

To: Representative Mike Gallagher (Rep), Chairman of the Select Committee on China
From: Shirui Zhou
Date: 05/24/2000
Re: Recommendation Regarding the Vote on Bonior's Motion to Recommit and Bill of H.R.4444

Background

At the turn of the century, the rise of China, characterized by its powerful techno-authoritarianism and notable records on labor conditions, human rights, and religious tolerance, presents the U.S. with a dilemma. I strongly recommend voting "yea" on Bonior's recommit to mitigate the negative impact once the final bill is passed and "nay" on HR.4444, which seeks to grant China the status of "Permanent Normal Trade Relations" (PNTR). Given your position as the Chairman of the Select Committee on China, this stance solidifies your commitment to bipartisan collaboration, acknowledging the labor and human rights concerns that are prevalent within the Democratic Party. Secondly, it is in accordance with your vigilant and deterrent attitudes against a government that has normalized brutality, as witnessed in the 1989 Tiananmen Square incident, and determination to promote the true economic and social justice.

The bill on the table stems from the agreement announced in November 1999 during the WTO ministerial meeting in Seattle. For this agreement to take effect, Congress must approve "Permanent Normal Trade Relations" (PNTR) with China. The annual review of MFN status has been a customary practice since the Trade Act of 1974. After 1989, Congress attempted to link China's MFN status with improvements in human rights conditions, but it proved challenging to prioritize human rights concerns over burgeoning commercial interests. China's assent to the Uruguay Round agreements in 1995 and its commitment to significant tariff reductions, from 25% to 9%, as well as the phasing out of import quotas and licensing requirements, generated momentum in both the administration and Congress. This was further bolstered by aggressive lobbying from major corporations eager to capitalize on China's cheap labor and vast market.

The Bereuter-Levin amendment, integrated into the original H.R.4444, introduced enhanced monitoring processes to ensure China's compliance. It proposed an executive commission based on the OSCE or Helsinki commission model, tasked with producing an annual report for both the President and Congress. This report would evaluate human rights in China, monitor China's adherence to its WTO commitments, and mandate the USTR to oversee China's trade obligations. While Bereuter-Levin bridged some divides between Democrats and Republicans by emphasizing the need to press China on human rights, forced labor, and the treatment of political prisoners, it still hinges on the assumption that China will uphold its promises.

Trusting a nation where the rule of law is not yet fully recognized can be a perilous gamble. Your background in counterintelligence and insights into the CCP's theft of American personal data and intellectual property should underscore the potential dangers. While some argue that U.S. culture, religion, and values could infiltrate China through trade, the inverse is also possible: The CCP could harness advanced technology from open markets to suppress its citizens, infiltrate U.S. information systems, and compromise national security. It brings additional risk to national security as the bans on China military export would be invalid due to its violation of WTO rules, considering 42% of all imported rifles are from China prior to the restriction. Moreover, opposing this measure reaffirms your partisan commitment to defending America against aggression from the Chinese Communist Party. It is also in line with your efforts through the Congressional Trade Authority Act to reestablish Congress as the predominant branch of government and restore its Article I authorities.

Administration position

While the administration could be flexible and adaptive, it can also grapple with inconsistency, term limitations, and the intricate web of party and group interests. For instance, Clinton criticized Bush for coddling dictatorships during the 1992 campaign, yet he reversed his stance in 1994 by decoupling most-favored-nation privileges from human rights concerns. Throughout the 1990s, Clinton maintained that engaging China both politically and economically would better serve U.S. foreign policy objectives, which culminated in his push for granting China PNTR status towards the end of his administration.

Positions of Congressional leadership

As anticipated, most of the Majority leadership ardently pursue trade with China, fueled by the optimistic hope of instilling ideas of democracy and freedom through the internet. Representative Armey from Texas, the Majority Leader, posits that markets can serve as arenas for disseminating information, political beliefs, cultural values, and religious ideologies, which could potentially destabilize dictatorships and communist hardliners. Although there's merit to this notion, it overlooks the fact that potent influence of fear. The 1989 movement was widespread, with unarmed civilians across various strata rallying together. However, they were limited in their capacity to resist military might.

Indeed, as Minority Whip Representative Bonior asserts, prosperity isn't a prerequisite for democracy. Societal shifts towards democracy aren't merely propelled by international trade that enriches a select few. Instead, they arise from progressive social movements. Minority Leader Representative Gephardt emphasizes that annual reviews act as a tool to shine global attention on China, holding it accountable from an international level.

Positions of key special interests

While the list of supporting PNTR, includes Martin Lee (Democracy leader in Hong Kong), Chen Shui-bia (the newly elected president of Taiwan), Colin Powell, George Bush, Alan Greenspan (the Chairman of the Federal Reserve Board), Billy Graham (religion leader) On the other side, from Weijing Sheng, who jailed for 17 for writing in democracy wall, states how Chinese government towards activists has change corresponding to U.S. Sino policy. Not granting PNTR does not equal ending the trade relationship, but rather not to indulging the dictatorship before its make only real progress on the human rights issue.

While multiple business groups including New Jersey Chamber of Commerce, and agricultural groups, such as Northeast farmer cooperative are supporting the bill, let not forget the lesson from lesson of NAFTA. jobs in manufacturing loss to Mexico workers making pennies autoworkers. It's crucial to recognize that multinational corporations, not small companies, often wield the power to influence policy. The voice of Americans whose quality of life negatively impacted by the 'race to the bottom' maybe overheard. While the manufacturing job exported would give a real chance for American to get into middle class, the average pay is 3 cents of hour in China with most of the profit go into the high-level Government officials and corporate management executives.

Positions of Foreign Government

The European Union has already forged an agreement with China, paving its path to the WTO. While nations, including Japan, the EU, and even Taiwan, anticipate more open trade for diverse reasons, it's imperative for the U.S. to stand firm against the siren call of profits.

In conclusion, given your consistent approach of maintaining a stringent stance towards China and advocating for the Chinese lower class and U.S. manufacturing labor force, it's prudent to withhold PNTR until genuine societal progress is evident in China. Without such transformation, we risk empowering a dictatorship with technology and wealth accrued from global trade, posing significant future threats.