to denounce the Dalai Lama; during 1996-97, the campaign affected 35,000 monks and nuns in 700 different sites. As many as 2,800 may have been expelled. They are forbidden to enter any monastery or nunnery or to go to Lhasa.

Thirdly, the Administration should urge the immediate, unconditional release of all Tibetan prisoners held solely for the peaceful expression of their beliefs and opinions. There are at least 650 Tibetan political and religious prisoners, and the actual number may be over 1,200. Getting unhindered, regular access to Tibet by the U.N. Special Rapporteur on Torture would also be another useful and constructive step the White House should encourage in the runup to the President's visit.

BEIJING CITIZENS STILL IN PRISON IN CONNECTION WITH 1989 TIANANMEN SQUARE CRACKDOWN

Beijing No. 2 Prison
Name, Age - Sentence, Charge (see key below for charge name)

Cao Yingyuan, 40 - 10 years, #6
Chang Jingqiang - 25, Life, #4, 5
Chang Yongjie, 31 - Susp. death #4, 6, 9 Chen Dongxiang, 57 - 14 years #3
Chen Qiulong, 38 - 13 years, #3
Chen Yanbin, 23 - 15 years, #7
Guan Jian, 46 - 20 years, #3
Han Gang, 27 - 12 years, #6
Hu Zhongxi - 10 years, #2
Jiang Yaqun, 54 - Susp. death #4, 4A Li Yujun, 29 - Life #4
Li Zhixin, 37 - Life #4, 4A
Lu Jinsheng, 30 - 15 years, #4A
Miao Deshun - Susp. death #1
Shen Licheng, 43 - 13 years, #3
Shi Xuezhi, 53 - 16 years, #4A
Song Kai, 40 - Life #5
Sun Chuanheng, 22 - Life #4
Sun Hong, 22 - Susp. death #4A
Tan Diaoqiang, 42 - 15 years, #3
Tang Yong, 23 - 10 years, #6
Wang, 42 - 15 years, #3
Wang Baoyu - Susp. death
Wang Dongfeng, 40 - 10 years, #4A, 6 Wang Jiaxiang, 76 - Life #4
Wu Chunqi, 42 - Life #4, 4A
Zhang Baosheng, 22 - 13 years, #5, 6 Zhang Peiwen, 55 - 10 years,
Zhao Suoran, 30 - Life #4
Zhu Gengsheng, 31 - Susp. death #4, 4A, 6

Beijing No. 2 Prison, No. 9 Team
Name, Age, Occupation - Sentence, Charge (see key below for charge name)

Bal Fengying, 34, worker - 15 years, #9 Chai Jun, 26 - 14 years, #4a
Chen Yang, 27, worker - 15 years, #9, #10 Deng Wanyu, 34 - 15 years, #4
Dong Shengkun, 37, cadre in Beijing No. 2 Print Works - Susp. death, #4 Du Jianwen, 28, worker - 17 years, #9, #10
Duan Zhijun, 43, worker - 11 years, #4 Feng Lisheng, 33 - Life, #11
Gao Hongwei, 28 - Life, #4
Gao Liang, 27, worker - Life, #4
Gao Zhenhe, 23 - 20 years, #9, #10
Gong Chuanchang, 25 - 15 years, #9
Guo Zhenbo, 30, worker - 13 years, #9, #10 Hao Fuchun, 61 - 15 years, #9
Hua Siyu, 27, cadre - 13 years, #9, #10 Huang Xuekun, 28 - 12 years, #9, #10 Huo Liansheng, 29 - 12 years, #11
Jia Majie, 27, cadre - 13 years, #4
Jiang Sheng, 31, worker - 15 years, #9, #5 Li Changzhan, 34, worker - 13 years, #4
Li Fuquan, 35 - 15 years, #4
Li Hongqi, 31, worker - 20 years, #11, #9, #10 Li Tao, 26, worker - 11 years, #9, #10
Li Zengliang, 27 - 13 years, #10
Lian Zhenguo, 30 - 13 years, #9

Liang Yingchun, 38, worker - 12 years, #4 Liang Yunqing, 27, worker - 14 years, #9, #10 Liang
Zhaohui, 26, worker - 13 years, #4
Liang Zhenyun, 32, auto-mechanic - 12 years, #11 Liang Zhixiang, 25, worker - 10.5 years, #4
Liu Changqing, 34 - 15 years, #4
Liu Chunlong, 26 - 12 years, #4
Liu Huaidong, 31, cadre - 13 years, #10
Liu Jianwen, 29, worker - 20 years, #11, #10 Liu Kunlun, 43, cadre - 13 years, #4
Liu Quan, 44 - 15 years, #4, #13
Liu Xu, 28, worker - 15 years, #4
Liu Zhenting, 36, worker in Beijing No. 2 auto plant - 17 years, #4, #9
Lu Xiaojun, 36, worker - 13 years, #9, #10
Ma Guochun, 35 - 11 years, #9, #10
Ma Lianxi, 44 - 15 years, #11
Ma Shimin, 26 - 11 years, #4
Meng Fanjun, 29, worker - 13 years, #11 Mi Yuping, 39, worker - 13 years, #4 Niu Shuliang, 26, worker - 12 years, #4
Nin Zhanping, 43, worker - 12 years, #4, #12 Peng Xingguo, 41 - 15 years, #4
Qiao Hongqi, 38, worker - 12 years, #11 Shan Hui, 28, worker - 14 years, #9
Shi Xuezhi, 58 - Life, #4
Song Shihui, 24, worker - 11 years, #9, #10 Su Gang, 28, teacher - 15 years, #4
Sun Chuanheng, 28 - Life, reduced to 20 years, #2 Sun Hong, 27, worker - Susp. death, #4
Sun Yancai, 32 - Life, #9
Sun Yanru, 27 - 13 years, #9
Sun Zhengang, 33, worker - 14 years, #4 Wang Jian, 30, worker - 13 years, #9 Wang Lianhui, 31 - Life, #9
Wang Lianxi, 43, worker - Life, #4
Wang Xian, 30, worker - Life, #4
Wang Yonglu, 30, worker - 11 years, #11 Wang Yueming, 32 - 13 years, #4
Wang Chunmo, 34 - 11 years, #9
Wang Dongming, 37, worker - 13 years, #4 Wu Ruijiang, 28, cadre - 13 years, #9, #10
Xi Haoliang, 27, worker - Susp. death, #4, #5
Xu Ning, 26, worker - 12 years (reduced by 2 years), #4 Yan Jianxin, 30, worker - 11 years, #9, #10
Yang Guanghui, 25 - 12 years, #4
Yang Jianhua, 38, worker - 14 years, #9, #12 Yang Pu, 34 - Susp. death, #4
Yang Yupu, 33 - 15 years, #4
Yu Wen, 29, worker - 12 years, #10
Zhang Baojun, 27 - 13 years, #4, #9
Zhang Baoku, 29, worker - 12 years, #4 Zhang Baoqun, 32 - Life, #4
Zhang Fukun, 39 - Life, #4
Zhang Guodong, 27 - Life, #4
Zhang Kun, 28, worker - 11 years, #4 Zhang Maosheng, 30 - Susp. death, #4
Zhang Qijie, 32, worker - Susp. death, #9, #10, concealing a weapon Zhang Qun, 27, worker - Life, #4
Zhang Shengbo, 28, cadre - 14 years, #9 Zhang Yansheng, 30 - Life, #9
Zhao Qing, 28, worker - 18 years, #4, #9 Zhao Yushuo, 37 - 14 years, #9
Zheng Yansheng, 45, worker - 11 years, #4 Zhu Wenyi, 37, worker - Susp. death, #4

Qinghe Farm, No.3 Branch
Name, Age - Sentence, Charge (see key below for charge name)

Chen Baohua, 19 - 10 years, #10
Dong Jianjun, 20 - 9 years, #10
Feng Xuyin, 25 - 9 years, #11
Huo Yanfeng, 16 - 10 years, #4A
Li Lijing, 20 - 10 years, #11
Li Ruijun, 27 - 9 years, #11
Li Shengli, 21 - 9 years, #10
Li Yanming, 28 - 9 years, #11
Liang Aizhong, 26 - 10 years, #10
Liu Dongquan, 24 - 10 years, #4A
Liu Tianli, 21 - 10 years, #10
Lu Jingshan, 20 - 10 years, #4A, 10
MengFanmin, 19- loyears,#11

Qin Zhiyu, 18 - 10 years, #4A
Rong Yongnan, 36 - 10 years, #11
Tian Degang, 30 - 10 years, #10
Wan Baolin, 33 - 10 years, #11, 10
Wang Xianhui, 26 - 9 years, #11
Wei Guoqing, 25 - 10 years, #11
Xiao Fuge, 21 - 9 years, #10
Zhang Zhenxi, 20 - 10 years, #10

Qinghe Farm, No. 8 Branch
Name - Sentence

Deng Yuanping - 9 years
Ding Ke - 9 years
Dong Shuangsuo - 10 years
Shi Guohui - 10 years
Wu Yuping - 9 years
Zhang Cailin - 10 years
Zhang Chuanyou - 10 years
Zhao Yongjiang - 9.5 years

Qinghe Farm, No. 6 Branch
Name - Sentence

Chen Wei - 10 years
Cheng Hongli - 10 years*
Cheng Honglin - 10 years*
Deng Shusen - 10 years*
Li Donghui - 10 years
Li Jimin - 9 years
Zhang Fusheng - 9 years*
Zhang Liwei - 9 years
Zhao Jianxin - 10 years*
Zhao Jun - 10 years

Key

Counterrevolutionary charges:

#1 - Defecting to the enemy and turning traitor
#2 - Participating in armed mass rebellion
#3 - Espionage
#4 - Counterrevolutionary sabotage
#4A - Counterrevolutionary arson
#5 - Counterrevolutionary injury
#6 - Counterrevolutionary propaganda and incitement
#7 - Organizing a counterrevolutionary group
#8 - Conspiring to subvert the government

Common criminal charges

#9 - Robbery
#10 - Hooliganism
#11 - Stealing or seizing gun or ammunition
#12 - Disturbing social order
#13 - Disrupting traffic

Notes:

(1) Some of the ages of prisoners in Qinghe Farm No. 3 Branch are age at date of arrest.

(2) Sentences marked with an asterisk* could have been subject to reduction or supplementation.

(3) "Susp. death" means a death sentence with a two-year reprieve. This means that if the prisoner has behaved well during the two-year period, the sentence is normally commuted to life.

List of Forty-Nine Overseas Members of Reactionary Organizations Currently Subject to Major Control [1]

List A: ''Category 1 Persons''

No.	Name	Sex	Date of Birth	Travel Document Type and No	Expiry Date	Whether on Wanted List	Date of Border Control, Doc. No. and Period of Validity
1	Yan Jiaqi	M	xxx	xxx	xxx	MPS Wanted Notice No (89) 060	On 8/20/91, Ministry of Public Security issued secret telegram placing subject on list of those to be denied re-entry to China; MP Telegram No. (91) 1041, unlimited duration.
2	Chen Yizi	M	xxx	xxx	xxx	do	do
3	WanRunnan	M	xxx	xxx	xxx	do	do
4	Su Xiaokang	M	xxx	No document	[blank]	do	do
5	Wu'erkaixi	M	xxx	do	do	MPS Wanted Notice No. (89) 058	do
6	Chai Ling	F	xxx	do	do	do	do
7	Liang Qingtun	M	xxx	do	do	do	do
8	Feng Congde	M	xxx	do	do	do	do
9	Wang Chaohua	F	xxx	do	do	do	do
10	Zhang Zhiqing	M	xxx	do	do	do	do
11	Zhang Boli	M	xxx	do	do	do	do
12	Li Lu	M	xxx	do	do	do	do
13	Yue Wu	M	xxx	do	do	MPS Wanted Notice No. (89) 069	do
14	Zhang Gang	M	xxx	xxx	xxx	MPS Wanted Notice No. (89) 077	do
15	Yuan Zhiming	M	xxx	No document	[blank]	MPS Wanted Notice No. (89) 0?0	do
16	Wang Runsheng	M	xxx	do	do	do	do
17	Chen Xuanliang	M	xxx	do	do	do	do
18	Zheng Yi	M	xxx	do	do	MPS Wanted Notice No. (89) 100	do
19	Lu Jinghua	F	xxx	xxx	xxx	MPS Wanted Notice No. (89) 078	On June14, 1989, MPS placed subject on list of those to be denied re-entry to China, Border Control Notice No. (1993) 621, re-entry ban valid until June 14, 1998.

[1] This document was issued confidentially by the Ministry of Public Security to all border control units in China in May 1994. The appearance of the letters ''xxx'' in the table indicate that the relevant details have been deleted from the original document in this translation in order to safeguard the privacy of those concerned.

List B: ''Category 2 Persons''

No.	Name	Sex	Date of Birth	Travel Document Type and No	Expiry Date	Whether on Wanted List	Date of Border Control, Doc. No. & Period of Validity
1	Wang Bingzhang	M	xxx	No document	[blank]	[blank]	On August 20, 1991, MPS issued secret telegram placing subject on list of those to be denied re-entry to China; MPS Telegram No. (91) 1041, unlimited duration.
2	Hu Ping	M	xxx	[blank]	xxx	do	do
3	Xu Bangtai	M	xxx	xxx	xxx	do	do
4	Han Lianchao	M	xxx	xxx	xxx	do	do
5	Cao Changqing	M	xxx	xxx	xxx	do	do
6	Liu Yongchuan	M	xxx	xxx	xxx	do	do
7	Liu Binyan	M	xxx	xxx	xxx	do	do
8	Han Dongfang	M	xxx	xxx	xxx	Wanted Notice No. (89) 058	On July 19, 1993, MPS placed subject on list of those to be denied re-entry to China; PRC Border Control Notice No. (1993) 778
9	Xiong Yan	M	xxx	No document	[blank]	MPS Wanted Notice No. (89) 058	do
10	Zhao Pinlu	M	xxx	do	do	MPS Wanted Notice No. (89) 078	do
11	Cheng Kai	M	xxx	do	do	[blank]	On August 21, 1993, MPS placed subject on list of those to be denied re-entry to China; PRC Border Control Notice No. (1993) 842, re-entry ban valid until August 21, 1998 [?l

List C: ''Category 3 Persons''

No.	Name	Sex	Date of Birth	Travel Document Type and No	Expiry Date	Whether on Wanted List	Date of Border Control, Doc. No. & Period of Validity
1	Fang Lizhi	M	xxx	xxx	xxx	MPS Wnted Notice No. (89) 054	On August 20, 1991, MPS issued secret telegram placing subject No. (89) on list of those to be 054 denied re-entry to China; MPS Telegram No. (91) 1041, unlimited duration
2	Li Shuxian	F	xxx	No document	[blank]	do	do
3	Yu Dahai	M	xxx	do	do	[blank]	do
4	Wu Fan	M	xxx	do	do	do	do
5	Ni Yuxian	M	xxx	do	do	do	do
6	Yao Yueqian	M	xxx	xxx	xxx	do	On September 2, 1993, MPS placed subject on list of those to be denied re-entry to China; PRC Border Control Notice No. (1993) 926, re-entry ban valid until December 31, 1998
7	Tang Guangzhong	M	xxx	xxx	xxx	On October 11,1993, MPS placed subject on list of those to be denied re-entry to China; PRC Border Control Notice No. (1993)1038, re-entry ban valid until December 31, 1998	do
8	Guo Luoji	M	xxx	xxx	xxx	do	On August 13, 1993, MPS placed subject on list of those to be denied re-entry to China; PRC Border Control Notice No. (1993) 879, re-entry ban valid until December31, 1998
9	Wu Hongda	M	xxx	xxx	xxx	do	On October 19, 1991, MPS placed subject on list of those to be denied re-entry to China; PRC Border Control Notice No. (1991) 373, re-entry ban valid until December 31, 1996
10	Shen Tong	M	xxx	xxx	do	On November 12, 1992, MPS placed subject on list of those to be denied re-entry to China; PRC Border Control Notice No. (1992)1202, re-entry ban valid until November 2, 1995	do

List C: ''Category 3 Persons''

No.	Name	Sex	Date of Birth	Travel Document Type and No	Expiry Date	Whether on Wanted List	Date of Border Control, Doc. No. & Period of Validity
11	Wang Ruowang	M	xxx	xxx	xxx	do	On March 8, 1993, MPS placed subject on list of those to be denied re-entry to China; PRC Border Control Notice No. (1993) 246, re-entry ban valid until September 6, 1998
12	FengSuying	F	xxx	xxx	xxx	do	do
13	Liu Qing	M	xxx	xxx	xxx	do	On July 19, 1993, MPS placed subject on list of those to be denied re-entry to China; PRC Border Control Notice No. (1993) 778, re-entry ban valid until July 19, 1998
14	Xue Wei	M	xxx	xxx	xxx	do	On April 13, 1993,MPS placed subject on list of those to be denied re-entry to China; PRC Border Control Notice No. (1993) 571[?], re-entry ban valid until September 23, 1998
15	Chen Jun	M	xxx	xxx	xxx	do	On September 2, 1993, MPS placed subject on list of those to be denied re-entry to China; PRC Border Control Notice No. (1993) 826, re-entry ban valid until December 31, 1998
16	Yang Jianli	M	xxx	[blank]	[blank]	do	Currently not subject to control
17	ZhuJiaming	M	xxx	do	do	do	do
18	Xu Jiatun	M	xxx	do	do	do	do

The CHAIRMAN. Excellent. Thank you. Mr. Kagan.

STATEMENT OF ROBERT KAGAN, SENIOR ASSOCIATE CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE

Mr. KAGAN. Thank you, Mr. Chairman.

In his testimony, Stan Roth passed up the opportunity to describe the theory of engagement that underlies the entire administration's policy. I would just like to, extremely briefly, look at what that theory is and ask whether it is in fact turning out the way the administration thinks it ought to.

What is the theory of engagement? It is that we should be trying to integrate China into the international system through a combination of inducements and incentives that will lead them gradually, in their own interest, to accept international norms, to become a responsible player in the international community, both in terms of its domestic policy behavior and in terms of its foreign behavior. At the heart of that theory is that inducements are the way to get China to make the necessary changes of its behavior.

Now, I think that there is real reason to doubt whether this theory is appropriate if you think about what China wants in the world, what the Chinese leadership wants. When I say this, it is not just my opinion. I want to quote just very briefly from two leading Sinologists, who, by the way, happen to share the administration's general approach, but who write very frankly about what it is that China wants.

I am quoting Kenneth Lieberthal, a distinguished professor at the University of Michigan. "China wants the world to accept its Chinese characteristics as part of the price of having the country join international councils. Though a new player, China wants to be a rule-setter and not just a rule-accepter."

Now, let me quote from David Shambaugh, another distinguished Sinologist at George Washington University. Shambaugh argues that because of its domestic politics, China cannot and will not reciprocate the Western policy of engagement, because on the one hand the regime views it as a policy of subversion, and on the other the cost of adapting to international rules and norms are too high. According to Shambaugh, China is a dissatisfied and non-status quo power, which seeks to change the existing international order and norms of interstate relations.

Now, moving from the question of theory to the question of practice, the question we have to ask ourselves today is, who is shaping whom in this relationship? Are we in fact shaping Chinese behavior or are they in fact shaping our behavior, and succeeding in changing international norms that we have established over 50 years of hard work by successive administrations?

I think if you look across the board, across the nine baskets of issues that this administration likes to talk about, you can see that it is China that is increasingly setting the rules and we who are increasingly bending in order to accommodate Chinese desires to make these kinds of changes.

I will not go in any detail through these issues. We have heard already about how we are the ones making exceptions for China on nonproliferation activities. We are the ones who are trying to—the administration has, through various means, been trying to put pressure on Taiwan to accommodate itself to Chinese desires. We are sharing technology with China against our own national security interests. We are in fact now abandoning an international human rights strategy because that strategy annoys the Chinese Government.

And I think it is almost time to ask whether the U.S. policy of engagement has become a policy aimed at protecting China from the consequences of its own behavior. If you look at the administration's actions over the 6 months, in every single case that you can think of, where the Chinese have misbehaved, whether it is on human rights or nonproliferation, it is the administration that has come to the defense of the Chinese Government and sought to move this relationship forward despite those transgressions.

I think it is worth asking, is this what engagement was supposed to mean, whether one agrees with the engagement strategy or not?

I will just make two other quick comments. One is that I believe it was Senator Thomas who asked that there be no surprises leading up to this summit. Well, it seems to me this administration's strategy has all been about surprises. If it were not for the hard work of Bill Gertz at the Washington Times, we would not know that the administration had planned to go even further in the direction of missile cooperation and space cooperation with the Chinese Government. The fact that the memo was leaked and Bill Gertz was able to write about it has effectively killed that plan.

But the administration strategy is to be as quiet about what it wants to do as possible, and then spring these surprises on the Congress. I trust that the Congress will try to keep a close watch on what the administration wants to do, and try to get the administration to say what its plans are and what its strategies are for this summit.

And, finally, I would only like to echo those who have said that it is a tragedy that the President is going to visit Tiananmen Square. The Chinese Government is very eager to sweep away the memories of what happened in 1989, and would very much like the rest of the world to collude with it in sweeping away those memories. I am afraid that no matter what President Clinton say when he arrives in China, the fact of his being in Tiananmen Square will aid the Chinese Government in its efforts to wash over the past and forget about all those who died under tanks in Tiananmen Square.

Thank you.

[The prepared statement of Mr. Kagan follows:]

PREPARED STATEMENT OF ROBERT KAGAN [1]

There has been a long-running debate in this country over the best strategy for managing China's inevitable emergence as global power in the years to come. Some have argued that the only way to steer China toward responsible and peaceful membership in the international system is by containing the Chinese government's increasingly aggressive regional and global ambitions while at the same time applying consistent pressure for sweeping internal political reform. According to this view, which I share, only a democratic China can truly become integrated into an international system of rules and norms of behavior that have been shaped, after all, by the United States and its democratic allies. And only a China which knows that it cannot achieve its goals through intimidation and conquest, through the buildup of its conventional and strategic nuclear forces, and through the proliferation of weapons of mass destruction and advanced missile technology, can ever be considered a reliable "partner" of the United States.

The Theory of "Engagement"

The Clinton administration, of course, has taken a quite different view. The administration has argued that the best policy toward China is one of "engagement." The logic of engagement is that China has a clear set of primary interests—in expanding its economic growth, in preserving an open door to international trade and investment, in maintaining tranquillity at home and peace abroad. These interests, in turn, impose certain requirements on Chinese domestic and foreign policies. To compete effectively in the world's economy requires that China's leaders learn to behave according to internationally established norms and rules, both in external and internal matters. They must sign and abide by international agreements; they must become responsible members of the international community; and, if China's economic prosperity is to continue, they must gradually loosen the controls on free expression and political organization in their country.

Since any other course is contrary to China's interests, as defined by proponents of the engagement theory, Chinese leaders can ultimately be counted on to do the right thing. Obstreperous international behavior or violent repression at home would only lead to China's isolation, straining vital trade ties with the rest of the world, retarding economic growth, and producing a hostile encirclement of China by fearful but well-armed states. According to the engagement theory, China's leaders cannot possibly want to pursue a course so damaging to their interests.

The implications for U.S. policy are clear: With all the forces of global economic integration leading the Chinese naturally toward the very goals we seek for them, goals which, happily, are compatible with our own interests, the task for the United States is merely to help educate the Chinese to understand their interests better, to show them the fruits that await if they will only do what is right, and otherwise to make as little trouble for them as possible. The "engagement" strategy assumes that China can be guided peacefully toward playing a full and responsible role in

[1] Robert Kagan is Senior Associate at the Carnegie Endowment for International Peace.

the existing international order; that Chinese leaders desire to be part of that order or at least can be persuaded to see their interest in becoming part of it; that China's ambitions at home and abroad need not be incompatible with the broad interests of the United States; and that, therefore, the best way to guide China toward peaceful integration in the international order is through patience, forbearance, and active efforts at accommodation and cooperation, not through pressure and confrontation.

Is "Engagement" Working?

The administration has been pursuing "engagement" for four years now, and in recent months it has accelerated efforts to provide the Chinese government with ever more incentives to good behavior. It seems reasonable to ask at this point, especially with the Beijing summit approaching, whether "engagement" is working as its advocates predicted, whether all the American incentives and inducements really have shaped Chinese behavior in a more promising direction, and whether, in fact, China can be expected soon to begin conforming its foreign and domestic behavior to international norms? To put it bluntly, have the administration's optimistic assumptions about China's current course reflected anything more than wishful thinking?

There has, in fact, always been reason to question those assumptions. Even Sinologists devoted to the policy of "engagement" have never concealed the fact that China has little interest in playing by the rules of the international game. According to Kenneth Lieberthal, a fervent advocate of "engagement," China has never been willing to enter the international system without first changing it. "China wants the world to accept its 'Chinese characteristics' as part of the price of having the country join international councils. Though a new player, China wants to be a rule setter and not just a rule acceptor." Thomas J. Christensen, who spent several months interviewing Chinese military and civilian government analysts and then published his findings in Foreign Affairs, has written that Chinese strategic thinkers tend to "view international organizations and their universal norms as fronts for other powers." They participate in international conferences on economic, environmental, nonproliferation, and regional security issues in order "to avoid losing face and influence," but they have no intention of letting the decisions of the organizations constrain their behavior on matters of importance. According to Christensen, they consider "complaints about China's violations of international norms" to be part of "an integrated Western strategy, led by Washington, to prevent China from becoming a great power."

David Shambaugh, head of the Sigur Center for Asian Studies at George Washington University, and a supporter of the administration's approach to China, has made the point even more eloquently. "Because of its domestic politics," Shambaugh has pointed out, "China cannot and will not reciprocate the Western policy of 'engagement' because, on the one hand, the regime views it as a policy of subversion and, on the other, the costs of adapting to international rules and norms are too high." According to Shambaugh, the decisive fact is that China is a "dissatisfied and nonstatus quo power which seeks to change the existing international order and norms of inter-state relations." It does not want to be "integrated" into the U.S.-dominated international order; it does not want to accommodate itself to what the West considers international "norms" Rather, it wants to change the world to suit its own special needs as a powerful dictatorship on the rise.

Critics of "engagement" with China have long been concerned that the net effect of this strategy would not to force China to conform to international norms but, on contrary, and as these prominent Sinologists suggest, to force the United States and the international community to conform to their rules and norms to meet China's desires and interests.

Who is Shaping Whom?

Mr. Chairman, I believe that is the process we have been witnessing over the past few years, and especially over the past six months. Today, Congress needs to pose a question to the administration. If it is true, as Lieberthal argues, that China "wants to be a rule setter and not just a rule accepter," has the Clinton administration begun to acquiesce to this demand?

On some issues, for instance, on the subject of trade, the Clinton administration has so far been reluctant to let the Chinese rewrite the international rules of the game. At the very least the Clinton administration fears the angry reaction in Congress that such an accommodation might spark. The result, however, is that China is nowhere near meeting the requirements of entry into the World Trade Organization, even though the administration had once hoped to bring China in this year.

But in other areas, the administration's resolve has weakened. Confronted by the prospect of having nothing substantial to show for last year's summit, for instance, the administration rushed into accepting Chinese assurances on nuclear non-proliferation so that the President could certify the Chinese as eligible to buy American nuclear power plants. A more prudent approach would have put the Chinese on probation for to see whether they would actually abide by those pledges, since their record of compliance in the past has been miserable. But apparently the administration believed that "engagement" required taking Chinese assurances at face value.

The administration's stated determination to hold the Chinese government to some reasonable standards of international and domestic behavior has weakened further in the months since the summit. In the last six months, the Clinton administration has been working hard to accommodate the Chinese on a host of issues. In March the administration announced it would no longer support a human rights resolution at Geneva, even though last year U.S. officials had promised to work harder to get one passed. In January, the Clinton administration dispatched a group including former Secretary of Defense William Perry to warn democratic Taiwan against any move toward independence. The administration has been silent about the quashing of democracy in Hong Kong, even though democratic rights are steadily being stripped away by the Chinese authorities there

Then there are matters that even more directly affect the vital security interests of the United States and its allies. Since the beginning of the year, the administration has been systematically compromising America's long-term national security interests in order to get short-term trade deals for favored business executives, who also happen to be top Democratic party donors. In fact, nowhere has the administration been more lax in enforcing the international rules of the game than on two important national security issues: China's assistance to nuclear weapons and missile projects in Iran and Pakistan; and the efforts by some American corporations to provide China's own intercontinental ballistic missile program with American know-how and sensitive technology.

Some may recall that the "centerpiece" of last year's Clinton-Jiang summit was an agreement to allow American companies to start building nuclear reactors in China, in return for which China was supposed to cease its nuclear cooperation with Iran and Pakistan. The administration also trumpeted another, related deal at the summit: The Chinese government allegedly promised Madeleine Albright that they would stop providing cruise missiles to Iran, since such missiles directly threaten American naval forces in the Persian Gulf.

But the Chinese appear to have reneged on their promises almost immediately after the summit. Clinton officials now acknowledge, privately, that there was no deal on cruise missiles. The Chinese, apparently, still have every intention of continuing to supply Iran with help in developing medium- and short-range missiles.

As for Chinese assurances against further nuclear cooperation with Iran, these turned out to be hollow. Earlier this year President Clinton certified to Congress that China "is not assisting and will not assist any nonnuclear-weapon state, either directly or indirectly, in acquiring nuclear explosive devices or the material and components for such devices." But at about the time the President was making this certification, U.S. intelligence eavesdropped on Chinese and Iranian officials who were secretly putting the finishing touches on a sale of hundreds of tons of chemicals that would be used by Iran to enrich uranium for use in nuclear warheads.

The Clinton administration did not, however, withdraw the certification and put the nuclear cooperation agreement with China on hold. Instead, Clinton officials quietly let the Chinese government know they had been caught preparing to make the sale; the Chinese canceled the sale (or so they said); and then the administration set about trying to cover up China's violation of its pledges here at home. President Clinton publicly praised the Chinese government after this incident: "The Chinese followed through on [the deal] and kept their agreement to the letter," the President said. "I am well pleased, actually, with the way that issue came out."

In April, the New York Times' Jeff Gerth revealed a troubling story about the transfer of sensitive missile guidance technology to China by two American corporations. According to Gerth, two American aerospace companies, Hughes Electronics and Loral Space and Communications, were suspected of having given "the Chinese crucial assistance in improving the guidance systems" of their Long March intercontinental ballistic missiles in 1996. More specifically, it was the kind of technology that could help the Chinese deploy multiple warheads on their missiles, something they have so far been unable to do. In May 1997, the Times revealed, the Pentagon produced a classified report concluding that scientists from the two firms had "turned over expertise that significantly improved China's nuclear missiles." As a result, the Pentagon report stated, "United States national security has been

harmed." The problem was considered so serious that the Justice Department began a criminal investigation and impaneled a grand jury.

Despite these reports and inquiries, in February President Clinton granted Loral a waiver to provide the Chinese with the same kind of missile guidance information which the company was under investigation for illegally providing two years ago. Clinton overruled the Justice Department, which argued that the decision would undercut the ongoing criminal case, and the Pentagon, which had argued on national security grounds against the sale.

Apparently, the administration intends at the upcoming summit to make it even easier for the Chinese to obtain sensitive technology from American companies. In exchange for yet another round of Chinese promises to stop doing what they said they had already stopped doing, the administration would invite China into the international Missile Technology Control Regime. According to a secret memo uncovered by the Washington Times' Bill Gertz, the administration expects that entry into the MTCR would give China "substantial protection from future U.S. missile sanctions and would expedite somewhat the consideration of MTCR-controlled U.S. exports to China."

Who is shaping whom? Are we reshaping China's behavior, or is the Chinese government reshaping ours? Unfortunately, a clear pattern seems to be emerging in the administration's policy toward China. As China remains intransigent, on issues of human rights and political reform, on its belligerence toward democratic Taiwan, on its military buildup and weapons modernization, and on its sales of weapons, technology, and technical know-how to. Iran, Pakistan and others, the administration has been moving determinedly to shield China from criticism both internationally and domestically. Instead of tough negotiating, instead of standing firm on these vital issues, the administration has looked to give China more and more inducements to better behavior. And it has tried to cover over or find excuses for China's misbehavior.

Is this what "engagement" was supposed to means? It would seem to be an appropriate question for Congress to ask the President before he leaves for Beijing next month. One thing is certain: The Chinese government has held firm in pursuit of its goals. And there should be no doubt what those goals are. To quote Shambaugh again, "Above all, China seeks to disperse global power and particularly to weaken the preponderant power of the United States in world affairs.... China's primary foreign policy goal today is to weaken American influence relatively and absolutely." The Clinton administration's strategy of engagement once purported to try to deal with this problem. Now it increasingly appears that the administration is interested in cementing U.S.-Chinese relations at any cost—even at the price of U.S. security.

The CHAIRMAN. Thank you very much. Mr. Kapp.

STATEMENT OF ROBERT A. KAPP, PRESIDENT, U.S.-CHINA BUSINESS COUNCIL

Mr. KAPP. Thank you, Senator, for letting me come by. I had intended to be super brief and, as the conversation has gone on, I have become a little less brief, but I will stay within my alloted time.

My testimony says something that some will find discomfiting. That is that while it is 10 years since Tiananmen, it is also 10 years since an American President last visited China. I think that we need now to ask ourselves to look at China and to form our understanding of China by asking where China was, where it has come over the last 10 years,and where it now is, not only in terms of Tiananmen alone.

This of course is not the way many people would view the last 10 years of Chinese history, but as I suggest in my written remarks, we cannot look at American history since 1963 as the history of the United States solely since the assassination of President Kennedy either.

The Clinton trip to China actually, in that sense, offers us an opportunity—without even for a minute forgetting or shoving under the rug the tragedy of Tiananmen and the lingering tragedies that

stem from it—to ask ourselves where the United States and China can go and how China has come since the year of the last Presidential visit, without focusing on a single tragic event.

My comments now will unfortunately not include the raising of straw men, the placing of alleged words in others' mouths, the vague use of terms like "some people," the raising of rhetorical questions, or even any particular praise or blame for the administration—our Council is a nonpartisan organization, and that is not my purpose. I have been troubled by these tendencies on much of the inflamed commentary regarding U.S.-China relations that is currently circulating. I want instead to comment on a couple of things that are found in the material I have presented as testimony and in the written documents appended to my testimony.

I think we have to grapple with a difficult realty. That is that we want China, as a government and as a society, to conduct its affairs in greater conformity to global norms, and in fact norms of which the United States has often been a creator. We want China to act better. But we also have a tremendous national interest in the existence of a national government in China that governs effectively. That is, for Americans in the policy sector and perhaps for some Americans in legislation, a difficulty.

Many of the problems that we have with China result from the fact that Chinese political institutions are in such flux, and the profundity of change and uncertainty in the development of Chinese political institutions—long before 1949, but even now—is so great that the government in Beijing simply does not have the power to control the actions—even internationally significant actions—of Chinese citizens or Chinese economic units.

So, we have a problem. I believe that there is a very strong national interest for the United States in developing the maximum possible degree of effective cooperation with the Chinese Government to enable the Chinese Government to govern more effectively in areas that in fact are of profound concern to the United States. The classic case is "rule of law;" there are others—energy and environment for example, and other issues that Stan Roth called the "baskets" in his discussion of the earlier Clinton-Jiang meeting.

The central point is this: It is OK to wishful think about the deconstruction of the Chinese central government or the elimination of an iniquitous regime, but we also have to remember that this is a pretty small world, and that the existence of a Chinese central government that can really govern the country is also of profound importance to the United States. U.S. policy should address the most effective ways of engaging with a Chinese national regime whose ability to govern is itself important to U.S. interests.

The only other point I would raise before I close is the question of perfect satisfaction. I went to a media conference last week on how the media were going to handle the trip. I must say, I think for many of us it was quite dispiriting. I mean, the notion was—from members of the media themselves—that throughout the President's visit to China there will be a constant focus on aspects of the President's personal life or on U.S. domestic issues. In the process, if this happens, the opportunity for this visit to really help reintroduce the reality of China to the American people will be just swept away.

In my testimony, I have chosen to be a little bit more optimistic. It seems to me that the great value of this trip—the first value of this trip—could be to begin the process of reacquainting the American people with the complexity and the variety and the enormity of today's China. Today's China has in it features and dimensions that all of us are repelled by. It also has dimensions and features that are extraordinarily impressive and worthy, I think, of most Americans' appreciation and understanding, you might even say praise; that certainly includes China's achievements in raising living standards and so forth.

So, my hope is that the President's trip, will serve a constructive role, in a sense reintroducing the variety and the complexity of the People's Republic of China to the American people as a whole. It is the American people, ultimately, who will determine the ways in which our Government manages its differences and its common interests with China.

Thank you.

[The prepared statement of Mr. Kapp follows:]

PREPARED STATEMENT OF ROBERT A. KAPP

Mr. Chairman, members of the Senate Foreign Relations Committee:

I very much appreciate your invitation to offer my views to you today, as the Committee considers the implications of the President's upcoming visit to China.

As I have testified before this Committee earlier in this Congress, I will not introduce myself at length on this occasion. I have been president of the US-China Business Council since 1994. The Council is the principal organization of American companies engaged in trade and investment with the People's Republic of China. Founded in 1973, we will celebrate the Council's twenty-fifth anniversary in just a few weeks. Among the nearly three hundred companies and firms that comprise our membership, many have been working with China for ten, fifteen, or even twenty-odd years. We hope that the perspectives developed out of this extensive experience can contribute to the development of effective US policies toward China and to the continued improvement of relations between the two nations.

In support of my testimony today, I have appended a few short items.

Mr. Chairman, the visit of President Clinton to China next month will mark the first voyage on American president to China since the beginning of 1989.

1989-the year conjures a single image when we think about China.

But 1989 was also the last occasion for a presidential visit to China - the first overseas visit by a newly-chosen American president, if I remember correctly.

As we look ahead to President Clinton's visit, it is fair to look at the years since 1989 as the years "since Tiananmen."

But that is not enough, any more than the 18 years of American experience since 1969 are solely the years "since Kent State," or the 35 years since 1963 are solely the years "since the assassination of President Kennedy."

We should also seek perspective on the period "since the last U.S. presidential visit to China."

This visit should indeed cause us to pause for reflection on where both China and the United States have been, where we are today, and where we might go in the future.

As we stop to reflect, we will notice with a start of surprise that time is passing. In little more than a year, we will f'md that more time has passed since Tiananmen than elapsed between the normalization of US-China diplomatic relations in 1979 and the Tiananmen tragedy. Unavoidably, drama becomes history. The world turns. The world of 1989 has changed unalterably. The Cold War is over. The once-feared Asian economic growth engines have sputtered. The United States and China, each in its way, have moved on.

What should we—and our president—consider as we approach Clinton's visit to China?

I. Baseline Observations

A. The immense, uneven and often untidy process of China's quest for post-Mao modernity is the dominant feature of the Chinese landscape over the past two decades.

Initiated by the battered survivors of the chaos and violence of the Mao era and the "Cultural Revolution," the broad reform program established in 1979, with its twin goals of introducing the market economy and integrating China with the wider world, has plowed ahead, erratically but irrevocably.

Agricultural communes are gone. In most areas of the economy, the market forces of supply and demand drive prices and production decisions. Competition has exploded throughout the Chinese economy, especially in the vast sectors where the government no longer dominates. Once an insignificant player in world trade, China is now a global trading power. Basic material needs are satisfied. Government rationing of food grain and cloth, for example, has ended. A massive consumer market has burst forth.

China's politics have abandoned Maoist "mass campaigns" and regime-engineered "class struggle" that burned themselves into American perceptions of the PRC, in favor of non-violent but non-democratic leadership change and technocratic administration. A recent Hong Kong report, citing a classified Communist Party document, revealed that more than seventy percent of officials at or above the rank of vice minister in the Chinese administration immediately preceding the new Zhu Rongji administration had spent at least six months in the United States.

Central planning and the trappings of the Soviet-derived economic model have given way, albeit unevenly and in the face of powerful resistance, to a mixed economy which defies labelling but which has clearly abandoned Marxist-Leninist economic orthodoxy. Chinese citizens whose schooling, employment, and residence were once assigned by the government now make their own choices, in a labor market that would have been absolute heresy two decades ago. The non-state sector of the industrial economy is the growth center of the entire economy.

The still incomplete edifices of a legal system—and of a legal profession—have emerged from the ashes of the Cultural Revolution. Long-dominant institutions and ideological shibboleths have crumbled.

Living standards have risen beyond the imaginations of most 1970s observers. Deng Xiaoping's pledge to double and then redouble China's GNP by the year 2000 was realized five years early.

Global influences—economic, cultural, intellectual—continue to enter China through every channel, including the internet, whose unlimited breadth sometimes causes concern not only to Chinese leaders but to American parents and legislators.

Raggedly, the concept of private property has re-emerged; one of the pressing modern Chinese needs is the establishment in law and practice of effective definitions of property ownership. What is clear is that the rigidities of pre-reform state ownership have broken down.

The Zhu Rongji government has just decided to cut the umbilical cord of government-subsidized housing for urban dwellers, creating in its place private ownership of dwellings and the possibility of an immense new housing market.

I found it interesting to note that Century 21 Real Estate has recently announced establishment of operations in Shanghai.

In short, casual suggestions that China today is unchanged from the China of a decade or two ago—the kind of suggestions conveyed by such journalistic catch phrases as "Aging Maoists," are inaccurate and misleading. No serious observer who has visited China since the last presidential visit in 1989, or since the late 1970s, as I have, could agree with the Member of Congress who solemnly informed me two years ago, "Nothing has changed in China in 25 years."

B. Growth and reform have generated new dilemmas in China.

The PRC today faces massive challenges, many of them stemming from the successes of nearly twenty years of post-Mao reform.

A book recently published in Beijing, *The Critical Moment: 27 Problems Urgently Demanding Resolution in Today's China*, offers a frank look at these challenges.

With apologies for my inadequate translation skills, I have appended my own rendering of the chapter summaries from this fascinating book—whose very publication, I might add, would have been inconceivable in China a decade ago.

Year after year of 10 percent growth has produced prosperity for some, and unprecedented opportunity for many. But there has been a heavy price: environmental degradation on a monumental scale, widespread official corruption both petty and grand, ominously increasing disparities of wealth and income growth between more- and less favored regions of the country, a dearth of broadly-accepted public values among citizens no longer susceptible to heavy. doses of official ideology, visible and growing unemployment in spite of rapid economic growth, prospects of further economic dislocation as the regime now turns to the core tasks of dismantling the inherited Maoist-Stalinist economic edifice.

C. China is still, as it was a hundred years ago, in profound flux.

Institutions rise and fall; jurisdictions are defined and redefined; policies change as conflicting views at the highest levels of government and Party play out behind closed doors. (And remember; when those views clashed in public, in the 1950s, 1960s, and 1970s, the result was too often massive social violence and loss of life.) Power ebbs and flows between the national government, which seeks to weld together a modern nationwide economic structure, and the "localities"—provinces, counties, cities, towns—which often prefer to maximize their local interests without too much concern for national priorities.

The presumption that China's institutions are locked tight, set in concrete, is sadly mistaken, and an inadequate assumption on which to build U.S. policy.

America's challenge—whether in in business or government—is to work effectively with the constant flux and shifting that characterizes day-to-day life and policy in China. Nothing could be more futile than focusing our national policies or our business strategies on an imagined China that has ceased to be—or never was—the "real thing."

Some Chinese traits and conditions, however, run very, very deep. Among them:

Population pressure. Members of the Committee will know already that China has more than 20 percent of the world's population, but only 7 percent of the world's arable land. That land is under ever-increasing pressure, as the government releases controls over private economic choice and farmland is converted to non-agricultural use.

Most estimates suggest that, even without the economic dislocation and unemployment now burgeoning as the national government attempts to dump the core institutions of the Maoist-Stalinist economic system, fifteen to twenty million people newly enter the work force each year.

It was Mao Zedong, in his almost mystical zeal, who excoriated and ruined those serious economists who warned in the 1950s of the dangers of unlimited population growth. Today, his successors grapple daily with the realities of overpopulation, insufficient employment opportunity, torrents of migration from countryside to city, and potential social discontent among the rootless and the unemployed.

Bureaucracy. The Chinese Communists did not invent Chinese bureaucracy in 1949. By the third century BC, the emperor was experimenting with interchangeable administrative officers recruited by a merit-based examination. By the 7th century AD the bureaucratic system took its modern form, lasting with few changes into the early 20th century. What not only Western business people but ardent reformers inside China see as the sloth, corruption and irrationality of much Chinese bureaucratic process has deep, deep roots, and has proven almost impossible to eliminate. An historic attempt at bureaucratic reduction, involving the termination of four million officials in the central government alone, has just gotten underway with the establishment of Premier Zhu Rongji's administration last month.

Government management of morality. The Communists didn't invent this either; from the time of the birth of Christ in our calendar, Chinese rulers, no matter how they attained power (usually through violent upheaval), ruled through the mechanism of an officially promulgated moral orthodoxy. For two thousand years, this was Imperially sponsored Confucian philosophy, embodied in the classical literature whose masters became the emperor's administrative bureaucrats. After 1949, the government-sponsored morality became "Marxism-Leninism-Mao Zedong Thought," with all the repressive implications that conveys.

Today, the excesses of ideological indoctrination have receded, but the rulers of China still take it as a given that the state propagates popular values—and defines the line between acceptable and unacceptable social values and heterodoxy. This is not to the taste of most Americans, but it is a fact.

Fierce debates still occur from time to time, though fortunately without the violence of earlier decades, over the content and the boundaries of state-approved ideology.

The celebration in Beijing this month of the twentieth anniversary of the publication of an article entitled "Practice is the Sole Criterion of Truth"—a topic not calculated to rouse passions inside the Beltway or out in the American heartland—hints at this reality; the original article was a coded attack on the blind ideological fundamentalism of the Maoist era and a clarion call (in Chinese context) for the regime to permit "The Liberalization of Thought." The debate over regime definitions of Right and Wrong for popular consumption is an old one in China, and it persists today.

Uneven economic development. China has always been big, and has nearly always been ruled from a single imperial center point. But, like other very large coun-

tries, it has always contained areas of wealth and of poverty, and in those disparities lurk the possibilities of social tension.

Since the Western advance toward China in the 18th century and China's maritime engagement with the world, coastal China has known the most rapid economic growth. This has been particularly true since the "Opening to the Outside World" after 1978, as massive amounts of foreign investment have poured into the more developed coastal areas enjoying the greatest economic advantages. Indeed, an unanticipated byproduct of China's impressive economic improvement since the late '70s has been the re-emergence of grave inequalities of growth rates and the leaving of some poor and remote areas in the deep shadows of national economic development.

* * * * * * *

Mr. Chairman, thus far in my remarks, I have tried to point out a few of the basic features of the China that the United States faces at the end of the twentieth century. I have emphasized size, the power of the bureaucratic-imperial legacy, the tradition of state sponsorship of moral values, the unending challenge of enormous population and limited resources, the worrisome unevenness of economic development between advantaged coastal areas and disadvantaged interior regions, the constancy of flux and change in policies and administrative structures, and the powerful pull of China's inherited traditions.

As we look back on twenty years of contact with China, we in the business community know that the route to effective and profitable relations with China leads deep into Chinese society itself. It is impossible to succeed with China, we have learned through experience, without continually learning how to make our way. It avails us naught to try to do business with China from our armchairs in Washington or Dallas or New York or Omaha It is fruitless to pack up our sample cases and head for China to "tell them what they need to know." As an earlier generation of American entrepreneurs, both commercial and spiritual, discovered in 19th century China, no amount of selling our wares will succeed if we cannot, as it were, "speak their language."

* * * * * * *

From all of this, what can and should the United States hope for from the visit of President Clinton next month?

First of all, we should hope that the visit will produce something more than sound bites for the American people. The President of the United States represents the entire nation on state visits abroad, and his visit to China should help all Americans to get at least a bit better acquainted with a vast and ancient nation that marches to music other than our own. No one picture—whether of Tianamnen, of the placid fishermen of Guilin, of the Shanghai stock exchange or of an adorable young baby—can alone convey to Americans the complexity and the variety of the Chinese experience. We have lived with sound bites for too long. With the conscientious efforts of the media, the Clinton trip might be able to expand America's sense of China from a crimped menu of black versus white images and 7-second bites into a more serious and complex understanding. That would be the best possible service to US policy making.

Second of all, we should welcome the furtherance of low-key building-block cooperative efforts between the two nations. Presidents Clinton and Jiang made a start in this direction with their October 1997 statement pledging bilateral working cooperation on a wide range of issues of shared concern to the two countries. Modest but serious programs of concrete cooperation—in law, in energy and environment, and in a variety of other fields—are a key to stable and beneficial US-China relations.

Third, we should hope for substantial progress on the major remaining unrealized issue relating to China's role in the world economy, namely, China's accession to the World Trade Organization on legitimate terms. Like every nation confronting the mixture of benefits and obligations arising from participation in multilateral institutions, China has its share of "openers" eager to seize the opportunities offered by greater global participation and of "closers" fearful of the loss of sovereignty or the potential damage to domestic economic interests caused by the opening of markets to foreign participation. Accession to the WTO, moreover, will require of China a degree of economic and social reorganization far greater than anything that the US has ever faced in preparing to join global institutions. Ultimately, therefore, China's leaders will have to face very tough economic and political decisions. I am encouraged, however, by the intensity of current US-China contacts over WTO, hope, with most Americans active in business with China, that the summit will be able to mark definitive progress on major aspects of a final WTO understanding.

Fourth, we should hope for progress on the many non-economic issues that this Committee so frequently discusses. I am not a specialist in most of these areas, and will not write at length on them.

I would hope, however, that members of this Committee might consider the main point contained in the article, "Once in a While, Less Is More," which I have appended to this testimony.

There are times when the way to resolve bilateral disagreements with China is not through high-visibility confrontation, or even through high-drama negotiation. US-China relations are not wrestling matches. Hammer locks don't apply. The climactic "pin," with the loser unable to move while the referee counts him "out" and the audience cheers, is not the stuff of successful US-China engagement and realization of US interests. We err if we assume that in every case, the more strident one side becomes the more pliant the other side will be—in either direction.

I am hopeful, therefore, that in addition to reaching publicly acclaimed bilateral understanding on some issues, such as the WTO, the Clinton trip to China will further advance a process that is already underway; the "reciprocal unilateral" removal of irritants and causes of US-China friction. Whether before, during, or after the upcoming Presidential mission to China, I believe that the continuing re-normalization of US-China relations can and should result in additional unilateral gestures of consideration for each side's sensitive concerns.

* * * * * * *

Will the June visit of President Clinton to China be a "success?" It depends on who is setting the targets.

It is logically impossible for any Summit, or for any actions by either government, to provide absolute satisfaction to all those in one country who are disgusted with the other side's behavior. If we define the upcoming Summit's success in terms of such perfect satisfaction—whether in trade, human rights, regional security affairs, or any other field—then the Summit will be found wanting.

But if we see this summit as a step—symbolic, certainly, but also substantive—in the direction of fuller US-China communication, cooperation, and mutual consideration, I believe that there is a reasonable chance for "success." The process of re-establishing a civil US-China relationship has been underway since 1996. The reciprocal visits of Presidents Jiang and Clinton are an important element in that vital process.

* * * * * * *

Mr. Chairman, the economic and commercial relationship between the United States and China is now immense. China is this nation's fourth-ranked trade partner. Exports to China account, by any reasonable standard, for several hundred thousand American jobs. Imports from China account for more jobs in transportation, services, and sales. US investment in China far exceeds twenty billion dollars. In the global economy, China has come to play a significant and mature role; its maintenance of currency stability in the face of the Asian economic crisis has been widely applauded worldwide, and by US policy makers. Stable and growing economic and commercial relations have been the bedrock of US-China relations, even in periods of political tension, since the 1970s.

The American business community is the first to recognize that making progress—whether commercial or diplomatic—with China is hard work for America and for China as well. We acknowledge a myriad problems in China, both commercial and noncommercial.

We believe, however, that the American response to those problems should be typically American—energetic practical. We know from experience that even when we are told "Meiyou banfa," ("No Way!") there usually is a banfa—a way—to resolve difficulties or prevent unnecessary stalemates. For these reasons, we wish President Clinton well on his mission, and we look forward to continuing to play our constructive role in the building of a reliable 21st century relationship between the United States and China.

Thank you.

APPENDED DOCUMENTS

THE U.S.-CHINA BUSINESS COUNCIL

LETTER FROM THE PRESIDENT

ROBERT A. KAPP

REPRINTED FROM THE JANUARY-FEBRUARY 1998 CHINA BUSINESS REVIEW

ONCE IN A WHILE, LESS IS MORE

In case you haven't noticed, we are in a moment of calm on the US-China front. How long it will last is uncertain. Unless somebody does something sufficiently imaginative to break out of the annual Most Favored Nation-Driven cycle of recrimination, we'll soon see fire-works again, perhaps even before the winter of 1998 is over. While things are quiet, let's contemplate the year past and the way ahead.

1997 Highlights

After months of bitter debate laced with very domestic politics, the US House of Representatives sustained normal US tariffs (MFN rates) on Chinese goods by a decisive margin. An attempt to scuttle MFN in the Senate was quickly defeated. Late in the year, the House passed in a few days a raft of China-focused bills. Prospects of enactment into law in 1998 are at best cloudy.

Hong Kong reverted to Chinese sovereignty with essentially none of the dire eventualities that had sparked a year-long feeding frenzy in the American media and unending discussion in the US political realm. Since the handover, many Americans and others worldwide have remained vigilant, but Hong Kong has dropped almost completely from public view in the United States.

The state visit of PRC President Jiang Zemin produced a number of commitments to improved bilateral cooperation, and a remarkable public event: the two presidents' sober public exploration of deeply divergent perspectives on human rights. Despite heavy US media concentration on points of US friction, the two leaders revealed an increasingly mature and manageable relationship between proud but very different societies.

Bureaucratic engagement between the two governments began to expand in ways that will assist the continuing normalization of US-China cooperation. Already, cabinet- and subeabinet-level engagements are increasing.

Following the conclusion of the state visit, Wei Jing-sheng, regarded by many as China's most prominent prisoner of conscience, was released from penal custody and came to the United States for medical care. Wei's release had been heavily emphasized by leading US human rights organizations and critics of US-China rapprochement; some had urged that the state visit not proceed unless Wei was freed.

Shortly after the summit, during the Vancouver Asia Pacific Economic cooperation forum meetings, china presented US negotiators with a new proposal on World Trade Organization (WTO) accession. American officials have called it a serious step forward.

China moved ahead on key questions of political leadership, and reforms in the crucial area of State-owned enterprise restructuring have already begun to lurch forward at the grass-roots level.

The year end evidence thus suggests that the PRC and US administrations have taken a publicly observable stake in the benefits of civil and respectful engagement, in spite of voices in each nation demanding that the other country be treated as an implacable strategic adversary'.

Signs of "Reciprocal Unilateralism"

After years of megaphone diplomacy, 1997 may be remembered as the year in which a more productive pattern of engagement began to emerge. Call it "reciprocal unilateralism," as distinct from "formal bilateralism."

Under reciprocal unilateralism, the two sides maintain a very direct, thorough, continuous, and businesslike policy dialogue, generally away from the headlines and the "bully pulpit," so that each side has a solid understanding of the others priorities and most sensitive concerns.

When the ongoing, formal bilateral dialogue produces formally negotiated agreements whose public affirmation is acceptable to both sides, the two governments announce and ink their achievements together.

Significantly for the long-term standing of bilateral differences, however, each side also takes unilateral steps to address the other's urgent concerns. Moreover, without

detailed elaboration, each side responds to positive gestures with something positive of its own.

These reciprocal unilateral moves take place with no formal agreements, no joint statements, and no explicit acknowledgement of linkages. As they accumulate, however, the end results are a progressive removal of irritants and improvement of the operating system of US-China relations overall.

In terms of process. this may not be to the taste of all Americans. Some would prefer bankable proof that their own efforts have caused China to modify its policies or practices. In extreme cases, the value seems to lie more in the public credit to be earned than in the concrete results to be achieved. Advocates of a bright-spotlight strategy of public exposure and high-profile demands are probably right in maintaining that pressure is an intrinsic element in the US-China relationship. But yearning for that comforting assurance that one's own actions directly caused a desired change for the better in China is almost always an exercise in futility.

For achieving real results, the reciprocal unilateral style may turn out to be unexpectedly productive. The evidence of the past year suggests that a decision to maintain a real working relationship at the leadership level, after many years of deep doubt, has now been established in both countries. This relationship can allow each side to address the concerns and needs of the other without requiring in every case the official agreements and explicit linkages that formal bilateralism entails. Such a possibility does not mean the end of all differences of position between the United States and China. Like official bilateral commitments, reciprocal unilateral moves can entail domestic political risks.

Reciprocal unilateralism assumes three things. First, it assumes maintenance of very strong, laborious but effective communication between the two administrations. This in turn demands a willingness to commit precious time and attention to a dialogue that will tax the resources of both sides.

Second, reciprocal unilateralism demands consistent adherence to stable and durable priorities. If the two sides cannot dependably convey their priorities to each other, no amount of agile maneuvering will suffice to sustain political confidence in the possibility of shared progress, and bitterness over "moving the goal posts" will wear away at bilateral relations.

Third, reciprocal unilateralism both requires and contributes to a sense of positive purpose and forward movement even in the face of inevitable storms and controversies. Reciprocal unilateralism must bring results in sensitive areas one step at a time, but it is the cumulative pattern that counts. If momentary crises perpetually threaten to derail the process, real progress will not be sustainable. Forces within each society might prefer derailment. Nevertheless, to continue the analogy, while a string of burning tank cars on a rail siding in a populated area might be a great marketing opportunity for gas-mask manufacturers, it doesn't do much for the local citizenry.

The Way Forward

The way forward ideally will see substantial formal bilateral progress in 1998, particularly in the context of President CIinton's visit to China. That visit will, we hope, take place earlier rather than later in 1998.

At the core of the formal bilateral agenda in 1998 should be the PRC's WTO accession and its companion, elimination of the wasteful annual US renewal of China's normal tariff status. Though we've said this before, recent signs of progress have once again suggested that a genuinely acceptable agreement between the United States and China, prerequisite to broader WTO agreement on China's accession, may finally be edging within the two leaders' grasp. The two sides now know each other's positions well, and the two nations' leaders have apparently blessed further progress in this key area. Expeditious conclusion of the nearly endless WTO haggle, on economically legitimate terms, is far and away the biggest concern of US business at the formal bilateral level.

The way forward should also see the further development of longterm bilateral cooperation in such areas as the extension of international legal procedural norms, under conditions in which neither side is the demander and neither is the target.

The way forward should see additional reciprocal unilateralist steps in areas of great sensitivity. This is as significant as required progress in formal bilateral settings. Already, the two sides have begun to show that they can make these gestures. There is no need to elaborate the issues here or to propose a specific tit-for-tat formula. The gathering record should speak for itself.

Finally, the way forward must be just that—a path to progress. Standing still is equivalent, bicycle-style, to falling over. If the two sides have decided to invest in the rebuilding of a crucial global relationship, it will not do to lose concentration, or to stow the follow-up plans in the back of the drawer.

In the US-China arena. 1997 ended more positively than it began. Look for more drums and cymbals in 1998, but hopefully for further nuanced progress on the reciprocal unilateral front—and ideally for resolution at last on WTO as well.

THE U.S.-CHINA BUSINESS COUNCIL

LETTER FROM THE PRESIDENT

ROBERT A. KAPP

REPRINTED FROM THE JANUARY-FEBRUARY 1998 CHINA BUSINESS REVIEW

THE MEANING OF THE 1997 MFN VICTORY

The June 24 decision by the US House of Representatives to maintain normal trade relations between the United States and China by refusing to abolish Most Favored Nation (MFN) tariffs on Chinese imports, although the eighth consecutive case of MFN preservation, must not be regarded as "business as usual." It was the result of a remarkable amount of very hard work, not only by the community of American international businesses and key national organizations like the US-China Business Council, but also by a new and impressive array of smaller businesses and non-business organizations that expressed for the first time the full breadth of US national support for a decent and civil relationship with China.

The extent and the ferocity of this spring's assault on MFN, and on normal US-China relations, deepened the discussion of US-China relations throughout American society. No one can say that the opponents of MFN and those dedicated to downgrading US-China relations did not have their chance to speak this year. They threw everything they had into their attack, including massive media efforts, virulently inflammatory language, shaky numbers, misleading statements, and plenty of bitter assaults on the integrity of MFN's supporters.

At first, Congress reeled backward under this onslaught from a well-organized, media-savy campaign that seemed to be as heavily dedicated to scoring domestic political points as to changing US China policy.

In the dark days of February and March, when the full fury of the anti-MFN storm began to burst forth, many in the business community, too, were shocked by the intensity and animosity of the attack. The persistent, unelaborated allegations of PRC involvement in US campaign finance irregularities fueled an underlying flame that illuminated the political dangers fading elected officials dedicated to the preservation of normal US-China relations.

The blunt political insistence on defining MFN as a moral-religious issue seemed for a time likely to turn MFN into a visceral, media-magical drama of Foreign Treachery and Domestic Villainy. As the spring progressed, the intricate complexities of American domestic politics produced an ominous rumble of shifting positions among some prominent figures. For a time, it seemed that, in the House at least, MFN was headed for defeat.

Then, something remarkable happened.

From the countryside, from small towns and cities across the country came a growing chorus of alarm that killing MFN would be not only economically disastrous, but morally counterproductive. Members of Congress began to hear, from members of the religious comnunity who actually work with the Chinese in the PRC, a gentle but urgent message of concern over the damage that a comprehensive degradation of US-China relations would wreak on their work and the welfare of their friends within China. Coalitions supportive of stronger US-China relations, especially economic and commercial ties, made their views known in many states—precisely as members of Congress had implored MFN's supporters to do. The views of constituenents—including those in small companies who lack the resources to "work the issues" in the nation's capital month after month—were expressed in home town weekend meetings with members of Congress. local newspapers, and community gatherings. These voices seemed to break through the high-pitched hum of the Washington, DC policy apparatus.

Powerful and respected figures from the Chinese dissident community in the United States came forward, in congressional hearings and through published statements, to point out that killing economic ties between the United States and China was exactly the opposite of what was needed if hopes of further political opening in China were to be realized.

And once again, with particular courage in the face of the anti-MFN side, the committed and steadfast congressional supporters of MFN, including their talented and untiring staffers, worked diligently to spread the message of responsible policy making among their colleagues. The White House and key Administration figures also turned their attention to the future of US-China relations, and argued ringingly for the maintenance of normal trade ties as the keystone of a much larger and more complex relationship.

The business community, long the workhorse of the battle to maintain stable US-China economic relations, came together as never before. Blasted by its opponents as political and moral renegades, the business community found itself this year sharing the burden with a broad coalition of concerned Americans who, in their own words, made the case for MFN on humanitarian and ethical grounds. The business communities comments in Congress. press conferences, letters, and news articles, refuted the outrageous contention that killing MFN was the only legitimate course for people of ethical and religious conviction. My own testimony in the House of Representatives this June attempted to bring together in a single brief document the core moral issues and the eloquent voices of Americans and Chinese outside of business, who provided the dearest justification of continued MFN in the terms that many in Congress chose to emphasize this year.

The Search for the Perfect Message

In the end, MFN's opponents were left to claim that, even though MFN's future was never really in doubt because both the US Senate and the President were certain to ensure its continuation, House defeat of MIN was needed to "send a message." But what the message was, and to whom it ought to be sent, was something the anti-MFN legions could never quite clarify: A message to Hong Kong perhaps? A message to others in one's own political party? Maybe a message from Congress to the White House about control of trade policy? A message to President Clinton, as more than one anti-MFN member of Congress put it? A message to China, as several columnists dubbed it? A message to US consumers? A message to China's leaders?

On June 24, the House of Representatives faced up to the reality that, after eight years of wrenching annual debate the "message" is still impossible to pinpoint. As one impatient congressman made clear, sending a message is no substitute for a substantive and credible policy.

Amazingly, in the final days before the House vote, the national media seemed to turn their attention to other matters. Hong Kong as an MFN issue had fizzled weeks before; the imminence of the Hong Kong handover galvanized media attention and MFN faded into the shadows. By the time of the critical House vote, the whole subject had virtually disappeared from the American press.

So the 1997 MFN battle is over; normal trade is preserved for one more year. Once again, members of Congress in both parties, including some of the most strenuous critics of China, have seen that the annual struggle over tariffs on Chinese imports is of little use in handling the complexities of US-China relations.

The rest of 1997 will be busy: Hong Kong will put in place new governing structures and officials in line with its new status as a Special Administrative Region of the PRC. PRC President Jiang Zemin will visit President Clinton this fall: and bilateral negotiations on China's accession to the World Trade Organization will continue. The need for effective US-China dialogue on many issues is increasing, not diminishing. Opportunities for further progress, interrupted since late 1996, are at hand this autumn. This summer may see additional China-focused proposals in Congress that require careful examination even if they are not specifically tied to continued MFN status for China. But we should take satisfaction in the outcome of this year's struggle. which represents a recovery from adversity and a significant broadening of the social and intellectual foundations for US commitment to stable and enduring commercial and economic ties with China.

THE TALK OF THE HOUR IN CHINA: INTRODUCTIONS TO SAMPLE CHAPTERS FROM THE CRITICAL MOMENT: 27 PROBLEMS THAT DESPERATELY NEED TO BE SOLVED IN TODAY'S CHINA (Published April 1997 in Beijing by a group of young researchers and social scientists under the sponsorship of a prominent scholar-adviser to President Jiang Zemin.)

(Informally translated by Bob Kapp, September 10, 1997)

The Question of our Farmers. From beginning to end, the question of the peasantry is the foremost question of China's revolution and its economic development.

How are we going to rekindle the tremendous energy and enthusiasm that the farmers displayed in the early 1980s? How are we to renew and stimulate the immense potential stored up over the centuries in the hearts of our farmers, in order to build once again a new Chinese Enlightenment in the 21st century?

In today's agriculture we find traditional peasants laboriously tilling the land of their ancestors. But some of our farmers are really modern businessmen, wearing western clothes and leather shoes and carrying bulging briefcases.

We have long talked a big game about the central importance of agriculture. How much longer are we going to go on with this "Agriculture By Slogan"?

The Grain Problem.

China's Third-Generation leadership stresses, "Grain Production Affects Everything."

Worldwide, 800 million people go hungry every day; 500 million children have not enough to eat; their mental and physical development is impaired; 40,000 people die of hunger every day.

The ominous words of/Lester/Brown about "A Starving World" are like a boulder pitched into the water; one stone makes a thousand waves, giving a chilling new significance to all the talk about the "China Threat."

The crisis of the huge fluctuations in China's grain production are rooted in the long years of policy emphasis on heavy industry at agriculture's expense and soaking agriculture /i.e., from 1950s through late 1970s/. Will China's grain situation in the next five years again show such critical fluctuations? What should we do about it?

The Population Problem

China has been carrying out a population planning campaign for 20 years. More than 300 million additional births have been avoided. Even so, our population will rise to 1.3 billion by the end of the century. In 2020 it will be 1.4 billion, and by 2050 it will rise to about 1.6 billion. Only then will we reach the point of zero population growth.

We can rail about people's lack of vision, but actually their outlook is rooted in practicality. Changing their outlook—this is the most effective form of criticism and a way of bringing about some changes for the better in the unfair distribution of mental resources. This relates directly to the willingness of families to invest in the intellectual development of their children.

Furthermore: how are we going to navigate the challenges of a transition to a more rapidly aging population?

The Problem of the State-Owned Enterprises

Our state-owned enterprises are the least efficient. Any delay today in the continued reform of these enterprises will critically impair our social and economic development in the future.

The outflow of assets from state-owned enterprises is now a serious problem. The "legal" loss of such assets is even more serious than the illicit losses. Some have estimated that losses of assets from the state-owned enterprises /i.e., into non-state hands, through whatever means/ now total RMB 500 billion /approx. US $60 billion. Some say the leakage is running RMB 100 billion each year. Who can say for sure?

Are state-owned enterprises a good thing or a bad one? Can China's state owned enterprises exist independent of government? Should state-owned enterprises simply withdraw from economic fields in which there is competition, or shouldn't they? Should the pursuit of profits be the only aim of state-owned firms? What will become of our state-owned enterprises in 15 years?

The Problem of the Market Economy.

The Cold War between East and West in this century was rooted in different assessments of the market economic system; from that emerged a conflict of ideologies and of systems.

Rigorously speaking, the beliefs we have embraced since the beginning of Reform in the late 1970s has been an "Operations Philosophy." This condition lasted until after Deng Xiaoping made his famous Trip to the South in 1992 /in which Deng called for the renewal of rapid economic liberalization after a post-Tiananmen period of economic and ideological retrenchment/.

The conditions of China's early reform period were not the result of a deep-going economic crisis, but rather the result of social pressure. What kind of system and what kind of future do we face, now that our economic life is switching from one track to another? What will we gain from this transition? What will we lose?

We have already travelled down the easy path. The next steps of our reform are going to encounter much more difficult challenges. Starting from where we are today, China's socialist market economy could face three very different futures.

The Question of our International Strategy

Will the 21st century see the funeral of the socialist world? Will it be "The American Century?"

China's international strategy in the 21st century absolutely will not rely on a narrow nationalism or on constantly saying "No!" to cooperation with others. We have no need to become the second "Mr. NO!"

We should in a dignified way "Invite the U.S. to descend from its gilded throne of global hegemony."

A policy of strength is a historical given. China's military standard should at least approximate that of France. China should seriously, but discriminatingly and in appropriate ways participate in UN peace-keeping activities.

The Problem of Crime

The crime rate in the mid-'90s was eight times the crime rate of the early '80s. We are now going through the fifth national crime "High Tide" since 1949

The characteristics of this crime wave are as follows; the scale of crimes is growing and the harm inflicted is increasing; crimes are becoming more structurally diverse; the ratio of people violating the law is increasing; rural crime has reached alarming proportions; the effects of official and public-employee crime are pernicious; organized crime grows day by day. Any kind of crime known abroad is also found in China, such as secret manufacture and sale of weapons and ammunition, computer crime, counterfeiting of money and credit cards, and so on.

China's investment in public safety represents 1 percent of total national investment. In developed countries it stands at 3 to 5 percent, and in developing countries public-safety investment averages 9 percent. Budgets are starved for funds; sometimes, for lack of money our law enforcement people fail to do their duty...Those who do police work face extremes of hardship.

The Problem of Education

China's education develop could burst ahead in one of three directions.

Some areas have experimented with the bases for financial self-sufficiency in education, and may very carefully unhook themselves from public funding.

Higher-level schools should gradually establish a system of budgeting for the costs of human resource development, carry out cost-benefit analyses in training programs, and reverse the system of "schools managing the community," so that "the community manages the schools."

China's education needs to overcome its present over-standardized, slanted and narrowly "closed" condition, establishing instead an outlook that respects and dignifies each individual, develops each person's natural, and cultivates in each student a sense of self-development and responsibility.

The Problem of the Moral Quandary

The power of China's tradition of ethically based culture is so great that for two thousand years society in the main did not rely on physical force, or on religion, or even on law for its enormous stability and unity. "Governing the empire by the influence of virtue" was China's unique cultural tradition.

The destruction of the realm of ideals has led to two different disorientations. One was the lack of psychological preparedness for the enormous burdens accompanying modernization, which pitches some people into the deepest sense of hopelessness and crisis of belief On the other hand, some people have fallen into a life of giddy infatuation with the other countries' ways of life, leaving them walking zombies and spiritually dead.

Modern Chinese live in a time of historic transition from old moral values to new ones. They fall into unavoidable moral travail. Moral values lose their educating power, and people's values descend into confusion. All kinds of immorality float to the surface. The system of social morality weakens and loses its controlling influence. The core of ethical and moral education changes its appearance....

The Problem of the Wandering Population

Seeking a higher future income is the primary reason for the tide of human labor; there's no doubt that income differentials among regions—and even among nearby towns—has provided the impetus for the increasing movement of labor among regions and within individual regions of the country.

In reforming the present system of household registration, the government's interest would lie in alleviating the crisis of rural unemployment, and raising both the

productivity and the income of laborers. This will promote a new burst of rural economic expansion.

But the price is measured in higher urban unemployment, in the additional inconveniences that affect the quality of urban life, and especially in a rising sense of psychological uneasiness in the cities.

The government definitely can use any number of policy measures to cope with these massive population movements, making it more costly for people to migrate. But this is not nearly enough to stanch the flow of internal migrants, and the scope of this internal migration can only continue to grow.

The Problem of Culture Conflict

Intellectuals' sense of self-worth has already plummeted to the lowest point in a hundred years or more. Their image has lost its luster. Their prestige has lost its majesty. The market economy has unleashed the "God of the Crowds," and opened the door to a "carnival era."

Educated people versed in the humanistic learning of arts and letters cannot leap onto the battlefield of the market economy. They hover fatalistically beyond the boundaries of the flourishing market economy.

In an age of heroes, the brave protests of intellectuals against the tide of worldliness and secularism may not be well received by the general public. Now, as socialist civilization enters a new stage, the task of today's intellectuals will be, through their strenuous efforts, to reaffirm their own values.

The Problem of Public Finance

Reform commonly causes financial pressures. How to deal with these financial pressures has an enormous impact on the governance of the nation

Competition among profit-seeking firms is a little like a crowd getting into a fight in a porcelain shop and throwing cups and plates; some people, in grabbing more plates to throw, wind up destroying the pottery that could have been shared with many other families.

The ever-increasing dispersion of government powers among China's many local regions has become a major obstacle to the further deepening of China's reform programs. It is the direct cause for the present shortage of central government financial resources It turns local governments into the central government's negotiating adversaries as the central government tries to advance the reform process. This intensifying amassing of powers at the local level contributes to the overheating of the economy, and actually creates conditions of economic separatism within our nation.

In the field of economics, constitutional reform first requires financial reform, and financial reform leading to constitutionalism first begins with reforms in the taxation system

The Problem of Sustainable Development

China's modernization has been truly agonizing and full of difficulty. Each time China threads its way through a narrow pass, another forbidding obstacle looms ahead. Now, in the arduous and difficulty-laden period of our arrival in the world economy, we see ahead of us a "Green Wall."

At a time when we are feeling the effects of new modern material culture, and of the modern ethical culture as well, a great many people are alarmed by what they see in the future: a world of constant alarms over crises in production. If present rates of pollution resulting from industrial production, and of the waste of resources, continue, we will not survive.

History leaves to us and our descendants a narrow avenue of escape. The time remaining for us to improve our performance is very short. The fundamental conditions are by now inauspicious; this is our last opportunity for development.

The CHAIRMAN. Gentlemen, that was four excellent testimonies here. I truly want—and I am going to ask unanimous consent, and I believe it will be approved—that this be printed. I would like for you to agree with me to do one thing. That is to adjust your text to cover over any haste that you may have in trying to you know. Because what we want to do with this—and I have done this on a number of occasions—not recently—but we have this printed and we distribute it among the opinion-makers, the editors of magazines and so forth. So, you have not misspent your time, I hope, coming here this morning. You certainly have been beneficial to us. I thank you very much.

And with that, if there be no further business—and there better not be—to come before the committee, we stand in recess.

Thank you so much.

[Whereupon, at 11:45 a.m., the hearing was adjourned, subject to the call of the Chair.]

APPENDIX

U.S. DEPARTMENT OF STATE,
WASHINGTON, DC 20520,
July 15, 1998.

DEAR MR. CHAIRMAN:

Following the May 14, 1998 hearing at which Assistant Secretary Stanley Roth testified, additional questions were submitted for the record. Please find enclosed the responses to those questions.

If we can be of further assistance to you, please do not hesitate to contact us.

Sincerely,

BARBARA LARKIN,
ASSISTANT SECRETARY,
Legislative Affairs.

Enclosure: As stated.

RESPONSES OF SECRETARY ROTH TO QUESTIONS ASKED BY CHAIRMAN HELMS

Tibet

Question. Mr. Roth, last October, Secretary Albright took the unprecedented step of appointing a senior official on Tibet. Greg Craig's mandate on Tibet is to "promote substantive dialogue between the Government of the People's Republic of China and the Dalai Lama or his representatives," "vigorously promote the U.S. policy of seeking to protect the unique religious, cultural and linguistic heritage of Tibet, and pressing for improved human rights," and "coordinate U.S. government activities and programs regarding Tibet." These are the Secretary's own words.

Mr. Roth, what progress has the U.S. made in advancing dialogue between the Dalai Lama and the government of China, protecting Tibet's religious, cultural and linguistic heritage?

Answer. The Administration continues to be deeply concerned about the circumstances in Tibet, particularly reports of human rights abuses and limits on religious freedom. Steps also should be taken to ensure the preservation of Tibet's unique language, culture and heritage. We believe the best way forward on these issues would be the start of a meaningful dialogue between the Chinese government and the Dalai Lama or his representatives. We are hopeful for progress, but there is still a long way to go.

Consistent with the Dalai Lama's support for the Administration's strategy of engaging China, we have repeatedly and vigorously urged the Chinese government to start a dialogue with the Dalai Lama. We have used every opportunity to address this matter with the Chinese including Secretary Albright's recent meetings with President Jiang Zemin and other Chinese officials during her visit to China. The summit in Beijing later this month will provide a forum for the President to discuss Tibet directly with senior Chinese officials.

Question. What priority is the Administration giving Tibet in U.S.-China relations, specifically during the upcoming Summit?

Answer. We use every opportunity in our engagement with China to press Beijing to engage in dialogue with the Dalai Lama. We have underlined to PRC officials our concern for the preservation of Tibet's unique cultural, linguistic, and religious heritage, and our desire to see greater respect for the human rights of ethnic Tibetans. Tibet will be a high priority agenda item for the upcoming summit, as will other issues of religious freedom and human rights.

Taiwan Policy

Question. Are you prepared to say that U.S. policy on Taiwan is not now being altered, and will not be altered during, or as a result of, the Summit?

Answer. U.S. unofficial relations with the people on Taiwan, as defined by the Taiwan Relations Act, are not being altered, and will not be altered during, or as a result of, the upcoming Summit.

Question. At what point will Taiwan be entitled to the same respect the U.S. accords China in terms of high level visits by Administration officials, and the ability of the elected Taiwanese president to visit the U.S.?

Answer. Our relations with the people on Taiwan are unofficial, as defined by the Taiwan Relations Act. We treat Taiwan and its people with due respect, consistent with the unofficiality of our relations. When it serves our national objectives, we do support visits to Taiwan of USG officials, up to and including Cabinet rank, from economic and technical agencies. Requests for visits by Taiwan's senior leaders to the U.S. are reviewed on a case-by-case basis; we expect such visits to be personal, private, and rare.

RESPONSES OF SECRETARY ROTH TO QUESTIONS ASKED BY SENATOR GRAMS

Question. What is the status of the US-China bilateral shipping agreement? US carriers still face restrictions in China while China has improved its access in the US. Are the inequities being addressed?

Answer. The United States signed the current maritime agreement with China in 1988. Since then, it has been extended several times and expires on June 15, 1998.

Under the terms of this agreement, maritime authorities from both countries have held frequent meetings, most recently in December 1997 and in March 1998. At each step of the process, we have been in close consultation with U.S. industry representatives We are working with the Chinese to secure authorization for services that U.S. shipping lines want to start or change. We have made clear to the Chinese that a new shipping agreement must let U.S. companies perform the full range of normal business activities without prior government authorization, just as Chinese shipping companies operate in the United States.

RESPONSES OF SECRETARY ROTH TO QUESTIONS ASKED BY SENATOR ASHCROFT

Question. In implementing the nuclear cooperation agreement with China, President Clinton certified to Congress that "the People's Republic of China has provided clear and unequivocal assurances to the United States that it is not assisting and will not assist any non-nuclear weapon state, either directly or indirectly, in acquiring nuclear explosive devices or the material and components for such devices."

President Clinton made this certification on January 12, 1998. Did the President know, at this time, of China's efforts to send Iran hundreds of tons of anhydrous hydrogen fluoride, a material used to enrich uranium to weapons grade?

Answer. The press reports of a potential transfer of anhydrous hydrogen flouride (AHF) from China to Iran were allegedly based on intelligence leaks and it would not be appropriate to address intelligence-related issues in an unclassified response. In general, however, we have been monitoring very carefully China's adherence to its nonproliferation commitments and assurances, including its assurance that it is not going to engage in any new nuclear cooperation with Iran.

We do anticipate that uncertainties will arise from time to time about specific transactions that might raise questions about China's nuclear nonproliferation assurances, and if we encounter such uncertainties, we will not hesitate to raise them with Chinese authorities. But the test of China's commitments is not whether a Chinese citizen or entity contemplates a questionable transaction or consciously or unconsciously attempts to evade export controls. The issue is whether China is attentive to possible violations and whether it takes prompt, corrective steps to prevent or stop any activities that are inconsistent with its commitments. One aspect of this is whether China is responsive to our approaches. Based on all of the information available to us, China appears to be acting consistently with its May 1996 commitment not to assist unsafeguarded nuclear facilities and its October 1997 agreement to phase out nuclear cooperation with Iran.

Question. "The Washington Post" reported on March 13, 1998 that the Administration found out about the transfer of anhydrous hydrogen fluoride to Iran just weeks after the October 1997 summit. Did the President make the January 12, 1998 certification on U.S.-China nuclear cooperation with knowledge of Chinese efforts to ship the nuclear material to Iran?

Answer. As noted above, it is not possible to deal directly in an unclassified question and answer with matters alleged to be based on intelligence leaks. We do raise questions with other governments about potential transactions that appear to be inconsistent with their nonproliferation commitments or which might constitute a violation of their own export control laws. Sometimes such approaches lead to the termination of a potentially troubling transaction, one which may have been pursued

without the knowledge of the proper authorities. In other cases the proposed transaction may turn out to be both authorized and legitimate. In yet other cases, it may turn out that no inappropriate transaction was actually going to take place. At no time between the October 1997 Summit and the submission of the President's certification on January 12, 1998 did we conclude that China was violating its nuclear nonproliferation commitments.

Question. Is the President's certification still valid? Is China transferring nuclear technology in any way to the nuclear weapons program of any country? Are you certain that China is not aiding the nuclear weapons programs of Pakistan and Iran?

Answer. The President's certification is still valid. As noted above, based on all of the information available to us, China appears to be acting consistently with its May 1996 commitment not to assist unsafeguarded nuclear facilities and its October 1997 agreement to phase out nuclear cooperation with Iran, i.e., China is not to our knowledge transferring nuclear technology to the nuclear weapons program of any country.

Question. In a recent White House meeting discussing legislation which would require the President to make various certifications to Congress, President Clinton stated that such legislation places "enormous pressure on whoever is in the executive branch to fudge an evaluation of the facts of what is going on" (quoted in the New York Times, April 28, 1998).

Do you find troubling the President's comments that facts have to be "fudged"?

Answer. The Administration has always reported and evaluated facts as accurately as possible. The comments attributed to the President should not be misinterpreted.

Question. Have the facts of China's proliferation activity ever been "fudged" to avoid imposing U.S. sanctions contained in the Arms Export Control Act and other relevant legislation on Chinese proliferation of missile, nuclear, chemical, or biological weapons material?

Answer. Absolutely not.

Question. Is China currently engaged in any weapons proliferation activity that violates U.S. law?

Answer. Nonproliferation of weapons of mass destruction is one of the highest priorities in our relations with China. We have made significant strides in the nuclear area, but we continue to have concerns in nonnuclear nonproliferation areas.

The U.S. has in the past imposed sanctions on Chinese entities in accordance with U.S. law. For example, we imposed sanctions in 1991 and 1993 on Chinese entities for missile-related transfers to Pakistan and recently for assistance to Iran's chemical weapons program. We will continue to impose applicable sanctions ii and when facts warrant and sufficient standards of evidence are met.

Question. The June 1997 CIA report on the proliferation of weapons of mass destruction identifies China as the "most significant supplier of weapons of mass destruction-related goods and technology to foreign countries."

If this statement is true, in what proliferation activity is China engaged that would violate applicable U.S. nonproliferation statutes?

Answer. Nonproliferation has been one of the highest priorities of the Administration's engagement with China. We have made significant progress with China in the nuclear nonproliferation area, but we continue to have concerns about activities of Chinese entities in the missile and chemical fields.

The U.S. has in the past imposed sanctions on Chinese entities in accordance with U.S. law. For example, we imposed sanctions in 1991 and 1993 on Chinese entities for missile-related transfers to Pakistan and last year for assistance to Iran's chemical weapons program.

We will continue to impose applicable sanctions if and when facts warrant and sufficient standards of evidence are met.

Question. Is China still the world's worst proliferator of weapons of mass destruction technology?

Answer. As noted above, we have made significant progress in the nuclear area. We are continuing to pursue progress in nonnuclear nonproliferation areas including the strengthening of export controls on missiles-related items, dual-use chemicals, and chemical production equipment.

Question. To your knowledge, are there any countries that are worse proliferators of weapons of mass destruction technology?

Answer. Nonproliferation of weapons of mass destruction is a high priority issue in our bilateral relations with many countries. Proliferation concerns are not restricted to one or two countries. For example, we have imposed sanctions on entities in other countries including North Korea, India, Pakistan, Germany, and Italy.

Question. With regard to the Loral-Hughes transfer of satellite technology to China in 1996, The Washington Times reports that a Defense Department memo on the transfer states that "United States national security has been harmed."

A. What sensitive information did Loral potentially transfer to the Chinese in 1996?

B. In your own review of the 1996 case of Loral transferring sensitive technology to China, do you concur with the Pentagon's statement that the "United States national security has been harmed."

C. Has U.S.-China space cooperation improved China's intercontinental ballistic missile capability?

D. Does China have nuclear missiles pointed at the United States?

Answer:

A. The determination of what information Loral may have passed to the Chinese as part of the investigation into the February 1996 launch failure of a Long March rocket is currently under investigation by the Department of Justice. I have not seen the Defense Department report referred to in The Washington Times because of a request from the Department of Justice that it not be released out of concern that its release would jeopardize the ongoing investigation.

B. I have not reviewed the 1996 case personally. Within the State Department, the review was undertaken by regulatory experts in the Office of Defense Trade Controls in the Bureau of Political Military Affairs. The bureau referred the case to the Department of Justice and the U.S. Customs Service.

C. Our policy of allowing U.S.-made commercial satellites to be launched on Chinese launch vehicles was established under President Reagan. Since that time there has never been any consideration of providing China with technology to improve its intercontinental ballistic missile capability.

The U.S. has a very strict policy, embodied in a bilateral technology safeguards agreement between the U.S. and China, which is designed to prevent the transfer of sensitive missile technology to China. U.S. companies involved in Chinese launches of U.S. satellites are specifically precluded from assisting China in any way on the design, development, operation, maintenance, modification, or repair of launch vehicles.

When we obtain information that indicates that such technology may have been transferred in violation of those safeguards we take these cases very seriously and investigate them thoroughly.

D. We know that China has for some time had missiles in its arsenal which are capable of hitting cities in the United States. Additional information can be provided to the Committee in closed session.

Question. Representative Dana Rohrabacher, chairman of the House Space and Aeronautics Subcommittee, stated in floor remarks on April 30, 1998 that the Administration has "been doing everything they can to quash the [Justice Department] investigation" of the Loral-Hughes case. Do you support a Justice Department investigation? How have you helped or assisted the Justice Department?

Answer. The State Department fully supports the Justice Department investigation. We have fully cooperated with Justice's investigation and have been responsive to Justice's requests for documents. We will continue to assist Justice on this case.

Question. According to The New York Times, Justice Department officials feared that the waiver approved by President Clinton on February 18, 1998 for a Loral satellite launch in China would undermine an ongoing investigation of a similar launch in 1996.

A. Why did President Clinton approve the waiver if there was the risk of undermining an important investigation into possible proliferation activity by a U.S. company?

B. Did the fact that Bernard Schwartz—the CEO of Loral—was the largest individual contributor to the Democratic Party have any influence on the Administration's decision to issue the waiver in February for the satellite launch?

C. Were Mr. Schwartz's political contributions mentioned in discussions within the Executive Branch regarding the February 1998 waiver for the satellite launch?

Answer. A. As reflected in the Presidential decision memorandum provided by the NSC to the Committee, the President was aware of the ongoing investigation of Loral for possible export control violations when he signed the waiver in February 1998. The Justice Department's views were weighed carefully in that decision along with other factors which supported a waiver.

The State Department has a long standing policy of not barring applicants that are under investigation from receiving export licenses in the absence of an indictment. If the investigation in this case leads to an indictment before the satellite is exported, the license can be revoked and other penalties imposed.

B. To the best of my knowledge, neither the fact nor the amount of campaign contributions by Mr. Schwartz or any other individual had any bearing whatsoever on the decisionto issue the February 1998 waiver or any other Tiananmen sanction waiver.

C. To the best of my knowledge, the fact of Mr. Schwartz's campaign contributions was never mentioned in any State Department or interagency discussions about this waiver.

Question. Reports indicate that the President will begin his visit to China with an appearance at Tiananmen Square.

If the President is going to Tiananmen Square in June, why not visit the site on June 4, the anniversary of the Tiananmen massacre?

Answer. The United States and Chinese governments have stated that the visit will occur during the last week of June and perhaps the first week of July. During warm weather months, it is Chinese practice to hold arrival ceremonies in front of the Great Hall of the People adjacent to Tiananmen Square. The arrival ceremonies for other heads of government who have visited China since 1989, including Major, Yeltsin, Hashimoto, and Chirac, have been held there.

The President's strong views about what happened in Tiananmen in 1989 are well-known and a matter of public record. He has made clear in the past and will continue to make clear our view that the break-up of the demonstrations, and the consequent killing of many innocent civilians, was tragic and a great mistake by the Chinese leaders.

Question. What will the President say in Tiananmen Square? Will he honor the students that were killed there in 1989?

Answer. Ceremonies for foreign dignitaries at Tiananmen Square do not traditionally include remarks by visiting leaders. Human rights is at the top of the President's summit agenda. The President raised our human rights concerns with President Jiang both in public and in private during the October 1997 summit, and plans to do the same at the upcoming Beijing summit.

Question. The Chinese government has been engaged in a systematic and massive campaign to repress religious minorities, and has implemented a general repression of political dissent in China.

Therefore, why did the Administration not introduce and support a resolution to condemn China's human rights atrocities at this year's meeting of the UN Commission on Human Rights?

Answer. The decision not to go forward with a resolution at the UN Human Rights Commission this year was based on positive steps China has taken in the area of human rights in recent months and the anticipation of additional ones. The decision does not mean that China's human rights record is satisfactory. It is not. We will continue to press China—publicly and privately, as appropriate—on human rights issues of concern to us. Human rights issues will be very much on the President's agenda at the Beijing summit.

Question. Was there a deal struck with the Chinese government that the United States would not introduce a resolution in exchange for the release of a select few political prisoners?

Answer. We made this decision because of the positive steps which the Chinese had taken and the expectation of further progress toward improving human rights in the future. I would note that the International Covenant on Civil and Political Rights, which China has announced it will sign, includes a review of China's human rights practices.

Question. The 1996 State Department Report on Human Rights practices stated that "No dissidents were known to be active at year's end" in China. In this country of over 1 billion people, would you say that is still an accurate assessment of the level of political dissent in China?

Answer. No. I do not believe that is an accurate assessment of the current situation. The Department's 1997 China human rights report noted, for example, that a number of dissidents, academics, and former officials issued public statements, letters or petitions challenging the Government's policies or advocating political reform. Generally speaking, the Government's response to dissent over the past year has been somewhat more tolerant than in recent years.

Question. The Administration identifies China's trade regime as restrictive and prohibitive. I would like to consider for a moment the potential for U.S. businesses if China's market was- indeed open. In 1997, the Chinese market demanded much more than the U.S. has actually been able to get past Chinese barriers. In 1997, the U.S. had only 5% of China's $18 billion industrial chemical market; 3% of its $12 billion pharmaceutical market; 3% of its $8 billion poultry market; and less than 1% of its grains market.

What is the Administration doing about this disparity?

Answer. The primary goal of our trade policy with China is to pursue market opening initiatives on a broad scale for U.S. goods, services and agricultural products using the WTO accession process and bilateral agreements. We must see greater balance in our trade relationship, particularly in those sectors where U.S. companies are most competitive. The ongoing WTO negotiations provide the mechanism to address, in a systematic way, the broad range of market access barriers that limit U.S. exporters' access to China's market. Bilaterally, there has been continued progress in reducing illicit IPR production in China and we are beginning to see the legitimate licensing of film and music production in China. Our textile agreement provides market access for the first time for U.S. textiles and apparel exports.

Question. In the 1992 Market Access Agreement, China already made commitments to eliminate& the barriers to these sectors by December 31, 1997. Why do we need further negotiations on these sectors when China has already made the commitments to provide market access but has failed to honor those commitments?

Answer. The Administration is committed to ensure that all agreements are effectively implemented. China's commitments are continually monitored, including those contained in the 1992 market access MOU. China has taken some significant steps in implementing the 1992 Market Access Agreement. Its trade regime is now more transparent, it has lowered tariffs on many products and eliminated well over a thousand non-tariff barriers. While China has removed a substantial number of these barriers, we are concerned with other, less transparent barriers. China's implementation of sanitary and phyto-sanitary restrictions, as required by the 1992 Agreement, also remains incomplete, though China has relaxed restrictions covering imports of U.S. apples, cherries, grapes, cattle, swine, and bovine embryos.

Question. Will the Administration ensure that all of China's 1992 Market Access commitments are fulfilled before it supports WTO accession?

Answer. The Administration is committed to ensure that all agreements are effectively implemented China's commitments are continually monitored, including those contained in the 1992 market access MOU. China has taken some significant steps in implementing the 1992 Market Access Agreement. At the same time, the WTO negotiations provide the mechanism to address, in a systematic way, the broad range of market access barriers that unfairly limit U.S. exporters' access to China's market. Some of these barriers were not covered by the 1992 Agreement, and others, such as tariffs, can be further reduced.

Question. China agreed in the 1992 U.S.-China Market Access Memorandum of Understanding that it would adopt a scientific basis for its sanitary and phytosanitary inspection requirements on key agricultural commodities. In exchange of China's fulfillment of this commitment, the United States agreed to staunchly support China's accession to the WTO.

The Agreement was to be implemented by the end of 1997. Is the Administration pursuing WTO negotiations on these issues?

Answer. The Administration is using every available means to ensure that China's sanitary and phytosanitary (SPS) measures for all products, not just those listed in the 1992 MOU, are based on sound science. On the multilateral side in China's WTO accession negotiations, the United States has emphasized that China must comply with all aspects of the SPS Agreement upon accession. We have specifically requested that China describe how it intends to implement the SPS Agreement. Once China accedes, it will be subject to WTO dispute settlement should WTO members believe that China's SPS measures violate the SPS Agreement.

Question. Will the Administration be able to ensure that the 1992 commitments of the Chinese are fulfilled before it supports WTO accession?

Answer. On the bilateral side, we are continuing to work to ensure that China implements the 1992 MOU. China has made some progress on improving the implementation of SPS measures so that it now permits imports of U.S. live cattle and swine, bovine embryos, cherries and delicious variety apples from Washington, apples from Oregon and Idaho, and grapes from California. We are continuing to work on resolving SPS issues related to citrus, wheat from the Pacific Northwest, and tobacco. U.S. negotiators and agricultural experts have intensified their efforts over past few months so that we can reach agreement on appropriate protocols and work plans for these products and exports can commence soon.

Question. China made two commitments in the 1992 U.S.-China Market Access Memorandum of Understanding that are important to the U.S. automobile industry. First, China made the assertion that it does not have or will not have any import substitution policies in place. Second, it stated that it does not or will not make quantitative restrictions on automotive joint ventures' access to parts or kits. Specifically, the Agreement stated:

> The Chinese government also agrees that the operation of current and future U.S. joint ventures in China in the production of motor vehicles and parts will

not be affected by quantitative restrictions on parts or kits to be used by the joint ventures. Furthermore, such joint ventures will be permitted to import parts and kits to expand production, including expansion into new product lines.

In exchange for China's compliance with all of these commitments, the United States stated that it would support China's WTO accession. In the USTR annual report, the Administration reported that it is negotiating with China on these policies.

Question. Are these negotiations under the purview of the 1992 Agreement, or is the Administration going forward with WTO negotiations even though the Chinese failed to honor their commitments?

Answer. While it's not appropriate for us to comment on the language in the USTR annual report, the Administration is committed to ensure that all agreements are effectively implemented. China's commitments are continually monitored, including those contained in the 1992 market access MOU. China has taken some significant steps in implementing the 1992 Market Access Agreement. Its trade regime is now more transparent, it has lowered tariffs on many products and eliminated well over a thousand non-tariff barriers. While China has removed a substantial number of these barriers, we are concerned with other, less transparent barriers.

Question. Will the Administration be able to ensure that the 1992 commitments of the Chinese are fulfilled before it supports WTO accession?

Answer. China has taken some significant steps in implementing the 1992 Market Access Agreement and we are continuing to press China for full implementation of its commitments under this agreement. The WTO negotiations provide the mechanism to address, in a systematic way, the broad range of market access barriers that unfairly limit U.S. exporters' access to China's market. Some of these barriers were not covered by the 1992 Agreement, and others, such as tariffs, can be further reduced.

Question. Pervasive piracy in China continues to undermine severely the ability of U.S. software companies to do business in that important market. We will not be able to get a handle on this problem until the Chinese government gets its own house in order and ensures that it is internally using only legal software.

Will the President address this problem during his trip to China by asking the Chinese to issue a "Red Head Decree" (equivalent to a U.S. Executive Order) mandating the use of legal software in government entities at the central, provincial, and local levels?

Answer. We understand that final decisions have not yet been made on what topics the President will raise during his trip to China. We believe that issuance of a directive of the type you describe would be a useful step. We don't plan to stop with that step. Follow-up will be required to determine if ministries are actually enforcing the order and that will require additional cooperation from China.

Question. Is it the Administration's position that this is of critical importance to the future of the software industry in China? I support this and the issuance of a comparable executive order in the United States.

Answer. No additional comment.

Question. The U.S. software industry is having trouble bringing actions against companies in China that make unauthorized copies of U.S. products for internal use. In fact, the U.S. software industry has stated that this practice of pirating for internal use accounts for over half of the nearly $1 billion in losses faced by U.S. software companies every year in China.

What steps is the Administration taking to promote the rule of law in China generally?

Answer. In the joint statement issued at the October, 1997 summit, the U.S. and China agreed that promoting cooperation in the field of law serves the interests and needs of both countries and agreed to undertake cooperative activities in a number of areas. These activities will be focused on improving legal institutions in China, including in the area of commercial law. The Administration has been working hard with the Chinese to work out details of these activities. More generally, the Administration's efforts in connection with China's accession to the WTO will promote changes that will contribute to increasing the rule of law through requiring enhanced transparency, the obligation to notify and explain decisions, subjecting all administrative decisions on trade-related issues to judicial review, and application of the WTO's dispute settlement procedures to China's laws and regulations. Our bilateral agreements with China also contribute to and promote the concept of rule of law. The Administration expects China to implement its agreements fully and works to ensure that China respects its bilateral obligations.

Question. Also, what steps are being taken to develop an enforcement system allowing U.S. software and other companies to enforce their rights?

Answer. Based on our bilateral IPR Agreements, China has taken strong measures against production of pirated CD-ROMs, VCDs and other optical media. Chinese authorities developed andused a reward system to obtain information on illegal production facilities in China. In 1997, China revised its Criminal Code to make IPR infringement a separate offense punishable by prison terms and fines. The government has also instituted a system under which IPR owners can bring criminal actions as well as civil actions against alleged infringers. Finally, we have requested that Chinese authorities issue high level guidance to ministries to reinforce the need to ensure that the government uses legitimate software in an authorized manner, i.e., stop end-piracy in government ministries. We are also urging the government to ensure that adequate resources are made available for the purchase of enough legitimate software to address the needs for that product.

U.S. government experts and negotiators meet with their counterparts on a regular basis to raise these and other IPR protection and enforcement issues. We will continue these efforts in China, as we do in other countries with IPR problems, until we reach a satisfactory solution.

RESPONSES OF SECRETARY ROTH TO QUESTIONS ASKED BY SENATOR THOMAS

Arms Sales to Taiwan

Question. The Taiwan Relations Act was enacted to assist in safeguarding peace, security and stability in the West Pacific region. Will the United States continue to sell arms to Taiwan in accordance with the Taiwan Relations Act?

Answer. Yes, the Clinton Administration remains firmly committed to fulfilling the security provisions of the Taiwan Relations Act and to making such defensive arms available to Taiwan as are necessary to carry out those provisions.

Question. The PRC has not given up the use of force to solve the cross-Strait issue. How would the U.S. government react if the PRC test fired missiles again in the Taiwan Strait?

Answer. In accordance with the TRA, we would consider any effort to determine Taiwan's future by other than peaceful means a "threat to the peace and security of the Western Pacific area and of grave concern to the United States." As required by the Taiwan Relations Act, if we were to perceive a threat to the security or the social or economic system of the people on Taiwan and any danger to the interests of the United States arising therefrom, we would consult with the Congress on an appropriate response.

Question. The PRC views U.S. arms sales to Taiwan as part of global arms proliferation. The PRC seeks linkage of the two issues in order to stop U.S. arms sales to Taiwan Has the Administration ever considered halting arms sales to Taiwan, or putting a moratorium on major arms sales to Taiwan? What is your interpretation of arms sales to Taiwan?

Answer. The Administration remains committed to making such sales of defensive arms to Taiwan as are necessary to fulfill the terms of the Taiwan Relations Act. Such arms sales are consistent with the 1982 U.S.-PRC Joint Communique. This policy is firm and will not change. In our view, U.S. arms transfers maintain Taiwan's capability to defend itself, thereby contributing to regional security and stability and creating an atmosphere conducive to the peaceful resolution of differences between Taiwan and thePRC.

Question. At the time of the China-Taiwan cross-Strait tensions in 1996, the U.S. and Taiwan militaries had an insufficient knowledge of each other's military leaders and operation procedures. While we are heading for closer relations with the People's Liberation Army, are you willing to support efforts to upgrade U.S.-Taiwan military-to-military relations?

Answer. Under the auspices of the American Institute in Taiwan, we maintain regular contacts with the Taiwan military. We have worked to ensure that this relationship is effective in enabling the U.S. and Taiwan to be well informed on relevant issues. At the same time, we believe our efforts to increase openness and transparency in the People's Liberation Army have contributed to stability in the region, which has benefited the U.S., Taiwan, and others.

Question. There have been news articles saying that the U.S. might be consulting the PRC regarding our arms sales to Taiwan. I have to remind you of our "Six Assurances" to Taiwan in 1982 that one of our assurances is not to hold prior consultations with the PRC on future arms sales to Taiwan. Also, please tell me if President Clinton plans to discuss with the PRC regarding arms sales to Taiwan in the coming summit?

Answer. We do not hold prior consultations with the PRC on arms sales to Taiwan. In bilateral meetings, PRC officials frequently raise their concerns about U.S.

arms sales to Taiwan, and we respond when they do so, explaining consistent U.S. policy on this matter.

Question. There is an annual basket in our arms sales to Taiwan. It seems like the U.S. is currently increasing training programs for Taiwan's military personnel. I would support increasing the training but expect that it would not decrease our military hardware sales to Taiwan. Does the Administration intend to reduce arms sales to Taiwan by increasing training programs for Taiwan?

Answer. The Administration remains committed to making such sales of defensive arms to Taiwan as are necessary to fulfill the terms of the Taiwan Relations Act. Such arms sales are consistent with the 1982 U.S.-PRC Joint Communique. This policy is firm and will not change. Training programs supplement and do not substitute for sales of defensive arms. These training programs are intended to enable the Taiwan military to make effective use of the defensive arms we have provided.

The Taiwan Relations Act

Question. Do you also understand the importance of the Taiwan Relations Act as a foundation of our relationship with thePRC as well as with Taiwan?

Answer. We understand the importance of the Taiwan Relations Act as a foundation for our unofficial relationship with the people on Taiwan, and, by extension, its relevance for our relationship with the PRC.

What do you think the U.S.'s interests and obligations are with respect to Taiwan? Do you understand that the Taiwan Relations Act, as the law of the land, takes legal precedence over the three U.S.-PRC joint Communiques, which are merely statements of policy?

Answer. We scrupulously follow the provisions of the Taiwan Relations Act (TRA) as the legal basis of our relations with the people on Taiwan. The U.S.'s interests and obligations are clearly stated in the TRA, for example in the declarations of policy listed in Section 2. These include "to promote extensive, close, and friendly commercial, cultural, and other relations between the people of the United States and the people on Taiwan, as well as the people on the China mainland—," as well as "to provide Taiwan with arms of a defensive character." We have worked hard—and, we believe, successfully since 1979 to achieve a strong and robust unofficial relationship with Taiwan.

We do understand that our three communiques with the People's Republic of China are statements of policy. These policy statements are of great importance in our relationship with the PRC and are consistent with the Taiwan Relations Act. The TRA, as law, clearly takes precedence over the communiques.

U.S. Policies Toward Taiwan

Question. Taiwan has concluded negotiations with the U.S. regarding its accession to the WTO. Does the United States' policy view Taiwan's application as entirely separate from the PRC's application? Will the United States immediately help Taiwan gain accession? Would Taiwan be admitted to WTO earlier than the PRC, provided that Taiwan concludes all its bilateral negotiations with concerned parties regarding its accession?

Answer. Once Taiwan completes its bilateral negotiations with concerned WTO trading partners, a relatively complicated multilateral process under the auspices of the WTO's Taiwan Working Party still remains to be completed. Once the Working Party issues its report and a protocol for Taiwan's WTO accession, the accession package would be ready for reviewby the WTO's general membership.

U.S. policy is that each application for accession to the WTO must be judged separately on its commercial merits. The Working Party process requires consensus among the Working Party members, and Taiwan's formal accession requires support from two-thirds of the WTO general membership. We cannot predict when these processes will be completed. At present, we remain actively engaged in the multilateral process required to forge consensus on.

Question. After the U.S. government's 1994 Taiwan policy review, has the U.S. government done anything in helping Taiwan become members of international organizations? How will the United States government continue to keep its promise of helping Taiwan join international organizations?

Answer. As a result of the 1994 Taiwan Policy Review, recognizing Taiwan's growing economic importance and its increasingly pivotal role in a number of issues affecting the international community, the Administration announced that we would support Taiwan's participation in appropriate international organizations where statehood was not a requirement for membership and where Taiwan had contributions to make. At the time, Taiwan was already a member of both the Asian Development Bank and the Asia Pacific Economic Cooperation (APEC) forum.

In the past several years, we have been addressing Taiwan's accession to the World Trade Organization. In February, AIT and TECRO signed a bilateral market access agreement, an important step which moves Taiwan closer to WTO membership. The complex negotiations on this agreement extended over seven years and required seventeen rounds to complete; we believe the result is a strong agreement that benefits our manufacturing, agricultural, and service sectors as well as the consumers on Taiwan. We remain actively engaged in the multilateral process required to forge consensus on Taiwan's WTO accession.

We have also supported Taiwan's membership in the "Global Governmental Forum" on Semiconductors and in specialized agencies such as the International Grains Council, and its observer status in other groups such as the International Convention for the Conservation of Atlantic Tunas (ICCAT); these are appropriate international fora which do not require statehood for participation. We also support the participation of Taiwan NGO's in international meetings related to initiatives on Global Climate Change (the Conference of Parties for which was held most recently in Kyoto) and to CITES (the Convention on International Trade in Endangered Species).

Consistent with our "one China" policy, we do not support Taiwan's efforts to become a member of organizations in which membership is limited to states, including the UN. We do support opportunities for Taiwan's voice to be heard in organizations where its membership is not possible.

For example, during the World Health Assembly in Geneva last year, we made clear our view that the people of Taiwan have an important contribution to make to the work of the WHO and opportunities should be found for them to do so. We would welcome any arrangements that were acceptable to the members for Taiwan participation in the WHO and other international organizations.

Question. Every member of the APEC is treated as an "economy". It is unjustifiable that, because of PRC's objections, President Lee Teng-hui of Taiwan has not been able to attend the APEC Economic Leaders Meeting like other heads of state of its member economies. What is U.S. policy toward Taiwan's top official attending the annual APEC Economic Leaders Meeting? How could you justify our discriminating President Lee's presence in the meeting?

Answer. APEC is a grouping of economies. When we hosted the APEC Leaders' Meeting, we believed it appropriate that Taiwan should be represented by the head of its preeminent economic agency. Each host economy makes its own decision on whom to invite to the Leaders' Meetings.

Six Assurances

Question. Are you aware of the "Six Assurances?"

Answer. In his testimony before the House Foreign Affairs Committee on August 18, 1982, then-Assistant Secretary John Holdridge, when discussing the meaning of the August 17, 1982 U.S.-PRC Joint Communique for our unofficial relations with Taiwan, explained principles that have been described as the six assurances. I am certainly aware of Mr. Holdridge's statement and the principles he described.

Question. Do you intend to abide by the "Six Assurances?"

Answer. I would like to reaffirm this Administration's commitment to the principles articulated by then-Assistant Secretary Holdridge in his 1982 testimony to the House Foreign Affairs Committee.

Question. Which has the force of law? The Taiwan Relations Act or the August 17, 1982 Joint Communique?

Answer. The Taiwan Relations Act is a law and the August 17, 1982 U.S.-PRC Joint Communique, like the other two communiques between the U.S. and the PRC, is a statement of policy.

One China Policy

Question. Has the United States changed its position on the "One China" policy?

Answer. No. The United States has not changed its position on the "one China" policy which has been followed by six successive Administrations. In our communiques with the PRC, we recognized its government as "the sole legal Government of China" and "acknowledged the Chinese position that there is but one China and Taiwan is part of China." The U.S. has consistently held that resolution of issues between Taiwan and the PRC is to be worked out by the Chinese people on both sides of the Taiwan Strait themselves. Our abiding interest is that any resolution be reached peacefully.

Question. The PRC apparently insists that one China means the PRC. It considers Taiwan to be a part of its territory. The PRC even calls Taiwan a "renegade province." Is such a claim consistent with the U.S. position? How is the U.S. government responding to such and similar statements by thePRC?

Answer. When the issue of Taiwan is raised, the United States responds by reiterating its well-known and consistent position on the "one China" policy. In our communiques with the PRC, we recognized its government as "the sole legal Government of China" and "acknowledged the Chinese position that there is but one China and Taiwan is part of China." The U.S. has consistently held that resolution of issues between Taiwan and the PRC is to be worked out by the Chinese people on both sides of the Taiwan Strait themselves; our abiding interest is that any resolution be reached peacefully.

Question. The creative idea of using words like "the U.S. acknowledges that all Chinese on either side of the Taiwan Strait maintain there is but one China..." in the three Communiques is aimed at not having the U.S. "recognize" one China policy directly. It seems to me that the U.S. has drifted away from the three Communiques in this regard that has maintained stability across the Taiwan Strait in the past decades. Would you tell me what our position is on "one China" policy in the three Communiques, and if we have changed our policy?

Answer. The United States has not changed its position on the "one China" policy as expressed in the three U.S.-PRC joint communiques. In the 1978 communique on the establishment of diplomatic relations with the PRC, the United States "recognized the Government of the People's Republic of China as the sole legal Government of China" and "acknowledged the Chinese position that there is but one China and Taiwan is part of China." The U.S. has consistently held that resolution of issues between Taiwan and the PRC is to be worked out by the Chinese people on both sides of the Taiwan Strait themselves. Our abiding interest is that any resolution be reached peacefully.

Parallel Engagement—U.S. Relations with the PRC and Taiwan

Question. While the U.S. is engaged in improving its relations with the PRC, the U.S. should also upgrade its level of dialogue with Taiwan. This would avoid the impression that the U.S. is improving its relations with the PRC at Taiwan's expense. Have you taken any concrete action to upgrade our level of dialogue with Taiwan since you became Assistant Secretary of State?

Answer. We do not believe that "upgrading" our relations with Taiwan is necessary. Our unofficial relations with the people on Taiwan today are more robust and stronger than ever. Furthermore, the recent improvement in our relations with the PRC has not been to Taiwan's disadvantage. Quite the contrary, cross-Strait relations have improved since President Jiang's U.S. visit. We believe, in addition, that it is inappropriate, given the unofficial nature of our ties with Taiwan and our diplomatic recognition of the PRC, to describe our relationship as one of "parallel engagement."

Since 1979 we have broadened and deepened our ties as Taiwan has evolved both economically and politically. In recognition of these changes and with a view to better advancing our national interests this Administration four years ago conducted an extensive interagency review of the way we manage our Taiwan policy, the first such review since 1979. Developments over the ensuing years in themselves have validated the decisions resulting from that review, and our unofficial relations have continued to expand and improve.

Today, our dialogue with the Taiwan authorities, through the American Institute in Taiwan (AIT) and the Taipei Economic and Cultural Representative Office (TECRO) and directly when appropriate, is regular and extensive in both Taipei and Washington, D.C.

Since the 1994 Policy Review, then Secretary of Transportation Pena in 1994 and then-Small Business Administrator Phil Lader in 1996 were able to visit Taipei to attend meetings of the U.S.-Taiwan Business Council; demonstrating the importance of our economic relationship, we also had Cabinet-level attendance when this group met in the U.S. in 1995 and 1997.

A significant number of U.S. officials of various ranks in economic and technical fields regularly travel to Taiwan each year and an impressive number of figures from Taiwan come to the U.S. and are able to meet their U.S. counterparts here in Washington, D.C. This month, Taiwan's Minister of Finance, its Government Information Office Director-General, and the Chairman of its Straits Exchange Foundation have all visited Washington.

Reflecting the tremendous growth of U.S.-Taiwan economic ties, our 1994 Taiwan Policy Review also paved the way for closer interactions when we agreed to hold both Trade and Investment Framework Agreement (TIFA) talks and Subcabinet Level Economic Dialogue (SLED) meetings with Taiwan. Under AIT auspices, USTR has led the TIFA talks and then-Under Secretary and now Deputy Treasury Secretary Larry Summers has been the lead for the SLED process. We look forward to holding both TIFA and SLED sessions later this summer.

Question. Will there be any US-PRC joint document regardingTaiwan, as a result of President Clinton's visit to Beijing?If yes, will the joint statement/joint news statement/or anyother document weaken the U.S. commitments towards Taiwan?

Answer. We do not anticipate any joint document regarding Taiwan as a result of President Clinton's visit to Beijing.

1994 Taiwan Policy Review

Question. Is it possible to arrange for more high ranking officials to visit Taiwan? Is it possible to include visits by senior officials to Taiwan as part of the overall annual action plan towards Taiwan?

Answer. Since the 1994 Taiwan Policy Review, then-Secretary of Transportation Pena in 1994 and then-Small Business Administrator Phil Lader in 1996—both Cabinet-level officials—have visited Taipei to attend meetings of the U.S.-Taiwan Business Council; we also had Cabinet-level attendance when this group met in the U.S. in 1995 and 1997.

A significant number of U.S. officials of various ranks in economic and technical fields regularly travel to Taiwan each year, and an impressive number of Taiwan visitors at all levels come to the U.S. and are able to meet their U.S. counterparts here in Washington, D.C. This month, Taiwan's Minister of Finance, its Government Information Office Director-General, and the Chairman of its Straits Exchange Foundation have all visited Washington. We look forward later this summer to our Subcabinet-Level Economic Dialogue which is led by Deputy Treasury Secretary Summers under ALT auspices.

Question. When U.S. cabinet members visit the Asian Pacific region during APEC meetings, is it possible for them to visit Taiwan too? Will the State Department support such an idea?

Answer. Other than their own crowded schedules, there is no reason U.S. Cabinet Officials heading economic and technical Departments could not stop in Taiwan during visits to the region, if there is a substantive objective for such a visit.

Question. After the U.S. government's Taiwan policy review, has the U.S. government done anything to help Taiwan to gain membership in international organizations? How will the United States government continue to keep its promise of helping Taiwan join international organizations?

Answer. As a result of the 1994 Taiwan Policy Review, recognizing Taiwan's growing economic importance and its increasingly pivotal role in a number of issues affecting the international community, the Administration announced that we would support Taiwan's participation in appropriate international organizations where statehood was not a requirement for membership and where Taiwan had contributions to make. At the time, Taiwan was already a member of both the Asian Development Bank and the Asia Pacific Economic Cooperation (APEC) forum.

In the past several years, we have been addressing Taiwan's accession to the World Trade Organization. In February, ALT and TECRO signed a bilateral market access agreement, an important step which moves Taiwan closer to WTO membership. The complex negotiations on this agreement extended over seven years and required seventeen rounds to complete; we believe the result is a strong agreement that benefits our manufacturing, agricultural, and service sectors as well as the consumers on Taiwan. We remain actively engaged in the multilateral process required to forge consensus on Taiwan's WTO accession.

We have also supported Taiwan's membership in the "Global Governmental Forum" on Semiconductors and in specialized agencies such as the International Grains Council, and its observer status in other groups such as the International Convention for the Conservation of Atlantic Tunas (ICCAT); these are appropriate international fora which do not require statehood for participation. We also support the participation of Taiwan NGQ's in international meetings related to initiatives on Global Climate Change (the Conference of Parties for which was held most recently in Kyoto) and to CITES (the Convention on International Trade in Endangered Species).

Consistent with our "one China" policy, we do not support Taiwan's efforts to become a member of organizations in which membership is limited to states, including the UN. We do support opportunities for Taiwan's voice to be heard in organizations where its membership is not possible.

For example, during the World Health Assembly in Geneva last year, we made clear our view that the people of Taiwan have an important contribution to make to the work of the WHO and opportunities should be found for them to do so. We would welcome any arrangements that were acceptable to the members for Taiwan participation in the WHO and other international organizations.

Question. Whenever and wherever we did anything which might be viewed as advantageous to Taiwan, the PRC will always give us a hard time. In terms of a long

term U.S. policy toward the two sides of the Taiwan Straits, what, in your view, is a balanced and sustainable policy toward these two parties which may minimize U.S. trouble in that area?

Answer. We maintain unofficial relations with the people on Taiwan as legally defined by the Taiwan Relations Act and in accordance with our 1994 Taiwan Policy Review. We believe that our unofficial relations with Taiwan are also consistent with our three joint communique's with the PRC. Thus we believe that our current policy is balanced and sustainable and that we are managing each relationship in the manner most beneficial to our national interests.

○