

104TH CONGRESS  
2D SESSION

# H. R. 3684

To prohibit the importation into the United States of goods produced, manufactured, or exported by the People's Liberation Army of China or any Chinese defense industrial trading company.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 20, 1996

Mr. GILMAN (for himself Mr. LANTOS, Mr. SOLOMON, Mr. COX of California, Mr. SPENCE, Mr. HYDE, Mr. SMITH of New Jersey, Mr. WOLF, Mr. ROYCE, Mr. BURTON of Indiana, and Ms. PELOSI) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To prohibit the importation into the United States of goods produced, manufactured, or exported by the People's Liberation Army of China or any Chinese defense industrial trading company.

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. CONGRESSIONAL FINDINGS AND DECLARA-**

4 **TION OF POLICY.**

5 (a) FINDINGS.—The Congress makes the following

6 findings:

1           (1) According to the Defense Intelligence Agen-  
2           cy, the People's Liberation Army of China owns and  
3           operates a number of enterprises which produce both  
4           civilian and military products.

5           (2) The General Staff Department of the Peo-  
6           ple's Liberation Army owns and operates  
7           Polytechnologies, which is the weapons trading arm  
8           of the People's Liberation Army and has a rep-  
9           resentative office in the United States.

10          (3) The General Logistics Department of the  
11          People's Liberation Army owns and operates a large  
12          international conglomerate known as Xinxing Cor-  
13          poration, which also has a representative office in  
14          the United States.

15          (4) The People's Armed Police, which is par-  
16          tially controlled by the People's Liberation Army, is  
17          responsible for the occupation and suppression of  
18          dissent in Tibet and the execution of prisoners  
19          throughout China, and provides guards for the  
20          forced labor camp system in Laogai, China, owns  
21          and operates China Jingan Equipment Import and  
22          Export, which also has a representative office in the  
23          United States.

24          (5) These and other enterprises owned by the  
25          People's Liberation Army regularly export a great

1 variety of products to the United States, including,  
2 but not limited to, clothing, toys, shoes, hand tools,  
3 fish, minerals, and chemicals.

4 (6) The export of products allows the People's  
5 Liberation Army to earn hard currency directly,  
6 which in turn can be used to modernize its forces.

7 (7) The average consumer in the United States  
8 is unaware that products they are purchasing were  
9 produced by the People's Liberation Army.

10 (8) Trade with the People's Liberation Army  
11 effectively is a subsidy of military operations of the  
12 People's Republic of China.

13 (9) The China National Nuclear Corporation  
14 exported illicit nuclear technology to Pakistan in  
15 contravention of the Treaty on the Non-Proliferation  
16 of Nuclear Weapons and the Arms Export Control  
17 Act, thereby contributing to the threat of nuclear  
18 war on the Indian Subcontinent.

19 (10) Naval units of the People's Liberation  
20 Army have committed aggression against the Repub-  
21 lic of the Philippines and threatened the United  
22 States Navy's right of free passage in the South  
23 China Sea.

24 (11) Chinese defense industrial trading compa-  
25 nies have transferred cruise missiles to Iran, thereby

1 threatening the safety of United States military per-  
2 sonnel in the region.

3 (12) Representatives of China North Industries  
4 Corporation, a Chinese Government organization,  
5 have been indicted by the United States Federal  
6 Government for smuggling of firearms and conspir-  
7 acy related thereto, importation of firearms without  
8 a license, importation and sale of firearms with ob-  
9 literated serial numbers, and transfer and possession  
10 of machine guns in violation of the laws of the Unit-  
11 ed States.

12 (13) Representatives of Poly Group, a Chinese  
13 Government organization, have also been indicted by  
14 the United States Federal Government for engaging  
15 in the unlawful activities described in paragraph  
16 (12).

17 (14) Representatives of China North Industries  
18 Corporation attempted to sell solid rocket fuel to  
19 Iraq in the fall of 1990, contrary to a number of ac-  
20 tions by the United Nations Security Council.

21 (b) POLICY.—It is the policy of the United States to  
22 prohibit the importation into the United States of goods  
23 that are produced, manufactured, or exported by the Peo-  
24 ple's Liberation Army or Chinese defense industrial trad-  
25 ing companies.

1 **SEC. 2. PROHIBITION ON CERTAIN IMPORTS.**

2 (a) IN GENERAL.—Notwithstanding any other provi-  
3 sion of law, no good that is produced, manufactured, or  
4 exported by the People’s Liberation Army or a Chinese  
5 defense industrial trading company may be entered, or  
6 withdrawn from warehouse for consumption, into the cus-  
7 toms territory of the United States.

8 (b) DETERMINATION OF CHINESE DEFENSE INDUS-  
9 TRIAL TRADING COMPANIES.—

10 (1) IN GENERAL.—Subject to paragraphs (2)  
11 and (3), not later than 30 days after the date of the  
12 enactment of this Act, the Secretary of the Treasury  
13 shall determine which persons are Chinese defense  
14 industrial trading companies for purposes of this  
15 Act. The Secretary shall publish a list of such per-  
16 sons in the Federal Register.

17 (2) PUBLIC HEARING.—

18 (A) GENERAL RULE.—Before making the  
19 determination and publishing the list required  
20 by paragraph (1), the Secretary of the Treasury  
21 shall hold a public hearing for the purpose of  
22 receiving oral and written testimony regarding  
23 the persons to be included on the list.

24 (B) ADDITIONS AND DELETIONS.—The  
25 Secretary of the Treasury may add or delete  
26 persons from the list based on information

1 available to the Secretary or upon receipt of a  
2 request containing sufficient information to  
3 take such action.

4 (3) CHINESE DEFENSE INDUSTRIAL TRADING  
5 COMPANY.—For purposes of making the determina-  
6 tion required by paragraph (1), the term “Chinese  
7 defense industrial trading company”—

8 (A) means a person that is—

9 (i) engaged in manufacturing, produc-  
10 ing, or exporting, and

11 (ii) affiliated with or owned, con-  
12 trolled, or subsidized by the People’s Lib-  
13 eration Army, and

14 (B) includes any person identified in the  
15 United States Defense Intelligence Agency pub-  
16 lication numbered VP–1920–271–90, dated  
17 September 1990, or PC–1921–57–95, dated  
18 October 1995.

19 (c) EFFECTIVE DATE.—Subsection (a) shall apply  
20 with respect to goods entered, or withdrawn from ware-  
21 house for consumption, on or after the 45th day after the  
22 date of the enactment of this Act.

23 **SEC. 3. DEFINITION.**

24 For purposes of this Act, the term “People’s Libera-  
25 tion Army” means any branch or division of the land,

1 naval, or air military service or the police of the Govern-  
2 ment of the People's Republic of China.

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