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TOAST BY VICE PRESIDENT BUSH
AT WELCOME BANQUET:
BEIJING, OCTOBER 13, 1985

President Li, Madam Lin, Ladies and Gentlemen:

Barbara and I are very happy to have the opportunity to visit China again. Although it has been only three years since my last trip here, I know that China has made impressive progress in its goal of attaining the "four modernizations". We have already had a glimpse of some of the new buildings in Beijing, and I see that there are many construction projects underway right now. In all, there is a feeling of dynamism in the air; of purposeful energy, directed at economic development. We are eager to see for ourselves further examples of the progress you have made, in Beijing and other areas where we will go.

There has also been much progress since my last visit in the relations between our two countries. Trade, investment, and educational and cultural exchanges have all increased, reaching new heights this year. Our leaders have had further opportunities to exchange views with each other. In 1984, President Reagan and Premier Zhao made reciprocal visits. Finally, and most recently, Mr. President, your historic visit to the United States, the first by a Chinese head of state, was a notable success. President Reagan was delighted to have the opportunity to meet you again, and has asked me to convey his personal regards to you, to Premier Zhao, and to other Chinese leaders.

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Despite the progress we have made, however, we should not be complacent. Your quest for economic modernization of the world's most populous nation is an enormous endeavor. There is clearly much potential for expanding our bilateral economic ties, and both sides should act to do so. We have taken steps to ease unnecessary restrictions on the transfer of technology to China. Our Overseas Private Investment Corporation is issuing insurance to US companies in China at a faster rate than in any other country. We have granted China most favored nation status.

I know that China also has taken significant measures to assist foreign business ventures. Beginning with the Joint Venture Law enacted in 1979, you have made notable progress in setting up a legal framework conducive to foreign trade and investment. You have also established special economic zones, one of which we will visit later this week. Certain other areas have been given greater authority to engage in foreign commerce.

All these measures on both sides have helped build our economic relations to the present level. To go beyond that level, however, both sides need, as you say, to "jia yóu" (ja yó), step on the gas.

For our part, we will continue to work to remove unnecessary impediments to exports to China, and to resolve other problems. We hope that you also will consider what more can be done to facilitate bilateral economic activities. Through our mutual efforts, I am confident that our economic ties will reach still greater heights.

I am also confident that under the leadership of our new Ambassador, Winston Lord, our Embassy will make every effort to attain those heights. As you know he was sworn in only a few days ago, and arrived here just before I did. He is a man who brings to his new position wide experience in foreign affairs, having served both in our government and in the private sector. I think you will also find that he views his present assignment in a global perspective, as is appropriate for his role in managing relations between two of the world's largest countries. He was one of the original architects of the rapprochement of our two nations which began in the early seventies. In fact, some of you may know that Ambassador Lord was the first American official to enter China after two decades of isolation. Mr. Kissinger entered shortly thereafter. Less than a second thereafter, in fact, since Ambassador Lord was seated in front of him in the airplane from Pakistan as it entered China, in 1971.

Impressive as Ambassador Lord's own qualifications are, however, his best asset is his wife, Bette Bao. Born in Shanghai, she now has the opportunity--and the honor--to represent our country in the land of her birth.

And now, with the hope that our bilateral relations, under the leadership of our new Ambassador, will continue to develop,

And with the knowledge that good relations between the US and China benefit world peace and regional stability,

I offer a toast:

To the health of President Li!

To the health of Madam Lin!

To Sino-American friendship and cooperation!

Gan Bei!

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STATEMENT TO AMERICAN BUSINESS COMMUNITY IN BEIJING

October 14 or 15, 1985

US business people are here in China because you, or the companies who sent you, feel there is some kind of economic opportunity for your enterprise in China. Business is being conducted here, and not just in Beijing, but out in provinces. I expect that Chinese negotiators can be just as tough in business as they are in other fields. Price and quality matter to them as much as they do to us. Ideology is less involved. In fact, I was interested to learn that every day, four million copies of the People's Daily are printed on presses manufactured and sold by an American firm.

President Reagan and I are well aware and appreciative of the positive role in China's modernization played by many successful US manufacturing ventures now established here in the areas of transportation, telecommunications, and electronics. I would also note the significant contributions by US firms in developing China's coal, oil, and natural gas resources. I see many excellent opportunities ahead too for US nuclear suppliers, engineers, and contractors to help develop China's nuclear power industry. The Reagan Administration has made a continual effort to ease export licensing restrictions for high technology exports to China. The elimination of some of these restrictions and more rapid processing of applications should help high technology companies to expand their China business.

I am sure, also, that you are well aware of other benefits of your presence:

- strengthening ties between our peoples;
- increasing mutual understanding and respect;
- contributing to China's modernization.

I think the Chinese too realize that there will be many benefits for China from the presence of foreign firms here. You have much to offer. Management know-how is perhaps at the top of the list. I would add transfer of technology, up-to-date equipment, and methods of production.

China has been encouraging foreign investors and traders to establish themselves here. I have stressed in my meetings with China's leaders that business people probably won't make the move here and certainly won't stay very long if the conditions are not congenial. Chinese leaders are clearly trying to make improvements, with respect to the costs of doing business, the tax and regulatory environment, and living conditions for expatriates. However, there is much more that the Chinese Government needs to do. We will continue to encourage China to modernize its services sector, provide copyright protection and extend its patent law to cover chemical technology. We continue to press the PRC to recognize and provide official status to the American Chamber of Commerce.

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China understands the importance of foreign investment to its modernization efforts. US equity investment in joint ventures exceeds \$150 million and is growing. As a result, the Overseas Private Investment Corporation (OPIC) is issuing insurance to US companies doing business in China at a faster rate than anywhere else in the world. Additional assurances on investment can further stimulate the growth of equity investment. I have conveyed to the Chinese our belief that meaningful guarantees of nondiscriminatory treatment, profit repatriation, appropriate compensation for expropriation and adequate dispute settlement procedures could usefully be addressed in a sound bilateral investment treaty.

The US welcomes the significant expansion of our bilateral economic relations as a result of China's Open Door policy. Total trade rose by 40 percent from 1983 to a record \$6.4 billion in 1984, and may exceed \$7 billion this year. Regardless of difficulties in some specific trade areas, our economic relationship with China continues to grow. US industry, however, has felt the impact of the rapid expansion of Asia's economies.

I am sure that many of you are aware of President Reagan's recent initiatives to strengthen the US trade position. He has proposed that Congress approve a fund of \$300 million to promote US exports. He has also ordered the Administration to seek the cooperation of our trading partners in order to achieve a more open and fair international trade regime. The Administration's policy also includes proposals for tax reform and cuts in government spending designed to strengthen the US economy and make US businesses more competitive in international markets. Nonetheless, the President has restated a long held view that he would veto measures that would harm economic growth, cause the loss of jobs and diminish international trade. Our ultimate purpose is the expansion of free and open markets everywhere.

I would be very interested in hearing about the good things and the difficult things about doing business here. I want to be sure that the US Government is doing what it should to represent your concerns to the Chinese Government, when that is appropriate. I'd be glad now to take your questions and comments.

TOAST BY VICE PRESIDENT BUSH
AT BANQUET HOSTED BY VICE PRESIDENT AND MRS. BUSH
GREAT WALL HOTEL, BEIJING; OCTOBER 14, 1985

President Li, Madam Lin, Ladies and Gentlemen,

Barbara and I would like first to express our appreciation for the warm hospitality that has been extended to us, and to those traveling with us, during our visit to Beijing.

I think it is particularly appropriate that we are dining tonight in this elegant hotel. On my last visit to China, three years ago, there was only one Great Wall, and I understand that it was not a joint venture. It was not, in fact, originally designed to be a place where foreigners were welcome. In a relatively short time, however, the Great Wall Hotel, a Sino-American joint venture, has been constructed, and now already enjoys an international reputation.

This hotel is only one example of what cooperation between our two countries can accomplish. Tomorrow, we will visit the Beijing Jeep Corporation, another US-China joint venture. Our two countries are also involved in many other projects, in the fields of energy, transportation, telecommunications, and management training, to name a few.

On Wednesday, I will travel to Chengdu to participate in the opening of the American Consulate General there, our fourth consular post, and the first we have opened in the interior of China since normalization. Our consulate in Chengdu will help facilitate joint projects in an area rich in economic potential.

Today I have had fruitful talks with your leaders, on a variety of subjects. Our two great, independent countries do not agree on every issue, nor should we expect to do so. But I believe your leaders share my feeling that we have made much progress in our bilateral relations in recent years, and that there is much potential for more progress, especially in the area of economic cooperation.

Like the Great Wall, our relations were not constructed overnight, but over a period of time, by leaders who saw that our common interests in world peace, regional stability, and bilateral cooperation were paramount. We have signed many bilateral agreements. Our trade and investment ties have grown rapidly. Educational and cultural exchanges are continuing to expand. We have now, I believe, constructed a firm foundation for continuing and expanding further our relations. I hope that, like the Great Wall, our good relations will endure for many generations.

In that spirit, then, I would like to propose a toast:

To the health of President Li!

To the health of Madam Lin!

To Sino-American Friendship!

Gan Bei!

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TOAST BY VICE PRESIDENT BUSH
AT LUNCHEON HOSTED BY CHINESE GOVERNMENT OFFICIALS
BEIJING, OCTOBER 15, 1985

(title and name of host; name of wife if attending), Ladies and Gentlemen,

Barbara and I are happy to have another occasion to meet with our old friends here, and to make new friends. We had a vigorous tennis game this morning with Vice Premier Wan Li; as a result, we have been looking forward with particular interest to this luncheon. And we have not been disappointed: the food is excellent.

As you know, there have been a number of visits by our leaders in recent months. President Reagan and Premier Zhao exchanged visits last year. President Li Xiannian came to the United States a few months ago, and I was particularly pleased to have the opportunity to welcome him to Washington. There have also been visits by several of your ministers and our cabinet members.

Such visits allow our leaders to become personally acquainted, and to meet the peoples of each other's country. In addition, in our meetings, we can discuss questions of mutual interest, and enhance our understanding of each other's point of view. Even better, after the affairs of state are taken care of, we can play tennis. A good doubles game can teach a lot about partnership and cooperation.

The results of partnership and cooperation in our bilateral relations are evident. As I have suggested, the dialogue between our leaders has become a regular feature of our relations. The number of joint ventures involving our two countries has grown rapidly, and that growth is continuing. Trade between our two countries will likely reach a new record this year. There are thousands of Chinese scholars and students in our country, and increasing numbers of their American counterparts in China. Our science and technology cooperation program is the largest of its kind for each country.

I hope that my visit can play a role in developing our relations, particularly in the economic area, to an even higher level. Many American companies are already involved in projects in China, and many others stand ready to provide appropriate assistance to China's modernization plans.

Barbara and I have seen with our own eyes the progress you have made in economic development. There are new buildings, new roads, and new landscaping in Beijing. Just as important, there is a new spirit in the air, a spirit of initiative and creativity. The road to modernization is not any easy one. But you have made a good start, and I am confident that, with the concentrated energies of your people, you will succeed.

May I offer a toast:

To the success of the four modernizations!

To the health of (host and hostess)

To Chinese-American friendship!

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TOAST BY VICE PRESIDENT BUSH
AT DINNER HOSTED BY PRESIDENT LI XIANNIAN
BEIJING, OCTOBER 15, 1985

President Li, Madam Lin, Ladies and Gentlemen,

Our time in Beijing has gone by very quickly. It has been a pleasure to meet with you, Mr. President, with other distinguished leaders, and to see other old friends, some of whom we have known for a decade. Barbara and I want to thank you again for the welcome you have provided, including our fine accommodations.

As you know, we will fly to Chengdu tomorrow to open an American Consulate General there. Our other consular posts, along with our Embassy in Beijing, are located on or near the coast of China. For us, then, our new consular post symbolizes the interior of China, particularly as a site for economic development. Several Sino-American joint ventures have already been formed for a variety of projects in the interior. These include a hotel project in Xian, engineering consulting services in Lanzhou, and manufacturing agricultural equipment in Ningxia. The Occidental Petroleum Company's joint venture in Shanxi province will result in the largest open-pit coal mine in the world.

Involvement by foreign concerns in the interior of China is a natural development. For if China is to modernize, the interior, with its energetic population and abundant natural resources, must participate. We hope to play an appropriate role in your economic development program, in the interior as well as in other parts of China.

In our meetings over the past four days, we have had the opportunity to exchange again our views on world issues, as well as on bilateral affairs. When I was the chief of our Liaison Office in Beijing over a decade ago, I felt that rapprochement between our two countries was beneficial to the cause of world peace. Today, I am even more convinced that our common interests in peace and regional stability are best served by good relations between our two countries. The record levels of trade and investment between us, along with growing educational and cultural exchange programs, are additional benefits of our relationship.

So we can be proud of the distance we have traveled in the past decade. I hope that in another decade, when we look back, we will be even more gratified at the progress we have made.

And now, I would like to propose a toast:

To the health of President Li!

To the health of Madam Lin!

To further progress in US-China relations!

Gan Bei!

VICE PRESIDENT'S BEIJING PRESS CONFERENCE

OPENING STATEMENT

OCTOBER 15, 1985

Good Afternoon.

This is the fourth time I've returned to Beijing since I left as Chief of the US Liaison Office in 1975, in 1977, 1980 and 1982. Each time I come, I am astonished by the changes that have taken place -- the new construction, the obvious improvement in living standards, the new sense of purpose among the people. These changes are due largely to China's economic reforms and Open Door policy, policies reaffirmed at last month's Party Conference and during my meetings with China's top leadership.

I in turn reiterated America's strong support for China's modernization program. This was a constant theme during my discussions with Deng Xiaoping, Party General Secretary Hu Yaobang, Premier Zhao Ziyang, Vice Premier Li Peng and Foreign Economic Relations Minister Zheng Tuobin, and will be discussed, I'm sure, during my dinner this evening with President Li Xiannian. [POSSIBLE INSERT ON CHANGE IN COCOM REGULATIONS.]

China's leaders and I also discussed important global, regional and bilateral issues, including the forthcoming meeting between President Reagan and General Secretary Gorbachev. Both sides are pleased by the strength of our relations. On the economic front, bilateral trade will probably reach a record \$7 billion this year, and US investment in China now exceeds \$700 million, or 20% of China's total foreign investment. The Beijing Jeep Factory which I visited is an example of the benefits that US investment is bringing to both sides. I pointed out during my meetings with Chinese leaders that a strong and meaningful bilateral investment treaty would protect and further promote beneficial investments of this nature.

Tomorrow morning I fly to Sichuan, to open our new Consulate General in Chengdu under my old friend, Bill Thomas, and his wife Sarah. The American presence in this important province is yet another indication of the strength and continued vitality of Sino-American relations. After Chengdu, I will travel to Guilin, Guangzhou and Shenzhen before going on to Hong Kong.

I would be happy to answer any questions you might have about my stay in Beijing, as well as the other stops on my trip.

Thank you.

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REMARKS BY VICE PRESIDENT GEORGE BUSH
AT THE OPENING OF THE NEW
AMERICAN CONSULATE GENERAL, CHENGDU
OCTOBER 16, 1985

Governor Jiang, Mayor Hu, Ladies and Gentlemen, it gives me great pleasure to have the opportunity to be in Chengdu to open our new American Consulate General. President Li opened Chengdu's sister Consulate General in Chicago during his visit to the United States in July this year, and I am delighted to do the same in Sichuan.

It is appropriate that China and the United States chose to open Consulates General in Chengdu and Chicago. Both are transportation centers that are important to the economic development and prosperity of the interior of the country; both are trade and industrial centers full of vitality, and both lie in their country's agricultural heartland. Each city exemplifies in its own way the values that have made its country great.

Our Consulate General in Chengdu symbolizes the friendly and mutually beneficial ties between our two peoples. I am especially pleased that our first Consul General is my old friend, Bill Thomas. Barbara and I have known Bill and his wife Sarah for over ten years and are sure they will both be outstanding representatives of our country.

The Consulate General underscores the increased people-to-people exchanges our relationship has fostered in recent years. Examples of this increase abound. The number of Chinese students and scholars in the US grew to over 15,000 in the past two years. The United States hosts over 160 Chinese delegations a month who go there to discuss with their American counterparts everything from the arts to aerospace. Among those delegations have been a good number of Sichuanese, including Governor Jiang. We welcome you, and hope that your visits increase even more.

Americans also have been quick to see the benefits of strengthened ties. Americans come to China, and to Sichuan, to enrich their understanding of your rich civilization, to trade, and to join you in modernizing your economy. American businessmen and tourists visiting China this year will likely exceed 200,000, up from 178,000 in 1984. About 1,200 American students also study in Chinese Universities. We expect these numbers to grow as China opens its doors.

An American Consulate General here will help expand our already burgeoning ties. The people of Sichuan, Guizhou, Yunnan, and Xizang will find a new and more convenient source of information on the American economy, society, and culture, and will find it easier to apply for visas. The Consulate will also better serve the growing American presence in these provinces.

The beauty and increasing wealth of Sichuan Province, one of the cradles of your economic reform program, are known to many Americans, and I expect their presence here to increase and the ties between my country and Sichuan to grow with the establishment of this Consulate. I hope that you will welcome us as we will welcome you to the United States.

Thank you.

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TOAST BY VICE PRESIDENT BUSH
AT LUNCHEON BANQUET HOSTED BY SICHUAN PROVINCIAL GOVERNMENT
CHENGDU, SICHUAN PROVINCE, OCTOBER 16, 1985

Governor Jiang, Mayor Hu, Ladies and Gentlemen:

Barbara and I are very pleased to have the opportunity to visit Chengdu and Sichuan Province. I understand that there is a saying in China that Sichuan is a fertile land of industrious people (for interpreter: 天府之国). Sichuan has long been renowned as the home of China's most famous poets, and the site of a technological achievement over 2,000 years old, the Du Jiang (do jeeahng) irrigation project (for interpreter: 都江堰). And, of particular relevance to this sumptuous banquet today, Sichuan is justly famous the world over for its spicy cuisine. I can personally verify that it is indeed spicy! And very good!

In fact, as far as we have travelled, we did not really have to leave Washington, D.C. in order to sample good Sichuan food. The Sichuan Pavillion restaurant, in our nation's capital, is a Sino-American joint venture, whose chefs, I am told, are from Sichuan Province. It is an excellent restaurant. It also is an example of the economic ties between the United States and Sichuan Province.

As yet, these ties are not extensive. But there is great potential, and I know that our new Ambassador to China, Winston Lord, and our new Consul General, Bill Thomas, will make every effort to develop that potential. Ambassador Lord, one of the original architects of Sino-American rapprochement, is a man of wide experience in foreign affairs, in positions both in and out of our Government. Bill Thomas has served in several other posts in East Asia, including our Embassy in Beijing.

The period since normalization of US-China relations coincides with a period of extraordinary economic progress in China. Your leaders have implemented bold and innovative economic policies which have resulted in substantial economic growth. You have reason to be proud that Sichuan Province played a key role in initiating policies that were later applied to the entire country. We hope that you will continue to make progress, and that the new American consulate here --which has now been open for at least one hour--can contribute to that progress.

In that spirit, I would like to propose a toast:
To the health of Governor Jiang!

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To the health of Mayor Hu!

To friendship between the Chinese and American peoples!

Ganbei!

REMARKS BY VICE PRESIDENT BUSH

AT DINNER HOSTED BY
GUANGXI ZHUANG REGIONAL CHAIRMAN WEI CHUNSHU
AND GUILIN MAYOR ZHENG YI

WEDNESDAY, OCTOBER 16, 1985

Chairman Wei, Mayor Zheng, Ladies and Gentlemen,

Barbara and I are most grateful for this exquisite banquet. It is truly a great pleasure to be back in Guilin after so many years.

Since our arrival this afternoon, we have been impressed by how the city has developed without sacrificing its scenic beauty. We look forward with great anticipation to seeing again the Reed Flute Cave and the Li River tomorrow.

Relations between our two great countries have developed significantly since I lived in Beijing ten years ago. Our friendly diplomatic relations, based on shared interests and a common desire for peace and understanding, are on a solid and stable footing. Our friendship is evident not only in the exchange of visits by President Li and President Reagan, but also in the steady stream of political, economic, scientific, and cultural exchanges at all levels.

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Tourism is a vitally important way to promote understanding between our two peoples. Guilin, with its breathtaking scenery and warm, hospitable people, is at the forefront of China's tourist industry and a model for others to follow. The vast increase in the number of Americans who are visiting China - and most want to come to Guilin - has fostered greater understanding between our peoples. We have over 15,000 Chinese students at our universities in the United States and nearly 1,200 American students and teachers in China. These exchanges will provide for a continuation of our excellent relations in the future.

Guangxi is more than the home of some of nature's most spectacular scenery, however. It is a region of rich natural resources and even richer economic promise. I applaud your efforts to develop Guangxi's hydroelectric and transportation infrastructure and to attract foreign investment to the Beihai Economic Development Zone. Americans are willing to work with you towards the modernization of your country.

And so, to honor the contribution that Guangxi and Guilin are making to international friendship and understanding, please join me in a toast:

To Chairman Wei;

To Mayor Zheng;

And to the enduring friendship between the Chinese and American people.

VICE PRESIDENT'S TOAST
FOR DINNER IN GUANGZHOU
OCTOBER 17, 1985

I am delighted to be here in Guangzhou again and to have the opportunity to thank you once again for the hospitality for which Guangzhou is so noted. It is truly as they say -- for the best in Chinese cuisine, go to Canton!

I am also pleased to be here in a city that is, in many ways, on the forefront of China's economic reforms. Guangzhou has certainly changed since the last time I was here -- the city has taken on a whole new appearance with its hotels, cars, new storefronts, the obvious improvement in living standards. I'm also impressed by the renewed vitality and dedication of the people whose lives are affected by these developments. I'm sure that the changes taking place here in Guangzhou will be replicated elsewhere in China as time goes on.

Guangzhou, because of its proximity to Hong Kong and the strong ties of the Cantonese to the overseas Chinese communities throughout the world, and especially in the United States, also in many ways epitomizes the Open Door policy. Much of the overseas investment in China is in Guangdong; many of the 12 million tourists who come to China come to see their relatives in this province; and, of course, Canton is the home of China's largest and best known Trade Fair.

I went to the Fair this morning. While it is no longer the only focal point of China's trade, the Fair still accounts for nearly 10% of China's trade, or about \$5 billion annually. It is still one of the best places to see the products China has for sale, and to make needed business contacts.

As Guangdong plays an important role in China's economic reforms and Open Door policy, it also plays an important role in US-China relations. About 80% of the 1 million Americans of Chinese descent came originally from this province. Also, much US investment in China is here, largely involved in the search for oil in the South China Sea, but also in such major enterprises as the Guangmei Food Company's factory outside Guangzhou.

I am also delighted to see Wever Gim here as our consul General with his wife Rosemary representing us.

I am therefore pleased to propose a toast:

To the health of my hosts tonight;

To the continued growth of US-Guangdong ties

To China's modernization program, so well exemplified here in Guangzhou;

And to the continued strength and vitality of Sino-American Relations,

Gan Bei!

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SHENZHEN PRESS STATEMENT

October 18, 1985

Shenzhen is my last stop in China. Since my arrival, I have met with China's top leaders to review the state of our global, regional and bilateral relations. Our talks have enhanced our understanding of each government's views and have contributed to stronger bilateral ties. From here, I will be traveling to Hong Kong.

My trip has been an excellent opportunity to observe first hand the remarkable progress China has made in economic, scientific and technological fields since my last visit in 1982. Here in Shenzhen, I could not help but notice the bustling construction activity that is symbolic of China's efforts to build a modern economy. While here, I have discussed ways in which the US can provide appropriate support for China's modernization. IF APPROPRIATE: I was particularly pleased to advise our Chinese friends that we and our allies have agreed to significantly streamline export licensing procedures for China.

The US welcomes the broad expansion of our bilateral economic relations, partly a result of China's Open Door policy. Regardless of difficulties in some specific trade areas, our economic relationship continues to grow. Total trade rose by 40 percent from 1983 to a record \$6.4 billion in 1984 and may exceed \$7 billion this year.

Throughout my travels, I have seen the results of a rapid expansion of US investment in China. US companies have invested over \$150 million in more than 90 approved equity joint ventures and another \$550 million in offshore oil exploration. I have stressed to the Chinese leaders that our economic relations can be even better if business conditions faced by US firms are improved. To that end, I have reiterated to our Chinese friends our hope that together we can enter into a meaningful bilateral investment treaty. Such an accomplishment would encourage even more US investment in China.

I will now take your questions.