

nationally. We are the largest economy in the world. And if ours is robust and growing, that benefits everybody else, in my view.

Q. Do you hope banks follow suit, Mr. President, and follow the prime rate?

The President. Well, I'll leave that to the markets. I won't go into all that, but I think clearly—and traditionally that has happened, and I certainly expect it to happen.

Q. What about the Germans, sir?

The President. There are problems, and people have different problems in their countries. Some are much more concerned about inflation than other countries—but

this is a very strong leadership role by the Fed now that will be helpful, I think, around the world—and certainly be helpful to our economy that needs a kick now, needs a boost.

Note: The President spoke at 10:03 a.m. in the Cabinet Room at the White House, prior to a meeting with the bipartisan leadership of the House of Representatives. In his remarks, he referred to Richard A. Gephardt, House majority leader. A tape was not available for verification of the content of these remarks.

Statement by Press Secretary Fitzwater on Restrictions on U.S. Satellite Component Exports to China

April 30, 1991

The President has decided not to approve a request to license the export of U.S. satellite components to China for a Chinese domestic communications satellite, the Dong Fang Hong 3 (DFH-3). The President made this decision because certain activities of Chinese companies raise serious proliferation concerns.

The United States has undertaken a major worldwide effort to combat the proliferation of weapons of mass destruction, particularly to regions of instability. We take this issue very seriously, and the President's decision not to approve satellite licenses in these circumstances underscores the importance attached to nonproliferation.

The United States is currently engaged in an intensive dialog with China on proliferation issues, aimed at encouraging China to observe internationally accepted guidelines on missile and missile-related technology exports. The Chinese Government has stated that it will be prudent and responsible in its sale of missile technology. We will be discussing our concerns about the activities of the Chinese companies involved in Dong Fang Hong with the Chinese Government.

U.S. satellites, their components and associated technologies are included in the U.S.

Munitions List and require licenses for export to controlled destinations, including China. Under sanctions contained in the Foreign Relations Authorization Act, FY 1990–91, licensing of these exports is prohibited unless the President determines it to be in the national interest. Given our proliferation concerns, it would not have been appropriate to waive the legislative prohibition for the Dong Fang Hong.

At the same time, the President decided that it is in the national interest to waive legislative restrictions on exports for two other projects, AUSSAT and FREJA, that will launch satellites from China. The two U.S.-built AUSSAT satellites will provide needed communications services for our ally Australia. The President had previously waived legislative sanctions against launches from China for AUSSAT, but the project required additional export licenses. The President was concerned that we live up to our earlier commitment to allow Australia to proceed with this project. The Swedish FREJA satellite, a small scientific satellite, will be used by civilian atmospheric researchers in the U.S., Sweden, Canada, Germany, and Finland.