

THE PRESIDENT'S EXPORT COUNCIL
WASHINGTON, D.C. 20230

1511 K Street, NW
Washington, DC 20005

September 22, 1983

The President
The White House
Washington, D.C.

My dear Mr. President:

Since my return from my lengthy trip to the Soviet Union, Europe, Middle East and Far East, I had the good fortune to see you and Mrs. Reagan at the White House twice already in the short period of two weeks, however, there were always other people around and I was not able to give you a brief report on my mission. As a private citizen, as well as Vice Chairman of the President's Export Council, I have already sent my report to Mr. Ed Meese, Jim Baker, Mike Deaver, Judge Clark, Secretary of State George Shultz and Cap Weinberger, but I do want to give you a brief report on my tour.

I thought you might be interested to know during my visit to the P.R.C., I was a special guest of Mr. Deng Xiaoping and stayed at the state guest house reserved for heads of state. I spent over an hour talking to Deng Xiaoping privately without their officers attending. I also had a private talk with their Foreign Minister Wu Xue-Qian who is now attending the U.N. conference in New York and later on after his visit to Canada will go to Washington for his official visit. Mr. Deng Xiaoping talked to me on four issues:

1. Relationship between the United States and P.R.C.
2. Future of the P.R.C. and Taiwan
3. Sino-Soviet ongoing relationship and what is to be expected in the years to come
4. South and North Korea situation and Chinese view on Korean issue.

I arrived Seoul, Korea the day after the Korean plane was shot down. I visited Korea at the invitation of President Chun as a private citizen and as a friend. On September 2nd President Chun invited many of our Senators who were attending the U.S.-Korea Security Conference for dinner to which I was also a guest. After dinner President Chun asked me to stay over and have a private talk with him. I know you will be visiting Korea in November and are considering a visit to the P.R.C. in the near future. As a friend and confidante of many of the Asian leaders, and other people, I am fortunate to have an in-depth knowledge of some of the Asian countries, however, I remain low-key and low-profile. If there should be

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any way I can be of help to you and your administration in dealing with the Far East and Southeast Asia, I will be at your service.

With warmest regards to you and our First Lady, Nancy, I am

Respectfully yours,

A handwritten signature in cursive script, appearing to read "Anna", followed by a long horizontal flourish.

Anna Chennault
Vice Chairman

ANNA CHENNAULT'S REPORT

In August this year, during the recess of the U.S. Congress, I travelled to Europe, the Middle East, and the Far East on a good-will and trade promotion as well as fact finding mission with Senator Orrin Hatch (R-Utah) and Senator Edward Zorinsky (D-Nebraska). In my capacity as Vice Chairman of the President's Export Council, and Advisory Committee of A.I.D. and member of the Defense Advisory Committee on Women in the Service, and finally, as President of my own organization, TAC International, I had the opportunity to meet with not only leaders of the countries we visited but also leaders in the private sector which assisted this mission to gain updated information on the world problems we face today and also exchange U.S. views on various issues with our friends and allies, as well as with our adversaries.

This will be a lengthy report - I will do it country by country in order to present a more in-depth analysis of my observations. I also would like to point out since we were travelling as government representatives we received briefings by each United States embassy we visited. The letter from President Reagan addressed to me emphasizing the importance of trade among nations was extremely helpful to spread good-will. Finally, serving as advisor to the Secretary of Defense's office and A.I.D., also provided me with other dimensions of contact particularly in some of the countries where we have been working very closely in defense and trade.

Another point of interest which I consider is important for the taxpayer to know is while many other Congressional groups were travelling around the world using government aircraft and having expenses paid by the taxpayer, we travelled by commercial air carriers and I paid for all my own travelling expense. Meeting with our own U.S. Chamber of Commerce groups in various cities during many early breakfasts, they cheered and applauded when I told them we travelled in a small group and although we served as official mission, no taxpayer money was used to support our assignment.

The following was our itinerary and schedule of appointments. While most of the appointments in Europe, the Middle East, Moscow was handled by Senator Hatch's office, the schedule for the People's Republic of China, South Korea and Taiwan was handled by my office through the highest level, directly with each country concerned and it was that portion of the trip this mission received the highest visibility and contact.

Our trip began on Friday August 18, 1983 from Washington DC to London via New York by Pan American Airline. We were met by the staff of the U.S. Embassy and was told almost every day they had U.S. VIPs coming through London and Paris during the Congressional recess. The party spent the night at the Airport

Sheraton Hotel and the next morning, Friday, August 19th, we left London in the morning by British Airways for Moscow. British Airways used Boeing 707 on this flight - there were no first class seats - only economy. Attendants on the flight made a casual remark to me "There are more people want to get out of Moscow than want to go in."

MOSCOW

We arrived Moscow in the afternoon of Friday, August 19th. At the airport we were met by the U.S. Embassy staff, Mr. and Mrs. Mark Parris as well as the Commercial Director, Dr. Robert Krause. The Ambassador to the Soviet Union, Arthur Hartman was in the United States at the time and DCM Warren Zimmermann was in charge. We went directly from the airport to the Embassy building where Warren and Tenny Zimmermann were having a reception honoring the U.S.-U.S.S.R. Animal Exchange Program. It was my understanding this exchange is part of a global program sponsored by the Smithsonian World called the Species Survival Plan, a newly coordinated effort by zoos worldwide to determine which species are most threatened, which should be helped, and how. Last summer the U.S. and U.S.S.R. each exchanged three Przewalski horses (Mongolian wild horse), a species extinct in the wild and only surviving in captivity. In the past, the U.S. has received Siberian steppe polecats, and Siberian crane eggs (some of which became chicks enroute). In return the U.S. has sent to the U.S.S.R. Musk ox and Trumpeter swans from Alaska, and Siberian cranes. This Fall the U.S. will send a male sea lion from southern California to the Moscow Zoo for breeding.

Siberian tigers (Amur) are no longer caught in the wild. Their captive population of a few hundred in the U.S. is all derived from only 17 founder animals. This means their genetic diversity or "gene pool" is severely limited and outside bloodlines are necessary to prevent degenerative inbreeding. The three tigers in this exchange will go to the Bronx, Indianapolis and Omaha Zoos. This animal exchange is made possible by the U.S.-U.S.S.R. Environmental Agreement, signed in 1972, which provides for the continuing exchange of endangered species between the two countries to improve their captive breeding and ultimate survival. I do not mean to go on at such length talking about the program, however, it demonstrates U.S. effort to maintain a reasonable balanced relationship with the U.S.S.R.

In Moscow we stayed at the Rossiya Hotel, probably one of the largest hotels in the world with almost 4,000 rooms, however, the management of the hotel was typical of a Communist country. Upon arrival at the hotel, each guest received their identification card and with the identification card, the guest goes to the floor assigned to him and receives the room key for his assigned room. When one leaves the hotel, the key must be turned in and in exchange you receive a card for re-entry into the hotel.

I broke their system by giving packages of cigarettes to the husky women minding the desk and the second day they all became very friendly and willing to serve tea and coffee to me.

The Rossiya Hotel is located next to Red Square. When the two Senators requested rooms facing Red Square, their requests were refused. The reason was no foreign guests are allowed to stay in rooms facing Red Square.

It was my first visit to the Soviet Union - also a first for both Senators Hatch and Zorinsky. Both Senators requested meeting with Andropov but it was during the week-end and the government officials sent word back that President Yuri V. Andropov already met with a delegation of Democrat U.S. Senators including Russell Long of Louisiana and Claiborne Pell of Rhode Island, therefore, they should meet with other Senators. I did meet with officers of the U.S.S.R. Trade Department, as well as Deputy Chief of the Ministry of Foreign Affairs, Chetverikov. Mr. Chetverikov was stationed in Washington prior to his new assignment at the Foreign Ministry. He is now in charge of U.S.A. affairs in the Foreign Ministry in Moscow.

On Saturday, August 20th we received a briefing from DCM Warren Zimmermann. Both Senator Hatch and Senator Zorinsky attended the evening meeting at the synagogue in Moscow and met with Jewish leaders who gather in front of the synagogue every Saturday afternoon. Senator Hatch, as Vice Chairman of Foreign Policy of the Republican Senate Steering Committee talked to Gen. Milshtein who is Director of the USA-Canadian Institute and also Gen. Nikolay Chervov, Chief of Soviet general staff, Department for Arms Control, while Senator Zorinsky and myself met with Boris Gordeyed, Deputy Minister of Foreign Trade. Senator Zorinsky is particularly interested in the question of grain sales to the Soviet Union and both parties showed some gratification that the grain sales agreement was signed prior to our departure from Washington, D.C. Of course, I must point out all this took place ten days prior to the Soviet downing of a South Korea airplane with 269 people on board. Just for the information of the readers of this report, I enclose a copy of Senator Pell's delegation list to the Soviet Union. They were traveling by government aircraft provided by the U.S. Government with 9 Senators and their wives, all Democrats, and about 20 staff members. They were also provided a private plane to travel around the Soviet Union. (Enclosure A)

Mr. Andropov made the statement to the group of U.S. Democratic Senators that the U.S.S.R. assumes the commitment not to be the first to put into outer space any type of anti-satellite weapon, i.e., imposes a unilateral moratorium on such launchings for the entire period during which the other states, including the U.S.A. will refrain from stationing in outer space anti-satellite weapons of any type. Senator Pell said "We must hope that this moratorium is not a ploy but a step towards serious

negotiations on eliminating these destabilizing weapons." At the same time we read reports from the Washington Post that Moscow planned to build mobile intercontinental missiles to prevent its land base missile forces from becoming vulnerable to attack from more accurate U.S. missiles that are being developed. There were also reports in The Herald Tribune stating that the U.S. and NATO allies may have to develop a different kind of war plan for bases in Europe because the Soviet missiles are becoming so lethal. The Soviet theater missile that NATO nations are concerned about are the SS-21 with a range of about 72 miles (116 kilometers) and the SS-22 and SS-23 with a range of about 300 miles. U.S. aerospace executives long have said that the advances in short take off planes depends largely on how much money the Pentagon makes available. After the Korean incident, hopefully our defense budget will receive more serious and reasonable consideration.

On the issue of trade, we talked about the White House instructing departments and agencies affected by East-West trade to review the advantages and disadvantages of controls on oil equipment exports to the Soviet Union.

Case in point concerned the Caterpillar Tractor Co. of Peoria, Illinois, which is the principal U.S. maker of pipe layers. It is locked in a global marketing struggle with Komatsu Co. of Japan, which faces no export controls. Caterpillar lost \$264 million in the first half of this year and expects further losses in the second half. Caterpillar says that the Russians have turned to Komatsu for thousands of pipe layers since the controls were imposed by President Jimmy Carter in July 1978 in response to the jailings of Anatoli B. Scharansky and Alexander Ginsburg, two Soviet dissidents.

Last January, the Commerce Department approved licenses for 200 pipe layers, but the Soviet purchasers told Caterpillar that they would not buy the equipment until the licensing requirement was eliminated, administration officials said. The 200 pipe layers would have cost \$90 million.

Those opposed to relaxing controls argue that the U.S. position in COCOM could be undermined by a relaxation, which would make it appear that the United States cares more about commerce than strategic issues. They also argue that the human rights situation has not improved. Furthermore, they say, a relaxation would benefit one company, rather than treat all producers of oil and gas equipment equally.

The writer of this report takes no position on this issue except to report some of the comments.

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On Sunday we took a tour of the Kremlin; also visited the Lenin Stadium where they perform ballet on ice. The two Senators and myself were also invited to visit the Embassy of the People's Republic of China in Moscow and had tea with the PRC Ambassador and staff at their very elaborate embassy which I was told had a staff of about 300. I asked the Chinese officials about Sino-Soviet relations and they told me it has slightly improved in recent months and high level negotiations will continue to be conducted.

I consider the highlight of my visit to Moscow was the tour of the Zagorsk - about an hour and fifteen minutes drive from Moscow. Zagorsk is a showplace for the U.S.S.R. to show the foreign visitors that under Communism religious worship is still permitted. We toured many churches built during the era of the Russian Czars. They were gorgeously preserved. Being a Sunday, every church was jam-packed with worshippers as well as tourists. As a Catholic, I have been to many cathedrals around the world but was never as impressed as the mass I attended at the Cathedral of Zagorsk.

After mass the priest invited our group to lunch at their religious institute. Coffee, sandwiches, sweets and chocolate as well as locally made brandy were served. I gave the priest and head of the religious institute Parker pens and a very generous contribution to the cathedral. The Pell delegation were also touring the same vicinity, however, I was told they were not invited to lunch or tea by the management. Maybe there were too many of them in one group.

On my visit to the Soviet Union, I have one simple comment, on which I am sure the majority of taxpayers will agree with me. Whether we are in the private sector or in the public domain, in order to make a sound and realistic global policy, one should not and must not be utilized by any special interest group. We must remember we are all Americans. America can only negotiate from a position of strength not from a position of weakness. We must have a broader global policy which benefits the common interests of the United States. Our friends as well as our enemies recognize the strength of our nation but also recognize the weakness of our division. In the coming election of 1984, I hope members of Congress as well as contenders for the Presidential race, and their advisors will put the national interest as our first priority.

I enclose a report from the United States Commerce office of March 1983 of the 10 largest imports of the U.S.S.R. and 10 largest exports from the U.S.S.R. (Enclosure B)

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From Moscow we took Air France Flight 721 for Paris. We landed at Charles de Gaulle Airport at 5:40 p.m. Monday August 22nd. Since our stay in Paris was brief, I asked for a meeting with our U.S. Commercial Attache in Paris, Mr. William Tatge. In Paris we stayed at the Paris Hilton. The same evening we had dinner with Mr. and Mrs. Ervin Brown, a personal friend of Senator Hatch and a promotor of the Program for Democracy.

ISRAEL

Tuesday, August 23rd our party left Paris by TWA Flight 806 for Israel arriving Tel Aviv at 3:45 p.m. The party used the King David Hotel in Jerusalem as our headquarters and conducted our meetings with various parties concerned in the hotel and away from the hotel. Prior to our arrival in Israel, Codel had requested a visit to Merkava Tank plant and the Israeli aircraft industry, also meetings with Begin and Shamir. The requests were granted and we had good visits at the factories and with Begin and Shamir. As for the other countries in the Middle East such as Beirut, Damascus, Cairo, Amman, Riyadh, Dhahran, Doha and Bahrain, instead of giving my own observations, I simply quote requests from Hatch's office to Embassy "for Beirut, Damascus, Cairo, Amman, Riyadh, Dhahran, Doha and Bahrain: "Codel, including Mrs. Chennault but not wives and Corkins is planning whirlwind tour to as many of these posts as possible during the period August 26-28. Hope is to provide broad strategic purview for these two senators, neither of whom have ever visited these countries before. It is worth noting that both Senators were original opponents of AWACS but ended up voting in favor of the sale. Posts visited will depend on Embassy recommendations and availability of heads of state and other senior host government officials including foreign ministers. Codel would be willing to add two additional days to this portion of program if there is sufficient host country interest. Embassies are requested to suggest programs. Ideally, Codel will fly via military air from Israel to Beirut on Friday, August 26. They will call on Marine commander, Lebanese officials, and have brief tour of city before departing for Cairo. Overnight in Cairo, meet with country team and Egyptian officials and depart for Amman at approximately noon Saturday, August 27 for country team briefing. Calls on Jordanian officials and overnight. On Sunday, August 28 they will depart for Riyadh for AWACS briefing and calls on Saudi officials, leaving Riyadh at noon for Dhahran where they will receive USMTM briefing, overflight of oil fields, Congen briefing on Eastern Province and possible visit to F-5 base. They will then depart for Bahrain for briefing by country team, call on foreign minister, and possible dinner with Admiral Gurney aboard the Coronado or Helicopter flight to Spruance-class destroyer on station. Codel will depart Bahrain for Sharjah in time to meet flight to Beijing which departs at 1:40 a.m. Wives and Corkins will not accompany above trip on military air but will take commercial flight from Amman to Sharjah via Doha. "

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As a member of Defense Advisory Committee on Women in the Service, (DACOWITS), I was invited to breakfast with Col. Amira Dotan, who is the Chief of the Women's Corps of Israel, and her Deputy. We had a lengthy discussion on Israeli women in the service. We have some identical problems in the U.S. We touched on many issues of defense and suggested improvement can be gradually promoted in order to help women in the military service. We also discussed with Col. Dotan the possibility of her visiting the United States. Col. Dotan joined the army at the age of 18. Now at the age of 36 she has been in the service for 18 years. She is an extremely charming and attractive woman, married with two young children. It proves a woman can have two careers - as wife and mother at home and also serving her country with dedication. Col. Dotan gave credit to her husband for his support and understanding stating that without that blessing she probably would not be where she is today.

In Israel one senses the urgency of preventing continued confrontation but also the frustration and hopelessness of maintaining peace of any kind. While we had the opportunity to tour Bethlehem, and many religious sites as tourists to the Holy Land, we were continuously being reminded that people who live in the Holy Land and vicinity have been brothers and sisters for many generations and yet they have been fighting long before Jesus Christ was born. Some interesting information regarding Jerusalem:

"Jerusalem is situated in the Judean Hills about 40 miles from the Mediterranean, at an altitude of 2,710 feet. The physical setting is dazzling. On a clear day you can look to the east and see the Dead Sea (1,300 feet below sea level), the Jordan Valley, and the Mountain of Moab. To the west, the outline of Tel Aviv is visible. The Jerusalem consular district includes the City of Jerusalem and the west bank of the Jordan River, occupied by Israel during the 1967 War. The area of this district is approximately 5500 square kilometers. It is almost entirely mountainous except for the valley of the Jordan River.

The population of the Jerusalem consular district includes a variety of cultural, ethnic, and religious backgrounds. The two largest of these groups are an Israeli population of about 285,000 and a Palestinian Arab population of about 735,000. There are other groups of varying sizes, including Armenians, Druze, Samaritans and Beduin. Religion is an important element. Jerusalem has vast significance for Judaism, Christianity, and Islam alike. The religious holidays are felt and observed as in no other city in the world. The Israeli population follows Judaism in varying degrees of orthodoxy. The Palestinian population is about 7.5% Muslim, (predominantly Sunni), and about 7% Christian (of many different sects but predominantly Greek Orthodox).

The status of the Consulate General -- indeed the status of the city of Jerusalem itself -- is complex and frequently misunderstood. The following sketch provides a rough outline of U.S.

policies and their origins, but readers should bear in mind that no explanation as brief as this can really do justice to the intricacies of the issues involved.

Circumstances have made Congen Jerusalem an unusual post. It is one of two independent consular posts in the American Foreign Service, the other being Hong Kong. The Consul General has the status of Chief of Mission. And while the U.S. has had consular representation in Jerusalem for almost 140 years, personnel assigned here are not accredited either to the Government of Israel or the Government of Jordan, both of which claim sovereignty in the city.

The unique status of the Consulate General is itself the result of the still unresolved status of Jerusalem in international law. Immediately after the termination in 1948 of the British mandate in Palestine, war broke out between the Arabs and Israelis. At the conclusion of hostilities, Jerusalem was divided, with Arab forces in control of the walled city and suburbs to the north and east, and Israeli forces in control of West Jerusalem. This regrettable division of the city was acknowledged "de facto" but never "de jure" by the U.S. government and most of the international community.

It was widely agreed that the ultimate status of this unique city should be resolved not by force of arms or unilateral action, but through peaceful negotiations among the parties concerned. Determined to avoid any step that might appear to rejudge the outcome of such negotiations, the U.S. kept its Embassy in Tel Aviv (where Israel initially established its government) and left it to the Consulate General to represent American interests in Jerusalem -- on both sides of the ceasefire line.

The "de facto" division of the city continued until the Six Day war in June 1967, when Israeli Defense Forces occupied the entire city of Jerusalem and the West Bank of the Jordan River. Shortly after the war, the Israeli Parliament unilaterally enlarged the Jerusalem municipal boundaries to include some areas of the West Bank. Fourteen years later, in 1981, Israel formally annexed the expanded city. The U.S. Government does not recognize either the expansion or the annexation as legitimate. At the same time, however, the U.S. has consistently made clear its belief that Jerusalem should be a united city within which there would be no restrictions on the movement of persons or goods, with free access to holy sites by people of all faiths and nationalities."

In general, people who live in the middle of the Mid-East conflict, whether in Israel, Jordan, Saudi Arabia, or the U.A.E., do not have much hope for peace in the near future. Of course we did not go to Lebanon. There is a war going on. I for one did not feel justified for our representatives to take care of Washington visitors while they have more important things to do.

EGYPT

We left Tel Aviv for Cairo on Sunday, August 28th. My purpose for visiting Cairo was to talk to officials from the U.S. Commercial Office and also to meet some of the U.S. business leaders in Cairo. The U.S. Commercial Attache, Ted Rosen, met me at the airport and made arrangements for me to lunch with U.S. business leaders at the home of the U.S. DCM Henry Precht and Mrs. Precht. U. S. companies in Egypt are active in investment, trade and development. The A.I.D. and F.M.S. contractors are also very much involved in that area since the U.S. is spending very substantial sums funding many projects in Egypt. U.S. business leaders would like to see a closer working relationship between the A.I.D. representatives and U.S. firms. I was impressed by the enthusiasm of our representatives in Egypt and promised to pay them another visit with a few representatives of the President's Export Council, hopefully sometime early in 1984.

From Cairo we took Gulf Air to Sharjah, part of the United Arab Emirates. On this flight, we saw the true practice of Moslem custom of discrimination against women. The plane from Cairo to Sharjah, via Bahrain, was fully booked. Many Arab women, young and old, came on board the plane. Their faces were fully covered by black veils, and under the veils they had half-masks on their faces.

Most of the passengers got off at Bahrain and a few of us on board the plane went on to Sharjah. In Sharjah, we were met by the staff of the U.S. Embassy, also representatives of the PRC and Manager of CNAC, since we were on our way to Beijing.

PEOPLE'S REPUBLIC OF CHINA

Our party arrived Beijing, the capital of the PRC on Monday, August 29th, at 1:40 p.m. We were met by U.S. Ambassador and Mrs. Arthur Hummel, President of the Chinese People's Institute for Foreign Affairs, Mr. Hao Deqing, Secretary General of the same institute, Li Xie and many others.

Since I was the principal guest of the PRC, both Senators and accompanying party were given the courtesy to stay at the government guest house Diaoyutai. The villa where we stayed at Diaoyutai has a fixed rate for all VIPs local currency of \$6,000. per day. That is the equivalent of US\$3,000. per day, which includes transportation, breakfast, lunch or dinner if so desired and service of men and women attendants at the villa. The other congressional delegations, such as Senator Jackson's delegation stayed at the hotel in Beijing. Both Senators Hatch and Zorinsky were only charged \$75.00 per day for their stay and that included limousines, chauffeurs and cars for sight-seeing. The villa Number 15 where we stayed, was to house King Hussein and his party during his state visit to the PRC (the day after we left China for Tokyo).

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I had private meetings with Deng Xiaoping, who now holds many titles, however, he prefers the title of Chairman. I also had a private meeting with Minister of Foreign Affairs, Mr. Wu Xue-Qian, both of them spent more than an hour with me alone. We talked on many issues which I promised I would not put in writing nor make any statement. Both of them asked me for another return visit alone to spend a little bit more time with various officials which I promised I would do. The Minister of Trade and Economics, Mr. Chen Mu Hwa, had a dinner in my honor and mentioned the visit of our Secretary of Commerce, Malcolm Baldrige which he considered a successful visit. I also had lunch with the Minister of Air and Space, Mr. Chien and breakfast with Mr. Chen Tao, the Director of Civilian Air Administration who visited South Korea during the hijack of the CACA aircraft from China to South Korea. He was the highest ranking officer to visit South Korea in recent years.

As far as trade with the PRC is concerned, note the following paragraph for information:

"Subject: Trade Fair Certification China COMM 84
Beijing, People's Republic of China, November 6-13, 1984

Ref: a) US DOC 9456 b) USDOC 10826

1. Commerce is pleased to announce the certification of the subject event to be held at the Beijing Exhibition Center.
2. Show contact: Ned Krause, Clapp and Poliak International, 7315 Wisconsin Avenue, Bethesda, Maryland 20814
Telephone: (301) 657-3090.
3. USDOC Contact: Ms. Terry Rettig, Cable code TD/EDOCGI/HTID/6211.
4. Projected number of U.S. exhibitors: 60 covering 900 square meters.
5. Product categories to be exhibited: Equipment for the telecommunications, computers, electronics and communications industries. Many of the items likely to be exhibited fall under the licensing requirements of commerce's office of export administration. Potential exhibitors will be made aware of the need for complying with the export control regulations and OEA will screen items to be exhibited to ascertain whether any licensing problems may occur.
6. Audience profile: Audience profile consists of end organizations. Upper and mid-level management personnel within government manufacturing, transportation and distribution, etc.

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Show description: The Chinese government made a formal request that a second China Comm exhibition be produced in 1984. This request came at the conclusion of the highly successful China Comm 82, where U.S. ten million dollars in contracts were negotiated for telecommunications, computers. "

JAPAN

Our party departed Beijing Thursday September 1, early in the morning for Tokyo. Senators Hatch and Zorinsky met with our U.S. Ambassador to Japan, Mike Mansfield, while I spent time with members of the U.S. Chamber of Commerce for an early breakfast at the Okura Hotel in Tokyo.

It was during our stay in Tokyo we learned of the sad incident with the South Korean Airline Jumbo Jet with 269 passengers aboard, shot down by the Soviet fighter north of Japan on Thursday, September 1. The world was shocked by this bloody criminal act.

KOREA

We left Tokyo for Seoul, Korea on Friday, September 2nd. Prior to my departure from Washington for this around the world trip, President Chun Doo Hwan asked me to stay a day longer in order to have dinner with him and Mrs. Chun alone. Since that was not possible, due to my tight schedule, I was invited to dinner given by President Chun at the Blue House on September 2nd honoring the participants in the Seoul forum on Korea-U.S. Security Cooperation. During dinner, President Chun talked about the brutality of the Soviet attack on an unarmed civilian airplane carrying 269 people. After dinner President Chun asked me to stay over for a private talk which lasted about two hours. A special report on our talk will be presented to President Reagan separately.

In addition to my private meeting with President Chun, I also had a private meeting with the new Chairman of the Korean Congress, Mr. Chae Mun-shik in fact, he sent his aide to the airport to take me to his office upon my arrival in Seoul. I also had a brief meeting with Foreign Minister Lee Bum-suk, and promised that I will have another visit sometime next year; hopefully it will be a trade mission representing the President's Export Council.

TAIWAN

From Seoul, Korea we took China Airlines to Taipei, Taiwan on Saturday, September 3rd in the early afternoon, arriving Taipei just in time to attend a dinner given by Prime Minister Y.S. Sun

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of the Republic of China on Taiwan. I had made arrangements for both Senator Hatch and Senator Zorinsky to meet with President Chiang Ching-kuo on Monday, September 5th, while I had to return to Washington on urgent matters Sunday, September 4th.

CONCLUSION

Although the schedule on this trip was tight and we were trying to cover a lot of territory in a short period of time, yet what we accomplished could not have been accomplished by sitting in the office. It is gratifying to have this opportunity to talk to so many leaders person to person.

For those who read this report, I welcome your comments and if you should have any questions, please contact my office.

TEN LARGEST U.S. EXPORTS TO THE USSR, JANUARY-DECEMBER 1982

<u>COMMODITY</u>	<u>AMOUNT (U.S.\$)</u>
Yellow Corn	818,770,000
Wheat, Unmilled	802,180,000
Phos. Acid	268,490,000
Soybeans	171,260,000
Tracklaying Tractors, New	51,040,000
Pressure Sensitive Tape	36,100,000
Petroleum Coke, Calcined	34,270,000
Copper Ore	34,160,000
Insulating or Transformer Oils	27,930,000
Parts, NSPF, of Tractlaying Tractors	25,650,000

✓ TEN LARGEST U.S. IMPORTS FROM THE USSR, JANUARY-DECEMBER 1981

Anhydrous Ammonia	88,770,000
Palladium	24,840,000
Unwrought Nickel	12,180,000
Urea	10,430,000
Gasoline	10,340,000
Uranium Fluorides	9,650,000
Vodka in Containers, Not Over	7,170,000
Sable Furskins, Whole, Raw	7,160,000
Metal Coins	6,100,000
Potassium Chloride	4,600,000

Moscow

Enclosure A

Moscow

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August 13, 1983

CODEL PELL

Delegation List

Senator Claiborne Pell and wife Nuala
Senator Russell B. Long and wife Carolyn
Senator Dale Bumpers and wife Betty
~~Senator Patrick Leahy and wife Marcelle~~
Senator Howard Metzenbaum and wife Shirley
Senator Donald Riegle and wife Lori
Senator Paul Sarbanes and wife Christine
Senator James Sasser and wife Mary
Senator Dennis Deconcini and wife Susan

Officer of the Senate:

Mr. Patrick Griffin, Secretary for the Minority

Senate Staff:

Mr. John B. Ritch, Professional Staff Member, Committee on Foreign Relations
Mr. George William (Bill) Ashworth, Professional Staff Member, Committee on Foreign Relations

Mr. Eric Newsom, Professional Staff Member, Senate Select Committee on Intelligence

Ms. Jan Novins, Director of Interparliamentary Service

Mrs. Jeanine Drysdale-Lowe, Executive Assistant to the Sergeant at Arms

Ms. Jan Demers, Secretary to the Delegation

Mr. James H. Billington, Director, Woodrow Wilson International Center for Scholars, Smithsonian Institute

Interpreter:

Mrs. Galina Tunik

Department of Defense:

Capt. Thomas Lynch, USN

Col. Nikita Tregubov, U.S. Army Medical Corps

Capt. Thomas Ellsworth, USN

Sgt. Geoffrey Roberts, USMC

Cpl. Kelly Bemis, USMC

Enclosure B