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White House Press Release

PRESS CONFERENCE OF THE PRESIDENT

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

May 26, 1994

PRESS CONFERENCE OF THE PRESIDENT

The Briefing Room

5:10 P.M. EDT

THE PRESIDENT: Good afternoon. Today I would like to announce a series of important decisions regarding the United States' policy toward **China**.

Our relationship with **China** is important to all Americans. We have significant interests in what happens there and what happens between us. **China** has an atomic arsenal and a vote and a veto in the U.N. Security Council. It is a major factor in Asian and global security. We share important interests, such as in nuclear-free Korean Peninsula and in sustaining the global environment. **China** is also the world's fastest growing economy. Over \$8 billion of United States' exports to **China** last year supported over 150,000 American jobs.

I have received Secretary Christopher's letter recommending, as required by last year's executive order, reporting to me on the conditions in that executive order. He has reached a conclusion with which I agree, that the **Chinese** did not achieve overall significant progress in all the areas outlined in the executive order relating to human rights, even though clearly there was progress made in important areas, including the resolution of all emigration cases, the establishment of a memorandum of understanding with regard to how prison labor issues would be resolved, the adherence to the Universal Declaration of Human Rights and other issues.

Nevertheless, serious human rights abuses continue in **China**, including the arrest and detention of those who peacefully voice their opinions and the repression of Tibet's religious and

cultural traditions.

The question for us now is, given the fact that there has been some progress but that not all the requirements of the executive order were met, how can we best advance the cause of human rights and the other profound interests the United States has in our relationship with **China**.

I have decided that the United States should renew Most Favored Nation trading status toward **China**. This decision, I believe, offers us the best opportunity to lay the basis for longterm sustainable our other interests with **China**. Extending MFN will avoid isolating **China** and instead will permit us to engage the **Chinese** with not only economic contacts but with cultural, educational and other contacts, and with a continuing aggressive effort in human rights -- an approach that I believe will make it more likely that **China** will play a responsible role, both at home and abroad.

I am moving, therefore, to delink human rights from the annual extension of Most Favored Nation trading status for **China**. That linkage has been constructive during the past year. But I believe, based on our aggressive contacts with the **Chinese** in the past several months, that we have reached the end of the usefulness of that policy, and it is time to take a new path toward the achievement of our constant objectives. We need to place our relationship into a larger and more productive framework.

In view of the continuing human rights abuses, I am extending the sanctions imposed by the United States as a result of the events in Tiananmen Square, and I am also banning the **import** of munitions, principally guns and ammunition from **China**. I am also pursuing a new and vigorous American program to support those in **China** working to advance the cause of human rights and democracy.

This program will include increased broadcasts for Radio Free Asia and the Voice of America, increased support for nongovernmental organizations working on human rights in **China**, and the development with American business leaders of a voluntary set of principles for business activity in **China**.

I don't want to be misunderstood about this: **China** continues to commit very serious human rights abuses. Even as we engage the **Chinese** on military, political and economic issues, we intend to stay engaged with those in **China** who suffer from human rights abuses. The United States must remain a champion of their liberties.

I believe the question, therefore, is not whether we continue to support human rights in **China**, but how we can best support human rights in **China** and advance our other very significant issues and interests. I believe we can do it by engaging the **Chinese**. I believe the course I have chosen gives us the best chance of success on all fronts. We will have more contacts. We will have more trade. We will have more international cooperation. We will have more intense and constant dialogue on human rights issues. We will have that in an atmosphere which gives us the chance to see **China** evolve as a responsible power, ever-growing not only economically, but growing in political maturity so that human rights can be observed.

To those who argue that in view of **China's** human rights abuses we should revoke MFN status, let me ask you the same question that I have asked myself over and over these last few weeks as I have studied this issue and consulted people of both parties who have had

experience with **China** over many decades.

Will we do more to advance the cause of human rights if **China** is isolated, or if our nations are engaged in a growing web of political and economic cooperation and contacts. I am persuaded that the best path for advancing freedom in **China** is for the United States to intensify and broaden its engagement with that nation.

I think we have to see our relations with **China** within the broader context of our policies in the Asian Pacific region. A region that, after all, includes our own nation. This week, we've seen encouraging developments, progress on resolving trade frictions with the Japanese, and possible progress towards stopping North Korea's nuclear program.

I am determined to see that we maintain an active role in this region, in both its dynamic economic growth, and in its security. In three decades and three wars during this century, Americans have fought and died in the Asian Pacific to advance our ideals and our security. Our destiny demands that we continue to play an active role in this region. The actions I have taken today to advance our security, to advance our prosperity, to advance our ideals I believe are the important and appropriate ones. I believe, in other words, this is in the strategic, economic and political interests of both the United States and **China**, and I am confident that over the long run this decision will prove to be the correct one.

Q Mr. President, most of the conditions, the aspects of this problem were prevalent last year when you made very strong threats of a cut-off of human rights. Aren't you really bowing to big business and backing off of human rights in terms of the world perception?

THE PRESIDENT: No, I don't think so. And if you've seen the statements of recent days by many others -- Senator Bradley and many other members of the Senate, other members of the American political community who have also evolved in their view, I think most people believe, number one, that conditions have changed.

I think it's very important to say that under the terms of this agreement, some progress has been made. Some important political dissidents have been released. We've gotten information on Tibetan prisoners for the first time. We have a process now with operable deadlines for looking into these disputes over prison labor matters. We have at least an adherence, an explicit adherence by the **Chinese** to the Universal Declaration of Human Rights. We have an ongoing set of negotiations now on how to deal with the jamming we've suffered on our Voice of America broadcast. So there have been some changes.

And interestingly enough, many of the most vocal human rights advocates have argued that -- not that we should lift MFN status, but that instead we should have some intermediate sanctions which cover a bigger section of the economy. But things have changed to the point, both in terms of what has gone on in **China** and in terms of the other strategic issues -- the situation in Korea, for example, I think everyone would admit is somewhat different than it was a year ago -- that I believe -- that everybody believes that we should do something differently.

The question is, should we delink or should we continue to do this on an annual basis. I believe the answer to that is no. And I believe the answer to what we should do is to pursue a broader strategy of engagement. I think that is where we are now. And I

think that it is far more likely to produce advances in human rights as well as to support our strategic and economic interests.

Q Mr. President, how do you answer those who say you are -- using your own words now -- coddling tyrants? And with the leverage of linkage now moved away, what incentive is there for **China** to improve human rights?

THE PRESIDENT: Well, let me turn it on its head, first of all. **China** is a very great and important nation. What gave rise to this MFN in the first place, this issue? Why did anyone believe human rights should be tied to MFN in **China** as opposed to other nations in the world? The MFN law basically is tied to emigration, and we have -- I haven't said that, I don't think, today -- we have successfully resolved all outstanding emigration cases with the **Chinese**.

Why was it extended to involve human rights here? Because of the frustration in the Congress that the previous administration had reestablished relationships too quickly after Tiananmen Square, and there seemed to be no other aggressive human rights strategy.

The United States has pursued the cause of human rights around the world in many, many ways without tying it to MFN with those countries. I have had, for example, several conversations on this subject with one of our nation's most dedicated human rights advocates, President Carter, who strongly believes that the decision I have taken today is the right one and more likely to produce human rights progress. Because -- let me answer your question precisely -- every nation, every great nation makes some decisions, and perhaps most decisions based on what is in the interest of the nation at that moment in time internally. But no nation likes to feel that every decision it makes for the good to do something that's right, that makes progress, is being made not because it's the right thing to do, but only because of external pressure from someone else.

And I believe, based on my -- and this is the root of this judgment, and all of you and all of the American people will have to draw your own conclusions about whether I'm right or wrong, but I'm prepared to fight for my position in the Congress and elsewhere, because I believe it's right. I believe, based on intensive efforts over the last few weeks, that we are far more likely to have human rights advances when it is not under the cloud of the annual question of review of MFN. That is what I believe.

That is not to say that there will not continue to be human rights abuses in **China**, that there won't be ups and downs in this. But I believe that over the long run we're more likely to make advances if there's more contact with the **Chinese**, not less; if there's more economic growth, not less -- we saw that in Taiwan and Korea -- and if we are free to explicitly and aggressively pursue our human rights agenda, as we would with any other country. That is the conclusion I have drawn. I think it's the correct one.

Q On the first question, aren't you coddling tyrants just as you accuse --

THE PRESIDENT: No, because I do believe what happened -- what has happened since then? Has there been any progress? There's been so much progress that even the people who have supported these strong resolutions, the legislation in the past, are now arguing for a different course. I'm not the only person arguing that the time has come to take a different path. It's that they will say, well, I should have done something else. But virtually everyone says

the time has come to move out of the framework now.

We obviously have something going on in this relationship now. We obviously have a broader and deeper relationship and we obviously are going to see some changes here. So I think everybody acknowledges that there is some dynamism in this relationship now which warrants a change. The question is what tactical path should we take. And I expect that many people who criticize my decision will say, well, he should have put stiffer tariffs on something or another, or should have had a bigger section of the economy affected, or gone after the military enterprises, or something like that. But I think nearly everybody recognizes that there has been some real change in this and that we have the chance to move it to a different and better plane. And I think what I'm doing is the right thing to do.

Q Mr. President, on another topic, do you have anything to say about some of your staffers who apparently used a government helicopter for a golf outing?

THE PRESIDENT: Yes, I do. First of all, I knew nothing about it until sometime during the business day. As you know, I've been working on this for the last couple of days.

I asked Mr. McLarty to look into it, and I can tell you that, number one, I was very upset about it when I heard about it. Mr. Watkins has resigned and the taxpayers will be fully reimbursed. That's the most important thing to me. The Treasury will not be out one red cent for whatever happened there.

Now, I don't think there's anything else for me to say about it.

Q Will he pay that himself, or will you be paying that money from --

THE PRESIDENT: Well, I haven't resolved that yet. Like I said, I didn't even know about it. All I can tell is when I found out about it, I asked Mr. McLarty to look into it. Somebody else can give you more facts and more background. I've been working on this all day. I just know that Mr. Watkins offered his resignation and I insisted that the taxpayers be reimbursed. Some way or another they will be and we'll tell you how when we do it.

Q Can I follow on that? Do you expect that there will be resignations from the two other individuals involved? Is that up to the Pentagon since they are in the military?

THE PRESIDENT: No, I don't know enough about the facts. I just haven't had time -- I've been working on this **China** issue all day. I'm just telling you what I know -- the taxpayers will be made whole. There is a resignation. More facts to follow.

Q May I ask you a question about **China**, sir? Senator Bradley and others wanted you to do nothing that would restrict trade. Do you expect now that there will be some retaliation from **China** because of the ban on weapons **imports**, or some other lack of cooperation in our efforts to restrain the North Koreans, for instance?

THE PRESIDENT: I would hope not. I think this was an appropriate thing to do because it was discreet, it recognizes that there has not been complete compliance, it is plainly enforceable in ways that many of the other suggestions may not be. And I think that there are corollary benefits to the United States in this which I

think should be well understood by the **Chinese**.

Many people have said -- and I noticed it was reported in a news article in The Wall Street Journal this morning that many of the manufacturers believe that a lot of these guns have come in below cost, anyway, in ways that almost simulate high-tech Saturday Night Special phenomenon.

So I think it is the right thing to do. I do not expect that to occur. I am plainly offering to build the basis of a longterm , strategic when our interests demand it, and if there is progress on the human rights front, we can actually develop the kind of friendship that our relationship has seemed to promise at various times since the opening of **China** over a century ago. But that remains to be seen.

I want to make it clear to you, I do not do this with rose-colored glasses on. I know there will be -- no matter which approach we take, if we had taken another approach, there would have been continuing human rights problems. A great society, so large and with such built-in habits does not change overnight. Just as I hope I can dramatically reduce the climate of crime and violence in this country I know it won't happen overnight.

So there will be problems regardless. I simply think this is the best way to approach it.

Q Mr. President, in revoking and delinking human rights with trade, can you do that on your own given the fact there is a law, the Jackson-Vanik law, that does this? Will this require congressional action?

THE PRESIDENT: Well, the Jackson -- no, it will permit congressional action. That is, if the Congress chooses to disagree with me, of course, they can offer an alternative path. And then we will -- or some in Congress can -- then we will debate. There are many good people who disagree with me.

Q But you won't have to --

THE PRESIDENT: No, I can do what I have done today under the Jackson-Vanik law because the Jackson-Vanik law, which was a product of the Cold War, says basically that countries with controlled economies have to meet certain criteria in order for annual renewal of MFN. We will have to continue to certify that they meet those criteria. But they relate to emigration. So that's different from trade and different from the broader human rights questions that we seek.

In other words, the trade could be linked to emigration. If the **Chinese** violate the Jackson-Vanik law, well, that's something they're still subject to. I can't repeal the law.

Q So barring action by Nancy Pelosi or George Mitchell or someone else in Congress, next year at this time you will not have to certify that **China** has met these basic human rights conditions in order to go forward with MFN?

THE PRESIDENT: That is correct. But next year at this time we'll still be discussing this, and you will see that we have a very aggressive and, I think, more successful approach. This is not about forgetting about human rights. This is about which is the better way to pursue the human rights agenda.

Q What is your analysis of why the **Chinese** leadership is going slower in -- on human rights than you would like them to?

And for the foreseeable future, what kind of timetable and standards will you use to decide whether any change in policy is necessary if their not making, in your view, sufficient progress?

THE PRESIDENT: I think there are three factors involved in why are they going slower. First of all, I think that this is a time of considerable political tension in **China** -- that is, tension between the center and the provinces. Tension because of the inevitable transformation of leadership that the passage of time will bring about in the -- not, at least, in the foreseeable future. And in times of a transition like that, it tends to be more difficult to effect change of any kind. I think that's the first thing.

The second thing, I think, is that we see in the culture of **China**, and in many other Asian societies, a desire to preserve order in the interest of the group often at the expense of the individual. We saw a variant of that in the discussion that I had, you know, with the government of Singapore over the case of the Fay caning. And many believe that in a world that is tumultuous like ours is, you have to have more order, even at the expense of individual rights.

My answer to that, obviously, is that what we asked them to do was not to become like us, but to honor universally-recognized standards of human rights. But you asked me the question.

The third thing, I think, is that a country with 1.2 billion people, and the third largest economy in the world, conscious of all the cross currents of change and the difficulties it is facing, is going to have, inevitably, a reluctance to take pressures to take steps which are right if it looks like every step that is taken, is taken under the pressure of the United States. Some outside power making them do it.

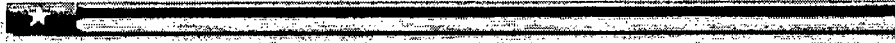
And the fourth thing I would say is that this was some step we took not in cooperation with the international community; no other nation agreed with us. So it wasn't like there was a big multinational coalition; it's not like sanctions on Iraq, for example.

Now, I think one of the most important things is the third point I made. I do not believe -- every one of you should put yourselves in that position. Would you move forward if you thought no matter what you did and how good it was every time you did it, it would be interpreted that you were doing it because someone from outside your country were pressuring you to do it?

But I don't want to minimize the fact that there are still serious human rights problems there. We are going to continue to work on them, but I believe doing this in the context of our national security interests, our economic interests, and the opening of **China**, both economically and in many other ways, and being able to have an explicit and open human rights agenda not hobbled by timetables which may be artificial is the right way to go. I predict that it will be successful, more successful on human rights than the alternative would have been, and it is my judgment -- I am absolutely convinced that's the right thing, that it's in the interest of the United States, and I have done it for that reason.

Thank you.

END5:33 P.M. EDT



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