

fees, charges, interest rates is in microscopic print and most frequently on the back of the check itself.

Mr. President, banks are trying the patience of the American consumer with their ever increasing use of fees and questionable market practices.

My State of Nevada has gone through a series of bank mergers that have left customers frustrated and confused. Service has been downgraded, accounts lost and fees increased. According to one report, the number of types of fees charged by banks increased from 96 to 250 while the banking industry itself continues to earn record profits—surpassing \$50 billion.

These unsolicited checks are setting rates right up against the usury ceilings with some carrying rates as high as 25 percent. Adding insult to injury, these checks are targeted to people who can least afford to pay these exorbitant rates but are easily tempted by the lure of easy money.

Mr. President, I want to commend Congressmen HINCHEY and GONZALEZ in the House for raising this issue. I look forward to the Banking Committee holding hearings on this important legislation. The distinguished chairman of the subcommittee has indicated that it is his intention to hold hearings on this issue. I look forward to processing this legislation as quickly as possible.

By Mr. ABRAHAM (for himself,
Mr. FEINGOLD, Mr. HUTCHINSON,
Mr. COVERDELL, Mr. DEWINE,
Mr. ASHCROFT, Mr. BROWNBAC,
Mr. MACK, and Mr. HELMS):

S. 1164. A bill to state a policy of the United States that engages the People's Republic of China in areas of mutual interest, promotes human rights, religious freedom, and democracy in China, and enhances the national security interests of the United States with respect to China, and for other purposes; to the Committee on Foreign Relations.

CHINA POLICY ACT OF 1997

Mr. ABRAHAM. Mr. President, I rise today to introduce the China Policy Act of 1997. Cosponsors of this legislation include Senators FEINGOLD, HUTCHINSON, COVERDELL, DEWINE, ASHCROFT, BROWNBAC, MACK, and HELMS.

Now is the time, Mr. President, to take a closer look at our relations with the People's Republic of China. Preparations are underway for the October 28 state visit of Chinese President Jiang Zemin. The President will be feted, toasted, and praised. Meanwhile, Wei Jingsheng rots in a Beijing prison, serving out a 14-year sentence for the crime of peacefully advocating democracy and other political reforms.

This contrast, in my view, points up the current crisis in United States-China relations. For too long now, this administration has put process over substance, holding repeated meetings and discussions with Chinese leaders, but failing to set and hold to a concrete agenda addressing critical issues of human rights and religious freedom, as well as nuclear and other weapons proliferation.

There is much of substance to work out with Chinese leaders, Mr. President. To begin with, China's record of human rights abuses and repression of religious faith is long and disturbing. Women pregnant with their second or third child have been coerced into abortions. Peaceful advocates of democracy and political reforms have been sentenced to long terms in prisons where they have been beaten, tortured, and denied needed medical care. Religious meeting places have been forcibly closed. Tibetan monks refusing to condemn their religious leader, the Dalai Lama, have been forced from their monasteries; some of their leaders have disappeared.

President Clinton knows full well about these abuses. His own State Department just released a report on human rights in China which states that in 1996 "The Government continued to commit widespread and well-documented human rights abuses, in violation of internationally accepted norms, stemming from the authorities' intolerance of dissent, fear of unrest, and the absence or inadequacy of laws protecting basic freedoms." America cannot allow these abuses of fundamental human rights to continue unopposed.

Our own national security also demands that we take a firmer, more substantive stance in our dealings with China. Although China signed the Nuclear Non-Proliferation Treaty and agreed to abide by the terms of the missile technology control regime in 1992, violations of both agreements continue. Especially worrisome are Chinese sales of weapons technology to Pakistan, Iran, and other countries in the Middle East.

Chinese weapons exports also have more directly threatened Americans here on United States soil. Companies associated with the People's Liberation Army [PLA] have been caught attempting to sell smuggled assault weapons to street gangs in Los Angeles.

Mr. President, I am not advocating any rash response to these provocations. China is an important nation with the potential to take part in mutually beneficial commerce and diplomatic cooperation, or destabilize a number of important strategic areas. In my view our disagreements with China call for development of incentives and disincentives designed to steer that country toward internal liberalization and constructive participation in the international community.

Up until now, debates over American policy toward China have focused almost exclusively on the annual extension of that country's most-favored-nation trading status [MFN]. Both sides in this debate have highlighted legitimate issues calling for reasoned argument. But, now that Congress has renewed MFN, it is imperative that we address broader United States-China relations, lest China policy be relegated to the back pages for another year.

I firmly believe, Mr. President, that Congress and the President can put

United States-Chinese relations on a course toward substantive progress by taking concrete action now. That is why I am introducing the China Policy Act of 1997. This legislation is designed to discourage the Chinese regime from oppressive internal policies and destabilizing actions contrary to United States national security, while advancing American values of freedom and human rights among the Chinese people. It represents a consensus view reached among proponents on both sides of the MFN question. It combines provisions of China-related bills and amendments authored by myself and Senators FEINGOLD, ASHCROFT, DEWINE, COVERDELL, and BROWNBAC. I would like to extend special thanks to Senator FEINGOLD for strengthening the human rights focus of the bill.

This legislation includes a number of sanctions aimed at Chinese leaders intended to express our dismay at recent human rights abuses. First, the bill would deny American visas to high ranking Chinese Government officials involved in political and religious persecution. The bill also would require United States representatives at multilateral development banks to vote "no" on all loans to China, except those related to famine, national disaster relief, and environmental protection. This last provision also puts into practice the important principle that United States taxpayers should not be forced to subsidize the Chinese Government.

In addition, Mr. President, the bill would institute targeted sanctions against PLA companies found to have engaged in weapons proliferation, illegal importation of weapons to the United States or military or political espionage in the United States. The U.S. Government also would publish a list of other PLA-controlled companies. This would allow American companies and consumers to decide whether they wish to purchase products manufactured in whole or in part by the Communist Chinese army. The bill also takes direct aim at China's use of slave labor by instituting stricter enforcement of the ban against sale of Chinese products produced in prison labor camps.

These sanctions, specifically aimed at government officials and the Chinese Governmental apparatus, will show our determination to stand up and defend human rights and religious freedom.

This legislation also would tighten United States export licensing requirements for supercomputers sold to China. This will impede Chinese weapons development and proliferation.

In addition to its sanctions, the bill includes provisions to encourage internal reforms and cultural exchanges between our two countries. It would increase funding for international broadcasting to China, including Radio Free Asia and the Voice of America. I also

would increase funding for National Endowment for Democracy and U.S. Information Agency student, cultural, and legislative exchange programs.

These concrete actions would make clear to the Chinese leadership that there is a price to be paid for human rights abuses and for irresponsible weapons proliferation. They also would encourage greater openness in that country, without penalizing the Chinese people for the actions of their Government. They would provide the basis for substantive negotiations and a productive relationship with China.

It is my hope that my colleagues will adopt these measures, and that the President will seize the opportunity to set our policy on a new, more productive course.

Mr. President, I ask unanimous consent that a summary and the full text of the China Policy Act of 1997 be printed in the RECORD.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 1164

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "China Policy Act of 1997".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Declaration of policy.

TITLE I—SANCTIONS

- Sec. 101. Denial of entry into United States of certain officials of the People's Republic of China.
- Sec. 102. Limitations on multilateral assistance for the People's Republic of China.
- Sec. 103. Sanctions regarding China North Industries Group, China Poly Group, and certain other entities affiliated with the People's Liberation Army.
- Sec. 104. Consultations with allies regarding sanctions against the People's Republic of China.
- Sec. 105. Termination of certain authorities.

TITLE II—HUMAN RIGHTS, RELIGIOUS FREEDOM, AND DEMOCRACY IN CHINA

- Sec. 201. Findings on human rights abuses in the People's Republic of China.
- Sec. 202. Findings on religious freedom in the People's Republic of China.
- Sec. 203. Findings on Tibet.
- Sec. 204. Findings on coercive family planning practices in the People's Republic of China.
- Sec. 205. Combating slave labor and "reeducation" centers.
- Sec. 206. International broadcasting to China.
- Sec. 207. National Endowment for Democracy.
- Sec. 208. United States Information Agency student, cultural, and legislative exchange programs.
- Sec. 209. Annual reports on family planning activities in the People's Republic of China by recipients of United States funds.
- Sec. 210. Sense of Congress regarding multilateral efforts to address China's human rights record.
- Sec. 211. Sense of Congress regarding compliance by the People's Republic of China with the Joint Declaration on Hong Kong.

TITLE III—NATIONAL SECURITY MATTERS

- Sec. 301. Findings on the proliferation of ballistic missiles by the People's Republic of China.
- Sec. 302. Findings on the proliferation of weapons of mass destruction by the People's Republic of China.
- Sec. 303. Findings on the proliferation of destabilizing advanced conventional weapons by the People's Republic of China.
- Sec. 304. Findings on the evasion of United States export control laws by the People's Republic of China.
- Sec. 305. Findings on the inconsistent application of United States export control laws to the People's Republic of China and Hong Kong.
- Sec. 306. Exports of supercomputers to the People's Republic of China.
- Sec. 307. Dual-use exports to Hong Kong.
- Sec. 308. Enforcement of Iran-Iraq Arms Non-Proliferation Act with respect to the People's Republic of China.
- Sec. 309. Transfers of sensitive equipment and technology by the People's Republic of China.
- Sec. 310. Annual reports on activities of the People's Liberation Army.
- Sec. 311. Annual reports on intelligence activities of the People's Republic of China.
- Sec. 312. Study of theater ballistic missile defense system for Taiwan.
- Sec. 313. Sense of Congress regarding United States force levels in Asia.
- Sec. 314. Sense of Congress regarding establishment of commission on security and cooperation in Asia.

TITLE IV—TRADE

- Sec. 401. Sense of Congress regarding the accession of Taiwan to the World Trade Organization.

TITLE V—HUMAN RIGHTS AND RELIGIOUS FREEDOM WORLDWIDE

- Sec. 501. Training for immigration officers regarding religious persecution.
- Sec. 502. Promotion of religious freedom and human rights worldwide.

TITLE VI—OTHER MATTERS

- Sec. 601. Termination of United States assistance for East-West Center.

SEC. 2. DECLARATION OF POLICY.

The policy of the United States with respect to the People's Republic of China is as follows:

(1) To encourage freedom and democracy in the People's Republic of China and to deter the Government of the People's Republic of China from engaging in activities that are contrary to the national security interests of the United States.

(2) To encourage the Government of the People's Republic of China to make progress towards improving overall human rights conditions in China and Tibet, including the taking of concrete steps to assure freedom of speech, freedom of religion, and freedom of association in compliance with international standards on human rights.

(3) To encourage the Government of the People's Republic of China to channel its emerging power and influence along paths that are conducive to peace, stability, and development in the Asian Pacific region.

(4) To preserve and protect the national security interests of the United States and its allies by—

(A) deterring the proliferation of weapons and sensitive equipment and technology by the Government of the People's Republic of China; and

(B) sanctioning companies affiliated with the People's Liberation Army that engage in

the proliferation of weapons of mass destruction, the importation of illegal weapons or firearms into the United States, or espionage in the United States.

(5) To support a strong United States presence in and commitment to the leadership of the Asian Pacific region.

(6) To support integration of the People's Republic of China into the community of nations.

(7) To limit the use of United States taxpayer funds for the subsidization of the Government of the People's Republic of China through such mechanisms as assistance through multilateral development banks and other United States Government programs.

TITLE I—SANCTIONS

SEC. 101. DENIAL OF ENTRY INTO UNITED STATES OF CERTAIN OFFICIALS OF THE PEOPLE'S REPUBLIC OF CHINA.

(a) DENIAL OF ENTRY.—Except as provided in subsection (b), the Secretary of State may not issue any visa to, and the Attorney General may not admit to the United States, any of the following officials of the Government of the People's Republic of China:

(1) High-ranking officials of the People's Liberation Army, as determined by the Secretary.

(2) High-ranking officials of the Public Security Bureau, as so determined.

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

(4) Other high-ranking officials determined by the Secretary to be involved in the implementation or enforcement of laws and directives of the People's Republic of China which restrict religious freedom.

(5) High-ranking officials determined by the Secretary to be involved in the implementation or enforcement of laws and directives of the People's Republic of China on family planning.

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

(b) WAIVER.—

(1) IN GENERAL.—Subject to paragraph (2), the President may waive the applicability of subsection (a) with respect to any official otherwise covered by that subsection if the President determines that the waiver with respect to the official is in the interests of the United States.

(2) NOTICE.—

(A) REQUIREMENT.—The President may not exercise the authority provided in paragraph (1) with respect to an official unless the President submits to Congress a written notification of the exercise of the authority before the entry of the official into the United States.

(B) CONTENTS.—Each notice shall include a justification of the exercise of the authority, including—

(i) a statement why the exercise of the authority is in the interests of the United States; and

(ii) a statement why such interests supersede the need for the United States to deny entry to the official concerned in response to the practices of the Government of the People's Republic of China which limit the free exercise of religion and other human rights.

SEC. 102. LIMITATIONS ON MULTILATERAL ASSISTANCE FOR THE PEOPLE'S REPUBLIC OF CHINA.

(a) INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT.—

(1) OPPOSITION TO ASSISTANCE.—

(A) OPPOSITION.—Except as provided in subparagraph (B), the Secretary of the Treasury shall instruct the United States Executive Director of the International Bank for Reconstruction and Development to vote against any loan or other utilization of the

funds of the Bank to or for the People's Republic of China.

(B) EXCEPTION.—Subparagraph (A) shall not apply to any loan or other utilization of funds for purposes of—

- (i) meeting basic human needs; or
- (ii) environmental improvements or safeguards.

(2) OPPOSITION TO MODIFICATION OF SINGLE COUNTRY LOAN LIMIT.—The Secretary shall instruct the United States Executive Director of the International Bank for Reconstruction and Development to vote against any modification of the limitation on the share of the total funds of the Bank that may be loaned to a single country.

(b) ASIAN DEVELOPMENT BANK.—

(1) OPPOSITION TO ASSISTANCE.—Except as provided in paragraph (2), the Secretary shall instruct the United States Director of the Asian Development Bank to vote against any loan or other utilization of the funds of the Bank to or for the People's Republic of China.

(2) EXCEPTION.—Paragraph (1) shall not apply to any loan or other utilization of funds for purposes of—

- (A) meeting basic human needs; or
- (B) environmental improvements or safeguards.

(c) INTERNATIONAL MONETARY FUND.—

(1) OPPOSITION TO ASSISTANCE.—Except as provided in paragraph (2), the Secretary shall instruct the United States Executive Director of the International Monetary Fund to vote against any loan or other utilization of the funds of the Fund to or for the People's Republic of China.

(2) EXCEPTION.—Paragraph (1) shall not apply to any loan or other utilization of funds for purposes of—

- (A) meeting basic human needs; or
- (B) environmental improvements or safeguards.

(d) BASIC HUMAN NEEDS DEFINED.—In this section, the term "basic human needs" refers to human needs arising from natural disasters or famine.

SEC. 103. SANCTIONS REGARDING CHINA NORTH INDUSTRIES GROUP, CHINA POLY GROUP, AND CERTAIN OTHER ENTITIES AFFILIATED WITH THE PEOPLE'S LIBERATION ARMY.

(a) FINDING; PURPOSE.—

(1) FINDING.—Congress finds that, in May 1996, United States authorities caught representatives of the People's Liberation Army enterprise, China Poly Group, and the civilian defense industrial company, China North Industries Group, attempting to smuggle 2,000 AK-47s into Oakland, California, and offering to sell to Federal undercover agents 300,000 machine guns with silencers, 66-millimeter mortars, hand grenades, and "Red Parakeet" surface-to-air missiles, which, as stated in the criminal complaint against one of those representatives, "... could take out a 747" aircraft.

(2) PURPOSE.—The purpose of this section is to impose targeted sanctions against entities affiliated with the People's Liberation Army that engage in the proliferation of weapons of mass destruction, the importation of illegal weapons or firearms into the United States, or espionage in the United States.

(b) SANCTIONS AGAINST CERTAIN PLA AFFILIATES.—

(1) SANCTIONS.—Except as provided in paragraph (2) and subject to paragraph (3), the President shall—

(A) prohibit the importation into the United States of all products that are produced, grown, or manufactured by a covered entity, the parent company of a covered entity, or any affiliate, subsidiary, or successor entity of a covered entity;

(B) direct the Secretary of State and the Attorney General to deny or impose restric-

tions on the entry into the United States of any foreign national serving as an officer, director, or employee of a covered entity or other entity described in subparagraph (A);

(C) prohibit the issuance to a covered entity or other entity described in subparagraph (A) of licenses in connection with the export of any item on the United States Munitions List;

(D) prohibit the export to a covered entity or other entity described in subparagraph (A) of any goods or technology on which export controls are in effect under section 5 or 6 of the Export Administration Act of 1979;

(E) direct the Export-Import Bank of the United States not to give approval to the issuance of any guarantee, insurance, extension of credit, or participation in the extension of credit with respect to a covered entity or other entity described in subparagraph (A);

(F) prohibit United States nationals from directly or indirectly issuing any guarantee for any loan or other investment to, issuing any extension of credit to, or making any investment in a covered entity or other entity described in subparagraph (A); and

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

(2) EXCEPTIONS.—

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

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

(I) under contracts or subcontracts that are in effect on October 1, 1997 (including the exercise of options for production quantities to satisfy United States operational military requirements);

(II) if the President determines that the person or entity to whom the sanctions would otherwise be applied is a sole source supplier of essential defense articles or services and no alternative supplier can be identified; or

(III) if the President determines that such articles or services are essential to the national security; or

(ii) in the case of—

(I) products or services provided under contracts or binding agreements (as such terms are defined by the President in regulations) or joint ventures entered into before October 1, 1997;

(II) spare parts;

(III) component parts that are not finished products but are essential to United States products or production;

(IV) routine servicing and maintenance of products; or

(V) information and technology products and services.

(B) IMMIGRATION RESTRICTIONS.—The President shall not apply the restrictions described in paragraph (1)(B) to a person described in that paragraph if the President, after consultation with the Attorney General, determines that the presence of the person in the United States is necessary for a Federal or State judicial proceeding against a covered entity or other entity described in paragraph (1)(A).

(3) TERMINATION.—The sanctions under this subsection shall terminate as follows:

(A) In the case of an entity referred to in paragraph (1) or (2) of subsection (c), on the date that is one year after the date of enactment of this Act.

(B) In the case of an entity that becomes a covered entity under paragraph (3) or (4) of subsection (c) by reason of its identification in a report under subsection (d), on the date

that is one year after the date on which the entity is identified in such report.

(c) COVERED ENTITIES.—For purposes of subsection (b), a covered entity is any of the following:

(1) China North Industries Group.

(2) China Poly Group, also known as Polytechnologies Incorporated or BAOLI.

(3) Any affiliate of the People's Liberation Army identified in a report of the Director of Central Intelligence under subsection (d)(1).

(4) Any affiliate of the People's Liberation Army identified in a report of the Director of the Federal Bureau of Investigation under subsection (d)(2).

(d) REPORTS ON ACTIVITIES OF PLA AFFILIATES.—

(1) TRANSFERS OF SENSITIVE ITEMS AND TECHNOLOGIES.—Not later than 30 days after the date of enactment of this Act and annually thereafter through 2002, the Director of Central Intelligence shall submit to the appropriate members Congress a report that identifies each entity owned wholly or in part by the People's Liberation Army which, during the 2-year period ending on the date of the report, transferred to any other entity a controlled item for use in the following:

(A) Any item listed in category I or category II of the MTCR Annex.

(B) Activities to develop, produce, stockpile, or deliver chemical or biological weapons.

(C) Nuclear activities in countries that do not maintain full-scope International Atomic Energy Agency safeguards or equivalent full-scope safeguards.

(2) ILLEGAL ACTIVITIES IN THE UNITED STATES.—Not later than 30 days after the date of enactment of this Act and annually thereafter through 2002, the Director of the Federal Bureau of Investigation shall submit to the appropriate members Congress a report that identifies each entity owned wholly or in part by the People's Liberation Army which, during the 2-year period ending on the date of the report, attempted to—

(A) illegally import weapons or firearms into the United States; or

(B) engage in military intelligence collection or espionage in the United States under the cover of commercial business activity.

(3) FORM.—Each report under this subsection shall be submitted in classified form.

(e) DEFINITIONS.—In this section:

(1) AFFILIATE.—The term "affiliate" does not include any United States national engaged in a business arrangement with a covered entity or other entity described in subsection (b)(1)(A).

(2) APPROPRIATE MEMBERS OF CONGRESS.—The term "appropriate members of congress" means the following:

(A) The Majority leader and Minority leader of the Senate.

(B) The chairmen and ranking members of the Committee on Foreign Relations and the Committee on Armed Services of the Senate.

(C) The Speaker and Minority leader of the House of Representatives.

(D) The chairmen and ranking members of the Committee on International Relations and the Committee on National Security of the House of Representatives.

(3) COMPONENT PART.—The term "component part" means any article that is not usable for its intended function without being embedded or integrated into any other product and, if used in the production of a finished product, would be substantially transformed in that process.

(4) CONTROLLED ITEM.—The term "controlled item" means the following:

(A) Any item listed in the MTCR Annex.

(B) Any item listed for control by the Australia Group.

(C) Any item relevant to the nuclear fuel cycle of nuclear explosive applications that

are listed for control by the Nuclear Suppliers Group.

(5) **FINISHED PRODUCT.**—The term “finished product” means any article that is usable for its intended function without being embedded in or integrated into any other product, but does not include an article produced by a person or entity other than a covered entity or other entity described in subsection (b)(1)(A) that contains parts or components of such an entity if the parts or components have been substantially transformed during production of the finished product.

(6) **INVESTMENT.**—The term “investment” includes any contribution or commitment of funds, commodities, services, patents, processes, or techniques, in the form of—

- (A) a loan or loans;
- (B) the purchase of a share of ownership;
- (C) participation in royalties, earnings, or profits; and
- (D) the furnishing of commodities or services pursuant to a lease or other contract, but does not include routine maintenance of property.

(7) **MTCR ANNEX.**—The term “MTCR Annex” has the meaning given that term in section 74(4) of the Arms Export Control Act (22 U.S.C. 2797c(4)).

(8) **UNITED STATES NATIONAL.**—

(A) **IN GENERAL.**—The term “United States national” means—

- (i) any United States citizen; and
- (ii) any corporation, partnership, or other organization created under the laws of the United States, any State, the District of Columbia, or any territory or possession of the United States.

(B) **EXCEPTION.**—The term “United States national” does not include a subsidiary or affiliate of corporation, partnership, or organization that is a United States national if the subsidiary or affiliate is located outside the United States.

SEC. 104. CONSULTATIONS WITH ALLIES REGARDING SANCTIONS AGAINST THE PEOPLE'S REPUBLIC OF CHINA.

(a) **SENSE OF CONGRESS.**—It is the sense of Congress that the President should begin consultations with the major allies and other trading partners of the United States in order to encourage such allies and trading partners to adopt sanctions against the People's Republic of China that are similar to the sanctions imposed on the People's Republic of China by section 102.

(b) **REPORT.**—Not later than 45 days after the completion of the first Group of Seven summit meeting after the date of enactment of this Act, the President shall submit to Congress a report on the results, if any, of consultations referred to in subsection (a).

SEC. 105. TERMINATION OF CERTAIN AUTHORITIES.

(a) **TERMINATION DATE.**—Sections 101 and 102 shall cease to apply at the end of the five-year period beginning on the date of enactment of this Act.

(b) **SENSE OF CONGRESS ON REVIEW.**—It is the sense of Congress that Congress should review the desirability of terminating the sanctions in this title before the date on which the sanctions would otherwise terminate under this title upon the occurrence of any of the following events:

(1) The admission of the People's Republic of China into the World Trade Organization on commercially viable terms.

(2) A determination by the President that the Government of the People's Republic of China is implementing fully all applicable international agreements relating to the proliferation of arms.

(3) A determination by the President that the Government of the People's Republic of China is actively and effectively combatting all forms of religious persecution in China.

(4) A determination by the President that the Government of the People's Republic of China is reevaluating in a meaningful manner its actions regarding the massacre of students in Tiananmen Square in 1989.

(5) The publication by the Government of the People's Republic of China of a report on the national security strategy of that government which includes a comprehensive description and discussion of the elements of that strategy similar to the description and discussion of the national security strategy of the United States in the annual report required by section 108 of the National Security Act of 1947 (50 U.S.C. 404a).

(6) A determination by the President that the Government of the People's Republic of China has taken meaningful actions toward improving overall human rights conditions in China and Tibet, including the release of political prisoners, improving prison conditions, providing prisoners with adequate medical care, and full compliance with any international human rights accords to which that government is a signatory.

TITLE II—HUMAN RIGHTS, RELIGIOUS FREEDOM, AND DEMOCRACY IN CHINA **SEC. 201. FINDINGS ON HUMAN RIGHTS ABUSES IN THE PEOPLE'S REPUBLIC OF CHINA.**

Congress makes the following findings regarding human rights abuses in the People's Republic of China:

(1) Congress concurs in the following conclusions of the Department of State regarding human rights in the People's Republic of China in 1996:

(A) The People's Republic of China is “an authoritarian state” in which “citizens lack the freedom to peacefully express opposition to the party-led political system and the right to change their national leaders or form of government”.

(B) The Government of the People's Republic of China has “continued to commit widespread and well documented human rights abuses, in violation of internationally accepted norms, stemming from the authorities’ intolerance of dissent, fear of unrest, and the absence or inadequacy of laws protecting basic freedoms”.

(C) “Abuses include torture and mistreatment of prisoners, forced confessions, and arbitrary and incommunicado detention”.

(D) “Prison conditions remained harsh [and] [t]he Government continued severe restrictions on freedom of speech, the press, assembly, association, religion, privacy, and worker rights”.

(E) “Although the Government denies that it holds political prisoners, the number of persons detained or serving sentences for ‘counterrevolutionary crimes’ or ‘crimes against the state’ and for peaceful political or religious activities are believed to number in the thousands”.

(F) “Non-approved religious groups, including Protestant and Catholic groups . . . experienced intensified repression”.

(G) “Serious human rights abuses persist in minority areas, including Tibet, Xinjiang, and Inner Mongolia [, and] [c]ontrols on religion and other fundamental freedoms in these areas have also intensified”.

(H) “Overall in 1996, the authorities stepped up efforts to cut off expressions of protest or criticism. All public dissent against the party and government was effectively silenced by intimidation, exile, the imposition of prison terms, administrative detention, or house arrest. No dissidents were known to be active at year’s end.”.

(2) People's Republic of China authorities continue to hold Wei Jingsheng in prison for his prodemocracy beliefs, and he is suffering in prison from a lack of medical attention and beatings by fellow prisoners.

(3) On October 30, 1996, a People's Republic of China court sentenced Wang Dan to 11 years in prison primarily for articles published outside the People's Republic of China, and People's Republic of China authorities are not providing him with adequate medical care.

(4) In addition to Wei Jingsheng and Wang Dan, hundreds, if not thousands, of other political, religious, and labor dissidents are imprisoned in China for peacefully expressing their beliefs and exercising their internationally recognized rights of free association and expression.

(5) Labor activist Liu Nianchun, severely ill in a labor camp, has not only been denied medical treatment but has been tortured with electric batons and has had his 3 year reeducation-through-labor sentence in prison arbitrarily extended by 216 days.

(6) Li Hai was charged with prying into and gathering state secrets and subsequently sentenced to a 9-year term in prison on December 18, 1996, for going door-to-door to collect the names, ages, family situations, alleged crimes, lengths of prison sentences, locations of imprisonment, and treatment while imprisoned of people sentenced to prison for their activities during the 1989 Tiananmen Square protests.

(7) Gao Yu, serving a 6-year term in prison on charges of “leaking state secrets” despite the fact that the information in question was already common knowledge, has been denied medical parole and adequate medical care despite life threatening illness and was vilified by People's Republic of China authorities after she was awarded the UNESCO Guillermo Cano World Press Freedom Prize.

(8) People's Republic of China companies still export prison labor products to the United States. Since 1991, the United States Customs Service has issued 27 detention orders banning the importation of goods suspected to be products of prison labor in China, including hand tools, artificial flowers, Christmas tree lights, and diesel engines.

(9) The People's Republic of China has not fully complied with the 1992 Memorandum of Understanding on Prison Labor, and People's Republic of China authorities often wait several years before granting requests by United States Customs Service officials to inspect prison facilities in China. In 1996, such authorities granted just one of eight outstanding requests by such officials to inspect prison facilities in China.

(10) Under current law, People's Republic of China authorities may administratively sentence China citizens to 3 years of labor reform without trial.

(11) The People's Republic of China restricts the access of its citizens to the Internet and blocks web sites operated by foreign news organizations and human rights organizations.

(12) The Government of the People's Republic of China prohibits independent labor unions, and workers who attempt to form unions without state approval are given severe prison sentences as shown in the treatment of Zhang Jingsheng, a labor leader in Hunan province who was arrested following the 1989 Tiananmen Square Massacre and sentenced to 13 years in prison for organizing workers.

SEC. 202. FINDINGS ON RELIGIOUS FREEDOM IN THE PEOPLE'S REPUBLIC OF CHINA.

Congress makes the following findings regarding religious freedom in the People's Republic of China:

(1) The Government of the People's Republic of China restricts the ability of religious adherents, including Christians, Buddhists, Muslims, and others, to practice outside of state-approved religious organizations, and

detains worshipers and clergy who participate in religious services conducted outside state-approved religious organizations, as well as those who refuse to register with the authorities as required.

(2) Bishop Zeng Jingmu, 76 years old, detained for the third time in 7 months and in poor health from pneumonia, is serving a re-education through labor term for organizing religious assemblies and masses not sanctioned by the official Chinese Catholic Church.

(3) On January 31, 1994, Premier Li Peng signed decrees number 144 and 145 which restrict worship, religious education, distribution of Bibles and others religious literature, and contact with foreign coreligionists.

(4) The Government of the People's Republic of China has created official religious organizations that control all religious worship, activity, and association in China and Tibet and supplant the independent authority of the Roman Catholic Church, independent Protestant churches, and independent Buddhist, Taoist, and Islamic associations.

(5) In July 1995, Ye Xiaowen, a rigid communist hostile to religion, was appointed to head the Bureau of Religious Affairs, a government agency of the People's Republic of China that is controlled by the United Front Work Department of the Chinese Communist Party. The Bureau of Religious Affairs has administrative control over all religious worship and activity in China and Tibet through a system of granting or denying rights through an official registration system. Those who fail to or are not allowed to register are subject to punitive measures.

(6) Unofficial Christian and Catholic communities were targeted by the Government of the People's Republic of China during 1996. A renewed campaign aimed at forcing all churches to register or face dissolution resulted in beating and harassment of congregants, closure of churches, and numerous arrests, fines, and sentences. In Shanghai, for example, more than 300 house churches or meeting points were closed down by the security authorities in April alone.

SEC. 203. FINDINGS ON TIBET.

Congress makes the following findings regarding Tibet:

(1) The Department of State China Country Report on Human Rights Practices for 1996 states: "Chinese government authorities continued to commit widespread human rights abuses in Tibet, including instances of death in detention, torture, arbitrary arrest, detention without public trial, long detention of Tibetan nationalists for peacefully expressing their religious and political views, and intensified controls on religion and on freedom of speech and the press, particularly for ethnic Tibetans."

(2) The report also cites three instances in which Tibetan Buddhist monks died in prison in the People's Republic of China in 1996.

(3) Many victims of the brutality committed by the People's Armed Police and the Public Security Bureau of the People's Republic of China have been young Tibetan Buddhist nuns and monks.

(4) Between June 1994 and May 1995, three Tibetan nuns—15-year-old Sherab Ngawang, 24-year-old Gyaltzen Kelsang, and 20-year-old Phuntsok Yangkyi—died as a result of torture in prison in Tibet.

(5) On March 11, 1997, the Senate adopted a resolution calling for the release by the Government of the People's Republic of China of Tibetan ethnomusicologist and Fulbright Scholar Ngawang Choephel, who was sentenced to 18 years in prison in the People's Republic of China in December 1996, and of other Tibetans who are prisoners in the People's Republic of China for reasons of conscience.

(6) In May 1995, authorities of the Government of the People's Republic of China detained Gedhun Choekyi Nyima, then 6 years old, and his parents, just days after the boy was recognized by the Dalai Lama as the 11th Panchen Lama, and authorities of that government continue to hold him and his family.

(7) In May 1997, the Government of the People's Republic of China announced the sentencing of Chadrel Rinpoche, the head of the search committee for the 11th Panchen Lama, to 6 years in prison.

(8) In April 1996, authorities of the Government of the People's Republic of China banned the display of photographs of the Dalai Lama, even in private homes, and the decision led to demonstrations in Ganden monastery during which 90 monks were arrested and 1 monk was shot to death by security forces of that government.

SEC. 204. FINDINGS ON COERCIVE FAMILY PLANNING PRACTICES IN THE PEOPLE'S REPUBLIC OF CHINA.

Congress makes the following findings regarding family planning practices in the People's Republic of China:

(1) For more than 15 years there have been frequent and credible reports of forced abortion and forced sterilization in connection with the coercive population control practices of the People's Republic of China.

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

(3) Although it is the stated position of the politburo of the Chinese Communist Party that forced abortion and forced sterilization have no role in the population control program of the Government of the People's Republic of China, the policy of that government seems to encourage both forced abortion and forced sterilization through a combination of strictly enforced birth quotas and impunity for local population control officials who engage in coercion. Officials acknowledge that there have been instances of forced abortions and sterilization, yet there is no evidence that the perpetrators of such acts have been punished.

(4) The People's Republic of China population control officials, in cooperation with employers and works unit officials, monitor women's menstrual cycles and subject women who conceive without government authorization to extreme psychological pressure, to harsh economic sanctions (including unpayable fines and loss of employment), and to physical force.

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

(6) Especially harsh punishments have been inflicted on those whose resistance to such policies is motivated by religion. For example, according to a 1995 Amnesty International report, the Catholic inhabitants of two villages in Hebei Province were subjected to population control under the slogan "better to have more graves than one more child". Enforcement measures included torture, sexual abuse, and the detention of sisters' relatives as hostages.

(7) Forced abortions in the People's Republic of China often take place in the very late stages of pregnancy, or even during the process of birth itself.

SEC. 205. COMBATING SLAVE LABOR AND "RE-EDUCATION" CENTERS.

(a) AUTHORIZATIONS FOR APPROPRIATIONS FOR ADDITIONAL MONITORING OF EXPORTATION OF SLAVE LABOR PRODUCTS.—There are au-

thorized to be appropriated \$2,000,000 for fiscal year 1998 and \$2,000,000 for fiscal year 1999 for monitoring by the United States Customs Service and the Department of State of the export by the People's Republic of China to the United States of products which may be made with slave labor in violation of section 307 of the Tariff Act of 1930 (19 U.S.C. 1307) or section 1761 of title 18, United States Code.

(b) REPORTS ON EXPORTATION OF PRODUCTS MADE WITH SLAVE LABOR.—

(1) REPORTS.—

(A) IN GENERAL.—Not later than 1 year after the date of enactment of this Act and annually thereafter, the Commissioner of Customs and the Secretary of State shall each submit to the Members of Congress referred to in subparagraph (B) a report on the manufacturing and exportation of products made with slave labor in the People's Republic of China during the one-year period ending on the date of the report. Each report shall be submitted in unclassified form, but may include a classified annex.

(B) MEMBERS OF CONGRESS.—Reports under subparagraph (A) shall be submitted to the following Members of Congress:

(i) The Majority leader and Minority leader of the Senate.

(ii) The chairman and ranking member of the Committee on Foreign Relations of the Senate.

(iii) The Speaker and Minority leader of the House of Representatives.

(iv) The chairman and ranking member of the Committee on International Relations of the House of Representatives.

(2) CONTENTS OF REPORTS.—Each report under paragraph (1) shall include information concerning the following:

(A) The extent of the use of slave labor in manufacturing products for exportation by the People's Republic of China, as well as the volume of exports of such slave labor products by that country.

(B) The progress of the United States Government—

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

(ii) in stemming the importation of such products.

(c) RENEGOTIATION OF MEMORANDUM OF UNDERSTANDING ON PRISON LABOR WITH THE PEOPLE'S REPUBLIC OF CHINA.—It is the sense of Congress that, since the People's Republic of China has substantially frustrated the purposes of the 1992 Memorandum of Understanding with the United States on Prison Labor, the President should immediately commence negotiations to replace the memorandum of understanding with one providing for effective monitoring of forced labor in the People's Republic of China, without restrictions on which prison labor camps international monitors may visit.

SEC. 206. INTERNATIONAL BROADCASTING TO CHINA.

(a) AUTHORIZATION OF APPROPRIATIONS.—In addition to such sums as are otherwise authorized to be appropriated for "International Broadcasting Activities" for fiscal year 1998, there is authorized to be appropriated for "International Broadcasting Activities" for that fiscal year \$5,000,000, which shall be available only for broadcasting by Radio Free Asia and the Voice of America to the People's Republic of China.

(b) SENSE OF CONGRESS.—It is the sense of Congress that United States international broadcasting through Radio Free Asia and Voice of America should be increased to provide continuous 24-hour broadcasting in Chinese and Tibetan dialects which include Mandarin Chinese, Tibetan, and at least one other dialect.

SEC. 207. NATIONAL ENDOWMENT FOR DEMOCRACY.

In addition to such sums as are otherwise authorized to be appropriated for fiscal year 1998 for grants to the National Endowment for Democracy, there is authorized to be appropriated for that fiscal year \$2,000,000 for grants to the Endowment which shall be available only for purposes of programs relating to the People's Republic of China.

SEC. 208. UNITED STATES INFORMATION AGENCY STUDENT, CULTURAL, AND LEGISLATIVE EXCHANGE PROGRAMS.

In addition to such sums as are otherwise authorized to be appropriated to the United States Information Agency for fiscal year 1998, there is authorized to be appropriated for the Agency for that fiscal year \$2,000,000, which shall be available only for the purposes of student, cultural, and legislative exchange activities in or with the People's Republic of China.

SEC. 209. ANNUAL REPORTS ON FAMILY PLANNING ACTIVITIES IN THE PEOPLE'S REPUBLIC OF CHINA BY RECIPIENTS OF UNITED STATES FUNDS.**(a) ANNUAL REPORTS.—**

(1) **REQUIREMENT.**—Not later than January 15 each year, the Secretary of State shall submit to Congress a report that describes the family planning activities in the People's Republic of China during the preceding year of each covered family planning organization that carried out such activities in the People's Republic of China during that year.

(2) **ADDITIONAL INFORMATION.**—Each report under paragraph (1) shall include the filing submitted to the Secretary for purposes of such report by each covered family planning organization whose activities are covered by such report.

(b) **COVERED FAMILY PLANNING ORGANIZATION DEFINED.**—In this section, the term "covered family planning organization" means any for-profit or non-profit entity that receives United States funds to conduct family planning activities abroad.

SEC. 210. SENSE OF CONGRESS REGARDING MULTILATERAL EFFORTS TO ADDRESS CHINA'S HUMAN RIGHTS RECORD.

(a) **FINDINGS.**—Congress makes the following findings:

(1) On April 15, 1997, members of the United Nations Human Rights Commission voted 27–17 to block a resolution, sponsored by Denmark, critical of the human rights record of the Government of the People's Republic of China.

(2) The United States Government failed to vigorously lobby other nations to support the resolution in a timely and effective manner, and France, Canada, Germany, Italy, Spain, Australia, and Japan did not cosponsor the resolution.

(3) In response to support for the resolution by Denmark and the Netherlands, the Government of the People's Republic of China has adopted punitive measures against Denmark and Netherlands businesses—including the denial of contracts to Netherlands companies and undue delays in authorizing expansion plans by the Denmark shipping line Maersk—thereby linking human rights and trade.

(b) **SENSE OF CONGRESS.**—It is the sense of Congress that—

(1) the United States Government should greatly increase efforts in the United Nations Human Rights Commission and other international fora to draw attention to and condemn the gross violations of international standards on human rights by the Government of the People's Republic of China;

(2) the President should vigorously lobby other countries for passage of future Commission resolutions on the human rights record of the Government of the People's Republic of China; and

(3) such lobbying should begin not later than 6 months before the commencement of the next annual meeting of the Commission.

SEC. 211. SENSE OF CONGRESS REGARDING COMPLIANCE BY THE PEOPLE'S REPUBLIC OF CHINA WITH THE JOINT DECLARATION ON HONG KONG.

(a) **FINDINGS.**—Congress makes the following findings:

(1) The People's Republic of China resumed sovereignty over Hong Kong on July 1, 1997.

(2) In the Joint Declaration, a legally binding document in all its parts and the highest form of commitment between sovereign states, the People's Republic of China pledged that after its resumption of sovereignty over Hong Kong "[t]he current social and economic systems in Hong Kong will remain unchanged, and so will the life-style, Rights and freedoms, including those of the person, of speech, of the press, of association, of travel, of movement, of correspondence, of strike, of choice of occupation, of academic research and religious belief will be ensured by law in the Hong Kong Special Administrative Region".

(3) The People's Republic of China further pledged in the Joint Declaration that the policies of the "... Joint Declaration will be stipulated in a Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China, by the National People's Congress of the People's Republic of China, and they will remain unchanged for 50 years".

(4) The Basic Law prescribes the systems to be practiced in the Hong Kong Special Administrative Region after the resumption of sovereignty over Hong Kong by the People's Republic of China.

(5) According to Article 2 of the Basic Law: "The National People's Congress authorizes the Hong Kong Special Administrative Region to exercise a high degree of autonomy and enjoy executive, legislative and independent judicial power, including that of final adjudication".

(6) According to Article 5 of the Basic Law: "The socialist system and policies (of the People's Republic of China) shall not be practiced in the Hong Kong Special Administrative Region, and the previous capitalist system and way of life shall remain unchanged for 50 years".

(7) According to Article 27 of the Basic Law: "Hong Kong residents shall have freedom of speech, of the press and publication; freedom of association, of assembly, of procession and of demonstration; and the right and freedom to form and join trade unions, and to strike".

(8) According to Article 32 of the Basic Law: "Hong Kong residents shall have freedom of religious belief and freedom to preach and to conduct and participate in religious activities in public".

(9) According to Article 34 of the Basic Law: "Hong Kong residents shall have freedom to engage in academic research, literary and artistic creation, and other cultural activities".

(10) According to Article 39 of the Basic Law: "The provisions of the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, and international labour conventions as applied to Hong Kong shall remain in force and shall be implemented through the laws of the Hong Kong Special Administrative Region".

(11) President Jiang Zemin of the People's Republic of China, in his statement of July 1, 1997, at the ceremony in Hong Kong marking the establishment of the Hong Kong Special Administrative Region, said that "... Hong Kong will enjoy a high degree of autonomy as provided for by the Basic Law, which includes the executive, legislative and inde-

pendent judicial power, including that of final adjudication".

(12) President Jiang further said that the Hong Kong Special Administrative Region has the "ultimate aim of electing the Chief Executive and the Legislative Council by universal suffrage".

(13) President Jiang further said that "[n]o central department or locality (of the People's Republic of China) may or will be allowed to interfere in the affairs which, under the Basic Law, should be administered by the Hong Kong Special Administrative Region on its own".

(14) President Jiang further said that "the provisions of the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, and international covenants as applied to Hong Kong shall remain in force to be implemented through the laws of Hong Kong's regional legislation".

(15) President Jiang further said that adherence to these principles "serves Hong Kong, serves the (People's Republic of China) and serves the entire nation as well. Therefore there is no reason whatsoever to change them. Here I want to reaffirm that 'one country, two systems, Hong Kong administering Hong Kong' and 'a high degree of autonomy' will remain unchanged for 50 years".

(16) President Jiang, in another statement of July 1, 1997, at a rally in Beijing marking the establishment of the Hong Kong Special Administrative Region, said that the People's Republic of China "will unswervingly carry out the principles of 'one country, two systems', 'Hong Kong people administering Hong Kong' and 'high degree of autonomy', and make sure that the previous socio-economic system and way of life of Hong Kong remain unchanged and that laws previously in force will remain basically unchanged. We will firmly support the Hong Kong SAR in its exercise of the functions and powers bestowed on it by the Basic Law and the Hong Kong SAR Government in its administration in accordance with law.".

(b) **SENSE OF CONGRESS.**—It is the sense of Congress that—

(1) the statements of President Jiang Zemin of the People's Republic of China constitute a welcome reaffirmation of the obligations of the People's Republic of China under the Joint Declaration to ensure that Hong Kong remains autonomous, the human rights of the people of Hong Kong remain protected, and the government of the Hong Kong Special Administrative Region is elected democratically; and

(2) the fulfillment by the People's Republic of China of the obligations under the terms of the Joint Declaration and the Basic Law constitutes a crucial test of Beijing's ability to play a responsible global role.

(c) **DEFINITIONS.**—In this section:

(1) **BASIC LAW.**—The term "Basic Law" means the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China, as adopted on April 4, 1990, by the Seventh National People's Congress of the People's Republic of China.

(2) **JOINT DECLARATION.**—The term "Joint Declaration" means the Joint Declaration of the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the People's Republic of China on the Question of Hong Kong, done at Beijing on December 19, 1984.

TITLE III—NATIONAL SECURITY MATTERS**SEC. 301. FINDINGS ON THE PROLIFERATION OF BALLISTIC MISSILES BY THE PEOPLE'S REPUBLIC OF CHINA.**

Congress makes the following findings regarding the proliferation of ballistic missiles by the People's Republic of China:

(1) In December 1992, the Government of the People's Republic of China violated the Arms Export Control Act and the Export Administration Act of 1979 with the transfer by the Ministry of Aerospace Industry of approximately 24 M-11 missiles to Sargodha Air Force Base in Pakistan.

(2) From September 1994 to June 1996, the Government of the People's Republic of China again violated the Arms Export Control Act and the Export Administration Act of 1979 with the transfer by the Ministry of Aerospace Industry of as many as 30 M-11 ballistic missiles to Sargodha Air Force Base.

(3) In June 1995, the Government of the People's Republic of China violated the Arms Export Control Act and the Export Administration Act of 1979 with the transfer by the Chinese Aerospace Corporation to Iran of possibly hundreds of missile guidance systems and computerized machine tools for the production of ballistic missiles.

(4) In August 1996, the Government of the People's Republic of China violated the Arms Export Control Act and the Export Administration Act of 1979 with the transfer to Pakistan of factory plans and equipment capable of constructing a ballistic missile factory.

(5) In August 1996, the Government of the People's Republic of China violated the Arms Export Control Act, the Export Administration Act of 1979, and the Iran-Iraq Arms Non-Proliferation Act of 1992 with the transfer by the China Precision Engineering Institute to Iran's Defense Industries of gyroscopes, accelerometers, and test equipment for the construction and test of ballistic missile guidance systems.

(6) It has been reported that the Central Intelligence Agency discovered a shipment by the People's Republic of China to the Syrian Scientific Studies and Research Center, a Syria Government agency that oversees missile development, of guidance equipment for M-11 ballistic missiles. This alleged shipment would be a violation of the Missile Technology Control Regime. This alleged shipment would have taken place after the limited sanctions imposed by the United States on the People's Republic of China for shipments of M-11 missiles and components to Pakistan had been lifted following the assurances of the Government of the People's Republic of China that it would comply with the Missile Technology Control Regime.

(7) After each of these violations, the President either failed to take appropriate actions to deter future violations of such Acts and the Regime, took the least onerous action against the Government of the People's Republic of China that was possible under such Acts and the Regime, or rescinded previous actions thereby diluting or eliminating the deterrent effect of sanctions under such Acts and the Regime with respect to the Government of the People's Republic of China.

(8) This inaction forces Congress to take affirmative action in the bilateral relations between the United States and the People's Republic of China in order to respond sufficiently to these violations of United States law.

SEC. 302. FINDINGS ON THE PROLIFERATION OF WEAPONS OF MASS DESTRUCTION BY THE PEOPLE'S REPUBLIC OF CHINA.

Congress makes the following findings regarding the proliferation of weapons of mass destruction by the People's Republic of China:

(1) In January 1996, the Government of the People's Republic of China violated the Arms Export Control Act, the Nuclear Proliferation Prevention Act of 1994, and the Export-Import Bank Act of 1945 with the transfer by the China Nuclear Energy Industry Corpora-

tion to the Abdul Qadeer Khan Research Laboratory in Kahuta, Pakistan, of as many as 5,000 ring-magnets for the extraction of enriched uranium for the potential use in nuclear weapons.

(2) In September 1996, the Government of the People's Republic of China violated the Arms Export Control Act, the Export Administration Act of 1979, and the Nuclear Proliferation Prevention Act of 1994 with the transfer by the China Nuclear Energy Industry Corporation to a nuclear reactor facility in Khushab, Pakistan, of an industrial furnace and special diagnostic equipment capable of converting plutonium and uranium to weapons grade material.

(3) In March 1996, the Government of the People's Republic of China violated the Arms Export Control Act, the Export Administration Act of 1979, the Iran-Iraq Arms Non-Proliferation Act of 1992, and Executive Order 12938 with the transfer by the Jiangsu Corporation to Iran organizations affiliated with the Iranian Defense Industries Organization and the Revolutionary Guards of virtually complete chemical weapons production facilities.

(4) After each of these violations, the President either failed to take any action to deter future violations of such Acts or took such trifling action as to have no meaning or effect on the future proliferation of weapons of mass destruction by the People's Republic of China.

(5) This inaction forces Congress to take affirmative action in the bilateral relations between the People's Republic of China and the United States in order to respond sufficiently to these violations of United States law.

SEC. 303. FINDINGS ON THE PROLIFERATION OF DESTABILIZING ADVANCED CONVENTIONAL WEAPONS BY THE PEOPLE'S REPUBLIC OF CHINA.

Congress makes the following findings regarding the proliferation of destabilizing advanced conventional weapons by the People's Republic of China:

(1) In January 1996, the Government of the People's Republic of China violated the Iran-Iraq Arms Non-Proliferation Act of 1992 with the transfer by the Chinese Precision Machinery Import-Export Corporation to the Iran military of 60 C-802 advanced anti-ship missiles and 20 Houdong fast-attack patrol craft, 15 of which were equipped with C-802 missiles.

(2) In test firings of this missile from land-based batteries and from naval vessels, and test firings of a similar missile from fighter aircraft, the Iran Government claimed direct hits on the intended targets. This operational ability restores an anti-surface warfare capability lost by the Iran military during the Iran-Iraq War.

(3) The Commander of the United States Fifth Fleet commented that these missiles represented a new dimension to the threat faced by the United States Navy, stating "[i]t used to be we just had to worry about land-based cruise missiles. Now [the Iranians] have the potential to have that throughout the [Persian] Gulf mounted on ships."

(4) It was reported in numerous press sources that the Department of Defense found these transfers destabilizing, and pressed for the imposition of sanctions under the Iran-Iraq Arms Non-Proliferation Act of 1992 but that the Department of State did not wish to impose such sanctions for fear of damaging bilateral relations between the People's Republic of China and the United States.

(5) The Iran-Iraq Arms Non-Proliferation Act of 1992 does not differentiate between transfers of destabilizing weapons that will and will not damage bilateral relations. Any

determination of whether to impose sanctions on the People's Republic of China for this transfer should have been made strictly on the basis whether this transfer was or was not destabilizing.

(6) In light of these reports, it is likely that sanctions would have been imposed if the Clinton Administration had been more concerned with the stability of the region and the security of United States troops than with the maintenance of cordial relations between the People's Republic of China and the United States.

(7) This inaction forces Congress to take affirmative action in the bilateral relations between the People's Republic of China and the United States in order to respond sufficiently to this violation of United States law.

SEC. 304. FINDINGS ON THE EVASION OF UNITED STATES EXPORT CONTROL LAWS BY THE PEOPLE'S REPUBLIC OF CHINA.

Congress makes the following findings regarding the evasion of United States export control laws by the People's Republic of China:

(1) On November 14, 1994, the President issued Executive Order 12938, relating to the emergency regarding weapons of mass destruction, declaring that the proliferation of weapons of mass destruction and the means of delivering them constitute "an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States" and that he had therefore decided to "declare a national emergency to deal with that threat".

(2) The President reaffirmed Executive Order 12938 on November 15, 1995, and again on November 11, 1996.

(3) The Director of Central Intelligence stated in the report entitled "The Acquisition of Technology Relating to Weapons of Mass Destruction and Advanced Conventional Munitions" that, from July to December 1996, "China was the most significant supplier of W[eapons of] M[ass] D[estruction]-related goods and technology to foreign countries."

(4) United States supercomputers are the computer of choice for the nuclear weapons agencies of the People's Republic of China as highlighted by the comments of the Chinese Academy of Sciences, an agency known to work on nuclear weapons development, that its United States-built supercomputer provides the Academy with "computational power previously unknown" and is available to "all the major scientific and technological institutes across China".

(5) The People's Republic of China has consistently provided technical and scientific assistance for the development of nuclear weapons to both Iran and Pakistan, and it is illogical to believe that such assistance would not also include computational assistance if needed.

(6) According to the Under Secretary of Commerce for Export Administration, 47 United States high-performance supercomputers were exported to the People's Republic of China between January 1996 and March 1997. Press reports indicate United States intelligence sources consider the actual number of such supercomputers exported to the People's Republic of China during that period to have been in the hundreds.

(7) Current United States export regulations require an export license for shipments of supercomputers to the People's Republic of China only if the end-use will be militarily related. However, the determination of that end-use is left to the exporter, thereby providing an incentive for inadequate investigations of the end-use of supercomputers exported to the People's Republic of China.

(8) The Department of Commerce has initiated investigations of United States supercomputer manufacturers who, as last as June 1996, allegedly sold supercomputers to the Chinese Academy of Sciences, which also administers research in nuclear weapons and missiles, in violation of existing United States export control regulations relating to supercomputers.

(9) On 14 July 1997, the "China Daily", the newspaper of the Government of the People's Republic of China, stated that "China will open up its defense sector to foreign investors" by "strengthening international military-related electronic technology exchanges" and that "China's defense-related electronics should no longer be hidden from foreign investors".

(10) It was exactly this concern of diversion to military end-use and to third nation proliferators that prompted the President, on June 16, 1997, to tighten export controls for supercomputers so as to address the concern of "[t]he potential diversion to military use of technology acquired" through experience developed in operating supercomputers and customizing software and the concern that "the People's Republic of China may transfer advanced-weapons related technology to other countries, as in the case of ballistic missile transfers".

(11) Throughout this period, the President has consistently acted in a manner so as to loosen controls on the export of supercomputers from the United States and thereby make it easier for the Government of the People's Republic of China to divert United States supercomputers to military end-uses and to assist in the proliferation of weapons of mass destruction.

(12) This inaction forces Congress to take affirmative action in the bilateral relations between the People's Republic of China and the United States in order to respond sufficiently to these violations of United States law.

SEC. 305. FINDINGS ON THE INCONSISTENT APPLICATION OF UNITED STATES EXPORT CONTROL LAWS TO THE PEOPLE'S REPUBLIC OF CHINA AND HONG KONG.

Congress makes the following findings regarding the inconsistent application of United States export control laws to the People's Republic of China and Hong Kong:

(1) While Hong Kong was sovereign territory of the United Kingdom, United States control of United States exports to Hong Kong of items listed on the United States Munitions List and the Commerce Control List was considerably more lax than United States control of exports of such items to the People's Republic of China.

(2) On June 19, 1997, at a time when Hong Kong was still territory of the United Kingdom, the Department of Commerce discovered that a supercomputer exported to a Hong Kong based company without the need of an export license because it was being exported to Hong Kong was reexported to a defense research institute in Changsha, People's Republic of China.

(3) A Federal grand jury is currently investigating the 1995 diversion by the Government of the People's Republic of China to military aviation production of aircraft machining equipment that was originally exported from the United States for civilian end-use.

(4) The People's Republic of China is the only country which does not allow United States officials to investigate the final end-use of exported technology and recently refused United States requests to examine the location of the supercomputer diverted from Hong Kong.

(5) The continuation of this inconsistent export control regime without specific assur-

ances and verification measures to prevent unauthorized reexport from Hong Kong, or diversion to military end-use, provides the Government of the People's Republic of China with the means to circumvent United States export controls and gain access to critical technology necessary both for defense modernization and the proliferation of ballistic missiles and weapons of mass destruction.

(6) This inaction forces Congress to take affirmative action in the bilateral relations between the People's Republic of China and the United States in order to respond sufficiently to these violations of United States law.

SEC. 306. EXPORTS OF SUPERCOMPUTERS TO THE PEOPLE'S REPUBLIC OF CHINA.

(a) PRIOR APPROVAL OF EXPORTS AND REEXPORTS.—The President shall require that no covered computer may be exported or reexported to the People's Republic of China without the prior written approval of each of the designated officials.

(b) EXPORT OR REEXPORT WITHOUT UNANIMOUS APPROVAL.—If any one of the designated officials does not approve of the export or reexport of a covered computer to the People's Republic of China, the computer may be exported or reexported to the People's Republic of China only pursuant to a license issued by the Secretary of Commerce under the export administration regulations of the Department of Commerce, and without regard to the licensing exceptions otherwise authorized under section 740.7 of title 15, Code of Federal Regulations, as in effect on June 10, 1997.

(c) DEADLINE FOR RESPONSE TO APPLICATION.—Each designated official shall approve or disapprove in writing of the export or reexport of a covered computer to the People's Republic of China not later than 10 days after receipt by the United States of the application for the export or reexport of the computer.

(d) DEFINITIONS.—In this section:

(1) COVERED COMPUTERS.—The term "covered computers" means the digital computers listed as "eligible computers" in section 740.7(d)(2) of title 15, Code of Federal Regulations, as in effect on June 10, 1997.

(2) DESIGNATED OFFICIALS.—The term "designated officials" means the following:

- (1) The Secretary of Commerce.
- (2) The Secretary of Defense.
- (3) The Secretary of Energy.
- (4) The Secretary of State.
- (5) The Director of the Arms Control and Disarmament Agency.

SEC. 307. DUAL-USE EXPORTS TO HONG KONG.

(a) IN GENERAL.—Notwithstanding any other provision of law, the provisions of this section shall apply with respect to exports of covered items to Hong Kong.

(b) PRE-LICENSE VERIFICATIONS.—The Secretary of State and the Secretary of Commerce shall not approve an export license application for the export of a covered item to Hong Kong if United States officials are denied an opportunity to conduct a pre-license verification with respect to the end-use of such covered item and the recipient of such item.

(c) POST-SHIPMENT VERIFICATION.—If United States officials are denied the ability to a conduct post-shipment verification of the location, recipient, and end use of a covered item that has been exported to Hong Kong from the United States pursuant to an export license granted by the Secretary of State and the Secretary of Commerce, thereafter any application to export a covered item to Hong Kong shall be treated in the same manner as a request to export such item to the People's Republic of China.

(d) DIVERSION OF COVERED ITEMS.—If the President, or any other official of the United

States, obtains credible evidence that a covered item exported from the United States to Hong Kong on or after July 1, 1997, has been diverted—

- (1) to the People's Republic of China;
- (2) to an end use not authorized under the export control laws or regulations of the United States; or
- (3) to a recipient, other than the recipient specified in the export license application,

any application to export a covered item to Hong Kong that is pending or filed after the date on which such evidence is obtained shall be treated in the same manner as a request to export such item to the People's Republic of China.

(e) COVERED ITEM DEFINED.—In this section, the term "covered item" means the following:

- (1) Any item on the United States Munitions List.
- (2) Any item on the Commerce Control List of the Department of Commerce.

SEC. 308. ENFORCEMENT OF IRAN-IRAQ ARMS NON-PROLIFERATION ACT WITH RESPECT TO THE PEOPLE'S REPUBLIC OF CHINA.

(a) STATEMENT OF POLICY.—It shall be the policy of the United States that—

(1) the delivery of 60 C-802 cruise missiles by the China National Precision Machinery Import Export Corporation to Iran poses a new, direct threat to deployed United States forces in the Middle East and materially contributed to the efforts of Iran to acquire destabilizing numbers and types of advanced conventional weapons; and

(2) the delivery is a violation of the Iran-Iraq Arms Non-Proliferation Act of 1992 (50 U.S.C. 1701 note).

(b) IMPLEMENTATION OF SANCTIONS.—

(1) REQUIREMENT.—The President shall impose on the People's Republic of China the mandatory sanctions set forth in paragraphs (3), (4), and (5) of section 1605(b) of the Iran-Iraq Arms Non-Proliferation Act of 1992.

(2) NONAVAILABILITY OF WAIVER.—For purposes of this section, the President shall not have the authority contained in section 1606 of the Iran-Iraq Arms Non-Proliferation Act of 1992 to waive the sanctions required under paragraph (1).

SEC. 309. TRANSFERS OF SENSITIVE EQUIPMENT AND TECHNOLOGY BY THE PEOPLE'S REPUBLIC OF CHINA.

(a) FINDINGS.—Congress makes the following findings:

(1) Credible allegations exist that the People's Republic of China has transferred equipment and technology as follows:

(A) Gyroscopes, accelerometers, and test equipment for missiles to Iran.

(B) Chemical weapons equipment and technology to Iran.

(C) Missile guidance systems and computerized machine tools to Iran.

(D) Industrial furnace equipment and high technology diagnostic equipment to a nuclear facility in Pakistan.

(E) Blueprints and equipment to manufacture M-11 missiles to Pakistan.

(F) M-11 missiles and components to Pakistan.

(2) The Department of State has failed to determine whether most such transfers violate provisions of relevant United States laws and Executive orders relating to the proliferation of sensitive equipment and technology, including the Arms Export Control Act, the Nuclear Proliferation Prevention Act of 1994, the Export Administration Act of 1979, and the Export-Import Bank Act of 1945, and Executive Order 12938.

(3) Where the Department of State has made such determinations, it has imposed the least onerous form of sanction, which significantly weakens the intended deterrent

effect of the sanctions provided for in such laws.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the transfers of equipment and technology by the People's Republic of China described in subsection (a)(1) pose a threat to the national security interests of the United States;

(2) the failure of the Clinton Administration to initiate a formal process to determine whether to impose sanctions for such transfers under the provisions of law referred to in subsection (a)(2) contributes to the threat posed to the national security interests of the United States by the proliferation of such equipment and technology; and

(3) the President should immediately initiate the procedures necessary to determine whether sanctions should be imposed under such provisions of law for such transfers.

(c) REPORT.—

(1) REQUIREMENT.—Not later than 60 days after the date of enactment of this Act, the President shall submit to Congress a report setting forth—

(A) the date, if any, of the commencement and of the conclusion of each formal process conducted by the Department of State to determine whether to impose sanctions under the provisions of law referred to in subsection (a)(2) for each transfer described in subsection (a)(1);

(B) the facts providing the basis for each determination not to impose sanctions under such provisions of law on the Government of the People's Republic of China, or entities within or having a relationship with that government, for each transfer, and the legal analysis supporting such determination; and

(C) a schedule for initiating a formal process described in paragraph (1) for each transfer not yet addressed by such formal process and an explanation for the failure to commence such formal process with respect to such transfer before the date of the report.

(2) FORM.—The report shall be submitted in unclassified form, but may include a classified annex.

SEC. 310. ANNUAL REPORTS ON ACTIVITIES OF THE PEOPLE'S LIBERATION ARMY.

(a) ENTITIES OWNED BY PLA.—Not later than January 31 each year, the Secretary of State shall publish in the Federal Register a list of each corporation or other business entity that was owned in whole or in part by the People's Liberation Army of the People's Republic of China as of December 31 of the preceding year.

(b) REPORT ON PRC MILITARY MODERNIZATION.—

(1) REQUIREMENT.—

(A) IN GENERAL.—Not later than March 31 each year, the Secretary of Defense, in consultation with the Secretary of State, shall submit to Congress a report on the military modernization activities of the People's Liberation Army.

(B) SUBMITTAL.—The Secretary of Defense shall submit each report to the following:

(i) The Majority leader and Minority leader of the Senate.

(ii) The chairmen and ranking members of the Committee on Foreign Relations and the Committee on Armed Services of the Senate.

(iii) The Speaker and Minority leader of the House of Representatives.

(iv) The chairmen and ranking members of the Committee on International Relations and the Committee on National Security of the House of Representatives.

(C) FORM.—The report shall be submitted in unclassified form, but may include a classified annex.

(2) CONTENTS OF REPORT.—

(A) CONTENTS.—Each report under paragraph (1) shall include the following:

(i) A description of developments within the People's Liberation Army, including the implications of the developments for United States policy toward the People's Republic of China.

(ii) A description of the scope and pace of modernization by the People's Liberation Army.

(iii) To the maximum extent practicable, an analysis of the intent of such modernization programs.

(B) RELATIONSHIP TO ANNUAL HUMAN RIGHTS REPORT.—The report shall complement and not replace applicable sections of the annual report on human rights in China by the Department of State.

(c) PROTECTION OF SOURCES AND METHODS.—In publishing a list under subsection (a) and preparing a report under subsection (b), the Secretary of Defense shall take appropriate actions to ensure the protection of sources and methods of gathering intelligence.

SEC. 311. ANNUAL REPORTS ON INTELLIGENCE ACTIVITIES OF THE PEOPLE'S REPUBLIC OF CHINA.

(a) REPORTS.—

(1) IN GENERAL.—Not later than March 31 each year, the Director of Central Intelligence and the Director of the Federal Bureau of Investigation, jointly and in consultation with the heads of other appropriate Federal agencies (including the Departments of Defense, Justice, Treasury, and State), shall submit to the Members of Congress referred to in paragraph (2) a report on the intelligence activities of the People's Republic of China directed against or affecting the interests of the United States.

(2) SUBMITTAL.—Each report under paragraph (1) shall be submitted to the following:

(A) The Majority leader and Minority leader of the Senate.

(B) The chairman and ranking member of the Select Committee on Intelligence of the Senate.

(C) The Speaker and Minority leader of the House of Representatives.

(D) The chairman and ranking member of the Permanent Select Committee on Intelligence of the House of Representatives.

(3) FORM.—Each report shall be submitted in unclassified form, but may include a classified annex.

(b) CONTENTS OF REPORTS.—Each report under subsection (a) shall include information concerning the following:

(1) Political and military espionage.

(2) Intelligence activities designed to gain political influence, including activities undertaken or coordinated by the United Front Work Department of the Chinese Communist Party.

(3) Efforts to gain direct or indirect influence through commercial or noncommercial intermediaries subject to control by the People's Republic of China, including enterprises controlled by the People's Liberation Army.

(4) Disinformation and press manipulation by the People's Republic of China with respect to the United States, including activities undertaken or coordinated by the United Front Work Department of the Chinese Communist Party.

SEC. 312. STUDY OF THEATER BALLISTIC MISSILE DEFENSE SYSTEM FOR TAIWAN.

(a) STUDY.—The Secretary of Defense shall carry out, with appropriate representatives of the Government of Taiwan, a study of the architecture requirements for the establishment and operation of a theater ballistic missile defense system for Taiwan, including the Penghu Islands, Kinmen, and Matsu. The study shall include the following:

(1) An assessment of missile threats to Taiwan.

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

(3) Identification of existing theater ballistic missile defense systems or existing technology for such systems, that the United States could sell to Taiwan to assist in meeting the requirements identified under paragraph (2).

(4) Systems or technologies the United States is developing that could address the missile threats to Taiwan's security.

(5) Identification of potential joint cooperative efforts by the United States and Taiwan to develop theater ballistic missile defense systems.

(b) SUBMITTAL TO CONGRESS.—

(1) SUBMITTAL.—Not later than July 1, 1998, the Secretary of Defense shall submit to the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the House of Representatives a report on the study conducted under subsection (a).

(2) FORM.—The report shall be submitted in unclassified form, but may include a classified annex.

SEC. 313. SENSE OF CONGRESS REGARDING UNITED STATES FORCE LEVELS IN ASIA.

It is the sense of Congress that—

(1) the current force levels in the Pacific Command Theater of Operations are necessary to the fulfillment of the military mission of that command and are vital to continued peace and stability in the region covered by that command;

(2) any reductions in such force levels should only be done in close consultation with Congress and with a clear understanding of their impact upon the capacity of the United States to fulfill its current treaty obligations with other states in the region as well as to the continued ability of the United States to deter potential aggression in the region; and

(3) the annual report on the national security strategy of the United States required by section 108 of the National Security Act of 1947 (50 U.S.C. 404a) should include specific information on the adequacy of the capabilities of the United States Armed Forces to support the implementation of the national security strategy of the United States as it relates to the People's Republic of China.

SEC. 314. SENSE OF CONGRESS REGARDING ESTABLISHMENT OF COMMISSION ON SECURITY AND COOPERATION IN ASIA.

It is the sense of Congress that the President and the Secretary of State should initiate negotiations with the Government of the People's Republic of China and the governments of other countries in Asia to establish a commission on matters relating to security and cooperation in Asia that would be modeled after the Commission on Security and Cooperation in Europe.

TITLE IV—TRADE

SEC. 401. SENSE OF CONGRESS REGARDING THE ACCESSION OF TAIWAN TO THE WORLD TRADE ORGANIZATION.

It is the sense of Congress that Taiwan should be admitted to the World Trade Organization as a separate customs territory when Taiwan meets the established criteria of the Organization for membership on that basis.

TITLE V—HUMAN RIGHTS AND RELIGIOUS FREEDOM WORLDWIDE

SEC. 501. TRAINING FOR IMMIGRATION OFFICERS REGARDING RELIGIONS PERSECUTION.

Section 235 of the Immigration and Nationality Act (8 U.S.C. 1225) is amended by adding at the end the following:

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

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

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

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

SEC. 502. PROMOTION OF RELIGIOUS FREEDOM AND HUMAN RIGHTS WORLDWIDE.

(a) REPORTS ON RELIGIOUS PERSECUTION.—

(1) REPORTS.—Not later than March 30, 1998, and annually thereafter, the Secretary of State shall submit to the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives a report on religious persecution worldwide.

(2) CONTENTS.—Each report shall include a list of the government officials of any country worldwide who have been materially involved in the commission of acts of persecution that are motivated by a person's religion.

(b) PRISONER INFORMATION REGISTRY.—

(1) ESTABLISHMENT.—The Secretary of State shall establish and maintain a registry to be known as the Prisoner Information Registry.

(2) CONTENTS.—The registry shall be a repository of information on matters relating to the penal systems of the various countries and of individuals in such systems, including—

(A) the charges brought against the individuals in such systems;

(B) the judicial or administrative processes to which such individuals were subject;

(C) the length of imprisonment of such individuals in such systems;

(D) the use (if any) of forced labor in such systems;

(E) the incidences (if any) of torture in such systems;

(F) the physical and health conditions in such systems; and

(G) such other matters as the Secretary considers appropriate.

(3) ALLOCATION OF RESOURCES.—The Secretary may make funds available to non-governmental organizations currently engaged in monitoring penal systems worldwide or individuals in such systems in order to assist in the establishment and maintenance of the registry.

TITLE VI—OTHER MATTERS

SEC. 601. TERMINATION OF UNITED STATES ASSISTANCE FOR EAST-WEST CENTER.

(a) REPEAL OF AUTHORIZATION OF ASSISTANCE.—The Center for Cultural and Technical Interchange Between East and West Act of 1960 (chapter VII of Public Law 86-472; 22 U.S.C. 2054 et seq.) is repealed.

(b) PROHIBITION ON USE OF FUNDS FOR CENTER.—Notwithstanding any other law, no funds appropriated or otherwise made available to the Director of the United States Information Agency for any fiscal year after fiscal year 1997 may be used for any purposes (including grants and payments and expenses of operation) relating to the Center for Cultural and Technical Interchange Between East and West.

SUMMARY OF THE CHINA POLICY ACT OF 1997

TITLE I: SANCTIONS

• Deny visas to Chinese Government officials involved in political and religious persecution. This measure would deny visas to high ranking officials who are employed by the Public Security Bureau (the state po-

lice), the Religious Affairs Bureau, China's family planning apparatus, the People's Liberation Army (PLA), and those found to be materially involved in the ordering or carrying out of the massacre of Chinese students in Tiananmen Square. The President is granted waiver authority that can be exercised, in writing, each time a proscribed individual is to enter this country that explains why awarding such visas overrides United States concerns about China's human rights practices past and present.

• Require U.S. Representatives at multilateral banks to vote “no” on loans to China. Exception for loans related to environmental improvements and safeguards, famine, and natural disaster relief. China received approximately \$3 billion in World Bank loans in the most recent fiscal year. While receiving this foreign aid, the Chinese military budget increased by 12.7 percent. Between 1985 and 1995 the United States supported 111 of 183 loans approved by the World Bank Group and 15 of 92 loans that the Asian Development Bank approved. The bill also requires the Secretary of Treasury to oppose and instruct the U.S. executive director of the World Bank to oppose any change in the World Bank's rules that limit the total share of the bank's lending that can be made in any one country.

• Require the President to begin consultations with major United States allies and trading partners to encourage them to adopt similar measures contained in this bill and to work with our allies to vote against loans for China at multilateral development banks. Within 60 days of a G-7 meeting, the President shall submit a report to Congress on the progress of this effort.

• Targeted sanctions against People's Liberation Army (PLA) companies involved in the illegal sale of AK-47 rifles in the United States. China North Industries Group (NORINCO) and the PLA-owned company China Poly Group (POLY) will be prohibited from (1) exporting to, and maintaining a physical presence in, the United States; (2) receiving loans from the Export-Import Bank; and (3) receiving contracts for goods or services from the U.S. Government for a period of one year. The attempted illegal sale of AK-47 machine guns to street gangs in California warrant these targeted sanctions against these firms.

• The bill establishes a mechanism to apply sanctions on additional PLA companies based on certain specific actions, including weapons proliferation, illegal arms sales in U.S., and military and political espionage in the United States. The Director of Central Intelligence and the Director of the Federal Bureau of Investigation, in separate annual reports, shall identify entities owned in part or wholly by the People's Liberation Army who have engaged in proliferation of nuclear or chemical weapons, the illegal importation of weapons to the United States, or unlawful military intelligence collection or espionage in the United States. Such entities will be prohibited from exporting to, or maintaining a physical presence in the United States, receiving loans from the Export-Import Bank, and receiving contracts from the United States Government for a period of 1 year.

• Sanctions remain in effect for 5 years. The bill includes a Sense of Congress that the sanctions in the China Policy Act shall be reviewed by Congress within the 5 year period upon the occurrence of one or more of the following events: (1) People's Republic of China's entry into the WTO on commercially viable terms; (2) President's certification of PRC's full implementation of international proliferation standards and agreements; (3) President's certification that PRC is actively and effectively combating all forms of religious persecution; (4) PRC re-evaluation

of Tiananmen Square massacre; (5) Publication by the PRC of a National Security White Paper describing its intentions internationally; or (6) President's certification that the PRC has taken concrete steps towards improving overall human rights conditions in China and Tibet, including the release of political prisoners; improving prison conditions and providing prisoners with adequate medical care; and full compliance with the international human rights accords to which the PRC is a signatory.

TITLE II: HUMAN RIGHTS, RELIGIOUS FREEDOM, AND DEMOCRACY

• Congressional findings detailing the Chinese Government's jailing of political dissidents, persecution of religious groups, human rights violations in Tibet and coercive family planning practices.

• Combats slave labor and “reeducation” centers. The bill calls for stricter enforcement of the ban against the sale of products produced in slave labor camps; appropriations to United States Customs to increase monitoring; require reporting and advocacy requirements; and a Sense of Congress urging renegotiation of prison labor memorandum of understanding with China.

• Authorize an additional \$5 million for international broadcasting to China, including Radio Free Asia and the Voice of America to expand broadcast hours in multiple Chinese dialects, Tibetan, and other languages spoken in China.

• Authorize additional \$2 million in funding for National Endowment for Democracy programs in China.

• Authorize additional \$2 million of funding for existing United States Information Agency student, cultural, and legislative exchange programs between the U.S. and China.

• Terminate the East-West Center. This center funds cooperative programs of study, research and training between the U.S. and Asian Pacific nations. However, the resources of the State Department, which maintains a network of embassies and consulates in Asian Pacific countries, should be more than sufficient to promote good relations with these countries. Eliminating this \$10 million program offsets the spending increases proposed in the bill.

Require United States contractors who receive international family planning funds from the United States to report on their organization's activities in China.

Sense of Congress concerning multilateral efforts to address China's human rights record.

Sense of Congress that China should abide by the 1984 Sino-British Joint Declaration on Hong Kong.

TITLE III: NATIONAL SECURITY MATTERS

Congressional findings on PRC's proliferation of ballistic missiles, weapons of mass destruction, destabilizing advanced conventional weapons, and evasion of U.S. export controls.

Tighten United States export licensing requirements on super computers sold to China. Current regulation only requires an export license for mid-range supercomputers to countries such as China with only a certification, by the exporting firm, that the end-use is not military-related. This provision requires an export license for any mid-range supercomputers (currently 2000-7000 MTOP range, but amendable by the Secretary of Commerce) sold to China which the Departments of Defense, State, Energy, and Commerce, and the Arms Control and Disarmament Agency do not unanimously agree to export without a license. This provision is a modified version of the Spence-Dellums amendment to the House Fiscal Year 98 DoD Authorization bill.

Protects against dual-use export diversion from Hong Kong. The recent diversion of a Sun Microsystems supercomputer from a Hong Kong importer to a military end-user in the People's Republic of China highlights the potential problems with having dual-use technology exports to Hong Kong being treated more liberally than such exports to the PRC. This provision would deny licenses for export of items on the U.S. Munitions List and the Commerce Control List to Hong Kong if United States officials are denied access to conduct pre-license checks verifying the end-user. It will also require that if United States officials are denied access for post-shipment verification checks, or if an actual diversion of dual-use items takes place from Hong Kong to the PRC, then Hong Kong will thereafter be placed in the same export control category as the People's Republic of China.

A finding that China violated the Iran-Iraq Nonproliferation Act with the export of C-802 missiles to Iran, and a requirement on the implementation of this Act's sanctions. The Commander of the United States Navy's Fifth Fleet in the Persian Gulf has called the Iranian acquisition of C-802 cruise missiles a direct threat to the 15,000 US servicemen stationed in the area. Iran acquired these missiles from China, in direct contravention of the Iran-Iraq Nonproliferation Act (McCain-Gore Act). However, the Administration did not implement the sanctions called for in the Act.

Limiting transfers of sensitive equipment and technology by the People's Republic of China. Require within 60 days a report detailing State Department's sanctions determination process for each allegation against China in the area of proliferation, and a schedule for initiating sanctions determination process where the process has not been initiated.

Sunshine requirement on PLA companies. On an annual basis, the United States Government shall publish a list of all companies owned in part or wholly by the People's Liberation Army (PLA) of the People's Republic of China who export to, or have an office in, the United States. In addition, require a report on PLA military modernization.

Require enhanced monitoring of Chinese intelligence activities in the United States, including a report on such activities and a report on political and military espionage.

Require a bilateral United States-Taiwan study of establishing theater missile defense in the Pacific Rim.

Sense of the Congress that the current level of United States forces in Asia are vital to continued peace and stability in the region and should only be reduced with a clear understanding of their impact on United States treaty obligations and the continued ability of the United States to deter potential aggression in the region.

Sense of Congress that the President shall initiate negotiations with the PRC and other Asian countries to establish a "Helsinki Commission" for Asia.

TITLE IV: TRADE

Sense of Congress that Taiwan should enter the World Trade Organization (WTO) as soon as it meets the established criteria.

TITLE V: HUMAN RIGHTS AND RELIGIOUS FREEDOM WORLDWIDE

The legislation mandates additional and extensive training for United States asylum officers world-wide in recognizing religious persecution.

Enhanced reporting of human rights violations and religious persecution around the world. Increased publicizing of political and religious persecution world-wide through annual reports by the State Department, publication of list of individuals involved in reli-

gious persecution, and establishment of a Prisoner Information Registry.

Mr. ASHCROFT. Mr. President, I rise today in strong support of the China Policy Act of 1997. As an original cosponsor of the act, I believe this legislation provides the starting point for a much needed restructuring of United States-China relations. For too long, our approach to China has been one of passivity and appeasement. The Clinton administration seems willing to tolerate virtually any misbehavior—gross violations of human rights, arms deals with terrorist states, a headlong push to develop military capabilities that exceed any conceivable threat, even efforts to smuggle guns into the United States. This is no way to build a stable, peaceful, and constructive relationship.

Our legislation offers a dramatically different approach. Under this bill, when China violates standards of decency or endangers vital American interests, there will be a response that is swift, predictable, and appropriate. This legislation is an important first step toward a policy that rewards and encourages constructive behavior, and discourages questionable activity. It points the way to a new and better era in United States-China relations.

The 20th century has been the American century, and if the new century is to bear the same imprint, we must fashion a stable and constructive relationship with the People's Republic of China, which is pushing hard for global superpower status.

One specific provision I have included in this bill protects the United States from Chinese diversion of sensitive technology from Hong Kong. Hong Kong has abided by international export control regimes and has benefited from preferential access to sensitive U.S. technology—technology that can be used for military purposes.

My provision simply does the following: if China diverts controlled technology from Hong Kong, or if United States officials are denied the opportunity to conduct post-shipment checks on location and end use of controlled items, then the United States shall apply the stricter export controls to Hong Kong presently applied to the rest of China. In addition, if United States officials are denied an opportunity to conduct a prelicense check on the end use and end user of a controlled item, then the export license for that item shall be denied.

A May, 1997 GAO report on the export of controlled items to Hong Kong stated that effective monitoring is critical to prevent weapons and technology proliferation. The report identified prelicense checks and post-shipment verification as possible means to ensure the continued effectiveness of Hong Kong's export control system.

Now that Hong Kong has reverted to Chinese control, China undoubtedly will attempt to use the port to divert technology and proliferate weapons. Prosecutions for illegal shipments of

arms-related commodities in Hong Kong have grown dramatically in recent years, from 65 cases in 1994 to 250 last year. One Hong Kong firm, Cheong Yee, was sanctioned by the United States last May for helping Iran obtain chemical weapons.

The technology flow to Hong Kong is a significant national security risk if China compromises the integrity of Hong Kong's export control system. Chinese front companies in Hong Kong already have been identified with efforts to acquire controlled technologies for illicit export to countries of proliferation concern, according to United States and Hong Kong officials. China has refused to sign many of the export control regimes by which Hong Kong historically has abided. The old restrictions are kept in place only from a sense of moral obligation, states Brian Lo, Hong Kong's chief trade-licensing officer.

Mr. President, moral obligation is flimsy stuff when you are dealing with the Communist leaders of Beijing. These are the leaders who attack their own young people in Tiananmen Square, persecute Christians, and proliferate weapons to terrorist states which target U.S. citizens around the world.

In the face of this growing proliferation risk, the Clinton administration has been relaxing America's export control regulations. Just this week, a bipartisan report issued by the House National Security Committee stated that the changes made to U.S. export controls contributed to the proliferation of weapons of mass destruction and their means of delivery as well as the development of advanced conventional weapons.

The number of export licenses reviewed each year for national security reasons has fallen from 150,000 in the mid-1980's to less than 8,000 today. The world may have become a safer place, but the international arena is still threatening.

Clearly, it is time for the United States to take aggressive steps which protect United States national security interests and limit the ability of potential enemies to develop weapons of mass destruction. I am proud to be a cosponsor of the China Policy Act and believe that the provisions contained therein make a significant contribution to the United States-China debate. I urge the Senate's prompt consideration and passage of this bill.

Mr. FEINGOLD. Mr. President, I join the Senator from Michigan [Mr. ABRAHAM] in introducing the China Policy Act of 1997. This is a bill that I am proud to cosponsor and one that will send a much-needed message to the leaders of the People's Republic of China. I commend the Senator from Michigan for his efforts.

The China Policy Act is an omnibus bill that covers a broad range of issues. This legislation will impose targeted sanctions against Chinese entities—

such as the military and public security apparatus—that are directly engaged in weapons proliferation and human rights abuses. In addition, this bill calls for tighter enforcement of various laws related to China, such as the ban on Chinese prison-labor goods and controls on the export of high-speed computers to China. The legislation also contains funding increases for student, cultural, and legislative exchanges between the United States and China.

The China Policy Act is designed to move Congress and the American public beyond the sometimes polarizing debate over China's most-favored-nation trade status, offering realistic alternatives to revoking MFN that merit broad bipartisan support.

As many of my colleagues know, I have been a strong opponent of granting MFN privileges to China and, in fact, have been an original cosponsor of the resolutions of disapproval for the past 3 years. I strongly believe that, in light of Beijing's egregious human rights record, China does not deserve to have such trade privileges with the United States. Ever since the administration delinked MFN and human rights in 1994, I have watched with alarm as the Chinese Government has heightened its political and religious persecution throughout the country.

But despite my strong views on the issue, I realize that the Congress has been unable to reach a consensus on whether MFN is the best tool to pressure China to make improvements in human rights. I know that many of my colleagues share my concerns over China's human rights record, but nevertheless feel that MFN is too blunt an instrument, especially for a nation as large and diverse as China.

But once you step away from the debate over the effectiveness of MFN, there is widespread agreement among Members of both the Senate and the House that the administration's current policy of constructive engagement toward China remains unsatisfactory.

I believe the administration is promoting engagement for engagement's sake, not as a way to halt the many offensive behaviors of the Chinese regime. I prefer to call the administration policy not "constructive" engagement but rather unconditional engagement.

No matter how uncooperative China is, the United States appears ready to continue business as usual with the Chinese regime. This is especially true with respect to human rights. Recent events paint a very bleak picture. In October of last year, a Chinese court sentenced Wang Dan—a leader of the Tiananmen Square protests—to 11 years in prison for peacefully expressing his prodemocracy beliefs. Seventy-six-year-old Bishop Zeng Jingmu has been sentenced to reeducation through labor for organizing religious ceremonies outside China's official Catholic Church. In Tibet, Chinese authorities have banned the display of the

Dalai Lama's photograph and the State Department Human Rights Report cites three instances of Buddhist monks dying in Chinese prisons in 1996. Sadly, this represents on a tiny fraction of the human rights abuses that are taking place in China today. It would be impossible to name all of the people who are being kept behind bars for the expression of their political and religious beliefs.

Yet, even as the Chinese leadership continues to brutalize political dissidents and the people of Tibet, the administration is preparing to welcome China's President, Jiang Zemin, to the White House next month. What kind of message does this send?

The China Policy Act of 1997 represents the efforts of both pro- and anti-MFN Senators to find new ways to deal with the problems the United States currently faces in China.

And there is no shortage of problems.

I have already mentioned my primary concern, which is China's deplorable human rights record, but in addition, the Government of China continues to sell dangerous chemical and nuclear weapons technologies to terrorist and rogue regimes. China has used military intimidation to disrupt free elections in Taiwan and has harassed its neighbors in the South China Sea. Furthermore, we have all seen reports of Beijing's unfair trade practices and rampant copyright violations. This is what I refer to as a "kaleidoscope" of problems the United States has with China.

The China Policy Act of 1997 contains targeted sanctions aimed at the organizations most directly associated with China's poor behavior. For example, the bill contains provisions imposing comprehensive sanctions against enterprises run by the People's Liberation Army that have engaged in weapons smuggling or proliferation. The United States simply should refrain from doing business with companies that create security risks to our country.

This bill will also require the administration to deny United States visas to high-level Chinese officials directly connected with human rights violations and religious persecution. This provision expresses United States outrage at China's human rights abuses while still giving the President adequate waiver authority to conduct foreign policy.

I am particularly pleased this bill contains strong language on human rights, an area that has been a special focus of mine. The bill includes a provision stating that the administration needs to greatly increase multilateral efforts to condemn China's human rights record. As you know, Mr. President, this past April, the U.N. Human Rights Commission failed to pass a resolution criticizing China's human rights policies. Unfortunately, the United States only began lobbying for the resolution at the last moment and, as a result of this delay, many of our allies—including France, Germany, and

Canada—would not cosponsor the motion. To make our China policy more effective, the United States must do a better job of coordinating with our allies in multilateral fora.

In addition to addressing a wide spectrum of issues in Sino-United States relations, the China Policy Act also gives the Senate—and the American people we represent—an important opportunity to have an extensive debate about China policy. Such a debate is long overdue, and has continued to be delayed because of the controversy surrounding MFN.

It is my view that the inability of Congress to reach a consensus on MFN has led the Chinese authorities to believe that they can continue to commit gross human rights violations without facing any consequences. Unfortunately, it may be that, until now, the Beijing leadership has been right. In China's eyes, Congress has become what Chairman Mao Zedong would have called a paper tiger, something that might act ferocious, but is, in fact, harmless.

However, once Congress steps out of the restrictive confines of the MFN debate, I think China will be surprised at the level of dissatisfaction in Congress toward Beijing's actions.

The Chinese Government will obviously condemn this legislation because it demands that Chinese leaders live up to the international and bilateral agreements on weapons-proliferation, human rights, and trade to which China is a party. The Beijing government categorically rejects any outside scrutiny of its policies and equates good relations with a complete lack of criticism. But truly close relations between two countries can only be built when both sides fulfill their obligations and act in good faith toward one another.

The China Policy Act of 1997 is intended to send a strong message that Chinese Government's actions on many fronts remains unacceptable. Unfortunately, Chinese leaders have not heard this message loudly or strongly enough in the past. They have not heard it from the U.N. Human Rights Commission. They have not heard it from our trade negotiators. And, until now, they have not heard it from the U.S. Congress.

It is my view that the time has come for us to send this message clearly.

I yield the floor.

By Mr. GRASSLEY:

S. 1165. A bill to apply rules regarding the conduct of meetings and recordkeeping under the Federal Advisory Committee Act to the Social Security Advisory Board and for other purposes; to the Committee on Finance.

THE SOCIAL SECURITY ADVISORY BOARD
SUNSHINE ACT

Mr. GRASSLEY. Mr. President, today I rise to introduce the Social Security Advisory Board Sunshine Act. This legislation will apply the public meeting and disclosure requirements of