

Ronald Reagan Presidential Library
Digital Library Collections

This is a PDF of a folder from our textual collections.

Collection: Press Secretary, Office of the: Press Releases and
Briefings: Records

Folder Title: 07/23/1985 (#1509A)

Box: 37-Press Briefings

To see more digitized collections visit:

<https://www.reaganlibrary.gov/archives/digitized-textual-material>

To see all Ronald Reagan Presidential Library inventories visit:

<https://www.reaganlibrary.gov/archives/white-house-inventories>

Contact a reference archivist at: **reagan.library@nara.gov**

Citation Guidelines: <https://reaganlibrary.gov/archives/research-support/citation-guide>

National Archives Catalogue: <https://catalog.archives.gov/>

THE WHITE HOUSE
Office of the Press Secretary

BACKGROUND BRIEFING
BY SENIOR ADMINISTRATION OFFICIAL
FOLLOWING A MEETING BETWEEN THE PRESIDENT
AND PRESIDENT LI XIANNIAN
OF THE PEOPLE'S REPUBLIC OF CHINA

July 23, 1985

The Briefing Room

2:40 P.M. EDT

SENIOR ADMINISTRATION OFFICIAL: Let me give a summary of the meeting this morning, which went -- I didn't time it precisely -- I guess I should have, but it was about a half an hour. Ended at 11:00 a.m. The arrival ceremony began at 10:00 a.m. The meeting went to 11:00 a.m.

The subjects covered international issues, principally on our side the President talking about our hopes for arms control with the Soviet Union, emphasizing that we are serious about it, that we are hopeful about it, but nevertheless we have to proceed carefully.

Quite a bit of the discussion was on trade and economic issues between our countries, particularly on the subject of protectionism. The President made it very clear that we consider protectionism a problem for us as well as for our trading partners like China. There are a number of protectionist pieces of legislation in the Congress that the administration is fighting, one of them that is of immediate concern to the Chinese and that was the subject of discussion today is one that would, as I mentioned yesterday, cut back substantially on the access to our textile market for foreign imports.

The President did mention in the course of this -- I guess he made a liar out of me -- I said this subject wouldn't come up, but he did report that we had completed our work on the nuclear agreement and that we would be ready to sign it. So that subject was mentioned.

The subject of Taiwan was brought up by the Chinese side. The President emphasized that our position is to support the peaceful settlement of the Taiwan issue, that our -- we believe it is an issue for the Chinese themselves to resolve between themselves. We don't believe that we should be an intermediary. We are pleased at the peaceful approach that China is taking.

And with translations and so forth, that is the essence of a half an hour's meeting.

The nuclear agreement, I am told for certain, will be signed this afternoon at 3:45 p.m., along with the other three agreements that I mentioned to you yesterday, those being the fishing agreement, which is to be signed by Ambassador Wolf on our side and Ambassador Han Xu on the Chinese side; a cultural accord, which is to be signed -- let me get it right -- I believe by Charles Wick on our side and Vice Premier Li Peng for the Chinese; an educational accord,

MORE

which is to be signed by Vice Premier Li Peng for the Chinese side and Secretary Shultz for our side. And the nuclear agreement, which will be signed by Vice Premier Li Peng and Secretary Herrington.

I'm not quite certain I have the Chinese signatories right. I don't think Li Peng is doing three, but at any rate, I have the ones on our side correct.

Q Is he definitely doing the nuclear one then?

SENIOR ADMINISTRATION OFFICIAL: He is definitely the -- he has been one of our high-level interlocutors on the nuclear agreement. Kennedy met with him when he was in Beijing. And he will be the one signing for their side. And Herrington will be signing for us.

I guess -- I'm told you were given a handout with some basic things --

MR. DJEREJIAN: No, not a handout, just we read --

Q Yes, but one sentence.

Q We have --

SENIOR ADMINISTRATION OFFICIAL: Oh, read from.

Q Basically nothing.

SENIOR ADMINISTRATION OFFICIAL: Should I read from it some more?

Q Are we going to get a handout?

Q When can we get it?

SENIOR ADMINISTRATION OFFICIAL: Okay. So --

MR. DJEREJIAN: Read from it extensively.

SENIOR ADMINISTRATION OFFICIAL: I will read from it some more extensively. Okay?

Q Can we ask that we get a handout?

MR. DJEREJIAN: Yes.

Q We can?

Q Okay.

Q You can ask. Will we get one?

MR. DJEREJIAN: I think you will.

Q When?

MR. DJEREJIAN: I have to look at it --

SENIOR ADMINISTRATION OFFICIAL: Let me repeat -- I don't know how many people heard what I said yesterday, but I think it's worth going through again -- that there are two different kinds of requirements that we have to meet under U.S. law.

First of all, requirements that concern the agreement itself that govern the terms and conditions under which U.S. equipment sold to China would be operated and safeguarded. The equipment we're talking about is nuclear power reactors, not more sensitive kinds of technology. And I'd emphasize it's nothing with any military applications whatsoever. And, in fact, one of the major

MORE

purposes of the agreement itself is to make sure that equipment we provide is not used for military purposes of any kind.

But there's a second set of requirements under U.S. law, and that is that we can't conduct cooperation under such an agreement with any country that is assisting third countries to acquire nuclear weapons, even if they're doing it entirely with their own technology. And China, until recent developments, I think it's fair to say, was one of the only major nuclear suppliers that was entirely outside the framework of international controls that have been evolved over the last 20 years. It was the source of unsafeguarded heavy water for a number of countries, unsafeguarded nuclear exports of various kinds.

One of the results of the discussions that have taken place over the last three years has been a very substantial change in China's policy. China has joined the International Atomic Energy Agency. In September of 1984, China made public its decision to require the application of IAEA safeguards on its nuclear exports to nonnuclear weapon states.

The commitment by China that it will not help nonnuclear countries develop nuclear weapons, which was first made in a

state dinner here in the White House 14 months -- no, January, of '84, has since been reiterated and endorsed by the National People's Congress in Beijing in May of 1984. It's been repeated by Vice Premier Li Peng in January of this year when he said -- and I'm quoting from him -- "I wish to reiterate that China has no intention, either at present or in the future, to help nonnuclear countries develop nuclear weapons. China joined the International Atomic Energy Agency last year and was appointed a Board member country. We will maintain good relations of cooperation with the agency and abide by its stipulations. We have conducted cooperation -- or negotiations on nuclear energy," -- I'm still quoting from the Chinese Vice Premier -- "with France, the FRG -- Federal Republic of Germany -- United States, Brazil, Pakistan and Japan. China's nuclear cooperation with other countries, either at present or in the future, is confined to peaceful purposes alone" -- end quote from the Vice Premier.

We've had those statements and a number of other statements about this Chinese policy and I would underscore, it's a dramatic change from the policy of, I think, only ten or fifteen years ago when China took the view that every country's sovereign right -- it was every country's sovereign right to have nuclear weapons. But more importantly, in the last few years, I think, particularly in the course of these discussions, we have evolved with China a very close degree of understanding on the key issues involved.

Q Is there anything in the Treaty or protocols or a side letter or anywhere written down that these two people will sign today that says, in so many words, what you have just pointed out has been China's recent policy?

SENIOR ADMINISTRATION OFFICIAL: It's not written down in the Treaty, but it is absolutely clear to the Chinese. And we have been over and over this to make sure there's no question about it, that the -- no cooperation can take place under this agreement and any cooperation under the agreement would have to terminate if we find that China is not living up to its own policy or if we find, in fact, that China is interpreting its policy in ways that are inconsistent with the interpretation that we require. And that was in fact, the point that really took the last considerable period, since the agreement was initialed, to work out because a lot of countries say, and mean it, that they don't help other countries acquire nuclear weapons, but then engage in the sale of sensitive technology like reprocessing or enrichment under conditions that, in our law -- in our view -- are too loose to be permitted.

We feel, on the basis of these very detailed discussions we've had with the Chinese, particularly culminating with Ambassador Kennedy's discussions in Beijing in June of this year, that we now have agreement on the very detailed understanding of what China means by that phrase.

Q Outside the IAEA, are there any U.S. mechanisms for verifying ongoing Chinese compliance with that?

SENIOR ADMINISTRATION OFFICIAL: There are -- there are two different kinds of --

if I can talk for a minute about the subject of verification, again, because there are these two different things. There's an agreement that governs the use of our equipment and in the proposed agreement, there are provisions that provide for U.S. personnel to visit all locations in China where nuclear material provided by us is located. And it also provides for consultations and exchanges of information concerning the use of material. But beyond what's in -- So those are some additional helps that we get from the agreement. But, both with respect to the use of our equipment and with respect to China's policies toward third countries, we have ample means of intelligence available to us. And we will continue to monitor very closely, not only what China does with our equipment, but what it does in its peaceful nuclear programs with other countries.

Andrea.

Q Do our agreements with other countries, regarding this third country issue, have written assurances from other countries that -- unlike this agreement with China, which is verbal?

SENIOR ADMINISTRATION OFFICIAL: Can you say it again? Or you're saying other countries have it in writing what we have only verbally?

Q Have we gotten it in writing from other countries on this third country issue? Whereas, from China --

SENIOR ADMINISTRATION OFFICIAL: No.

Q -- you're not getting it in writing?

SENIOR ADMINISTRATION OFFICIAL: I'm not aware that we do. I'm not the nuclear expert, so I might be wrong. But we have gone into this, I think, in a level of detail with China far greater than what we would go into with another country. First of all, because China is a major nuclear supplier. Someone asked me the question here about Egypt, and Egypt doesn't supply nuclear equipment, so it's a kind of academic question. And we've gone into it in even more detail because of things that we observed about China's nuclear supply practices that made it clear we better have a clear understanding of this going in. We would be forced to terminate cooperation if China is engaged in nuclear supply practices that are -- that we're not permitted to be involved with.

Q It could be after the fact. I mean --

SENIOR ADMINISTRATION OFFICIAL: We don't want that kind of problem after the fact. We want it a clear record ahead of time. Neither country wants to go into an agreement like this and then find it's because of a misunderstanding that we've got to pull away from it after a year.

I think we have that very solemn understanding. We spent a lot of time at it. It's 14 months, as you know, since the agreement was initialed. And I think perhaps the Chinese initially thought we were just waiting until after our election. But we made it very clear after our election that we were waiting for serious answers, and we now have them. And we're very --

Q Did they refuse to put it in writing?

SENIOR ADMINISTRATION OFFICIAL: I don't think it was a matter of refusing. We've had detailed discussions. We have detailed records of those discussions, and the understanding is very clear.

Q Did we ever ask for it in writing?

SENIOR ADMINISTRATION OFFICIAL: We're talking about foreign countries' policies with respect to third countries. And,

frankly, I don't think there are many countries that will put in writing, to what is essentially a third party, what their policy is with respect to -- in China's case -- toward Brazil or Argentina or whatever. The important thing is that China has to understand we're not allowed to cooperate with China if China is doing certain things with Brazil or Argentina, and that understanding is very clear.

Q Hypothetically, what would happen if we saw Chinese technicians in Pakistan -- had what we think is a nuclear plan? What happens after that?

SENIOR ADMINISTRATION OFFICIAL: Well, it's getting into the sort of hypothetical question that's very tricky and dangerous to answer, but the basic point is, if we are convinced that China is engaged in activities such as to name some things that are specifically covered under U.S. law, assisting other countries with reprocessing or enrichment under conditions other than the very stringent ones specified in U.S. law, we would be forced to suspend cooperation.

Whether in the hypothetical case our first step would be to immediately suspend cooperation or first try to get a better handle on the facts or what, that's -- depends on the case. But the law is very clear. We cannot continue cooperation with China under this agreement if we find that China is helping other countries, by our understanding of the term, acquire nuclear weapons.

Q When did the Chinese stop becoming a nuclear supplier, and what specific programs have we evidence that they've cut off?

SENIOR ADMINISTRATION OFFICIAL: They haven't -- the purpose has not been to get China to stop being a nuclear supplier, the purpose has been to get China to come into conformity with some of the basic ground rules that the supplying countries have evolved, and as I said yesterday, it took really 20 years to develop these rules, and China has come on board a large proportion of them within the space of two or three years of discussions, so that's pretty rapid progress.

But we're not -- to get back to your specific question, for example, we're not trying to interfere or stop Chinese nuclear supply to Brazil or Argentina. We just want to make sure that the things China supplies to Brazil to Argentina -- and I don't mean to pick on them, but those are two countries I believe that the Premier mentioned they have agreements with -- that the things they supply are under safeguards and that the things they supply are limited to basically what we would call non-sensitive technologies.

Q Is that so in Pakistan too?

SENIOR ADMINISTRATION OFFICIAL: That's true of Pakistan; this is true of every country.

Q Does China export any enriched uranium to anybody?

SENIOR ADMINISTRATION OFFICIAL: I'm not aware -- that's possible they do -- I'm not aware that they do at the moment. I think our expectation would be here as with many other suppliers that we bring China into an international framework where, as China gets into more and more extensive nuclear activities, they're going to conform -- I mean, they've signed up to a set of rules as applied to enrichment that would have to govern the way they would supply enriched uranium if they get into that business. I don't think they're in that business yet.

Yes?

Q When are we going to see this agreement, or is -- it hasn't been made public, as far as I know in the past 14 months.

MORE

SENIOR ADMINISTRATION OFFICIAL: No it hasn't. My assumption is that as soon as it's signed it's going to be given to the relevant Congressional committees. I can't --

Q What about the -- it's going to be signed today?

SENIOR ADMINISTRATION OFFICIAL: I -- that's correct, I believe.

Q Does that mean it will be made public -- give it to the press?

SENIOR ADMINISTRATION OFFICIAL: I'm sorry, I can't tell you the answer to that.

Q What's the process when it gets to Congress?

Q -- I thought that's what they --

SENIOR ADMINISTRATION OFFICIAL: No. Let me try -- there are some -- a few points that someone put together from some assorted guidances, and let me just try to summarize them.

The agreement provides the legal framework for the sale of U.S. nuclear power reactors, components, materials and technology to the to the PRC. It provides also for exchange of information and technology and various aspects of the nuclear fuel cycle, including cooperation in health and safety and the

environmental implications of the peaceful use of nuclear power. It also calls for exchange of information, regular consultations and visits.

And the next sentence is quite important: It does not provide for the transfer of any sensitive nuclear technology or facilities, such as reprocessing plants or enrichment plants. These are the kinds of -- the sensitive end of the technology is that -- that actually produces the fuel.

It's also not a commitment to actually supply reactors or materials. It's rather a framework agreement which specifies the guarantees and controls under which supply may take place. The actual sale is a commercial matter that would be negotiated between U.S. companies and the PRC.

And each individual nuclear export must be licensed by the Nuclear Regulatory Commission after the agreement has gone into effect.

Q Sir --

Q Under this agreement, does China, in effect, give us veto power over what we do -- what they do with the spent fuel afterwards?

SENIOR ADMINISTRATION OFFICIAL: You can get into a lot of terminological argument about what the control we have, but under the law we are required and we have under this agreement -- we have to give our consent for any fuel from a U.S. reactor -- I believe that includes fuel of third-country origin -- we have to give our consent for it to be reprocessed or handled in any form.

Now, in this agreement there are also various commitments we undertake that we won't exercise that -- let me put it this way -- that we won't withhold our consent simply, for example, for commercial purposes. There are countries -- and I won't name them -- who would be suspected if they had that kind of control that they might sit on an approval simply because they found it commercially disadvantageous to approve it. We made it clear that the only basis on which we will exercise that control has to do with our concern about peaceful uses.

Q Has there been any substantial change in the written agreement that Herrington is signing from what was initialled in Beijing?

SENIOR ADMINISTRATION OFFICIAL: There's been no change at all.

Q So --

SENIOR ADMINISTRATION OFFICIAL: The discussions since last May have fallen in the second area that I've described, that is, China's policy with regard to third countries.

Q -- if I can follow that -- at the time the agreement was initialled in Peking, was it known there would have to be this second negotiation?

SENIOR ADMINISTRATION OFFICIAL: No, there wasn't.

Q What happened in the intervening period to make it necessary?

SENIOR ADMINISTRATION OFFICIAL: Let me just see what I'm officially allowed to tell you. (Laughter.) I think you all know the answer.

Q Well, could you tell us when that happened?

MORE

SENIOR ADMINISTRATION OFFICIAL: Well, it began, frankly, within a few weeks of the initialling. As we were reviewing the agreement itself, we began getting information that led us to conclude that it was necessary to make sure, in these words, that we, in fact, shared a full mutual understanding with the Chinese on matters related to the implementation of the agreement and, specifically, matters concerning nonproliferation policies and practices of both sides.

Let me say something else, too. This is a rather technical subject. I used to spend a lot of time on it, so -- before I was in this job. I spend time on it now for a different reason. The United States has

MORE

the strictest rules of any country in the world about what constitutes helping another country get nuclear weapons.

We have had cases in the past -- the French helped the Israelis get things that would be clear violations of French policy now. The Canadians sold nuclear power plants to India under conditions that Canada would not permit now. Every country has had some looseness in its practices, and the trend, fortunately, over time -- and it has taken a long time -- has been to bring a certain uniformity and greater tightness in the international regime. And I think it is fair to say that what we are seeing in China's case fits the same pattern. Its policies, its practices have become much tighter, and we think that with this agreement and with the consultations provided under the agreement, we have a mechanism to keep bringing China further into the international community on this.

Q Can you give us an idea of what the plan is to -- this is going up to the Hill right away. What is the planned schedule for congressional consideration and so forth, and what is the prognosis? And what is the administration's view of this being approved by Congress --

SENIOR ADMINISTRATION OFFICIAL: I can tell you -- I don't know -- I don't think I can tell you everything you have asked. I can tell you some things about the process.

The law was changed as a result of the amendment by Senator Proxmire to the Export Administration Act that I think was passed earlier this year. If the agreement had been submitted last year it would have required sixty days of continuous session in Congress. It now requires ninety days. It has to sit, be reviewed. I think there have to be hearings.

If Congress has a ninety-day period of continuous session, which is more than ninety days on the calendar -- I think it will take us pretty much to the end of the year -- in which it can act by resolution of both houses to disapprove the agreement. If it does not do that, my understanding is the agreement then takes effect. It is much like the same procedure that applies to approval of arms sales. It has a certain waiting period. Congress has to take positive veto action if it wants to stop it. If it doesn't, then it goes into effect.

Q Reagan could veto the resolution, too, couldn't he?

SENIOR ADMINISTRATION OFFICIAL: Yes, there is a whole set of constitutional issues about whether this procedure is acceptable or not. Our hope is that we won't get to them, that the agreement will be -- meet the approval of the Congress and it will go into effect.

Q Do you know if it is a majority, a joint resolution is a majority --

SENIOR ADMINISTRATION OFFICIAL: I believe it would take a joint resolution majority of both houses.

Q Because the Chinese did detonate atomic bombs -- they have had two, I believe, and they have all the knowledge, what exactly are they getting, because you see the radon daughters last one hundred years?

SENIOR ADMINISTRATION OFFICIAL: What lasts one hundred years?

Q Well, if you covered atomic energy, you would know what I am talking about.

SENIOR ADMINISTRATION OFFICIAL: Well, I don't know that phrase.

Q The half-life of some particles.

SENIOR ADMINISTRATION OFFICIAL: I think I understand the drift of the question. I think -- China is a nuclear weapons state already without our help. And, by the way, nothing under this agreement is going to help China's military program. That we are

MORE

very confident about, both in the way the agreement is designed and in the kinds of equipment that we would be selling.

And your question is why are they so interested in it. I think --

Q Are we giving them extra special, sophisticated things?

SENIOR ADMINISTRATION OFFICIAL: No, we're not. I think they -- they want to be able to buy Western nuclear technology. They want to buy ours, among others, because I think everybody figures we have the best available. I think our leverage, however, in this whole negotiation has been somewhat limited because there are many other countries that could sell almost the same thing, and China can build much of the same things themselves. I think the reason we've made as much progress as we have -- and I think we've made substantial progress -- is because, in addition to the leverage, the interest created in our technology, I think the Chinese have come to see that it's in their own interests to keep the nuclear club limited. And China's not unique in that regard. Practically every new member of the nuclear club has spent its first years as a member explaining why the club should be expanded and why it's every country's sovereign right to be a member. And after a few years of thinking about it, has come to think, well, maybe it's just big enough with four or five or six of us.

Q Isn't that a strange point of view?

Q -- Congressional procedure, it seems to me that there's two procedures under the amendment, one if the President determines certain criteria have been met and one if he asks for an exception. Can you tell me if he is going to ask for an exception?

SENIOR ADMINISTRATION OFFICIAL: No, he's not asking for an exception. The exception would be if he felt that the agreement did not meet the requirements of U.S. law and he were to ask for a waiver of the requirement. And I think in that case, under the new -- as amended by Proxmire -- I think if you ask for a waiver you then have to have a positive vote of both Houses. But this is not a -- this agreement, we feel, fully meets the requirements of the law.

Q What about reports that other countries got tighter controls from China than the U.S. has gotten?

SENIOR ADMINISTRATION OFFICIAL: China's negotiated agreements with a number of countries. They're -- each one seems to be different. They will do certain things with a non-nuclear weapon state that they won't do with a nuclear weapon state. Our own law actually recognizes the distinction in that regard.

I think something that's important -- and I'm not -- I'm really not sure how much we know about the details of other countries' agreements -- we have gotten what we need under our law, number one. And number two, I'm not aware of any other country having engaged the Chinese in the kind of detailed discussion that we have about China's own export practices. So there's -- Now, as you know, that's not -- we have not got an agreement with China about it. We have gotten statements from China about what its policies are. But it's our discussions, I think, that have produced that. I'm not aware of any other country having pushed, or been required under its own law to push, as hard as we have.

Q Will there be any secret --

Q This is a decision of some importance that was made today on the very first day the President is back at work. You were in the meetings and you've seen him in other situations. Was it your sense that he was fully alert and participating in this discussion and as much on top of it as he has been in the past?

Q Say no.

Q Make our day.

Q Make our day -- (laughter.)

SENIOR ADMINISTRATION OFFICIAL: I don't know what you'll think of me. I was impressed. And other people -- (laughter.) There's my answer. And everyone else I talked to, who's not up here to answer your question, was impressed at just remarkably how fit and alert he seemed. Obviously, he's not --

Q Is he magnificent? (Laughter.)

SENIOR ADMINISTRATION OFFICIAL: I don't know who -- I think he was very good.

Q How long --

Q Can I ask a -- go from nuclear to --

Q But can we ask one more?

Q Oh, sure.

Q One more on nuclear. Is there secret part to this agreement? Something you're not going to make public?

SENIOR ADMINISTRATION OFFICIAL: No. I think the agreement --

Q It's a secret.

SENIOR ADMINISTRATION OFFICIAL: As far as I understand, the whole agreement has to be delivered to the Congress. And I don't think there's anything secret in it.

Q Did you sit in on the meeting in which they briefed the President on this agreement?

SENIOR ADMINISTRATION OFFICIAL: No, that was a smaller group before.

Q So you don't know how they did that?

SENIOR ADMINISTRATION OFFICIAL: No, I don't. I --

Q -- nuclear --

Q What meeting did you --

Q -- still on the nuclear --

SENIOR ADMINISTRATION OFFICIAL: Can we come back to nuclear? Let's try a change for a moment.

Q All right.

Q Oh, sure. (Laughter.) What I was wondering, there was a -- I mean, there was frank exchange of differences and -- as well as similarities and friendship, was there not?

Q That is a change. (Laughter.)

Q Careful!

Q -- did he say?

SENIOR ADMINISTRATION OFFICIAL: Give me the rest of the question. (Laughter.) You're like Steve Solarz.

Q Well, all right -- here's the thing. In view of the recurrent reports that there is a strict morality within the People's Republic, and which I've just talked to one of the reporters here -- was there any discussion today of the report in a supplement of the Washington Post on Sunday that the Chairman of our House Armed Services Committee has been -- quote -- "sharing quarters" with a lady reporter for the New York Times, which lady Aspin's office has identified and who has subsequently been reported romantically linked with Richard Burt and how this may result in leaks?

SENIOR ADMINISTRATION OFFICIAL: I don't know why on Earth there would have been any discussion of that. There wasn't --

Q Well, I mean there is a difference. They don't have this morality in China and I wondered if there was any -- (laughter) -- any -- if he had noticed this? Did you notice it? You did and you don't want to comment on it.

SENIOR ADMINISTRATION OFFICIAL: It wasn't discussed.

Q It wasn't discussed?

Q I'm ready when you are.

Q They are a fecund people.

Q That was in the paper the other day.

Q If the agreement is allowed to go into effect by Congress, what would be the first Chinese power project that Americans could bid on? Do you have an idea of their schedule of --

Q Niagara Falls. (Laughter.)

SENIOR ADMINISTRATION OFFICIAL: I believe there's -- they are talking about two very large -- roughly 1,000 megawatt power plants in the Guangdong area of south China --

Q -- spell that?

SENIOR ADMINISTRATION OFFICIAL: Guangdong -- G-U-A-N-G-D-O-N-G -- and -- but --

Q What would that mean in sales?

SENIOR ADMINISTRATION OFFICIAL: It depends on how much of the -- I think one plan of that kind -- I'm sorry, I'm past my competence -- I won't -- I will try to get you an answer immediately and post it.

Q Follow-up to that?

SENIOR ADMINISTRATION OFFICIAL: Yes.

Q Could you tell us --

Q Write it down.

Q -- being 14 months since it was initialed, it's not likely to go into effect before the beginning of next year, are we likely to -- and we've already lost some business to, I believe, French on the first major project -- do you think we are likely to lose much more --

SENIOR ADMINISTRATION OFFICIAL: I can't give -- I am sorry, I can't say.

Yes, sir?

Q What sort of discussion was there on the Soviet strategy and the relations between the Soviet and China?

Q What was the question?

SENIOR ADMINISTRATION OFFICIAL: What sort of discussion about Soviet strategy and relations between the Soviet Union and China. And let me emphasize, I found it's a good practice to

limit myself to try and report what our side said. When I get into the business of trying to report what the other side said, I often find that I've got it wrong.

The President talked about how we are not going to give up on the effort to seek substantial arms reductions with the Soviets, that we're hopeful that perhaps there will be a change with Gorbachev, though we haven't seen it yet, that we will continue to explore various channels with the Soviet Union to try to arrive at mutually beneficial bilateral agreements, and that we see the Chinese effort to do the same thing as a constructive one.

President Li did mention Sino-Soviet relations, but I think I'd better leave it to their briefer to say what he wants to say about that.

Q What about population issues?

SENIOR ADMINISTRATION OFFICIAL: Population issues did not come up.

Q What about any new ideas or issues on the Taiwan problem?

SENIOR ADMINISTRATION OFFICIAL: We went over the issue again. I think what we feel is that new ideas have got to come from the Chinese. We say the Chinese people on both sides of the strait -- that is to say on Taiwan and on the mainland -- that we support a peaceful resolution of the issue, but we do not believe that we should take a role of intermediary, that we should be the ones attempting to bring about a resolution.

Q Did the Chinese make the case for that intermediary role, or --

SENIOR ADMINISTRATION OFFICIAL: I think I better let them speak for themselves. They are --

Q Was there any discussion --

SENIOR ADMINISTRATION OFFICIAL: They are known on a number of occasions to have suggested that we should do that.

Q Was it raised again?

Q -- North and South Korea getting together in a discussion on --

SENIOR ADMINISTRATION OFFICIAL: No discussion about Korea.

Q Was there any discussion of human rights in The People's Republic?

SENIOR ADMINISTRATION OFFICIAL: Not per se in this half-hour.

Q The President didn't show any concern about that?

SENIOR ADMINISTRATION OFFICIAL: Andrea?

Q I didn't hear your answer.

SENIOR ADMINISTRATION OFFICIAL: Not in this half-hour he didn't --

Q Did population come up in any of the other meetings, that the Chinese --

SENIOR ADMINISTRATION OFFICIAL: The other meetings

meeting, Weinberger meeting, Vice President Bush meeting, the President's going to be --

Q Will there be a communique?

Q What's the agenda for the Weinberger --

Q Do we expect it to come up?

SENIOR ADMINISTRATION OFFICIAL: -- seeing him at dinner tonight.

Q Do we expect that the population question will -- family planning issue will be a part of this general set of meetings?

SENIOR ADMINISTRATION OFFICIAL: It might well be, but I'm not certain.

Q -- and what is the U.S. -- will we say we're standing by our policy?

SENIOR ADMINISTRATION OFFICIAL: Certainly. I mean, we feel --

Q -- cutting back on the funds?

SENIOR ADMINISTRATION OFFICIAL: Well, we've cut back on UN Fund for Population Activities funds, we are trying to work with the UNFPA to design a program in China that would meet our concerns, but our concerns are very real ones.

Q Yesterday --

SENIOR ADMINISTRATION OFFICIAL: They are of two kinds. One has to do with not Chinese policy but practices that are contrary to that policy that clearly involve coercion and the use of abortion. But even voluntary abortion is something that we cannot -- under our law -- and will not support, and so it's important to us to be confident if we're going to continue participating in human programs in China that they're not doing that.

Q I wanted just to follow up.

SENIOR ADMINISTRATION OFFICIAL: Okay, let her have one follow-up.

Q Yesterday you kept using the words "forceful abortion." Are we now going to have a distinction in our policy where if a country isn't forcing abortion but it goes on, that that's okay?

SENIOR ADMINISTRATION OFFICIAL: No. Well, it's not okay. Any kind -- as I said, abortion of any kind, voluntary or coerced, I mean, is --

we are not, under our law, allowed to participate in or support, even voluntary. But I think it's -- there's a human rights violation with coercive abortion, I think, that has people rightly concerned that goes beyond even any concerns you may have --

Q We're not looking for an out over the word "forceful" or "coerce"?

SENIOR ADMINISTRATION OFFICIAL: No. I think we bring up the point about forceful and coerced abortions because that's something we find even more abhorrent.

Q What law?

Q Yes. What law are you talking about?

Q Yes, what --

Q It's Reagan administration policy --

SENIOR ADMINISTRATION OFFICIAL: I'm sorry, it is U.S. law that the United States cannot fund programs that involve abortion.

Q How much have we cut back funding as a result --

Q Is Winston Lord sitting in on any of these meetings over these two days?

SENIOR ADMINISTRATION OFFICIAL: I'm sorry, I can't tell you the -- I didn't see him at the one this morning. But he was, I think, at lunch. I think he's going to be at the dinner.

Q Who was in the meeting this morning? Was it just Reagan and Li?

SENIOR ADMINISTRATION OFFICIAL: No, virtually the whole Chinese official party, and on our side, it included the Vice President, Secretary of Defense, Secretary of State, Secretary of Commerce, National Security Advisor. I don't mean to defend anybody by leaving them out. Those were the principal ones that I remember.

Q All in the Green Room?

Q Was there a plan prior to --

Q Blue Room.

Q No, it was the Green Room.

Q -- the President's surgery for a one-to-one, private meeting and was later changed?

SENIOR ADMINISTRATION OFFICIAL: I'm not aware -- no.

Way in back.

Q Yes. Can you say anything else about the discussion on textiles -- protectionism in the bill?

SENIOR ADMINISTRATION OFFICIAL: Just that it's clearly -- it's clearly a serious concern for the Chinese. It's an important source of foreign exchange for them.

China is one of the countries on which our textile controls have actually begun to bite somewhat sharply. The figure I have here is that PRC textile exports to the U.S. were down 21 percent for the first five months of this year as compared to the first five months of last year.

The specific bill in question, the Jenkins bill is something that would cut them back to pre-1983 levels, I think, and cut all countries back. And while we are committed to trying to control the growth of textile exports because we realize it's a sensitive industry, it's taken a fairly hard beating, we think that this particular bill is excessive protectionism and the administration has strongly opposed it.

Q How much of a cut would that be, pre-1983 levels? Do you have a percentage for --

SENIOR ADMINISTRATION OFFICIAL: For different countries, it's different. I know for Indonesia it would represent a 90 percent cut.

Q What about for the Chinese?

SENIOR ADMINISTRATION OFFICIAL: For the Chinese, I think it's around 30 percent, but that's a guess from memory.

Q And can you just say, are there any Chinese requests for arms that would come up at the Weinberger meeting? Are they looking for any kind of a weapons --

SENIOR ADMINISTRATION OFFICIAL: We have a number of programs that could lead to defensive -- sales of defensive arms to China. The specific kinds of things that we're talking about are artillery shells, anti-tank guided missiles, radars for aircraft, and anti-submarine weaponry of various kinds.

Q Is there a request in?

SENIOR ADMINISTRATION OFFICIAL: Well, that's not how the process goes. I mean, I could say no, but that would be a sort of technical answer. There won't be a formal request until we go through all of the

discussions of contracting and price and so forth, and the Chinese decide they actually want to buy what is offered at the price that it is offered, at which point there will be a request and at which point any of those four things I mentioned would have to go to the Hill for approval.

But we are very far along in the process of discussing each of those four, so it is not as though they are academic issues.

I guess I have time for about one last one, and then --

Q Disregard the new ideas on the issue of Taiwan. Yesterday something to the effect that eventually the Chinese in Taiwan and the Chinese on the mainland would have to deal with each other directly. Is this some new twist, perhaps suggesting the U.S. favors direct talks between the two?

SENIOR ADMINISTRATION OFFICIAL: No, I hope I didn't say anything that suggested new twists. We have been specifically -- (laughter) -- No, it is important. We feel that we have made a number of -- arrived at a number of agreements embodied in three communiqués with the Chinese on this issue that have been very difficult for us to arrive at. We are not interested in constantly changing our position. We feel that this is an issue that the Chinese people and Taiwan and the mainland have got to resolve themselves --

Q How?

SENIOR ADMINISTRATION OFFICIAL: -- by whatever -- I think the answer is, it is going to take a long time, it is going to take a lot of patience. And in the meantime, our stress is on a peaceful situation and not forcing the issue by military means.

Q What on earth do you think might lead to a peaceful resolution of this problem? Is there anything in the world you can suggest?

SENIOR ADMINISTRATION OFFICIAL: Our whole policy is for us not to suggest things. It is up to them to decide.

Q But they are not going to, are they? I mean, is there anything in the sight --

SENIOR ADMINISTRATION OFFICIAL: Well, we are not going to push them. That is the point.

Q Right.

SENIOR ADMINISTRATION OFFICIAL: Okay.

Q What about Quemoy and Matsu?

SENIOR ADMINISTRATION OFFICIAL: I have got, I think, an answer to -- well, it tells you a little bit. It says -- this is -- says that China has plans to build up to 10,000 megawatts of nuclear generating capacity by the year 2000, that that would be about ten nuclear plants at a total value of about \$20 billion. And if I can extrapolate from that at about \$2 billion per plant, then I think the two Guangdong reactors would be about \$2 billion each.

Q Final question here. What about Quemoy and Matsu?
(Laughter.)

Q How many votes have they got?

THE PRESS: Thank you.

END

3:20 P.M. EDT