

105TH CONGRESS
2D SESSION

S. 2567

To ensure that any entity owned, operated, or controlled by the People's Liberation Army or the People's Armed Police of the People's Republic of China does not conduct certain business with United States persons, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 7 (legislative day, OCTOBER 2), 1998

Mr. WELLSTONE introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To ensure that any entity owned, operated, or controlled by the People's Liberation Army or the People's Armed Police of the People's Republic of China does not conduct certain business with United States persons, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Trading With the Peo-
5 ple's Republic of China Military Act of 1998”.

1 **SEC. 2. FINDINGS AND POLICY.**

2 (a) FINDINGS.—Congress makes the following find-
3 ings:

4 (1) The People's Liberation Army is the prin-
5 cipal instrument of repression within the People's
6 Republic of China and is responsible for massacring
7 an unknown number of students, workers, and other
8 demonstrators for democracy in Tiananmen Square
9 on June 4, 1989.

10 (2) The People's Liberation Army is responsible
11 for occupying Tibet since 1950 and implementing
12 the official policy of the People's Republic of China
13 to eliminate the unique cultural, linguistic, and reli-
14 gious heritage of the Tibetan people.

15 (3) The People's Liberation Army has oper-
16 ational control of the People's Armed Police, an in-
17 ternal security force of over 1,000,000 troops, whose
18 primary purpose is to suppress the legitimate pro-
19 tests of the Chinese people.

20 (4) The People's Liberation Army is engaged in
21 a massive effort to modernize its military capabili-
22 ties.

23 (5) The People's Liberation Army owns and op-
24 erates hundreds of companies and thousands of fac-
25 tories the profits from which in some measure are
26 used to support military activities.

1 (6) Companies owned by the People's Libera-
2 tion Army and the People's Armed Police export to
3 the United States such products as toys, clothing,
4 frozen fish, lighting fixtures, garlic, glassware, yarn,
5 footwear, chemicals, machinery, metal products, fur-
6 niture, decorations, gloves, tents, and tools.

7 (7) Companies owned by the People's Libera-
8 tion Army and the People's Armed Police regularly
9 solicit investment in joint ventures with United
10 States companies.

11 (8) The People's Liberation Army and the Peo-
12 ple's Armed Police have established at least 23 dif-
13 ferent companies in the United States over the past
14 decade.

15 (9) The people of the United States are un-
16 aware that certain products they purchase in retail
17 stores are produced by companies owned and oper-
18 ated by the People's Liberation Army or the Peo-
19 ple's Armed Police.

20 (10) The purchase of these products by United
21 States consumers places them in the position of un-
22 wittingly subsidizing the operations of the People's
23 Liberation Army and the People's Armed Police.

24 (11) The Government of the People's Republic
25 of China, with the assistance of the People's Libera-

1 tion Army and the People's Armed Police, continues
 2 to deny its citizens basic human rights enumerated
 3 in the Universal Declaration of Human Rights, per-
 4 secutes those who seek to freely practice their reli-
 5 gion, and denies workers the right to establish free
 6 and independent trade unions.

7 (b) POLICY.—It is the policy of the United States to
 8 prohibit any entity owned, operated, or controlled by the
 9 People's Liberation Army or the People's Armed Police
 10 from operating in the United States or from conducting
 11 certain business with persons subject to the jurisdiction
 12 of the United States.

13 **SEC. 3. COMPILATION AND PUBLICATION OF LIST OF PEO-**
 14 **PLE'S REPUBLIC OF CHINA MILITARY COMPA-**
 15 **NIES.**

16 (a) COMPILATION AND PUBLICATION.—

17 (1) IN GENERAL.—Not later than 90 days after
 18 the date of enactment of this Act, the Secretary of
 19 Defense, in consultation with the Secretary of the
 20 Treasury, the Attorney General, the Director of Cen-
 21 tral Intelligence, and the Director of the Federal
 22 Bureau of Investigation, shall—

23 (A) compile a list of persons who are Peo-
 24 ple's Republic of China military companies and
 25 who are operating directly or indirectly in the

1 United States or any of its territories and pos-
2 sessions; and

3 (B) publish the list of such persons in the
4 Federal Register.

5 (2) PERIODIC UPDATES.—Every 6 months after
6 the date of the publication of the list under para-
7 graph (1), the Secretary of Defense, in consultation
8 with the officials referred to in that paragraph, shall
9 make such additions to or deletions from the list as
10 the Secretary considers appropriate based on the lat-
11 est information available.

12 (b) PEOPLE’S REPUBLIC OF CHINA MILITARY COM-
13 PANY.—For purposes of making the determination re-
14 quired by subsection (a), the term “People’s Republic of
15 China military company”—

16 (1) means a person that is—

17 (A) engaged in providing commercial serv-
18 ices, manufacturing, producing, or exporting;
19 and

20 (B) owned, operated, or controlled by the
21 People’s Liberation Army or the People’s
22 Armed Police; and

23 (2) includes any person identified in Defense
24 Intelligence Agency publication numbered VP–1920–
25 271–90, dated September 1990, or PC–1921–57–95,

1 dated October 1995, or any updates of such publica-
2 tions under subsection (c).

3 (c) UPDATING OF PUBLICATIONS.—Not later than 90
4 days after the date of enactment of this Act, and every
5 6 months thereafter, the Defense Intelligence Agency shall
6 update the publications referred to in subsection (b)(2) for
7 purposes of determining People’s Republic of China mili-
8 tary companies under this section.

9 **SEC. 4. PROHIBITIONS.**

10 (a) OFFICERS, DIRECTORS, ETC.—It shall be unlaw-
11 ful for any person to serve as an officer, director, or other
12 manager of any office or business anywhere in the United
13 States or its territories or possessions that is owned, oper-
14 ated, or controlled by a People’s Republic of China mili-
15 tary company.

16 (b) DIVESTITURE.—The President shall by regula-
17 tion require the closing and divestiture of any office or
18 business in the United States or its territories or posses-
19 sions that is owned, operated, or controlled by a People’s
20 Republic of China military company.

21 (c) IMPORTATION.—No goods or services that are the
22 growth, product, or manufacture of a People’s Republic
23 of China military company may enter the customs terri-
24 tory of the United States.

1 (d) CONTRACTS, LOANS, OWNERSHIP INTERESTS.—

2 It shall be unlawful for any person subject to the jurisdic-
3 tion of the United States—

4 (1) to make any loan or other extension of cred-
5 it to any People's Republic of China military com-
6 pany; or

7 (2) to acquire an ownership interest in any Peo-
8 ple's Republic of China military company.

9 (e) EXPORTS.—It shall be unlawful for any person
10 subject to the jurisdiction of the United States to export
11 goods, technology, or services to, or for any person to ex-
12 port goods, technology, or services that are subject to the
13 jurisdiction of the United States to, a People's Republic
14 of China military company.

15 (f) EXCEPTION FOR HUMANITARIAN ITEMS.—Sub-
16 sections (a) through (e) shall not apply with respect to
17 a transaction if the President—

18 (1) determines that the transaction involves the
19 transfer of food, clothing, medicine, or emergency
20 supplies intended to relieve human suffering; and

21 (2) transmits notice of that determination to
22 Congress.

23 **SEC. 5. REGULATORY AUTHORITY.**

24 The President shall prescribe such regulations as are
25 necessary to carry out this Act.

1 **SEC. 6. PENALTIES.**

2 Any person who knowingly violates section 4 or any
3 regulation issued thereunder—

4 (1) in the case of the first offense, shall be
5 fined not more than \$100,000, imprisoned not more
6 than 1 year, or both; and

7 (2) in the case of any subsequent offense, shall
8 be fined not more than \$1,000,000, imprisoned not
9 more than 4 years, or both.

10 **SEC. 7. DEFINITIONS.**

11 For purposes of this Act:

12 (1) PEOPLE’S ARMED POLICE.—The term “Peo-
13 ple’s Armed Police” means the paramilitary service
14 of the People’s Republic of China, whether or not
15 such service is subject to the control of the People’s
16 Liberation Army, the Public Security Bureau of that
17 government, or any other governmental entity of the
18 People’s Republic of China.

19 (2) PEOPLE’S LIBERATION ARMY.—The term
20 “People’s Liberation Army” means the land, naval,
21 and air military services and the military intelligence
22 services of the People’s Republic of China, and any
23 member of any such service.

○