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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	re: China and communications (1 page)	n.d.	P1/b(1)
002. email	DOB's (Partial); SSN's (Partial) (1 page)	04/11/2000	P6/b(6)
003. email	To Paul K. Orzulak from James R. Keith. Subject: LA times oped today on PNTR/enviro (1 page)	04/25/2000	P5

COLLECTION:

Clinton Presidential Records
National Security Council
Speechwriting (Paul Orzulak)
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FOLDER TITLE:

China [Folder 2] [4]

2008-0702-F

jm196

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

Freedom of Information Act - [5 U.S.C. 552(b)]

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P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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47TH STORY of Level 1 printed in FULL format.

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The Economist

April 08, 2000 , U.S. Edition

LENGTH: 2904 words

HEADLINE: Wealth and power

HIGHLIGHT:

Those elusive goals

BODY:

THE Chinese Communists may have come to power with revolutionary fervour, but their agenda was little different from that of the beaten Nationalists before them, or from that of the rather milder reformers of the Qing dynasty in the late 19th century. The agenda, simply put, was to restore to China its rightful prosperity and power (fuqiang in Chinese). Half a century on, China's Communist leaders still keep fuqiang at the very top of their agenda, says Lucien Bianco, an eminent sinologist based in Paris, for the simple reason that they have yet to attain it. So what have they achieved?

Start with fu (wealth or development). When the Communists came to power, there were half a billion Chinese, and perhaps half of those ran a real risk of going hungry. Today the population is 1.3 billion, but only perhaps 50m are so poor that they cannot always eat as much as they want. Since 1979 about 210m people, nearly the population of America, have been lifted out of absolute poverty.

It is not a popular thing to point out in liberal company, but without the sharp fall in the Chinese birth rate since the 1970s, achieved by using state coercion, it would have been next to impossible to reduce poverty so dramatically, so quickly. At 1.3% a year, China's rate of population growth is now entirely manageable. Indeed the government is beginning to worry about an ageing population, and is relaxing its one-child policy. For the first time in its history, China does not face the twin curses of rampant population growth and famine.

Equally striking is the "miracle" that has taken place since 1979: economic growth rates that averaged nearly 8% a year (give or take a bit of statistical exaggeration), which means that economic output has quadrupled. Exports have been climbing by 15% and imports by 13% a year for the past two decades, a faster rate of growth than Japan managed during its golden period in 1953-73.

But this achievement needs to be put into perspective. By 1955 Japan was already the world's ninth-biggest exporter. China did not become the tenth-biggest until 1992. Before the Communists, China reached its highest share of world trade in 1928, with 2.3% of the global total. It did not regain that peak until 1993, and even today, at 3.4%, its share is no bigger than that of the Netherlands.

Measured in terms of its total GDP, China is now a medium-sized or large economic power, the seventh-biggest in the world. The trouble comes when you divide its output by its population. Measured by GDP per head, China tumbles down the rankings to about number 150. For all its might, it is still a desperately poor country.

And where are its world-class firms? Last year only six Chinese companies, all of them state-owned, made it to the list of the world's top 500 companies published by Fortune magazine every year. They won admission not because of their performance, which is execrable, but simply because they employ a lot of people. For example, Sinopec, an oil giant, has 1.2m workers. According to the Chinese government's own figures, the average assets and sales of the country's top 500 companies are 0.9% and 1.7% respectively of those of the average Fortune 500 company. In 1998 China's top 100 firms had overseas investments of a mere \$2.6 billion.

China-boosters will dismiss these comparisons. Other transitional economies, most conspicuously Russia, have fared far worse. China has delivered economic growth. It has not debased the currency, which is backed by hard-currency reserves. Most notable of all, things have not fallen apart; the centre has held. China is still able to govern.

Yes, but...Bear in mind that China's growth has been so furious because the economy was so backward to begin with. And why was that? Because of catastrophic past blunders committed by the same party that rules today. Moreover, this survey has argued that the catch-up gains are coming to an end, and that the Chinese state has yet to withdraw from the economy. Much of state-owned industry is on the verge of collapse, and the rest faces stiff competition as WTO membership approaches. The banks are weak. Economic growth has slowed sharply in recent years, even if there are now tentative signs of a cyclical rebound. The hard part is yet to come.

"China's economy", says Yukon Huang, head of the World Bank's mission in China, "is still a transition economy. That means the centralised command system is going to clash ever more frequently with global norms. The greater the clashes, the more glaring the Chinese anomalies and the greater the potential for corruption...It puts strains not only on the economic system, but on the political one."

The strains can only get worse. As Mr Huang explains: "At the point of intersection with the world economy, China will have to have the same standards as elsewhere. Ultimately, it will have to have governance structures, pay systems and rules of conduct that are pretty consistent with world counterparts." That means separating four deeply entwined strands of China's political economy: the party, the government, the enterprises and the banks. Will attempts to separate these four strands prove successful, even if the party remains in control, or will they lead to political and economic chaos? Mr Huang thinks the answer is far from clear, but bets on success. "Yet if they can't do it, then China will not integrate into the world economy, nor even live up to its WTO commitments. These are strains that won't go away. Rather, they are strains that will redefine China."

China's power prospects

So much for China's prosperity, its fu. What about its qiang? As a power, China cannot remotely be described as satisfied. The debate in the West about "containment" versus "engagement" is simply a debate about how to respond to that fact.

To discover the roots of China's dissatisfaction, put yourself into the shoes of a Chinese defence planner. Invasions of China have always come by land, and today China is surrounded by 14 states, with some borders still disputed. Russia is wracked by domestic troubles, but that might change. Japan, the Chinese claim, is bent on regional domination. America, with its vast military presence in the Pacific, contained China for much of the Communists' early rule, and might do so again. Nor has China got a military ally in the world -- bar tinpot Myanmar.

China's People's Liberation Army (PLA), with 2.5m people, may be the world's largest single army, but those of the country's seven biggest neighbours combined outnumber it two-to-one, and most of those armies are more modern. Solomon Karmel of the London School of Economics, in a new book, shows how woefully inadequate the PLA is as a fighting body. It is bloated but inward-looking. It lacks a centralised command. It is underfunded and distracted by the desire to make money. Its technologies are backward. Its officer class is riven with party and family nepotism, and its soldiers, to quote one Pentagon assessment, "are semi-literate rural peasants." In short, the PLA shares all the problems of the domestic economy. China's military technology and force structure are at least 20 years behind those of western powers. And NATO's smart war in Kosovo seems to have persuaded some PLA generals that far from catching up, China's modernisation risks falling behind. No large country, therefore, fears American "hegemony" more than China does.

Nor is it just from outside its borders that China sees security threats. Restive Tibetans and Muslim Uighurs in Xinjiang province are chafing at Chinese rule, encouraged by these fractious people's allies abroad. The Chinese claim that the mild-seeming Dalai Lama is actually a "splittist in a religious overcoat". Any problem, even of a domestic kind, can be blamed on "certain hostile forces". And if the hand of the United States is not openly in evidence, that is because it is secretly at work plotting China's "peaceful evolution". You can't win.

China's schoolchildren are taught about the humiliation that a prostrate China suffered in the late 19th and early 20th century at the hands of foreigners. From primary school on, the Chinese are reminded that their country is by natural right a great power, but that hostile forces prevent China from claiming its natural place. It does not help that Britain and other European former imperial powers have developed a blithe amnesia about their own rapine past; nor that Japan cannot face making a fulsome apology for its brutal abuse of China during an occupation, ending in 1945, that killed millions.

On the other hand, if the Chinese government did receive apologies, it would be deprived of a useful distraction. One reason why China rhetorically beats up foreign powers (and "arrogant" Taiwan) is to divert attention from what, in the course of this century, the Chinese have done to each other. The civil war between Communists and the nationalist Kuomintang (KMT) claimed as many lives as the Japanese occupation. After the Communist victory in 1949, 2m-3m landlords were killed in the early 1950s; many intellectuals died during the anti-rightist movement of 1957; and up to 30m fell victim to the famine that followed the

Great Leap Forward (1958-61). New research also suggests that millions more than first thought died during the state-sponsored anarchy of the Cultural Revolution (1966-76). By those standards, the few hundred killed in the Tiananmen Square massacre in 1989 barely count.

The Communist Party has never truly owned up to any of this blood-letting, nor have most ordinary Chinese examined their consciences about their part in these events. Persecutors and the persecuted during the Cultural Revolution still live and work side by side. Blame has been placed full-square upon the Gang of Four, all now conveniently dead.

True, the power of Communist ideology is very much reduced these days, and the vacuum has been filled, not surprisingly, with a nasty form of nationalism. After all, when the Communists came to power, their mandate was to unify a fragmented country. However, Taiwan (where the defeated KMT fled in 1949), Hong Kong and tiny Macau remained beyond their grasp. Hong Kong and Macau have now been returned, but Taiwan cocks a snook at Beijing. Prosperous, confident and now democratic, it acts as an independent state in all but name. Although the island has been ruled by the mainland for only five of the past 105 years, it matters desperately to the Communists. If it were "lost", the Communist Party's legitimacy would go with it.

Show of force

Some western commentators argue that China holds all the cards to force Taiwan's return; that it is just a matter of time, and if it is not done on China's terms, then it will be done by force. China says it is ready to invade at the slightest provocation.

But does China have all the cards? Its military force may be strengthening. Fifty ballistic missiles, it is said, are being added each year to the existing 200 in coastal Fujian province that are pointing at Taiwan. And China has been on a buying spree in Russia, picking up SU-27 and SU-30 warplanes and two naval destroyers. On the other hand, only 80,000 soldiers are currently deployed in Fujian province. China's training and equipment is far inferior to Taiwan's, except for missiles and China's nuclear capability, which Taiwan lacks. Taiwan's 376,000-strong armed forces have superior American F-16s and French Mirage jet fighters, sophisticated radar and a modern navy.

Taiwan presumably still has America's military backing so long as it does not provoke China to attack. At the time of Taiwan's first democratic elections for the presidency in 1996, China launched missiles into the seas around the island. That was alarming, but the Chinese probably felt even more alarmed when America's seventh fleet -- two aircraft carriers and 14 other ships -- appeared off Taiwan. It was a display of raw power, and the Chinese army had no more sophisticated means to learn about it than seeing the news on television.

Taiwan, then, has a significant military deterrent against mainland attack. Bear in mind, too, another aspect of that deterrent: Taiwan's ability to destroy the "economic miracle" of China's coastal cities, such as Shanghai, Fuzhou and Xiamen, in retaliation for any attack. China's leaders are not guaranteed to act rationally, but even the most irrational leader will think twice before allowing 20 years of reform efforts to go up in flames. If China chooses war with Taiwan, and presumably with America, it is taking on its two biggest trade partners, and probably kissing goodbye to domestic stability. So war is possible but unlikely.

But equally unlikely is any move by China to adopt the Taiwan model -- a thriving, maturing example of democratisation -- as the mainland's own. That is the tragedy of China's unfinished civil war.

There is a chasm between what is happening beyond China's borders, and what China is able to do about it. Its response is a blustering, touchy, Sino-centric form of diplomacy abroad, and a whipped-up nationalism and sense of grievance at home. The leaders in Beijing play a dangerous game with such chauvinism. It flows their way on occasion, as with the violent protests against America's accidental bombing of the Chinese embassy in Belgrade last May. But remember that the Tiananmen Square protests against the government ten years earlier were also preceded by demonstrations against foreigners.

Again, the government urges modernisation and high-tech development. Officials were privately delighted when mainland computer buffs last summer hacked their way into Taiwanese government systems. But hackers are by nature unbiddable, and some are now vandalising mainland sites. The Internet, after all, is an obvious tool of subversion, which the government will fight a losing battle to censor. The 10,000 followers of the Falun Gong sect who surrounded the leadership compound a year ago arranged the gathering by e-mail.

The Chinese authorities will continue to resist political pressures, and even spiritual ones by sects like the Falun Gong. Yet they badly need to find better political mechanisms to push through the reforms to which they are committed. They need to make sure that the separation of party, state and business is carried out in a reasonably equitable manner, which includes building a social safety net to catch the victims of reform. The central bank's reorganisation along regional lines offers a template for other experiments in federalism which could lead to greater accountability and perhaps, eventually, to democracy. For instance, China's politicised courts could be reordered on a regional basis to reduce local party influence over the legal process.

It is possible, of course, that the party will refuse to countenance institutional changes that look likely to cause far-reaching political change. Predictions of political change have been made before, notably after the Tiananmen massacre in 1989 and the collapse of communism in the West shortly after, and were proved spectacularly wrong. The difference this time, as this survey has argued, is that as China becomes more integrated into the world economy, its "clash" with global norms, as Mr Huang of the World Bank puts it, will bring unprecedented pressures to bear on the political system.

A march through the institutions?

One opportunity for that system to change, and in a peaceful manner, could come as early as 2002, at the Communist Party's five-yearly congress. Thanks to term limits and a supposedly mandatory retirement age, even President Jiang Zemin and Zhu Rongji, the prime minister, will face pressure to step down. Indeed, it is possible that four-fifths of the members of the present Politburo might go.

The current generation of leaders was handpicked by the last of the charismatic revolutionary veterans, Deng Xiaoping, but the next generation will not inherit this mantle. Some of the more liberal party members certainly hope that a more institutional form of government might evolve. "Don't judge things

by how we look on the surface," says one of this younger generation. "For instance, the language that I use with my minister is worlds apart from the wooden-speak I used with him five years ago...This new generation, we're less ideological than our predecessors, more open-minded. If we get influence I can even imagine more than one party existing, like in Taiwan, or institutionalised factions could develop, like in Japan's LDP. Look, if society one day says, no Communist party of China', we may not care by then."

Of course, nothing so peaceable may happen. The Communist Party, after all, has so assiduously crushed opposition to its rule, and so tightly drawn the boundaries of an emergent civil society, that if the party starts to allow change, it may one day simply collapse. Given China's history, it is hard to believe that such a breakdown, even if it happened, would necessarily promote democracy. Yet there is a model for peaceful political evolution right there on Chinese soil, in Taiwan. The trouble is that the sort of free election that has just ousted Taiwan's former ruling party is what Beijing's leaders fear most.

Reference:

* "China and the People's Liberation Army: Great Power or Struggling Developing State?". St Martin's Press, 2000.

GRAPHIC: margin_graphic, no caption

LANGUAGE: ENGLISH

LOAD-DATE: April 6, 2000

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Beneva Schulte <BSchulte@policyimpact.com>

04/11/2000 11:48:08 AM

Record Type: Record

To: Paul K. Orzulak/NSC/EOP

cc:

Subject: FW: hey

FYI -

-----Original Message-----

From: Hayes, Michele [SMTP:MMHAYES@opm.gov]

<mailto:[SMTP:MMHAYES@opm.gov]>

Sent: Monday, April 10, 2000 4:27 PM

To: 'Beneva Schulte'

Subject: RE: hey

Here they are:

Gerald M. Hayes

Michele M. Hayes

Lawrence M. Hayes

Jennifer M. Hayes

Christopher M. Hayes

Robert Richard Edward Maeder



[002]

Thanks, Michele

-----Original Message-----

From: Beneva Schulte [mailto:BSchulte@policyimpact.com]

<mailto:[mailto:BSchulte@policyimpact.com]>

Sent: Monday, April 03, 2000 11:00 AM

To: Hayes, Michele

Subject: hey

April 30th works fine for Paul. I have it scheduled for 12:30. And Larry can bring his friend. I'll need everyone's full name, birth dates and social security numbers. You can bring cameras but there are certain places where you cannot take pictures.

Beneva

* E-Mail scanned for viruses.-

* E-Mail scanned for viruses.-

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

March 8, 2000

REMARKS BY THE PRESIDENT
ON CHINA

Paul H. Nitze School of Advanced International Studies
Washington, D.C.

3:50 P.M. EST

THE PRESIDENT: Thank you very much, President Brody, Dean Wolfowitz. I thank all the members of our administration who are here -- Secretary Daley, who is coordinating our efforts in the Congress; Secretary Summers; Secretary Glickman. I want to say a special word of thanks to Ambassador Barshefsky and National Economic Advisor Gene Sperling who negotiated this agreement with China and run the last drop of blood out of it. And my National Security Advisor, Sandy Berger, I thank him for his great advocacy. Ambassador Holbrooke. To our OPIC President George Munoz.

I would also like to acknowledge the presence of a very important member of our economic team, Lael Brainard, because her mother works here at SAIS, and I want her mother to know she's done a good job. (Applause.) She may never speak to me again, but her mother will be happy. (Laughter.)

I want to thank all the distinguished people in the audience who care so much about China, and the faculty and the students here of this magnificent institution. And I want to thank my longtime friend, Lee Hamilton. If I had any respect for this audience, I would just ask you to wait five minutes, I'd run out and copy his speech, hand it to you. He said exactly what I wanted to say in about 2,000 fewer words (Laughter.)

I also want to say, President Brody and Dean Wolfowitz, how much I appreciate the involvement of Johns Hopkins and the School for Advanced International Studies in China, in particular, at this moment in history; and for giving me the chance to come here and talk about what is one of the most important decisions America has made in years.

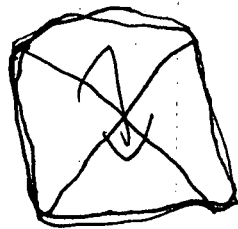
Last fall, as all of you know, the United States signed the agreement to bring China into the WTO, on terms that will open its market to American products and investment. When China concludes similar agreements with other countries, it will join the WTO. But, as Lee said, for us to benefit from that we must first grant it permanent normal trading status -- the same arrangement we have given other countries in the WTO.

Before coming here today, I submitted legislation to Congress to do that, and I again publicly urge Congress to approve it as soon as possible.

Again, I want to emphasize what has already been said. Congress will not be voting on whether China will join the WTO. Congress can only decide whether the United States will share in the economic benefits of China joining the WTO. A vote against PNTR will

In the same way Shot I was a
Corrersshore to turn tide in reducing
nuclear weapons; in the same way

Bretton



cost America jobs, as our competitors in Europe, Asia and elsewhere capture Chinese markets that we otherwise would have served.

Supporting China's entry into the WTO, however, is about more than our economic interests. It is clearly in our larger national interest. It represents the most significant opportunity that we have had to create positive change in China since the 1970s, when President Nixon first went there, and later in the decade when President Carter normalized relations. I am working as hard as I can to convince Congress and the American people to seize this opportunity.

For a long time now, the United States has debated its relationship with China through all the changes, particularly of the last century. And like all human beings everywhere, we see this relationship through the prism of our own experience. In the early 1900s, most Americans saw China either through the eyes of traders seeking new markets, or missionaries seeking new converts. During World War II, China was our ally. During World War II, China was our ally; during the Korean War, our adversary. At the dawn of the Cold War, when I was a young boy, beginning to study such things, it was a cudgel and a political battle -- who lost China? Later, it was a counterweight to the Soviet Union. And now, in some people's eyes, it's a caricature: Will it be the next great capitalist tiger with the biggest market in the world, or the world's last great communist dragon and a threat to stability in Asia?

Through all the changes in China and the changes in our perception of China, there has been one constant: We understand that America has a profound stake in what happens in China and how China relates to the rest of the world. That's why, for 30 years, every President, without regard to party, has worked for a China that contributes to the stability of Asia, that is open to the world, that upholds the rule of law at home and abroad.

Of course, the past that China takes to the future is a choice China will make. We cannot control that choice, we can only influence it. But we must recognize that we do have complete control over what we do. We can work to pull China in the right direction, or we can turn our backs and almost certainly push it in the wrong direction.

The WTO agreement will move China in the right direction. It will advance the goals America has worked for in China for the past three decades. And, of course, it will advance our own economic interests.

Economically, this agreement is the equivalent of a one-way street. It requires China to open its markets, with a fifth of the world's population -- potentially, the biggest markets in the world -- to both our products and services in unprecedented new ways. All we do is to agree to maintain the present access which China enjoys. Chinese tariffs, from telecommunications products to automobiles to agriculture, will fall by half or more over just five years. For the first time, our companies will be able to sell and distribute products in China made by workers here in America, without being forced to relocate manufacturing to China, sell through the Chinese government or transfer valuable technology -- for the first time. We'll be able to export products without exporting jobs.

Meanwhile, we'll get valuable new safeguards against any surges of imports from China. We're already preparing for the largest enforcement effort ever given for a trade agreement.

If Congress passes PNTR, we reap these rewards. If Congress rejects it, our competitors reap these rewards. Again, we must

understand the consequences of saying no. If we don't sell our products to China, someone else will step into the breach, and we'll spend the next 20 years wondering why in the wide world we handed over the benefits we negotiated to other people.

Of course, we're going to continue our efforts not just to expand trade, but to expand it in a way that reinforces our fundamental values and, for me, the way the global economic system must move. Trade must not be a race to the bottom, whether we're talking about child labor or basic working conditions or the environment. The more we avoid dealing with these issues, the more we fuel the fires of protectionism. That's why we'll continue our efforts to make the WTO itself more open, more transparent, more participatory, and to elevate the consideration of labor and environmental issues in trade.

But most of the critics of the China-WTO agreement do not seriously question its economic benefits. They're more likely to say things like this: China is a growing threat to Taiwan and its neighbors; we shouldn't strengthen it. Or, China violates labor rights and human rights; we shouldn't reward it. Or, China is a dangerous proliferator; we shouldn't empower it.

These concerns are valid. But the conclusion of those who raise them as an argument against China-WTO isn't. China is a one-party state that does not tolerate opposition. It does deny its citizens fundamental rights of free speech and religious expression. It does define its interests in the world sometimes in ways that are dramatically at odds from our own. But the question is not whether we approve or disapprove of China's practices. The question is, what's the smartest thing to do to improve these practices?

I believe the choice between economic rights and human rights, between economic security and national security, is a false one. Membership in the WTO, of course, will not create a free society in China overnight, or guarantee that China will play by global rules. But over time, I believe it will move China faster and further in the right direction -- and certainly will do that more than rejection would. To understand how, it's important to understand why China is willing to do what it has undertaken to perform in this agreement.

Over the last 20 years, China has made great progress in building a new economy, lifting more than 200 million people out of abject poverty; linking so many people through its new communications network that it's adding the equivalent of a new Baby Bell every year. Nationwide, China has seen the emergence of more than a million nonprofit and social organizations, and a 2,500 percent explosion of print and broadcast media.

But its economy still is not creating jobs fast enough to meet the needs of the people. Only about a third of the economy is private enterprise. Nearly 60 percent of the investment and 80 percent of all business lending still goes toward state-owned dinosaurs that are least likely to survive in the global economy and most likely to be vulnerable to corruption.

Much of China's economy today still operates under the old theory that if only they had shoveled coal into the furnaces faster, the Titanic would have stayed afloat. It is ironic, I think, that so many Americans are concerned about the impact on the world of a strong China in the 21st century. But the danger of a weak China was set by internal chaos and the old nightmares of disintegration. It's all so real, and the leaders of China know this as well.

So they face a dilemma. They realize that if they open

China's market to global competition, they risk unleashing forces beyond their control -- temporary unemployment, social unrest, and greater demand for freedom. But they also know that without competition from the outside, China will not be able to attract the investment necessary to build a modern, successful economy. And the failure to do that could be even more destabilizing with more negative consequence.

So with this agreement, China has chosen reform, despite the risks. It has chosen to overcome a great wall of suspicion and insecurity and to engage the rest of the world. The question for the United States, therefore, is, do we want to support that choice or reject it, becoming bystanders as the rest of the world rushes in. The would be a mistake of truly historic proportions.

You know, as we debate about China here -- and we love to do it; it absorbs a great deal of our time and energy -- it's easy to forget that the Chinese leaders and their people are also engaged in a debate about us there. And many of them believe that we honestly don't want their country to assume a respected place in the world. If China joins the WTO, but we turn our backs on them, it will confirm their fears.

All I can say to you is that everything I have learned about China as President and before, and everything I have learned about human nature in over half a century of living, now convinces me that we have a far greater chance of having a positive influence on China's actions if we welcome China into the world community, instead of shutting it out.

Under this agreement, some of China's most important decisions for the first time will be subject to the review of international body, with rules and binding dispute settlement. Now, opponents say this doesn't matter, China will just break its promises. Well, any of you who follow these WTO matters know that China is not the only person that could be accused of not honoring the rules-making process. If any of you happen to be especially concerned about bananas and beef, you could probably stand up and give a soliloquy on that. And now we in the United States have been confronted with a very difficult decision, because they've made a decision that we think is plainly wrong, in an area that affects our export economy.

But I will say this: We're still better off having a system in which actions will be subject to rules embraced and judgments passed by 135 nations. And we're far more likely to find acceptable resolutions to differences of opinion in this context than if there is none at all.

The change this agreement can bring from outside is quite extraordinary. But I think you could make an argument that it will be nothing compared to the changes that this agreement will spark from the inside out in China. By joining the WTO, China is not simply agreeing to import more of our products; it is agreeing to import one of democracy's most cherished values -- economic freedom. The more China liberalizes its economy, the more fully it will liberate the potential of its people -- their initiative, their imagination, their remarkable spirit of enterprise. And when individuals have the power not just to dream, but to realize their dreams, they will demand a greater say.

Already, more and more, China's best and brightest are starting their own companies, or seeking jobs with foreign-owned companies, where generally they get higher pay, more respect, and a better working environment. In fits and starts, for the first time, China may become a society where people get ahead based on what they know rather than who they know. Chinese firms, more and more, are realizing that unless they treat employees with respect, they will lose

4/28/00 9:00 a.m.

Orzulak

**NATIONAL SECURITY ADVISOR SAMUEL R. BERGER
REMARKS TO
THE EAST ASIA INSTITUTE
AT COLUMBIA UNIVERSITY
ON CHINA
NEW YORK, NEW YORK
MAY 2, 2000**

Two weeks from tomorrow, more than 9,000 students will gather on Low Library Plaza to celebrate the 246th commencement of Columbia University. As a graduate of that other Ivy League school in New York, who occasionally had "C's" on more than my sweatshirt, I offer my heartiest congratulations. As the class of 2000 leaves here to make its mark on the world, it's remarkable to think about how different the world is today that it was just eight years ago.

Back in 1992, students graduated into a world where many people thought, as Time Magazine put it, that the United States was "in irreversible decline as the world's premier power. Today, by any measure, America is the world's predominant power. Our military strength is unchallenged, our alliances are vibrant, our values are ascendant, and our economy is as strong as it has ever been.

As I tell my son, who is a member of the Dartmouth class of 2002: one of the nice things about being part of an Administration that has helped create 21 million new jobs is that it's going to be awfully hard for him to convince me that he can't find at least one.

But this is also a generation whose future prosperity is tied – more than any other time in our history – to the rest of the world. The central reality of this age of globalization is that everything – from the strength of our economy to the security of our cities to the health of our people – depends on events not only within our own borders, but halfway around the globe. With just four percent of the world's population and 22 percent of its wealth, our future will depend in large part on our ability to sell things and reach out to other people somewhere else.

A little more than a week after the class of 2000 graduates, the United States Congress is going to decide whether or not that future is going to include the 1.2 billion people – fully one-fifth of the world's population – that live in China. In doing so, it is going to decide whether or not we go forward in the global economy with an open hand, or with one hand tied behind our back. As all of you know, the issue is our support for China's entry into the World Trade Organization.

Last fall, the United States signed an agreement to bring China into the World Trade Organization, on terms that will open its market to American products and investment. When China concludes similar agreements with other countries, it will join the WTO. But for us to benefit from China's entry, we must first grant it permanent normal trade relations status, which is the same arrangement we have given to 132 other countries in the WTO.

To call this just another trade agreement is like calling the Yankees just another baseball team. This is a once-in-a-generation opportunity. In the same way that the Start I Treaty was a cornerstone in turning the tide against nuclear weapons; in the same way that the Bretton Woods

Agreement helped provide the framework for stability in post-war Europe; I believe that our support for China's entry into the WTO will help lay the foundation for a stable and secure Asia in the 21st Century.

As the President has said, this is one of the most important decisions that America will make in years. I want to talk for a few minutes today about why we believe that voting yes on PNTR and supporting China's entry into the WTO isn't just in our economic interests – it represents the most significant opportunity we have had to create positive change in China since President Nixon first went there 30 years ago.

In diplomatic circles, it is rare to achieve victory in a negotiation without giving up something in return. Usually, when I stand at a podium like this one and explain an agreement we have struck on one issue or another, I have to argue that the benefits we gain far outweigh the concessions we make. But this time, I don't have to do any of those things. Economically, this agreement is the closest thing you will ever see to a one-way street.

This agreement requires China to open its markets in unprecedented new ways to our products and services. Chinese tariffs, from telecommunications products to automobiles to agriculture, will fall by half or more over the next five years. For the first time, our companies will be able to sell and distribute products in China made by workers here in America, without being forced to relocate manufacturing to China, sell through the Chinese government, or transfer valuable technology. It means that we'll be able to export products without exporting jobs. Meanwhile, we'll also get valuable new safeguards against any surges of imports from China – meaning that our people will not lose their jobs if China imports products below their cost of production.

In return, all we agree to do is to maintain the market access that we already offer to China. That's it. It does not change our tariffs one bit. It does not give China new access to our markets. It does not require us in any way, shape, or form to make it easier for China to sell products in America. It's a complete one-way street.

If Congress passes PNTR, we reap these rewards. But if Congress rejects it, our competitors reap these rewards. Just imagine: we have spent the past 14 years negotiating an agreement in which China opens its markets in unprecedented new ways. If Congress votes no, we hand all of those benefits on a silver platter – along with the exports they generate and the jobs they create -- to our competitors in Europe, Japan, and elsewhere.

Here's what that means in real terms. It means that by the year 2005, our competitor

On key agricultural products, China's tariffs will drop by 60 percent by January 2004 – and dramatically expand export opportunities for our farmers who grow bulk commodities like wheat, rice, and corn. Tariffs on industrial products will drop by nearly two-thirds, from 25 percent in 1997 to an average of 9.4 percent by 2005. Both our manufacturers and our farmers will gain the right to trade and distribute freely inside China, without going through state trading companies or middle men. And on products such as computers, semiconductors, and all Internet-related equipment, tariffs will shrink to zero by the year 2005. Our information technology firms lead the world and stand to do very well in China's huge, expanding, and information-hungry market.

Jan 24 12:30 PM

Dear Mr. Speaker: (Dear Mr. President:)

On November 15th of last year, my Administration signed an historic trade agreement with the People's Republic of China. Bringing China into the World Trade Organization (WTO) on the strong terms we negotiated will advance critical economic and national security goals. It will open a growing market to American workers, farmers, and businesses. And more than any other step we can take right now, it will draw China into a system of international rules and thereby encourage the Chinese to choose reform at home and integration with the world. For these reasons, I will make it a top priority in the new year to seek congressional support for permanent Normal Trade Relations (NTR) with China.

A Good Deal for America

This agreement is good for America. It is important to understand the *one-way nature of the concessions* in this agreement. China has agreed to grant the United States *significant new access* to its market, while we have agreed simply to maintain the market access policies we *already* apply to China by granting it permanent NTR. China's commitments are enforceable in the WTO and include specially negotiated rules. In the event of a violation, the U.S. will have the right to trade retaliation against China.

China's comprehensive market-opening concessions will benefit U.S. workers, farmers and businesses. On U.S. priority agricultural products, tariffs will drop from an average of 31% to 14% in January 2004. China will expand access for bulk agricultural products, permit private trade in these products, and eliminate export subsidies. Industrial tariffs on U.S. products will fall from an average of 25% in 1997 to an average of 9.4% by 2005. In information technology, tariffs on products such as computers, semiconductors, and all Internet related equipment will decrease from an average of 13% to zero by 2005. The agreement also opens China's market for services, including distribution, insurance, telecommunications, banking, professional and environmental services. Considering that our farmers and workers are the most productive in the world, this agreement promises vast opportunities for American exports.

Prior to the final negotiations, Democrats and Republicans in Congress raised legitimate concerns about the importance of safeguards against unfair competition. This agreement effectively addresses those concerns. No agreement on WTO accession has ever contained stronger measures against unfair trade, notably a "product-specific" safeguard that allows us to take measures focused directly on China in case of an import surge that threatens a particular industry. This protection remains in effect a full 12 years after China enters the WTO and is stronger and more targeted relief than that provided under our current Section 201 law.

The agreement also protects against dumping. China agreed that for 15 years after its accession to the WTO, the United States may employ special methods, designed for non-market economies, to counteract dumping.

Moreover, Americans will, for the first time, have a means, accepted under the WTO, to combat such measures as forced technology transfer, mandated offsets, local content requirements and other practices intended to drain jobs and technology away from the U.S. As a result, we will be able to export to China from home, rather than seeing companies forced to set up factories in China in order to sell products there.

The agreement also increases our leverage with the Chinese in the event of a future trade dispute. As a member of the WTO, China must agree to submit disputes to that body for adjudication and would be much less likely to thwart the will of the WTO's 135 members than that of the United States acting alone.

Under WTO rules, we may – even when dealing with a country enjoying permanent NTR status -- continue to block imports of goods made with prison labor, maintain our export control policies, use our trade laws, and withdraw benefits including NTR itself in a national security emergency.

Promoting Reform in China and Creating a Safer World

Of course, this trade agreement alone cannot bring all the change in China we seek, including greater respect for human rights. We must and will continue to speak out on behalf of people in China who are persecuted for their political and religious beliefs; to press China to respect global norms on non-proliferation; to encourage a peaceful resolution of issues with Taiwan; to urge China to be part of the solution to the problem of global climate change. And we will hold China to the obligations it is accepting by joining the WTO.

We will continue to protect our interests with firmness and candor. But we must do so without isolating China from the global forces empowering its people to build a better future. For that would leave the Chinese people with less access to information, less contact with the democratic world, and more resistance from their government to outside influence and ideas. No one could possibly benefit from that except for the most rigid, anti-democratic elements in China itself. Let's not give them a victory by locking China out of the WTO. The question is not whether or not this trade agreement will cure serious and disturbing issues of economic and political freedom in China; the issue is whether it will push things in the right direction. I believe it will.

WTO membership will strengthen the forces of reform inside China and thereby improve the odds that China will continue and even accelerate its gradual progress toward joining the rules-based community of nations. In the last 20 years, the Chinese have made giant strides in building a new economy, lifting more than 200 million people out of absolute poverty and creating the basis for more profound reform of Chinese society. But tens of millions of peasants continue to migrate from the countryside, where they see no future, to the city, where not all find work. China's economic growth has slowed just when it needs to be rising to create jobs for the unemployed. That is one reason the WTO agreement is a win-win for both nations. China faces critical social and economic challenges in the next few years; WTO membership will spur the economy and, over time, will help establish the conditions to sustain and deepen economic reform in China.

In the past, the Chinese state was employer, landlord, shopkeeper and news-provider all rolled into one. This agreement obligates China to deepen its market reforms, empowering leaders who want their country to move further and faster toward economic freedom. It will expose China to global economic competition and thereby bring China under ever more pressure to privatize its state-owned industry and accelerate a process that is removing the government from vast areas of China's economic life. The agreement will also give Chinese as well as foreign businesses freedom to import and export on their own and sell products without going through government middlemen. And in opening China's telecommunications market, including to Internet and satellite services, the agreement will expose the Chinese people to information, ideas and debate from around the world. As China's people become more mobile, prosperous, and aware of alternative ways of life, they will seek greater say in the decisions that affect their lives.

The agreement obliges the Chinese government to publish laws and regulations and subjects pertinent decisions to review of an international body. That will strengthen the rule of law in China and increase the likelihood that it will play by global rules as well. It will advance our larger interest in bringing China into international agreements and institutions that can make it a more constructive player in the world, with a stake in preserving peace and stability, instead of reverting to the status of a brooding giant at the edge of the community of nations.

Many courageous proponents of change in China agree. Martin Lee, the leader of Hong Kong's Democratic Party, says that "the participation of China in the WTO would...serve to bolster those in China who understand that the country must embrace the rule of law." Chinese dissident Ren Wanding said upon the agreement's completion: "Before, the sky was black; now it is light. This can be a new beginning."

As I have argued to China's leaders many times, China will be less likely to succeed if its people cannot exchange information freely; if it does not build the legal and political foundation to compete for global capital; if its political system does not gain the legitimacy that comes from democratic choice. This agreement will encourage the Chinese to move in the right direction.

The Importance of Permanent Normal Trade Relations

In order to accede to the WTO, China must still complete a number of bilateral negotiations, notably with the EU and others, and also conclude multilateral negotiations in the WTO Working Party. These negotiations are proceeding.

The United States must grant China permanent NTR or risk losing the full benefits of the agreement we negotiated, including special import protections, and rights to enforce China's commitments through WTO dispute settlement. If Congress were to refuse to grant permanent NTR, our Asian and European competitors will reap these benefits but American farmers and businesses may well be left behind.

In sum, it lies not only in our economic interest to grant China permanent NTR status. We must do it to encourage China along the path of domestic reform, human rights, the rule of law and international cooperation. In the months ahead, I look forward to working with Congress to pass this historic legislation.

Sincerely,

William J. Clinton

4/28/00 9:00 a.m.

Orzulak

**NATIONAL SECURITY ADVISOR SAMUEL R. BERGER
REMARKS TO
THE EAST ASIA INSTITUTE
AT COLUMBIA UNIVERSITY
ON CHINA
NEW YORK, NEW YORK
MAY 2, 2000**

Two weeks from tomorrow, more than 9,000 students will gather on Low Library Plaza to celebrate the 246th commencement of Columbia University. As a graduate of that other Ivy League school in New York that begins with the letter "C," I offer my congratulations. It's remarkable to think about how different the world is today than it was just eight years ago. Back in 1992, students graduated into a world where it was conventional wisdom, as Time Magazine put it, that the United States was "in irreversible decline as the world's premier power."

Eight years later, America is by any measure the world's predominant power. We begin a new century with our military strength unchallenged, our alliances vibrant, our values ascendant, and our economy as strong as it has ever been. As I tell my son, who is member of the Dartmouth class of 2002: one of the nice things about being part of an Administration that has helped create 21 million new jobs is that it's going to be awfully hard for him to convince me that he can't find at least one.

This is also the first generation of Americans to graduate into this new era of globalization, where everything -- from the strength of our economy to the security of cities to the health of our people -- depends on events not only within our own borders, but half a world away. In a world more interdependent than ever before, their future is going to depend in large part on our ability to interact with the world like never before.

A week after they graduate, the United States Congress is going to decide whether or not that future is going to include a fundamental relationship with the 1.2 billion people -- fully one-fifth of the world's population -- that live in China. As you all know, last fall the United States signed an agreement to bring China into the World Trade Organization, on terms that will open its market to American products and investment. When China concludes similar agreements with other countries, it will join the WTO. But for us to benefit from China's entry, we must first grant it permanent normal trade relations status, which is the same arrangement we have given to 132 other countries in the WTO.

Congress will make that decision the week of May 22nd. As the President has said, this is one of the most important decisions America has made in years. I want to talk today about why we believe that voting yes on PNTR and supporting China's entry into the WTO is not only clearly in our economic interests -- it represents the most significant opportunity we have had to create positive change in China since the door to China first opened to the West three decades ago. While I focus on the reasons to vote "yes," I also want to spend a few minutes talking about the very real national security consequences of voting "no."

For a long time now, America has recognized that we have a tremendous stake in how China evolves. We are, after all, a Pacific nation that has fought three wars in Asia in the 20th Century.

Our future is tied to Asia. And the stability of Asia is tied to China. That's why, for 30 years, every President, without regard to party, has worked for a China that contributes to peace in Asia; whose economy is open to American businesses and American products; whose people have access to ideas and information; and whose government upholds the rule of law at home and adheres to global rules on everything from non-proliferation to human rights to trade.

As you all know, last fall, the United States signed an agreement to bring China into the World Trade Organization on terms that will open its market to American products and investment.

Two weeks from tomorrow, more than 9,000 students will gather on Low Library Plaza to celebrate the 246th commencement of Columbia University. As a graduate of that other Ivy League school in New York that begins with the letter "C," I offer my congratulations. As these students leave here to make their way in the world, it's remarkable to think about how different the world is today than it was just eight years ago.

Back in 1992, students graduated into a world where many people thought, as Time Magazine put it, that the "United States was "in irreversible decline as the world's premier power." Eight years later, America is by any measure the world's predominant power. We begin a new century with our military strength unchallenged, our alliances vibrant, our values ascendant, and our economy as strong as it has ever been. As I tell my son, who is a member of the Dartmouth class of 2002: one of the nice things about being part of an Administration that has helped create 21 million new jobs is that it's going to be awfully hard for him to convince me that he can't find at least one.

But this is also a class whose future prosperity will be tied – perhaps more than any other time in our history – to the rest of the world. The central reality of this era of globalization that we live in today is that everything – from the strength of our economy to the security of our cities to the health of our people – depends on events not only within our own borders, but halfway around the globe. In a world more interdependent than ever before, our future is going to depend in large part on our ability to interact with the world like never before.

As this Institute knows so well, that future must include China. It's hard to imagine how America can compete in a global economy if we don't have a fundamental relationship with a nation that represents one-fifth of the world's population, with

It's hard to imagine a scenario where it would make sense for America to make the decision to turn it's back on one-fifth of the world's population,

A week after they graduate, the United States Congress is going to decide whether that future is going to include a fundamental relationship with the 1.2 billion people – fully

THE WHITE HOUSE

Office of the Press Secretary
(San Francisco, California)

For Immediate Release

February 26, 1999

REMARKS BY THE PRESIDENT
ON FOREIGN POLICY

Grand Hyatt Hotel
San Francisco,
California

11:20 A.M. PST

THE PRESIDENT: Thank you and good morning. Mr. Mayor, we're delighted to be here in San Francisco. We thank you for coming out to welcome us. Senator Boxer, Representative Pelosi, Representative Lofgren, members of the California legislature who are here. I'd like to especially thank two people who had a lot to do with the good things that have happened in the last six years in our administration, our former Secretary of Defense Bill Perry, and Mrs. Perry, are here; and General John Shalikashvili, thank you for coming. We're delighted to see you. (Applause.)

I very much appreciate this opportunity to speak with all of you, to be joined with Secretary Albright and Mr. Berger, to talk about America's role in that century to come; to talk about what we must do to realize the promise of this extraordinary moment in the history of the world. For the first time since before the rise of fascism early in this century, there is no overriding threat to our survival or our freedom. Perhaps for the first time in history, the world's leading nations are not engaged in a struggle with each other for security or territory. The world clearly is coming together.

Since 1945, global trade has grown 15-fold, raising living standards on every continent. Freedom is expanding; for the first time in history, more than half the world's people elect their own leaders. Access to information by ordinary people the world over is literally exploding.

Because of these developments, and the dramatic increase in our own prosperity and confidence in this, the longest peacetime economic expansion in our history, the United States has the opportunity and, I would argue, the solemn responsibility to shape a more peaceful, prosperous, democratic world in the 21st century.

We must, however, begin this discussion with a little history and a little humility. Listen to this quote by another American leader, at the dawn of a new century: "The world's products are exchanged as never before, and with increasing transportation comes increasing knowledge and larger trade. We travel greater distances in a shorter space of time, and with more ease, than was ever dreamed of. The same important news is read, though in different languages, the same day, in all the world. Isolation is no longer possible. No nation can longer be indifferent to any other."

That was said by President William McKinley a hundred years ago. What we now call globalization was well underway even then. We, in

fact, had more diplomatic posts in the world than we have today, and foreign investment actually played a larger role in our own economy then than it does today.

The optimism being expressed about the 20th century by President McKinley and others at that time was not all that much different from the hopes commonly expressed today about the 21st. The rising global trade and communications did lift countless lives then, just as it does today. But it did not stop the world's wealthiest nations from waging World War I and World War II. It did not stop the Depression, or the Holocaust, or communism. Had leading nations acted decisively then, perhaps these disasters might have been prevented. But the League of Nations failed, and America -- well, our principal involvement in the world was commercial and cultural, unless and until we were attacked.

After World War II, our leaders took a different course. Harry Truman came to this city and said that to change the world away from a world in which might makes right, "words are not enough. We must once and for all prove by our acts conclusively that right has might." He and his allies and their successors built a network of security alliances to preserve the peace, and a global financial system to preserve prosperity.

Over the last six years, we have been striving to renew those arrangements and to create new ones for the challenges of the next 50 years. We have made progress, but there is so very much more to do. We cannot assume today that globalization alone will wash away the forces of destruction at the dawn of the 21st century, any more than it did at the dawn of the 20th century. We cannot assume it will bring freedom and prosperity to ordinary citizens around the world who long for them. We cannot assume it will avoid environmental and public health disasters. We cannot assume that because we are now secure, we Americans do not need military strength or alliances, or that because we are prosperous, we are not vulnerable to financial turmoil half a world away.

The world we want to leave our children and grandchildren requires us to make the right choices, and some of them will be difficult. America has always risen to great causes, yet we have a tendency, still, to believe that we can go back to minding our own business when we're done. Today we must embrace the inexorable logic of globalization -- that everything, from the strength of our economy to the safety of our cities, to the health of our people, depends on events not only within our borders, but half a world away. We must see the opportunities and the dangers of the interdependent world in which we are clearly fated to live.

There is still the potential for major regional wars that would threaten our security. The arms race between India and Pakistan reminds us that the next big war could still be nuclear. There is a risk that our former adversaries will not succeed in their transitions to freedom and free markets. There is a danger that deadly weapons will fall into the hands of a terrorist group or an outlaw nation, and that those weapons could be chemical or biological.

There is a danger of deadly alliances among terrorists, narco-traffickers, and organized criminal groups. There is a danger of global environmental crises and the spread of deadly diseases. There is a danger that global financial turmoil will undermine open markets, overwhelm open societies, and undercut our own prosperity.

We must avoid both the temptation to minimize these dangers, and the illusion that the proper response to them is to batten down the hatches and protect America against the world. The promise of our future lies

in the world. Therefore, we must work hard with the world -- to defeat the dangers we face together and to build this hopeful moment together, into a generation of peace, prosperity, and freedom. Because of our unique position, America must lead with confidence in our strengths and with a clear vision of what we seek to avoid and what we seek to advance.

Our first challenge is to build a more peaceful 21st century world. To that end, we're renewing alliances that extend the area where wars do not happen, and working to stop the conflicts that are claiming lives and threatening our interests right now.

The century's bloodiest wars began in Europe. That's why I've worked hard to build a Europe that finally is undivided, democratic and at peace. We want all of Europe to have what America helped build in Western Europe -- a community that upholds common standards of human rights, where people have the confidence and security to invest in the future, where nations cooperate to make war unthinkable.

That is why I have pushed hard for NATO's enlargement and why we must keep NATO's doors open to new democratic members, so that other nations will have an incentive to deepen their democracies. That is why we must forge a partnership between NATO and Russia, between NATO and Ukraine; why we are building a NATO capable not only of deterring aggression against its own territory, but of meeting challenges to our security beyond its territory -- the kind of NATO we must advance at the 50th Anniversary Summit in Washington this April.

We are building a stronger alliance with Japan, and renewing our commitment to deter aggression in Korea and intensifying our efforts for a genuine peace there. I thank Secretary Perry for his efforts in that regard. We also create a more peaceful world by building new partnerships in Asia, Africa, and Latin America.

Ten years ago we were shouting at each other across a North-South chasm defined by our differences. Today, we are engaged in a new dialogue that speaks the language of common interests -- of trade and investment; of education and health; of democracies that deliver not corruption and despair, but progress and hope; of a common desire that children in all our countries will be free of the scourge of drugs. Through these efforts to strengthen old alliances and build new partnerships, we advance the prospects for peace. However, the work of actually making peace is harder and often far more contentious.

It's easy, for example, to say that we really have no interests in who lives in this or that valley in Bosnia, or who owns a strip of brushland in the Horn of Africa, or some piece of parched earth by the Jordan River. But the true measure of our interests lies not in how small or distant these places are, or in whether we have trouble pronouncing their names. The question we must ask is, what are the consequences to our security of letting conflicts fester and spread. We cannot, indeed, we should not, do everything or be everywhere. But where are values and our interests are at stake, and where we can make a difference, we must be prepared to do so. And we must remember that the real challenge of foreign policy is to deal with problems before they harm our national interests.

It's also easy to say that peacemaking is simply doomed, where people are embittered by generations of hate, where the old animosities of race and religion and ethnic difference raise their hoary heads. But I will never forget the day that the leaders of Israel and the Palestinian Authority came to the White House, in September of 1993, to sign their peace accord. At that moment, the question arose, and indeed, based on the pictures afterward, it seemed to be the main question, whether if,

in front of the entire world, Prime Minister Rabin and Chairman Arafat would actually shake hands for the first time.

It was an interesting and occasionally humorous discussion. But it ended when Yitzhak Rabin, a soldier for a lifetime, said to me, "Mr. President, I have been fighting this man for a lifetime, 30 years. I have buried a lot of my own people in the process. But you do not make peace with your friends."

It is in our interest to be a peacemaker, not because we think we can make all these differences go away, but because, in over 200 years of hard effort here at home, and with bitter and good experiences around the world, we have learned that the world works better when differences are resolved by the force of argument rather than the force of arms.

That is why I am proud of the work we have done to support peace in Northern Ireland, and why we will keep pressing the leaders there to observe not just the letter, but the spirit of the Good Friday Accord. (Applause.)

It is also why I intend to use the time I have remaining in this office to push for a comprehensive peace in the Middle East, to encourage Israelis and Palestinians to reach a just and final settlement, and to stand by our friends for peace, such as Jordan. The people of the Middle East can do it, but time is precious, and they can't afford to waste any more of it. In their hearts, they know there can be no security or justice for any who live in that small and sacred land until there is security and justice for all who live there. If they do their part, we must do ours.

We will also keep working with our allies to build peace in the Balkans. Three years ago, we helped to end the war in Bosnia. A lot of doubters then thought it would soon start again. But Bosnia is on a steady path toward renewal and democracy. We've been able to reduce our troops there by 75 percent as peace has taken hold, and we will continue to bring them home.

The biggest remaining danger to this progress has been the fighting and the repression in Kosovo. Kosovo is, after all, where the violence in the former Yugoslavia began, over a decade ago, when they lost the autonomy guaranteed under Yugoslav law. We have a clear national interest in ensuring that Kosovo is where this trouble ends. If it continues, it almost certainly will draw in Albania and Macedonia, which share borders with Kosovo, and on which clashes have already occurred.

Potentially, it could affect our allies, Greece and Turkey. It could spark tensions in Bosnia itself, jeopardizing the gains made there. If the conflict continues, there will certainly be more atrocities, more refugees, more victims crying out for justice and seeking out revenge.

Last fall, a quarter of a million displaced people in Bosnia were facing cold and hunger in the hills. Using diplomacy backed by force, we brought them home and slowed the fighting.

For 17 days this month, outside Paris, we sought with our European partners an agreement that would end the fighting for good. Progress was made toward a common understanding of Kosovo's autonomy -- progress that would not have happened, I want to say, but for the unity of our allies and the tireless leadership of our Secretary of State Madeleine Albright. (Applause.)

Here's where we are. Kosovar Albanian leaders have agreed in principle to a plan that would protect the rights of their people and give them substantial self-government. Serbia has agreed to much, but

not all, of the conditions of autonomy, and has so far not agreed to the necessity of a NATO-led international force to maintain the peace there.

Serbia's leaders must now accept that only by allowing people in Kosovo control over their day-to-day lives -- as, after all, they have been promised under Yugoslav law -- it is only by doing that can they keep their country intact. Both sides must return to the negotiations on March 15, with clear mandate for peace. In the meantime, President Milosevic should understand that this is a time for restraint, not repression. And if he does not, NATO is prepared to act.

Now, if there is a peace agreement that is effective, NATO must also be ready to deploy to Kosovo to give both sides the confidence to lay down their arms. Europeans would provide the great bulk of such a force, roughly 85 percent. But if there is a real peace, America must do its part as well.

Kosovo is not an easy problem. But if we don't stop the conflict now, it clearly will spread. And then we will not be able to stop it, except at far greater cost and risk.

A second challenge we face is to bring our former adversaries, Russia and China, into the international system as open, prosperous, stable nations. The way both countries develop in the coming century will have a lot to do with the future of our planet.

For 50 years, we confronted the challenge of Russia's strength. Today, we must confront the risk of a Russia weakened by the legacy of communism and also by its inability at the moment to maintain prosperity at home or control the flow of its money, weapons and technology across its borders.

The dimensions of this problem are truly enormous. Eight years after the Soviet collapse, the Russian people are hurting. The economy is shrinking, making the future uncertain. Yet, we have as much of a stake today in Russia overcoming these challenges as we did in checking its expansion during the Cold War. This is not a time for complacency or self-fulfilling pessimism. Let's not forget that Russia's people have overcome enormous obstacles before. And just this decade, with no living memory of democracy or freedom to guide them, they have built a country more open to the world than ever; a country with a free press and a robust, even raucous debate; a country that should see in the first year of the new millennium the first peaceful democratic transfer of power in its 1,000-year history.

The Russian people will decide their own future. But we must work with them for the best possible outcome, with realism and with patience. If Russia does what it must to make its economy work, I am ready to do everything I can to mobilize adequate international support for them. With the right framework, we will also encourage foreign investment in its factories, its energy fields, its people. We will increase our support for small business and for the independent media. We will work to continue cutting our two nations' nuclear arsenals, and help Russia prevent both its weapons and its expertise from falling into the wrong hands.

The budget I have presented to Congress will increase funding for this critical threat reduction by 70 percent over the next five years.

The question China faces is how best to assure its stability and progress. Will it choose openness and engagement? Or will it choose to limit the aspirations of its people without fully embracing the global rules of the road? In my judgment, only the first path can really answer the challenges China faces.

We cannot minimize them. China has made incredible progress in lifting people out of poverty, and building a new economy. But now its rate of economic growth is declining -- just as it is needed to create jobs for a growing, and increasingly more mobile, population. Most of China's economy is still stifled by state control. We can see in China the kinds of problems a society faces when it is moving away from the rule of fear, but is not yet rooted in the rule of law.

China's leaders know more economic reform is needed, and they know reform will cause more unemployment, and they know that can cause unrest. At the same time, and perhaps for those reasons, they remain unwilling to open up their political system, to give people a peaceful outlet for dissent.

Now, we Americans know that dissent is not always comfortable, not always easy, and often raucous. But I believe that the fact that we have peaceful, orderly outlets for dissent is one of the principal reasons we're still around here as the longest-lasting freely elected government in the world. And I believe, sooner or later, China will have to come to understand that a society, in the world we're living in -- particularly a country as great and old and rich and full of potential as China -- simply cannot purchase stability at the expense of freedom.

On the other hand, we have to ask ourselves, what is the best thing to do to try to maximize the chance that China will take the right course, and that, because of that, the world will be freer, more peaceful, more prosperous in the 21st century? I do not believe we can hope to bring change to China if we isolate China from the forces of change. Of course, we have our differences, and we must press them. But we can do that, and expand our cooperation, through principled and purposeful engagement with China, its government, and its people.

Our third great challenge is to build a future in which our people are safe from the dangers that arise, perhaps halfway around the world -- dangers from proliferation, from terrorism, from drugs, from the multiple catastrophes that could arise from climate change.

Each generation faces the challenges of not trying to fight the last war. In our case, that means recognizing that the more likely future threat to our existence is not a strategic nuclear strike from Russia or China, but the use of weapons of mass destruction by an outlaw nation or a terrorist group.

In the last six years, fighting that threat has become a central priority of American foreign policy. Here, too, there is much more to be done. We are working to stop weapons from spreading at the source, as with Russia. We are working to keep Iraq in check so that it does not threaten the rest of the world or its region with weapons of mass destruction. We are using all the means at our disposal to deny terrorists safe havens, weapons, and funds. Even if it takes years, terrorists must know there is no place to hide.

Recently, we tracked down the gunman who killed two of our people outside the CIA six years ago. We are training and equipping our local fire, police and medical personnel to deal with chemical, biological and nuclear emergencies, and improving our public health surveillance system, so that if a biological weapon is released, we can detect it and save lives. We are working to protect our critical computer systems from sabotage.

Many of these subjects are new and unfamiliar, and may be frightening. As I said when I gave an address in Washington not very

long ago about what we were doing on biological and computer security and criminal threats, it is important that we have the right attitude about this. It is important that we understand that the risks are real and they require, therefore, neither denial, nor panic. As long as people organize themselves in human societies, there will be organized forces of destruction who seek to take advantage of new means of destroying other people.

And the whole history of conflict can be seen in part as the race of defensive measures to catch up with offensive capabilities. That is what we're doing in dealing with the computer challenges today; that is what we are doing in dealing with the biological challenges today. It is very important that the American people, without panic, be serious and deliberate about them, because it is the kind of challenge that we have faced repeatedly. And as long as our country and the world is around, unless there is some completely unforeseen change in human nature, our successors will have to do the same.

We are working to develop a national missile defense system which could, if we decide to deploy it, be deployed against emerging ballistic missile threats from rogue nations. We are bolstering the global agreements that curb proliferation. That's the most important thing we can be doing right now. This year, we hope to achieve an accord to strengthen compliance with the Convention against Biological Weapons. It's a perfectly good convention, but, frankly, it has no teeth. We have to give it some. And we will ask our Senate to ratify the Comprehensive Test Ban Treaty to stop nations from testing nuclear weapons so they're constrained from developing new ones.

Again, I say: I implore the United States Senate to ratify the Comprehensive Test Ban Treaty this year. It is very important for the United States and the world. (Applause.)

Our security and our safety also depends upon doing more to protect our people from the scourge of drugs. To win this fight, we must work with others, including and especially Mexico. Mexico has a serious drug problem, increasingly affecting more of its own young people. No one understands this better than President Zedillo. He described it as the number one threat to his country's security, its people its democracy. He is working hard to establish clean government, true democracy and the rule of law. He is working hard to tackle the corruption traffickers have wrought.

He cannot win this battle alone, and neither can we. In any given year, the narco-traffickers may spend hundreds of millions of dollars to try to suborn Mexican law enforcement officials, most of whom work for under \$10,000 a year.

As I certified to Congress today, Mexico is cooperating with us in the battle for our lives. And I believe the American people will be safer in this, as in so many other ways, if we fight drugs with Mexico, rather than walk away.

Another global danger we face is climate change. As far as we can tell, with all the scientific evidence available, the hottest years our planet has ever experienced were 1997 and 1998. The two hottest years recorded in the last several -- excuse me -- nine of the ten hottest years recorded in the last several centuries occurred in the last decade.

Now, we can wait and hope and do nothing, and try to ignore what the vast majority of scientists tell us is a pattern that is fixed and continuing. We could ignore the record-breaking temperatures, the floods, the storms, the droughts that have caused such misery. Or we

can accept that preventing the disease and destruction climate change can bring will be infinitely cheaper than letting future generations try to clean up the mess, especially when you consider that greenhouse gases, once emitted into the atmosphere, last and have a destructive environmental effect for at least a hundred years.

We took a giant step forward in 1997, when we helped to forge the Kyoto agreement. Now we're working to persuade developing countries that they, too, can and must participate meaningfully in this effort without forgoing growth. We are also trying to persuade a majority in the United States Congress that we can do the same thing.

The approach I have taken in America is not to rely on a whole raft of new regulations, and not to propose big energy taxes, but instead to offer tax incentives and dramatic increases in investment in new technologies, because we know -- we know now -- that we have the technological capacity to break the iron link between Industrial Age energy use patterns and economic growth. You're proving it in California every day, with stiffer environmental standards than other states have.

We know that the technology is just beginning to emerge to allow us to have clean cars and other clean forms of transportation; to dramatically increase the capacity of all of our buildings to keep out heat and cold, and to let in more light. We know that the conservation potential of what we have right now available has only just been scratched. And we must convince the world, and critical decision-makers in the United States to change their minds about a big idea -- namely, that the only way a country can grow is to consume more energy resources in a way that does more to increase global warming.

One of the most interesting conversations I had when I was in China was with the Environmental Minister there, who thanked me for going there to do an environmental event, because he was having trouble convincing the government that they could continue to lift the Chinese people out of poverty and still improve the environment. This is a central, big idea that people all over the world will have to change their minds about before we will be open and free to embrace the technological advances that are lying evident all around us. And all of you that can have any impact on that, I implore you to do it. (Applause.)

Our fourth challenge is to create a world trading and financial system that will lift the lives of ordinary people on every continent around the world. Or, as it has been stated in other places, to put a human face on the global economy. Over the last six years, we've taken giant steps in opening the global trading system. The United States alone has concluded over 270 different trade agreements. Once again, we are the world's largest exporting nation. There is a lot more to be done.

In the first five years of my presidency, about 30 percent of our growth came from expanding trade. Last year, we had a good year, but we didn't have much growth from expanding trade because of the terrible difficulties of the people in Asia, in Russia, and because of the slowdown in growth in Latin America, and because we did not reach out to seize new possibilities in Africa. Those people are suffering more, and our future prospects are being constrained.

The question is what to do about it. Some of the folks outside who were protesting when I drove up were saying by their signs that they believe globalization is inherently bad and there's no way in the wide world to put a human face on the global economy. But if you look at the facts of the last 30 years, hundreds of millions of people have had

their economic prospects advanced on every continent because they have finally been able to find a way to express their creativity in positive terms, and produce goods and services that could be purchased around the borders of their nation.

Now, the question is, how do we deal with the evident challenges and problems that we face in high relief today, and seize the benefit that we know comes from expanding trade. I've asked for a new round of global trade negotiations to expand exports of services, foreign products and manufacturers. I am still determined to reach agreement on a free trade area of the Americas. If it hadn't been for our expansion in Latin America, from Mexico all the way to the southern tip of South America, we would have been in much worse shape this last year.

I have urged Congress to give the trade authority the President has traditionally had to advance our prosperity, and I've asked them to approve the Caribbean Basin Initiative and the Africa Growth and Opportunity Act because we have special responsibilities and special opportunities in the Caribbean and in Africa that have gone too long unseized.

But trade is not an end in itself. It has to work for ordinary people; it has to contribute to the wealth and fairness of societies. It has to reinforce the values that give meaning to life, not simply in the United States, but in the poorest countries, struggling to lift their people to their dreams. That's why we're working to build a trading system that upholds the rights of workers and consumers, and helps us and them in other countries to protect the environment, so that competition among nations is a race to the top, not the bottom. This year we will lead the international community to conclude a treaty to ban abusive child labor everywhere in the world. (Applause.)

The gains of global economic exchange have been real and dramatic. But when the tides of capital first flood emerging markets, and then abruptly recede; when bank failures and bankruptcies grip entire economies; when millions who have worked their way into the middle class are plunged suddenly into poverty -- the need for reform of the international financial system is clear.

I don't want to minimize the complexity of this challenge. As nations began to trade more, and as investment rules began to permit people to invest in countries other than their own more, it became more and more necessary to facilitate the conversion of currencies. Whenever you do that, you will create a market against risk, just in the transfer of currencies. Whenever you do that, you will have people that are moving money around because they think the value of the money itself will change, and profit might be gained in an independent market of currency exchange.

It is now true that on any given day, there is \$1.5 trillion of currency exchange in the world. Many, many, many times more than the actual value of the exchange of goods and services. And we have got to find a way to facilitate the movement of money -- without which trade and investment cannot occur -- in a way that avoids these dramatic cycles of boom and then bust, which have led to the collapse of economic activity in so many countries around the world.

We found a way to do it in the United States after the Great Depression. And thank goodness we have never again had a Great Depression, even though we've had good times and bad times. That is the challenge facing the world financial system today.

The leading economies have got a lot of work to do. We have to do everything we can -- not just the United States, but Europe and Japan --

to spur economic growth. Unless there is a restoration of growth, all the changes in the financial rules we make will not get Asia, Latin America, countries -- Russia -- out of their difficulties.

We have to be ready to provide quick and decisive help to nations committed to sound policies. We have to help nations build social safety nets so that, when they have inevitable changes in their economic conditions, people at least have the basic security they need to continue to embrace change and advance the overall welfare of society.

We have to encourage nations to maintain open, properly regulated financial systems so that decisions are shaped by informed market decisions and not distorted by corruption. We also have to take responsible steps to reform the global financial architecture for the 21st century. And we'll do some more of that at the G-7 summit in Germany in June.

In the meanwhile, we have to recognize that the United States has made a great contribution to keeping this crisis from being worse than it would have been by helping to get money to Brazil, to Russia, to other countries, and by keeping our own markets open. If you compare, for example, our import patterns with those of Europe or those of Japan, you will see that we have far, far more open markets. It has worked to make us competitive and productive. We also have the lowest unemployment rate in the entire world among all advanced countries now, something that many people thought would never happen again.

On the other hand, we cannot let other countries' difficulties in our open markets become an excuse for them to violate international trade rules and dump products illegally on our markets. We've had enough problems in America this year and last year -- in agriculture and aerospace, especially -- from countries that could no longer afford to buy products, many of which they had already offered. Then, in the last several months, we've seen an enormous problem in this country in our steel industry because of evident dumping of products in the American market that violated the law.

So I want you to know what while I will do everything to keep our markets open, I intend while this crisis persists to do everything I can to enforce our trade laws.

Yesterday, we received some evidence that our aggressive policy is producing some results, and I think proof that it wasn't market forces that led to what we saw in steel over the last year. The new figures from the Commerce Department show this: Imports of hot-rolled steel from countries most responsible for the surge -- Japan, Russia and Brazil -- have fallen by 96 percent from the record levels we saw last November.

That is not bad news for them, that's good news. If American markets are going to stay open, we have to play by the rules. We have to follow lawful economic trends, not political and economic decisions made to dump on the American markets in ways which hurt our economy and undermine our ability to buy the exports of other countries.

Our fifth challenge has to keep freedom as a top goal for the world of the 21st century. Countries like South Korea and Thailand have proven in this financial crisis that open societies are more resilient, that elected governments have a legitimacy to make hard choices in hard times. But if democracies over the long run aren't able to deliver for their people, to take them out of economic turmoil, the pendulum that swung so decisively toward freedom over the last few years could swing back, and the next century could begin as badly as this one began in that regard.

Therefore, beyond economics, beyond the transformation of the great countries to economic security -- Russia and China -- beyond many of our security concerns, we also have to recognize that we can have no greater purpose than to support the right of other people to live in freedom and shape their own destiny. If that right could be universally exercised, virtually every goal I have outlined today would be advanced.

We have to keep standing by those who risk their own freedom to win it for others. Today we're releasing our annual Human Rights Report: The message of the Human Rights Report is often resented, but always respected, for its candor, its consistency for what it says about our country and our values. We need to deepen democracy where it's already taking root by helping our partners narrow their income gaps, strengthen their legal institutions, and build well-educated, healthy societies.

This will be an important part of the trip I take to Central America next week, which has prevailed against decades of civil war only to be crushed in the last several months by the devastating force of nature.

This year, we will see profoundly important developments in the potential transition to democracy in two critical countries -- Indonesia and Nigeria. Both have the capacity to lift their entire regions if they succeed, and to swamp them in a sea of disorder if they fail. In the coming year and beyond, we must make a concentrated effort to help them achieve what will be the world's biggest victories for freedom since 1989.

Nigeria is the most populous country in Africa. Tomorrow, it holds its first free presidential election, after a dictatorship that made it the poorest oil-rich country in the world. We are providing support for the transition, and if it succeeds we have to be prepared to do more. Because we count on further progress, today we are also waiving the sanctions we imposed when its government did not cooperate in the fight against drugs.

Indonesia is the fourth-largest nation and the largest Islamic country in the entire world. In June, it will hold what we hope will be its first truly democratic election in more than 40 years. Indonesia desperately needs a government that can help it overcome its economic crisis while maintaining the support of its people. We are helping to strengthen the social safety net for its people in providing the largest contribution of any nation to support the coming elections.

Whether these struggles are far or near, their outcome will profoundly affect us. Whether a child in Africa or Southeast Asia or Russia or China can grow up educated, healthy, safe, free from violence, free of hate, full of hope, and free to decide his or her own destiny, this will have a lot to do with the life our children have as they grow up. It will help to determine if our children go to war, have jobs, have clean air, have safe streets.

For our nation to be strong, we must maintain a consensus that seemingly distant problems can come home if they are not addressed, and addressed promptly. We must recognize we cannot lift ourselves to the heights to which we aspire if the world is not rising with us. I say again, the inexorable logic of globalization is the genuine recognition of interdependence. We cannot wish into being the world we seek. Talk is cheap; decisions are not.

That is why I have asked Congress to reverse the decline in defense spending that began in 1985, and I am hopeful and confident that we can get bipartisan majorities in both Houses to agree. I hope it will also agree to give more support to our diplomats, and to programs that keep

our soldiers out of war; to fund assistance programs to keep nations on a stable path to democracy and growth; and to finally pay both our dues and our debts to the United Nations. (Applause.)

In an interdependent world, we cannot lead if we expect to lead only on our own terms, and never on our own nickel. We can't be a first-class power if we're only prepared to pay for steerage.

I hope all of you, as citizens, believe that we have to seize the responsibilities that we have today with confidence -- to keep taking risks for peace; to keep forging opportunities for our people, and seeking them for others as well; to seek to put a genuinely human face on the global economy; to keep faith with all those around the world who struggle for human rights, the rule of law, a better life; to look on our leadership not as a burden, but as a welcome opportunity; to build the future we dream for our children in these, the final days of the 20th century, and the coming dawn of the next.

The story of the 21st century can be quite a wonderful story. But we have to write the first chapter.

Thank you very much. (Applause.)

END

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SAMUEL R. BERGER
ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS
"FOUR CHALLENGES TO AMERICAN LEADERSHIP"
DARTMOUTH COLLEGE
HANOVER, NEW HAMPSHIRE
MARCH 3, 2000

Thank you, Michael (Mastanduno). (Mass-ten-DO-Know). On the day he received an honorary degree in New Haven, John Kennedy said he had the best of all possible worlds: a Harvard education and a Yale degree. I come here today bearing slightly different Ivy League credentials: a Cornell education, a Harvard degree, and a Dartmouth tuition payment.

As I tell my son, who is a member of the class of 2002: one of the nice things about being part of an Administration that has helped create nearly 21 million new jobs is that it's going to be awfully hard for him to convince me that he can't find at least one.

I am proud to be part of the Dickey Center's lecture series on war and peace. This is the second time in three years I have had the pleasure of being here. As I said during my last visit, we live in a world with very few absolutes. I'm reminded of the linguistics professor who told his class, "remember, a double negative forms a positive. In some languages, such as Russian, a double negative is still a negative. But there is no language where a double positive forms a negative." At which point, a voice from the back of the room piped up: "Yeah . . . right."

As we think about the issues of war and peace at the beginning of the 21st Century, I believe there is one absolute in the world today: America must lead. I want to talk for a few minutes today about why that is true and some of the greatest challenges our leadership will face in the years to come. Then, I look forward to having a discussion with you.

With much fanfare and fireworks, we recently said goodbye to a Century in which America sent its sons and daughters abroad to fight for freedom more often than any nation in history. In the 20th Century, millions of American men and women worked to defeat fascism, contain communism, and sustain liberty when it was most imperiled – including more than 15,000 Dartmouth students who served, some of whose names are enshrined on plaques in the Hopkins Center, the Rockefeller Center and at Memorial Field.

Thanks in no small measure to their sacrifice, we enter this new Century with our values of freedom, democracy and enterprise ascendant in the world and America's power and influence perhaps greater than it has ever been. Today, for the first time in history, more than half the world's people elect their own leaders. For the first time in history, the world's leading nations are not engaged in a deadly struggle for security or territory.

America today is in a unique position. Our military strength is unchallenged, and nations look to us to deliver decisive influence wherever it is needed. Our economy has not only produced unprecedented prosperity here at home; it is the engine of global growth and technological innovation. People from around the world look to our open, creative society as a model for everything from high tech to high finance to what it takes to succeed in a globalized world.

It means that we have a remarkable opportunity to advance the cause of peace, prosperity and freedom for our nation and for people around the world. But it also means that our leadership is needed across the globe, perhaps now more than ever before.

The President has worked hard over the past seven years to make sure we seize that opportunity, and meet that responsibility. America has a lot to be proud of. We've aided the remarkable transitions to free-market democracy in central Europe; helped open our core alliance NATO to new democracies; stopped ethnic cleansing in Bosnia and Kosovo; worked with Russia to deactivate thousands of nuclear missiles; helped broker historic peace agreements from Northern Ireland and the Middle East, to Sierra Leone and the Peru-Ecuador border; and completed a global trading agreement and several hundred individual agreements that fed the export boom which has accounted for nearly one third of our growth. We've also worked to refocus our national security strategy on new dangers in a new age: the organized forces of crime, narco-trafficking, cyber-security, and governments too weak to handle globalization.

The beginning of a new century should cause us to reflect on the larger purpose of our leadership. For we are experiencing something more than just a changing of the digits on the calendar. This has been a genuine changing of the times – a period of collapsing empires, expanding freedoms, eroding barriers, and emerging threats. The question now is: what do we do with the opportunity we have? What are the really big challenges facing us at the beginning of the 21st Century? What fundamental, long-term questions will affect the success of our foreign policy in this new era? Let's go through a few.

One critical question is whether the largest evolving nations of the world will emerge as stable, prosperous, democratic partners of the United States. These are the nations most able, by virtue of their size, power, and economic potential, to affect our interests, for better and for worse.

Russia, China, and India certainly will be three of those countries.

Our engagement with a democratic Russia has produced concrete benefits for America over the last seven years. More than 5,000 Soviet nuclear weapons have been dismantled. Russian troops have withdrawn from the Baltic nations. Russia helped end the conflict in Kosovo, and now helps to defend the peace there alongside NATO. Russia is a profoundly different country today than it was a few years ago. When President Yeltsin resigned on New Year's eve, for example, Russia saw the first constitutional transfer of power in its thousand-year history. But the question that matters to us has never been who rules Russia, but how Russia is ruled.

It is partly for that reason that we have been so troubled by the way force has been used in Chechnya, with indiscriminate rocket and artillery attacks against civilian neighborhoods, and now serious allegations of human rights abuses by Russian troops. Russia has experienced terrible acts of terrorism in the last year. But I am concerned about what kind of country Russia is going to be if its response to the destruction of apartment buildings full of innocent Russian citizens is the destruction of a city full of innocent Russian citizens.

We've made clear to Russia that the most recent reports of abuses in Chechnya offer a moment of truth it should seize to show that it takes its own laws and international obligations seriously: by investigating all credible allegations in an open and unbiased way; by holding perpetrators accountable for their actions; by letting international observers back in, and by giving the Red

Cross full access to Chechnya, including detention camps. And we have urged Russia to seek a peaceful, negotiated solution to this tragic crisis.

Another country that will do much to shape the future of our planet is China. For 30 years now, every single President has worked for the emergence of a China that contributes to the stability of Asia; that is open to our products and our businesses; that allows people access to ideas and information; that upholds the rule of law at home and adheres to the rule of law around the world. The reason is simple: as a nation that has fought three wars in Asia in the 20th Century, we have a big stake in how China evolves. The more we can promote peace and security in Asia, the more we promote our own peace and security.

To advance all of those goals, we signed an agreement last fall to bring China into the World Trade Organization. It is not going to change China or our relationship with that country overnight. We are going to have to continue to press China hard on everything from human rights, to weapons proliferation, to tensions with Taiwan. But the agreement is a huge step in the right direction.

It requires China to open its markets on everything from agriculture to manufacturing, while we simply agree to maintain the market access we already offer China. It will obligate China to dismantle its command and control economic system in a way that increasingly will get the government out of its people's lives – while committing China to play by international rules of the road on trade. It will bring the internet to millions more people in China, making it harder for the government to control what people read, learn and think.

But the only way to lock in the benefits of this agreement is for Congress to provide China what 132 other WTO members have – what is called “Permanent Normal Trade Relations.” I believe this will be the most important vote this Congress will cast this year, and we are doing all we can to get it passed.

Right now, China is the world's largest nation. Soon, it will be surpassed by India. India is already the world's largest democracy. It is forging a vibrant, high-tech economy, more open to the world than ever before. It is living proof that nations forged from many faiths and traditions can be held together by the glue of freedom. But India's challenges are immense: it has the world's largest middle class, but also more desperately poor people than in all of Africa; a spreading AIDS epidemic; environmental challenges; and an intense and now nuclearized rivalry with Pakistan. In many ways, the character of the 21st Century will depend on the success of our cooperation with India for peace, economic development, and environmental progress. That is why, in a little more than two weeks, President Clinton will be the first President in 22 years to visit India, to cement and strengthen our relationship for a new century.

A second question for our future is whether our security will be threatened by regional conflicts that pose the risk of a wider war, especially those deeply rooted in ethnic and religious tensions.

Thanks to the men and women of our armed forces, we turned the tide last year against ethnic cleansing in Kosovo. We should be proud that, in the final year of the bloodiest century of all centuries, America rallied its allies against the expulsion of an entire people from their land, and we prevailed. There is a great deal more we must still do to realize our vision of a peaceful, undivided, democratic Europe: helping Kosovo rebuild while continuing to clamp down on

violence; bolstering the democratic opposition to Slobodan Milosevic in Serbia; encouraging greater cooperation between Greece and Turkey and an end to the long dispute over Cyprus; helping more new democracies get ready for membership in NATO. If we're persistent, we may one day reach a time when no American will ever again be called upon to fight and die in Europe.

We should also be proud of the role America has played to bring both Northern Ireland and the Middle East closer to peace. In both cases, we need a sense of realism and perspective; these conflicts have been raging hot and cold for decades; people have real grievances and bitter memories. Peacemaking under these circumstances is like climbing a mountain, and the further we get, the steeper the climb. The President is going to continue to work – in both Northern Ireland and the Middle East -- to find a way forward.

A third question is whether the inexorable march of technology is going to give terrorists and hostile nations the means to undermine our defenses, and force Americans to live their lives in fear again.

There has never been a time quite like this one in which the power to create knowledge and the power to create havoc rest in the same exact hands. We live in an age when one person sitting at one computer can come up with an idea, send it through cyberspace, and take humanity to new heights. But as we were reminded all too vividly just two weeks ago, we also live in an age when that same person can sit at the same computer, double-click on a mouse, hack into a computer system or overload a system's circuits, and potentially paralyze an entire company, city, or government. As our nation learns to master this new technology to do good, hackers, criminals, and potential adversaries could seek to disrupt our economy and damage our national security by attacking our computer networks. That's why the President developed the first national plan for cyber-security, hosted a conference on this issue last week, and why we have proposed historic funding to strengthen and protect all of our vital networks and systems.

We must be persistent in our fight against all kinds of terrorism. The last weeks of 1999 saw the largest U.S. counter-terrorism operation in history. Terrorist cells were disrupted in eight countries and attacks almost certainly were prevented thanks to the good work of our law enforcement and intelligence agencies. Thankfully, the New Year's celebrations worldwide passed without a terrorist attack. But just because we dodged a bullet doesn't mean there was no bullet to dodge. That is why we must sustain and intensify the fight against terrorists. And that is why we are working to make it more difficult for nuclear weapons or material to fall into the wrong hands. In Russia today, the average salary of a highly-trained weapons scientists is less than \$100 a month. We can help them turn that expertise toward peaceful projects – or we can do nothing and pray that each and every one of them resists the temptation to market their expertise to those who wish us harm. Common sense says to help them. That's why the President has asked Congress to increase funding for programs that help Russia keep its arsenal of weapons and knowledge secure.

A fourth question is whether the stability of the 21st Century will be threatened by an ever-widening gap between rich and poor.

In a world with so many riches, it is unacceptable that more than 1.2 billion people live on less than one dollar a day. It is unacceptable that more than two billion people get sick every year –

many of them children – because they don't have clean drinking water. It is unacceptable that more than three million African children already have died of AIDS. And it is not only morally unacceptable, it is economically unsustainable. It robs the world of the contributions of much of its population.

What can we do about this? Part of the answer is to promote freedom and good government, so that leaders are responsive to the needs of their people. And freedom is expanding: with the hopeful transitions to democracy in Nigeria and Indonesia, more people won the right to choose their leaders in 1999 than in 1989, the year the Berlin Wall fell.

But even countries making all the right choices often have to struggle to benefit from the global economy. That's why we have worked to expand trade – because it's hard to see how people living on a dollar a day will ever be able to live in dignity if we deny them the chance to sell the fruits of their labor beyond their own borders. That's why the President has led a global effort to alleviate the crushing debt in so many nations. No country should have to choose between educating its children and paying interest on debt. It is also why we have begun a concerted effort to fight diseases such as AIDS, malaria and tuberculosis, which are holding so many impoverished nations back. Yesterday, the President hosted a meeting at the White House, in which one of America's leading pharmaceutical companies announced that for the first time, it would begin work on a vaccine for strains of the AIDS virus only found in Africa.

I began by saying that the one absolute in this world is that America must lead in meeting these challenges. But there is actually another one: all of you must be involved. Robert Kennedy once told my generation that "each of us will ultimately be judged – and will ultimately judge ourselves – on the extent to which we personally contributed to the life of this nation and to the world." Today, that challenge falls to all of you.

For more than 200 years, America has been shaped by its young. It was a 32 year-old Thomas Jefferson who wrote the Declaration of Independence, and a 26 year-old Martin Luther King who led the bus boycott at Montgomery. But there has never been an age when young people have been more responsible for defining the world we live in. Steve Jobs started Apple Computers when he was 21. Jeff Bezos was 22 when he began Amazon.com. At the State Department, Susan Rice took over as the Assistant Secretary for African Affairs when she was 32. Congressman Harold Ford Junior was 25 when he was elected to represent the people of Tennessee – the first member of Congress born in the 1970's.

Soon, it will be up to you. The education and training you receive at Dartmouth gives all of you a special responsibility. Take what you have learned here and change some part of the world. At the same time, I hope you will strive to create a world that is not just better off, but better; that you will judge success not by the number of computer networks you connect, but by the number of people you connect; that you will endeavor not just to make better companies, but a better community of people around the world.

Just think: for all the billions of people who came before you, it has been left to this generation to make real the triumph of freedom and justice, to walk away from war and hatred, and to work toward peace. When historians look back on this Century, let them say that together, that is exactly what you did. Thank you.

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COLLECTION:

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BEIJING--I have heard on the news that two of the groups I admire most in the United States--the AFL-CIO and the Sierra Club--are against granting permanent normal trade relations status with China. They both organized large-scale activities, including mass demonstrations, to make their statements to American policymakers and to the public.

As a Chinese environmentalist and human rights activist, I disagree with their position, although I am fully sympathetic with their causes.

It is public knowledge that China is among the worst violators of labor rights and basic environmental standards. Walking on almost any street in almost any city, one can easily spot such violations: unemployed workers selling their old stuff, hoping to put some food on their family dinner tables; migrant workers sleeping under bridges and in construction sites, willing to take any job for a roof over their heads; water resources highly polluted by industrial waste; suffocating industrial pollution. Most government officials at all levels are so corrupt that they have become part of the pollution.

The disagreement between me, together with many of my fellow human rights activists and environmentalists in China, and our counterparts in the U.S. is not over the principles of environmental protection and labor rights. Rather, the disagreement is with the means of improving human rights, including labor rights, implementing environmental protection and promoting democracy and freedom.

I believe that permanent normal trade status, with its implication of openness and fairness, is among the most powerful means of promoting freedom in China.

Wei Jingsheng, a prominent dissident now residing in the U.S., argues that in order to improve human rights conditions in China, the international community must constantly put pressure on the Chinese government. Wei is absolutely right about the international pressure, but he is wrong when he suggests that annual renewal of normal trade relations should be taken as an opportunity to provide such pressure.

How does international pressure work in promoting human rights and environmental protection in China? I would like to argue that such pressure works only when doors are kept open, when pressure presents positive solutions and, above all, when engagement is involved.

After the communist takeover in 1949, China was cut off from the rest of the world until it began to open up in the late 1970s. Millions of people starved to death or were persecuted, executed

or otherwise deprived of the most basic human rights. International pressure either did not exist or did not work because the outside world had little information about what was happening. China had no need to respond to the international community.

Starting in 1978, the open-door policy completely changed the way China responded to the world. Today, permanent normal trade relations is a powerful means to keep China's doors as open as possible.

International pressure works better by providing positive solutions. Poverty promotes ignorance and negligence among the public to environmental issues and human rights abuses. With prevalent poverty in today's China, the government runs a successful propaganda campaign that argues that the right of economic survival overrides other human rights.

The Chinese people are looking for positive support from the international community, especially the industrialized world. Permanent normal trade relations would send the Chinese people a powerful and positive message: The most powerful industrialized nation today will work with the Chinese people to build a new world order. This would put enormous pressure on both the government and the general public to meet the international standard not only on trade, but also on other issues, including human rights and environmental protection.

International pressure works best when engagement is implemented. An American congressman once made the point that because China was not a normal state, it made no sense to treat it normally. Yet if the international community does not treat China normally, China will remain abnormal.

Wei compares the annual renewal of trade status to the periodic renewal of a driver's license, which keeps China anxious to a certain level. This is exactly the most destructive way of thinking. The U.S. should never take the role of traffic police in world trade because China, or any nation, should not be subject to the naked authority of another nation. Instead, the U.S. should engage China in the process of becoming a full member of the international community. Permanent normal trade status would be an important part of the engagement plan.

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Dai Qing, a Chinese Environmentalist and Investigative Journalist, Is Winner of the 1993 Goldman Environment Award and the 1992 Golden Pen for Freedom Given by the Paris-based International Federation of Newspaper Publishers. She Was Imprisoned in China for 10 Months From 1989 to 1990

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April 10, 2000, Monday

SECTION: MAJOR LEADER SPECIAL TRANSCRIPT

LENGTH: 3446 words

HEADLINE: SIERRA CLUB PRESS CONFERENCE WITH CARL POPE (VIA VIDEO), EXECUTIVE DIRECTOR, SIERRA CLUB; AND JOHN J. SWEENEY, PRESIDENT, AFL-CIO

MODERATOR: DEBBIE SEASE, LEGISLATIVE DIRECTOR, SIERRA CLUB

LOCATION: NATIONAL PRESS CLUB, WASHINGTON, D.C.

TIME: 1:10 P.M., EDT DATE: MONDAY, APRIL 10, 2000

BODY:

MS. SEASE: Good morning. I want to welcome you all here. I'm Debbie Sease. I'm the legislative director for the Sierra Club. I want to thank you for coming to our event with Carl Pope, executive director of the Sierra Club, and John Sweeney, president of the AFL-CIO on permanent normal trade relations for China.

I'm going to turn this over to Carl Pope for an opening statement. He will introduce President Sweeney. When President Sweeney has completed his statement, they will both be available for questions. In order to facilitate technologically Carl, who is joining us by satellite, we have a wireless mike and I will ask that you ask your questions to that mike and identify who you are and where you're from. And then we will field those questions for you. Thank you very much. Carl.

MR. POPE: Good morning and thank you all very much for coming. I have sent today a letter to the Congress asking it to reject the proposal to grant China permanent normal trading relations. The accession of China to the World Trade Organization poses significant threats -- threats to the environment, threats to human rights, threats to the quality of life for America's working family.

And I believe that it is urgent, since the agreement that was made for China to join the WTO by the Clinton administration does not address these problems, that Congress maintain the oversight over China's trading practices, over its relationship with the United States and over its human rights policies which are provided by the annual review of trading relations.

At the same time, this is not the letter I would like to be sending. I would much rather be sending a letter to the Congress asking it to approve reforms in

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the world trading organization that would put that organization on the side of ensuring that trade advances human lives rather than being a goal in and of itself which threatens the environment and human rights.

I would rather, failing that, be signing a letter to the Congress in which the United States would set a deadline by which it would withdraw from the WTO if that organization doesn't reform itself.

But those two proposals are not before the Congress. And they won't be before the Congress as long as the WTO continues to believe that its present course is sustainable. Now we've heard the president of the United States say, first in Seattle and then at Davos, that the WTO is broken -- that it needs to be fixed, that its present course is not sustainable.

But in spite of the fact that the president recognizes that reality, we haven't yet seen from the administration concrete proposals that would fix the problem. And in fact, getting rid of the annual review of China's human rights performance will add further momentum to going in the wrong direction -- the direction which the president admitted is not sustainable.

That's why we're sending this letter to the Congress today and that's why I'm very pleased to be joining in coalition with the AFL-CIO, with President John Sweeney in our efforts to persuade the Congress that the next step in reforming the WTO is to deny China exemption from its annual human rights reviews.

This isn't the first step we've taken together with the AFL-CIO. Together we've (lopped ?) fast track approval several years ago. Last fall, we and others put together an international coalition that was able to prevent the WTO from moving forward with its proposed millennial round of trade talks.

And the next step in this international campaign to demonstrate to the lords of trade that they need to make trade serve human values, not subordinate human values to trade, is the vote which is coming forth on China in the U.S. Congress shortly.

We will be launching this campaign with the AFL-CIO with a major march on April 12th -- a major rally. We will be working together with them to lobby members of Congress. And we will be saying clearly to the Congress that the accession of China to the World Trade Organization poses significant problems, significant risks. It could exacerbate an already bad human rights situation in China. It could make it more difficult to deal with the reality that China is one of the world's major partners in the illicit trade in endangered species.

And most important, by bringing China into the World Trade Organization without Congressional scrutiny, a permanent normal trading relations would give added muscle to China's boast that once it joins the WTO, reform of that organization will be impossible, because China will block it.

I'm very pleased today to be joining in this campaign with President John Sweeney. We have worked with him together closely on this issue for the past several years. I have been involved in social change for over 30 years now. I don't think I've ever seen somebody revitalize a critical social change movement as dramatically, as effectively and as rapidly as President Sweeney has done with the labor movement. I am honored to be able to share this press conference

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with him. And now I'd like to turn the press conference over to John Sweeney. John.

MR. SWEENEY: Thank you very much, Carl. Thanks for those kind words. It's good news for working families that the Sierra Club is joining the campaign to convince the U.S. Congress to reject permanent normal trade relations with China and to maintain its annual reviews of China's record.

The Sierra Club is a highly respected organization that is well known as a voice for Americans who are concerned about the environment. It is also well known for its grass roots effectiveness. And the Sierra Club's position will certainly be an important factor as members of Congress make up their minds about the upcoming vote. I thank Carl Pope for his leadership.

The AFL-CIO and the Sierra Club have worked together successfully in the last three years, as you just heard from Carl. In 1997, we worked together to stop fast track legislation that had no provisions for protecting workers' rights or the environment. We marched and rallied together in Seattle to reform the WTO in 1999. And in 2000, we will work and march and rally together successfully to defeat China permanent NTR.

We will be successful together because concerns about the impact of a corporate-driven global economy on our people and our planet are inseparable. And that impact is what the China vote is all about. Not whether the global economy will grow and prosper, but what will the rules of the global economy be and who gets what share of the prosperity it creates.

Whose interests does it serve? Whose values? The question isn't whether we should trade with China, because we already do that. In fact, U.S. trade with China last year totaled \$95 billion.

Rather, the debate is over how we should trade with China and what the rules of engagement should be.

Today there are no rules looking out for people and the environment. That's why U.S. workers are being forced to compete with prison labor and sweatshop labor in China at wage rates as low as 13 cents an hour. That's why China competes unfairly as one of the worst human rights violators and one of the worst environmental polluters in the world. China respects neither human rights of its citizens nor the environment those citizens live in. And we must do all we can to correct this moral and economic imbalance.

And the Chinese government has broken every trade agreement it has signed with the United States over the past 10 years. I want to respond to one question I've heard from members of Congress: will we lose our trading advantages with China if Congress votes against permanent normal trade relations and China enters the WTO nonetheless?

The answer is no, our trade with China will continue to be governed by a 1979 bilateral agreement in which China and the United States agreed to give each other most favored nation status in all economic and trade relations. That means that if China gives any other member of the WTO a tariff benefit or other concession, China is obligated to give the United States the same benefit.

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The real question is whether we give up our ability to use economic leverage to encourage China to respect human rights and the environment if Congress votes to grant permanent normal trade relations. And the answer is: yes, if Congress grants permanent NTR to China, we can take action against China only for violations of WTO free trade rules and not for human rights abuses.

Why? Because the WTO doesn't have enforceable standards protecting workers' rights, human rights or the environment -- only standards protecting corporate interests.

The American people are very clear on this subject. They favor increased trade, but they expect trade to respect human rights and workers' rights and the environment. In fact, 65 percent of American voters say they oppose granting China permanent trade access to the U.S. market with no more annual reviews of China's human rights and trade records by Congress. And by a four to one margin, they say they are less likely to vote for a member of Congress who supports free trade with China.

That's the message the Sierra Club and the AFL-CIO will be delivering to every member of Congress. That's the message people in communities all across the country are delivering to members of Congress, and that's the message that will deny China permanent normal trade relations and begin to help make the global economy work better for working families.

MS. SEASE: Thank you again. If you'd raise your hand, we have staff with a portable microphone. And if you would identify yourself and who you're representing, that can help. Thank you.

Q Thank you. I'm Tom Curry (ph), I'm with MSNBC. Mr. Sweeney, you said in your statement -- you raised the question of giving up our ability to use economic leverage to encourage China to respect human rights and the environment. According to the State Department, China's human rights record is worse in some ways than it was, say, three, four, or five years ago. So my question is: has leverage worked? Has this annual MFN vote done any good? Has -- is there leverage, has it worked in the past? My second question is do you see any evidence that Vice President Gore who the AFL-CIO has endorsed -- that he is working lobbying members on this issue?

MR. SWEENEY: In response to the first question, economic leverage has worked but not as effectively as we would like to see it work. It certainly won't work if China is granted permanent normal trading relations with the United States. And that's why there has to be annual review in order that we can be more effective in monitoring human rights violations as well as hopefully correcting them.

With regard to the vice president, the vice president has been a terrific supporter of working families and their agenda. He has been a good vice president and has had a great record of public service in the Congress, as well as as vice president. He is supporting the president and the administration on permanent normal trading relations with China, but he has said publicly on many occasions that when he is elected president, he will support work core labor standards and environmental protections in any trade agreement that he has for his consideration as president.

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Q This is a question for Mr. Pope. Can you hear me, Mr. Pope?

MR. POPE: Yes, I can.

Q I'm Bill Niker (ph) from the Chicago Tribune. What are the consequences for a member of Congress who tells you he's going to go against you? Are you going to brand him an "enemy of the environment" and not worthy of supporting in the campaign?

MR. POPE: We have a whole variety of issues on which we lobby members of Congress. And we don't have litmus test issues. We don't brand a member of Congress who disagrees with us about any one issue an "enemy of the environment." We look at the entire record.

The message we're sending to members of Congress is not "You ought to vote against this because we're going to do something nasty if you don't." We're sending member of Congress the message: "You ought to vote against this because it's a bad idea, because your constituents expect and want you to vote against it, because we believe you're a public servant and you want to do the right thing for the country, the right thing for the environment. And we want you to represent your constituents."

So this for us is an opportunity to point out to members that by voting to give us this leverage, they are in effect voting to make a world which is already not safe for the environment and human rights a little less safe and we don't think most members of Congress want to do that.

Q James Brozman (ph), (Memphis ?) Commercial Appeal. I have a question. Isn't your leverage somewhat undermined with members of Congress by the fact that you are supporting Gore, despite the fact that he supports WTO? How can you go to a member of Congress and say "We want you to do this," and they turn around and they say "Well, you're supporting Gore despite his opposition."?

MR. POPE: Is that directed to me?

Q Mr. Sweeney first, and then Mr. Pope, if he wants to.

MR. POPE: Okay, fine

MR. SWEENEY: You've heard me mention some of our polling and what we're seeing all across the country in terms of where not only organized workers stand but working people all across the country feel very strongly about this issue. And we really feel that if China's granted permanent normal trading relations that it's going to have an impact on rank-and-file workers across this country.

We hopefully will try to keep educating our members about the issue and continue to work at the grass roots level. We will be visiting the members of Congress. Ten thousand activists are coming here on Wednesday to Washington to visit their individual members. And also, there will be a campaign during the recess for grass roots visits to the members of Congress. And we will continue that campaign for as long as it takes.

MR. POPE: My response would be first, I want to clarify that the Sierra Club has not yet made the decision on what to do in this year's presidential race. So

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we are not endorsing anybody at this point. We're going through a process of consulting with our grass roots.

But I also think it's extremely important to note that while Vice President Gore does indeed support the administration position on this, he also takes the position that future trade agreements should include labor and environment protections. And his opponent, Governor Bush, takes exactly the opposite position.

So that when you look at the landscape and say "Wait a minute.

Which candidate for president, between Gore and Bush, would appear to be the more responsible -- the more responsive to the concerns of the American people about human rights and the environment?" there is an enormous gap between the vice president and Governor Bush.

And I would also point out in terms of our credibility, that back when the fast trade agreement was coming up, we were able to persuade members of Congress to reject fast track authority -- again, not by threatening them at the polls, but by saying to them: "Look, this isn't good for the country. This isn't good for the environment. And it's not what your constituents want you to do."

Q Steve Coppel (ph) with Congress Daily. Mr. Sweeney, would you consider supporting a Republican in the general election because he voted against PNTR, even if on balance his Democratic challenger was a little bit better on labor issues?

MR. SWEENEY: We -- we endorse Republican candidates as well as Democratic candidates. The endorsement is done at the local level in the individual states, but it's safe to say that Republicans who vote against permanent normal trading relations will get some favorable consideration, from rank-and-file members in their district.

Q Yes, for both gentlemen. Russell Mokhiber from Corporate Crime Reporter. Would you consider endorsing the Green Party candidate Ralph Nader whose position on this is the same as both of the position you've expressed here today? Why go with someone who's opposed to your position? Go with someone who supports your position?

MR. SWEENEY: Carl.

MR. POPE: Well, our view is that when we endorse a candidate, we are saying to our members: If you want to do a good thing for the environment, this is how you should cast your vote. While as I said we're going through a process -- I think the biggest hurdle Mr. Nader will have to overcome with our endorsement process is the fact that I don't think he's likely to win. And that a vote for him is therefore actually likely to be a vote for Governor Bush. So that's the issue we're going to have to look at.

But we will certainly consider all of the candidates before we make our endorsement decision.

MR. SWEENEY: The AFL-CIO has gone through its endorsement process. And it was a very lengthy process. And we considered -- individual unions did their own

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process, in terms of seeing where their members were and when we endorsed in Los Angeles in October through the confidence that we had the support of the rank-and-file membership. And I think that what we've seen during the primary season was a strong indication that. And we're solidly behind the vice president and looking forward to him being the next president of the United States.

Q Maureen Itsky (ph) with Congressional Quarterly. Mr. Sweeney, there have been some reports that in addition to office visits on Wednesday, there might be demonstrations outside of some individual members' offices. I'm wondering if you know anything about that and if that is the case, how those members were chosen.

MR. SWEENEY: I'm not aware of any demonstrations. I'm only aware of the events that we have planned. And that includes a rally outside the Capitol. And then individual members and leaders of the labor movement from respective districts say visiting with some of the Congress. Most of those appointments have already been set and I'm not aware of any other activities.

Q Paul Freck (ph), Inside US Trade. Representative Gephardt has floated some ideas that could possibly -- some alternative to the annual review that might allow him to vote for PNTR. What do you think the prospects of those, and do you believe that in floating this possibility undercuts your position of opposing PNTR in China?

MR. SWEENEY: I'm always hopeful that there will be some resolution of any differences and confident that Dick Gephardt is making every effort he can to find some way to bring all of this to some kind of closure. So far, I have not seen or heard any serious effort that would achieve what we are trying to achieve and that's effectively to stop China from obtaining approval for permanent normal trading relations.

Any proposal that I've seen so far does not have any kind of oversight -- as Carl said earlier, no enforcement and no annual review.

MS. SEASE: Carl, did you have a response to that? I don't know whether you could hear the question over the static.

MR. POPE: Actually, when the gentleman was speaking, the mike kind of didn't feed into my mike. So I didn't hear most of the question.

MS. SEASE: Could you restate the question with the microphone, please?

MR. POPE: It is not feeding to me. Not really. Debbie, you'll have to -- MS. SEASE: Yes, Carl, they're coming to the main podium to ask the question.

MR. POPE: I was going to say, that's how it's going to have to do.

Q Mr. Pope, what do you think of Mr. Gephardt's proposals that there might be an alternative to annual MFN and do you believe that in floating this possibility undercuts the opposition to PNTR?

MR. POPE: Well, I haven't spoken to the leader so I don't certainly want to speculate about what he may be thinking of. Obviously there are theoretical proposals that would achieve as much as this annual review. But I have to say I

Federal News Service April 10, 2000, Monday

think that those from the side of PNTR are mostly people who want to let China out from under scrutiny.

So while I always commend new ideas, and certainly Mr. Gephardt came up with some very creative ideas at the end of the NAFTA process, I suspect that any ideas he'd come up with that would really do the job will be rejected by the current supporters of PNTR. So I would not be overly optimistic.

MS. SEASE: Okay, if there's any other questions, we'd welcome you to this side of the podium. I see none. I want to thank you all for having come. And thank you, Carl, for joining us from San Francisco, and thank you, President Sweeney, for making time available today.

MR. SWEENEY: Thank you. Thank you all.

MR. POPE: Thank you.

MR. SWEENEY: Thanks, Carl.

MR. POPE: Thanks, John.

END

LANGUAGE: ENGLISH

LOAD-DATE: April 11, 2000

Voting to enact permanent Normal Trade Relations with China is the most significant immediate action we can take to move China in the right direction. China's accession to the WTO will help strengthen the rule of law in China and increase the likelihood that it will play by global rules. Many human rights activists and members of the foreign policy community agree that bringing China into the World Trade Organization will help move China in the right direction:

DEMOCRACY AND HUMAN RIGHTS ACTIVISTS

- **Martin Lee, Chairman of the Democratic Party of Hong Kong:** *"The participation of China in the WTO would not only have economic and political benefits, but would serve to bolster those in China who understand that the country must embrace the rule of law, which of course is a key principle underlying active membership in global trade organizations... For those of us who have long pressed for vigorous adherence to the rule of law in China, it is encouraging that so many Chinese officials support the nation's entry into groups such as the WTO."* [Letter to President Clinton, 11/14/99]
- **Bao Tong, former Politburo secretary and democracy activist:** *"Entry into WTO will definitely promote China's economic reforms ... and over the long term will help develop the legal system and moves toward democracy."* [Christian Science Monitor, 3/8/2000]
- **Chen Shui-bian, Taiwan's President-elect:** *"We feel that a democratic China will contribute to permanent peace in this region. Therefore, we support U.S. efforts to improve its relations with China. While we seek to normalize the cross-strait relationship, especially in the area of business and trade, we are happy to see the United States and China improve their economic relations. Therefore, I am willing to support the U.S. normalization of trade relations with the PRC."* [Washington Post, 4/9/2000]
- **Wang Juntao, Chinese human rights advocate:** *"Regarding ... the WTO, I find that there is no perfect answer to the question of whether or not China should be admitted. But if one needs to choose ... I prefer to choose 'yes' ... The more the relationship between the two countries expands, the more space there will be for independent forces to grow in China ... Such independent forces will eventually push China toward democracy ... The current Chinese government is still pursuing its reform policy ... Although such reform does not necessarily imply that there will be an immediate and direct political reform, it definitely will produce certain conditions that will be conducive to ultimate democratization ... Since presently most Chinese are mainly interested in material benefits, they will find any policy that damages their economic interests to be offensive. An overemphasis on economic sanctions will ... will limit both the influence of the U.S. as well as that of the democracy movement in China."* [written testimony submitted to Senate Finance Committee, 3/23/2000]
- **Ren Wanding, Leader of the 1978 Democracy Wall Movement in China:** *"Before the sky was black. Now there is a light... This can be a new beginning."* [Washington Post, 11/18/99]
- **Xu Youyu, Prominent Chinese Philosopher:** Xu said the decision to join the WTO marked *"the first time in a long time that there seems to be a real direction"* in China's government. *"People always say China can never go back, but over the last 20 years, and even during the last year, we've taken a lot of detours. Now we have a clear direction....in the long run it will help."* [Washington Post, 11/18/99]
- **Li Ke, Former Chinese Editor of the Democratic Journal Fangfa:** *"For so many years of China's reform and opening, these areas couldn't be opened up and remained state monopolies. But if economic monopolies can be broken, controls in other areas can have breakthroughs as well."*

These breakthroughs won't necessarily happen soon. But in the final analysis, in the minds of ordinary people, it will show that breakthroughs that were impossible in the past are indeed possible. China's upcoming entry into the WTO is "a New Year's gift for China as it enters 2000. It's a gift we never, ever thought we could get." [Washington Post, 11/18/99]

- **Wang Shan, Chinese Liberal Political Scientist:** "Undoubtedly, [the China WTO agreement] will push political reform." [The Boston Globe, 11/28/99]
- **Randy Tate, Co-Chair of Working Families for Free Trade, and Former Executive Director of the Christian Coalition:** "An isolated China will resist change at home and be likely to behave more aggressively towards its regional neighbors. None of that serves American interests. Admitting China into the WTO may not cause it to shed dictatorship for democracy. But it's the right step toward realizing that goal." [Washington Times, 11/29/99]

FOREIGN POLICY COMMUNITY

- **Nicholas Lardy, Brookings Institution:** "The authoritarian basis of the [Chinese Communist] regime is gradually eroding, and if successfully implemented, this agreement will contribute to that." [U.S. News & World Report, 11/29/99]
- **Jacob Fisch, Council on Foreign Relations:** "Bringing China into the WTO will encourage social and political change in China and help promote reform of its egregious human rights behavior. China's modernization has, until now, been greatly inspired and facilitated by interaction with the world community and will be greatly enhanced by WTO membership.... The impact of information technology on society and the life of the Chinese individual will become more pronounced....The organizational capacity of groups and the potential for clandestine exchanges will expand, and the repressive controls of the government will diminish." [Los Angeles Times, 11/26/99]
- **Merle Goldman, professor of Chinese history at Boston University:** "I agree with Wang Dan and Wang Juntao that China should become a member of WTO ... Improvement in China's human rights regime will come by integrating China into the world community rather than by isolating it. [testimony before the Senate Finance Committee, 3/23/2000]
- ... isolating China by rejecting permanent NTR will only make the human rights situation worse. The more China is involved in the international community, the more it will abide by global norms and rules." [Christian Science Monitor, 3/8/2000]
- **David Lampton, Director of China Studies at Johns Hopkins' School of Advanced International Studies:** "The bottom line [is] that foreign involvement in China's economy inherently promotes better worker rights through dispute resolution in the factory, through involving workers more in management, through better working conditions, and so on. And so just the mere fact that the world is going to be more involved in the Chinese economy, I think, promotes human rights in both the broad sense and the specific sense." [National Public Radio, 11/16/99]

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NA/THURSDAY, APRIL 20, 2000

A15

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PERSPECTIVES ON GLOBAL TRADE

Keep the Doors to China Wide Open



Solidifying trade status would keep pressure on Beijing to improve on rights and the environment.

By DAI QING

BEIJING—I have heard on the news that two of the groups I admire most in the United States—the AFL-CIO and the Sierra Club—are against granting permanent normal trade relations status with China. They both organized large-scale activities, including mass demonstrations, to make their statements to American policymakers and to the public.

As a Chinese environmentalist and human rights activist, I disagree with their position, although I am fully sympathetic with their causes.

It is public knowledge that China is among the worst violators of labor rights and basic environmental standards. Walking on almost any street in almost any city, one can easily spot such violations: unemployed workers selling their old stuff, hoping to put some food on their family dinner tables; migrant workers sleeping under bridges and in construction sites, willing to take any job for a roof over their heads; water resources highly polluted by industrial waste; suffocating industrial pollution. Most government officials at all levels are so corrupt that they have become part of the pollution.

The disagreement between me, together with many of my fellow human rights activists and environmentalists in China, and our counterparts in the U.S. is not over the principles of environmental protection and labor rights. Rather, the disagreement is with the means of improving human rights, including labor rights, implementing environmental protection and promoting democracy and freedom.

I believe that permanent normal trade status, with its implication of openness and fairness, is among the most powerful

world until it began to open up in the late 1970s. Millions of people starved to death or were persecuted, executed or otherwise deprived of the most basic human rights. International pressure either did not exist or did not work because the outside world had little information about what was happening. China had no need to respond to the international community.

Starting in 1978, the open-door policy completely changed the way China responded to the world. Today, permanent normal trade relations is a powerful means to keep China's doors as open as possible.

International pressure works better by providing positive solutions. Poverty promotes ignorance and negligence among the public to environmental issues and human rights abuses. With prevalent poverty in today's China, the government runs a successful propaganda campaign that argues that the right of economic survival overrides other human rights. The Chinese people are looking for positive support from the international community, especially the industrialized world. Permanent normal trade relations would send the Chinese people a powerful and positive message: The most powerful industrialized nation today will work with the Chinese people to build a new world order. This would put enormous pressure on both the government and the general public to meet the international standard not only on trade, but also on other issues, including human rights and environmental protection.

International pressure works best when engagement is implemented. An American congressman once made the point that because China was not a normal state, it made no sense to treat it normally. Yet if the international community does not treat China normally, China will remain abnormal.

Wei compares the annual renewal of trade status to the periodic renewal of a driver's license, which keeps China anx-

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Improve on rights and the environment. By DAI QING

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I believe that permanent normal trade status, with its implication of openness and fairness, is among the most powerful means of promoting freedom in China.

Wei Jingsheng, a prominent dissident now residing in the U.S., argues that in order to improve human rights conditions in China, the international community must constantly put pressure on the Chinese government. Wei is absolutely right about the international pressure, but he is wrong when he suggests that annual renewal of normal trade relations should be taken as an opportunity to provide such pressure.

How does international pressure work in promoting human rights and environmental protection in China? I would like to argue that such pressure works only when doors are kept open, when pressure presents positive solutions and, above all, when engagement is involved.

After the communist takeover in 1949, China was cut off from the rest of the

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Wei compares the annual renewal of trade status to the periodic renewal of a driver's license, which keeps China anxious to a certain level. This is exactly the most destructive way of thinking. The U.S. should never take the role of traffic police in world trade because China, or any nation, should not be subject to the naked authority of another nation. Instead, the U.S. should engage China in the process of becoming a full member of the international community. Permanent normal trade status would be an important part of the engagement plan.

Dai Qing, a Chinese environmentalist and investigative journalist, is winner of the 1993 Goldman Environment Award and the 1992 Golden Pen for Freedom given by the Paris-based International Federation of Newspaper Publishers. She was imprisoned in China for 10 months from 1989 to 1990.

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THE CHRISTIAN SCIENCE MONITOR

Features

Wednesday November 12, 1997 Edition

Ardent Foe Takes On China Dam

James L. Tyson, Staff writer of The Christian Science Monitor

WASHINGTON -- It's generally considered unwise to single-handedly take on the leadership of the world's largest Communist Party.

But don't tell that to Dai Qing.

"When I was in prison, I prepared to be executed, and I have nothing to lose now," says the Chinese journalist with the close-cropped hair. "I will never, ever give up."



SPEAKING OUT: Dai Qing, a Chinese journalist, has had her writings banned in China.

For eight years, Ms. Dai has castigated Beijing for its plan to build the Three Gorges Dam across the Yangtze River. For that, she has spent 10 months in prison, had her writing banned in China, and endured years of phone taps and police surveillance.

In her latest jab at China's leadership, Dai is touring the US to promote "The River Dragon Has Come!", a collection of essays detailing how Beijing has hidden the dangers of what she calls possibly "the most destructive dam ever conceived."

So far, Dai is losing the battle. Last weekend, workers blocked the main channel of the Yangtze, clearing the river bed for construction of the \$29-billion structure.

(ROB CHADDOCK) Some say the diversion makes the project irreversible. Still, Dai hopes to at least slow construction and reduce the dam's planned 607-foot height.

To Dai, Three Gorges epitomizes the major problems bedeviling China today: autocracy, fiscal profligacy, environmental degradation, and human rights abuses. By promoting awareness of the dam's shortcomings, Dai believes she can help create the political ferment vital to reform.

Dai also has another, more personal goal: to vindicate in the eyes of China's strongmen the betrayed political idealism of her father, an early member of the China's Communist Party who has been hailed as a "revolutionary martyr."

In China, only Dai voices persistent public opposition to the dam. Other opponents consider it a lost cause, fear state reprisal, or just privately lobby the government.

Dai has been called the founder of China's green movement. But the distinction understates the magnitude of her challenge. Since the structure was first proposed by Sun Yat-sen in 1912, history's most ambitious hydroelectric dam has stirred a longer and bigger controversy than any other public-works project in modern China.

Premier Li Peng and other dam champions say Three Gorges will help control Yangtze Basin flooding that this century has killed more than



300,000 people. And it will enable oceangoing vessels to ply the reservoir deep into the hinterland, to the 15 million people of Chongqing.

But Dai and other critics say the dam has colossal costs.

Estimates for the project range up to \$72 billion. Snubbed by the World Bank, US Export-Import Bank, and other international lenders, Beijing is aggressively seeking financial backing. The dam is a big risk for a state banking system already heavily saddled with bad debts.

Critics also say the dam's vast reservoir, stretching as long as Lake Superior, will become an open sewer, soiled each year by a 1-billion-ton load of chemicals, heavy metals, and human waste. So much silt will collect that it could block ship traffic and clog the dam, they say.

Moreover, the reservoir will inundate some 1,200 archaeological sites and cultural antiquities, some of them dating back 100,000 years to the Paleolithic period. The project will also reduce fish stocks and threaten numerous plant and animal species along the river.

Moving residents out

Perhaps most important, the government is relocating 1.2 million riverbank residents in what would be the largest-ever resettlement for a dam. Officials have already swept up 90,000 residents.

Beijing has acknowledged that resettlements for other dams in China have generally failed: "Many people were left stranded without employment or adequate shelter and in a state of destitution, creating considerable social and political instability in reservoir areas," writes Li Boning, one of the government's leading experts on resettlement, in "River Dragon."

As construction costs exceed estimates, money set aside for resettling residents goes to the dam. Embezzlement is also a big problem. "People along the river say that local officials today are getting as fat as fleas," charges Dai in her peppery Chongqing accent.

Opponents say Beijing should build smaller dams on Yangtze tributaries. It could achieve the same goals in flood control and power generation at a fraction of the budgetary, environmental, cultural, and human cost.

With the damming of the river, Dai apparently may be able to claim at least a Pyrrhic victory: By warning about the dam, she has discouraged future spectacular mistakes.

But Beijing has shown reluctance to embrace lessons from blunders in water conservancy. Indeed, Dai's book, soon to be released by M.E. Sharpe, is named after the last cry heard from victims of the 1975 collapse of the Banqiao and Shimantan dams and many smaller flood-control structures in Henan Province.

What is especially remarkable about that disaster is not just the death toll - 85,000 officially; up to 230,000 by other estimates - but Beijing's success in concealing the extent of it for years. "River Dragon" reveals details about the flood.



Despite her outspokenness, Dai is well insulated from repercussions in her efforts to spotlight past debacles and sound a warning about the Three Gorges Dam. She boasts an impeccable revolutionary pedigree, and her 1989 imprisonment has given her



HEAVYWEIGHT: On Nov. 8, boulders helped complete a barrier to the Yangtze River as part of the Three Gorges Dam project. Officials say the dam will control flooding and provide electricity. (AP)

BUILDING BLOCKS:
Engineers put the finishing touches last week on a barrier to the Yangtze River in China's Hubei Province. The dike will reroute the river so the main section of the Three Gorges Dam can be built.
(AP)

international recognition.

Dai's parents joined the Chinese Communist Party early and served as spies in Beijing during its occupation by Japan. Her mother was eventually captured and tortured; her father, Fu Daqing, was executed by the Japanese when Dai was 3.

A member of the elite

Dai grew up among the top elite as the adoptee of her father's friend, Marshal Ye Jianying. She earned a degree in missile engineering, worked on China's program in intercontinental missiles and, after the turmoil of the Cultural Revolution (1966-

1976), assumed the cover of a writer while spying in Europe for military intelligence.

The cover stuck, and Dai returned to Beijing to work at Guangming Daily. In 1989, just weeks before the spring popular uprising in Beijing, Dai gathered together in 15 days several essays from journalists, engineers, and scientists describing the shortcomings of the Three Gorges Dam.

The controversial result, Dai's book, "Yangtze! Yangtze!," helped spur the rubber-stamp parliament to perhaps its most assertive act under communism. In 1989, following a heated debate in the National People's Congress, Beijing decided to postpone a decision on the dam for five years.

The book and Dai's outspokenness apparently prompted the leadership to jail her for 10 months after the Tiananmen massacre in June 1989.

Dai's activism and state reprisal have won her foreign recognition: a Nieman Fellowship at Harvard University, and the Goldman Environmental Prize in 1994. Along with the sacrifices of her parents, this deters official retaliation.

Dai believes a gradual easing of the party's totalitarian grip will help her thwart what she considers the communist world's last grandiose public-works blunder. The expanding market economy will weaken the hold of Beijing over lower-level officials and common citizens.

"The Three Gorges will become a symbol of a turning point in China from the old way of rule by a single powerful leader to a new way in which Chinese people have more say," says Dai. By spurring such progressive change, Dai believes she will vindicate her parents and their betrayed ideals.

"My parents fought for a New China, for a democratic system and against the corruption of the old order," she says. "But when the New China appeared, so did dictatorship, injustice, and corruption - I feel very sorry for my mother and my father and the [party's] first generation of idealists."

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58TH STORY of Level 1 printed in FULL format.

Copyright 2000 The New York Times Company
The New York Times

April 19, 2000, Wednesday, Late Edition - Final

SECTION: Section A; Page 22; Column 1; Editorial Desk

LENGTH: 465 words

HEADLINE: A Clear Choice on China Trade

BODY:

By permanently awarding China the normal trading status it has enjoyed for two decades, Congress can advance America's economic interests without diluting its support for human rights on the mainland or the defense of democracy on Taiwan. Yet while Senate passage seems assured, the House is wavering as both liberal Democrats and conservative Republicans withhold support. Both groups should reconsider their opposition.

Passing the trade bill, which is scheduled for a vote in May, would lock in the market-opening concessions by China. These include easier access for foreign telecommunications companies and a reduction of state controls over the economy, steps that would expand the sale of American goods in China. Over time, lower trade barriers could loosen constraints on information and political debate. Without the trade deal, American businesses would be at a disadvantage in the China market.

Some Democrats, including the House minority leader, Richard Gephardt, argue that granting permanent trade rights to China would sacrifice the leverage now available to Congress through its annual votes on China's trade status. But those votes have become empty rituals, with China's trading rights invariably renewed. Pressure on trade is an inappropriate way to seek human rights reforms in China, since trade restrictions insulate China from progressive outside influences.

Representative Sander Levin, a Michigan Democrat, has proposed steps that would couple permanent trade status with new tools for monitoring and pressing China on human rights and fulfillment of its trade commitments. If warranted, Congress could also consider applying penalties allowed by World Trade Organization rules. This approach would create more effective American pressure on these issues than the annual trade status reviews.

Most House Republicans support the trade bill. But some have held back to protest Chinese belligerence toward Taiwan. China's threatening tone before last month's Taiwanese presidential election was troubling, but Beijing's rhetoric has lately been more restrained. Washington should continue trying to calm the tensions, not inflame them with the sale of sophisticated weapons to Taiwan.

The Clinton administration struck the right balance in its newly announced

The New York Times, April 19, 2000

package of arms sales to Taiwan. This includes a variety of upgraded missiles and radars but rightly omits the four destroyers with advanced Aegis antimissile technology that had been requested by Taiwan.

Opening China's markets advances American, Chinese and Taiwanese interests. Other matters like the preservation of democracy in Taiwan and the expansion of liberty in China are equally important American objectives. They are best pursued by disentangling them from trade issues.

<http://www.nytimes.com>

LANGUAGE: ENGLISH

LOAD-DATE: April 19, 2000

120TH STORY of Level 1 printed in FULL format.

Copyright 2000 The Detroit News, Inc.
The Detroit News

April 16, 2000, Sunday

SECTION: Editorial; Pg. 8

LENGTH: 589 words

HEADLINE: Cracking the Great Wall

BODY:

Throngs of union pickets converged on Capitol Hill last week to protest normalizing trade with China. Labor leaders claim the proposed pact would undermine American workers. But such tired rhetoric is contradicted by Detroit's real-world experience. Only by confronting the challenges of trade have the Big Three automakers and their workers achieved economic stability.

Michigan would benefit enormously were Congress to grant China permanent normal trade status and usher its huge market into the World Trade Organization. Beijing has agreed, for example, to cut tariffs on autos and vehicle parts from 80-100 percent to 25 percent by 2006. Content requirements and trade-balancing quotas would likewise be eliminated.

The measure appears to have solid support in the Senate. But a vote in the House, slated for the week of May 22, remains volatile. Indeed, Michigan's Democratic congressional delegation is deeply divided, with Rep. David Bonior leading the opposition and his colleague, Rep. Sander Levin, pressing for compromise.

Scores of Democrats know full well that defeat of the trade bill would mean victory only for U.S. competitors, who are eager to capitalize on a market the World Bank projects will soon be the second largest in the world. But what to do about those darn unions that fill so many campaign coffers?

Rep. Levin is suggesting a trade bill proviso -- a federal commission to monitor China's labor standards and human rights record. The White House favors the idea, anxious as the administration is to spare Al Gore the ire of labor as the presidential campaign intensifies. But beyond providing political cover for labor-shy lawmakers, Rep. Levin's proposal lacks merit.

U.S. negotiators already have promised to end the annual reviews that so humiliated Beijing, and WTO rules prohibit conditional trade agreements. More important, such concessions only embolden protectionists when the case for liberalized trade couldn't be stronger.

The domestic auto industry was on the verge of collapse two decades ago. Today, however, General Motors Corp., Ford Motor Co. and DaimlerChrysler AG are picking at rivals like buzzards on carrion. The terrain is littered with foreign

The Detroit News, April 16, 2000

automakers long protected from competition and thus rendered incapable of standing alone.

America's more liberal trade policies, by contrast, invited foreign competition that ultimately forced the domestics to dramatically improve their efficiency and productivity. Consequently, Detroit automakers are now flush with cash, and their workers are pocketing annual profit-sharing checks of \$8,000 to \$10,000.

In the six years since the United States ratified the North American Free Trade Agreement, in fact, the nation has achieved virtual full employment while adding millions of new jobs. Michigan exports to Mexico alone have increased 375 percent, representing an economic boon for all workers.

Union leaders are claiming the moral high ground in opposing liberalized trade with China. In reality, they are simply intent on erecting a protectionist wall that serves their narrow political interest. Americans are perfectly capable of competing with foreign workers, and we have everything to gain and nothing to lose from freer trade around the globe.

Our view

Open trade policies promote economic stability for American workers while encouraging democratic reforms overseas.

Opposing view

A trade pact with China would jeopardize American jobs and undermine U.S. leverage against human rights abuses.

LOAD-DATE: April 17, 2000

43RD STORY of Level 1 printed in FULL format.

Copyright 2000 The Washington Post
The Washington Post

April 20, 2000, Thursday, Final Edition

SECTION: EDITORIAL; Pg. A32

LENGTH: 698 words

HEADLINE: Mr. Gephardt, Trade and China

BODY:

THERE ARE solid reasons for worrying about China's entry into the World Trade Organization. A country ruled by autocrats with little respect for the rule of law may prove similarly disrespectful of WTO rulings; Chinese accession may therefore end up damaging an institution that is already fragile. But the reasons given yesterday by Rep. Dick Gephardt for opposing permanent normal trade relations for China go beyond that. They involve one serious but misguided claim and several echoes of the recent street protests in Washington.

The serious claim is that the United States should retain the option of imposing trade sanctions on China to force it to improve its behavior on human rights. By approving permanent normal trade relations for China as part of the WTO accession deal, Congress would give up one form of trade sanction. This might indeed be wrong if that sanction seemed likely to be useful. China's human rights record is egregious, and Mr. Gephardt is right to say that the United States should be pressing for improvement.

Unfortunately, attempts to link trade to human rights have repeatedly proved ineffectual. Several times in the 1990s, Congress threatened to withdraw China's "most favored nation" status, as normal trade relations were then called. But China was unmoved. Indeed, it even emphasized its defiance by arresting dissidents just when American dignitaries were visiting.

If China could resist U.S. trade pressure in the past, it will be no less able to do so once it has secured WTO membership--which is inevitable, whether or not Congress approves normal trade relations. WTO membership will make it easier for China to respond to U.S. trade sanctions with serious counter-sanctions: It can deny American firms the access to its markets that it has granted all other WTO members. Moreover, the Chinese will be able to use the WTO framework to grandstand against the United States. The Americans have closed their markets and violated the principles of free trade, Beijing will say. However disreputable this claim, the fact is that plenty of America's critics would swallow it--so giving China a further incentive to resist.

For these reasons, Mr. Gephardt is wrong to claim that voting against permanent normal trade relations will increase American leverage over Chinese behavior. But he is worse than wrong in many of his other suggestions. In his speech yesterday in St. Louis, the Democratic leader declared that he wanted to

The Washington Post, April 20, 2000

"change the terms of the debate that is going on in Washington to ensure that our global trading system serves American values and interests." But this implies that the existing trade system, which has boosted standards of living both in America and abroad, somehow does not serve those interests. Equally, Mr. Gephardt says that the mandates of the International Monetary Fund, World Bank and WTO should be reformed so as to include, among other things, "sustainable development." Fine, but how is that worthy goal served by voting against normal trade relations with China?

Last year in Seattle, and again this week in Washington, the international trading system has been attacked by protesters whose ideas would condemn hundreds of millions of people to prolonged poverty. It is critical that political leaders refrain from adding momentum to the protests. At times in the past, Mr. Gephardt has been a responsible internationalist: He supported bills to implement the WTO in 1994 and to bolster the IMF four years later. But just when internationalism is most in need of support, Mr. Gephardt has chosen to side with its most misguided critics.

Mr. Gephardt, while opposed, may not campaign actively against permanent normal trade relations with China. That leaves others in the House Democratic caucus to make up their own minds--though it will take courage to defy protectionist pressure from the labor movement. The issue before the members is much simpler than Mr. Gephardt's digressions into globalization imply. China is going to join the WTO anyway. The denial of normal trade relations is likely to disrupt trade without improving human rights. The bill should be allowed to pass.

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HEADLINE: Two historic issues for the Congress . . .

BYLINE: James O. Goldsborough; THE SAN DIEGO UNION-TRIBUNE

BODY:

Foreign-policy legislation occasionally comes before Congress that has historic implications. It does not happen often, for foreign policy traditionally belongs to the White House, but when treaties, trade and wars are concerned, it happens.

It happened with NAFTA, a seminal free-trade agreement with Mexico and Canada that changed the nature of commerce in North America. The NAFTA fight in Congress seven years ago was tough, and the House only narrowly approved the agreement that would play a role in making the 1990s an American boom decade.

Seven years later, in the space of a few months, Congress will have twice had issues of similar importance before it: the Comprehensive Test Ban Treaty and establishing normal trading relations with China. Like NAFTA, each of these issues will have repercussions beyond the borders and beyond the present.

The test ban treaty (CTBT) came before the Senate last October. Legislation establishing normal trade relations with China, a prelude to China's membership in the World Trade Organization, goes to Congress next month. Last fall, the Clinton administration concluded bilateral trade negotiations with Beijing, which currently is wrapping up similar bilateral negotiations with other nations, including the European Union and Japan.

The Senate's rejection of the CTBT was a blunder and an embarrassment for the nation. Putting party politics and their dislike of President Clinton above national interests, Republican senators rejected a nuclear test ban -- conceived under President Eisenhower -- that for 40 years has been the goal of America's nuclear nonproliferation policy. The treaty was signed two years ago by Clinton.

The CTBT's rejection would be an error of historic proportions except for one thing: It cannot stand. It is so clearly inimical to U.S. interests that a wiser Senate will bring it back for a second vote, perhaps as early as next year. While he remains in office, Clinton has pledged to respect the treaty even without ratification, and refrain from nuclear testing.

No policy is more important for U.S. security than containing nuclear weapons. Spending hundreds of billions on missile defenses is little more than extravagant self-deception if nonproliferation fails and nuclear weapons spread

around the world.

Every U.S. administration since Eisenhower has promoted both the CTBT and the Nuclear Non-Proliferation Treaty as in America's vital interest. To date, 185 nations have signed the NPT, pledging never to acquire or help other nations acquire nuclear weapons.

The NPT is a quid pro quo for the CTBT. Those 185 states have signed the NPT because the 44 nuclear-capable states (those either with nuclear weapons or nuclear reactors) have pledged to stop testing. China has signed the CTBT, as has Russia. Both India and Pakistan, which tested nuclear devices two years ago, say they are ready to sign, but are calling on America, the treaty's father, to ratify it.

The vote on China, like the vote on NAFTA seven years ago, is too close to call. For different reasons, some Republicans and many Democrats oppose permanent normal trading relations (PNTR) with China, even though U.S. business strongly supports an agreement.

The parallel between CTBT and PNTR is striking. In both cases, the United States gains everything and loses nothing. Neither agreement represents the kind of trade-off where you give something to get something, hoping for a net gain. In both these cases, America gives up nothing.

We are the world's leading nuclear power, with the most advanced warheads, delivery systems and technology to verify the nuclear stockpile without testing. By preventing other nations from testing and still others from becoming nuclear weapons states, we assure our dominant position.

Clinton last month described the China trade accord negotiated by Charlene Barshefsky, the U.S. trade representative, as "a hundred-to-nothing deal for America," one in which China made all the concessions in order to join the World Trade Organization, and the United States conceded nothing.

Under the accord, Beijing must lower its tariffs, open its markets and accept direct U.S. investment, production and distribution, replacing the joint ventures under which China has maintained ultimate control of all foreign enterprises.

If Congress rejects PNTR and keeps the present system of annual certification of China based on its human-right record, Congress will violate WTO rules, which forbid conditions on trade.

Beijing would still join the WTO, for Congress alone cannot keep it out, but the concessions Beijing has made to join the WTO would be denied to U.S. businesses. We would have opened up China to our competitors, not to us. Clinton has not stressed this point strongly enough with congressional Democrats, who will be primarily responsible if PNTR fails.

Impossible, you say. Congress would never do something so clearly self-defeating. But that is precisely what Congress did on the test ban treaty.

What makes the outcome on the China vote so uncertain is that, as with NAFTA, opposition comes from both sides. Republicans criticize China's human rights record and hostility toward Taiwan. Democrats criticize China's labor and

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environmental standards. The AFL-CIO has made defeat of the China bill a top priority.

These criticisms may be valid, but the remedy is not isolating China, but stitching it more closely into the international fabric. On its own, China can act as it chooses. As a WTO member, it is obliged, as all members states are obliged, to follow international rules and regulations.

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BODY:

The fierce debate over China's entry into the World Trade Organization needs a field guide. The birds of a feather flocking to it are bizarre. To end annual Congressional review of China's trade status, a key part of the deal, the Fortune 500 companies have joined the Democratic President to the Republican Congressional leaders who tried to impeach him. In opposition, the internationalist Seattle coalition of labor, students and environmental, consumer and human rights activists are joined by unregenerate cold warriors and xenophobes like Pat Buchanan.

There isn't even agreement on what the fight is about. The President and the cold warriors seem intent on replaying the old debate about whether we should engage or isolate China. But that's a dead letter. We're running a \$ 70 billion annual trade deficit with China. It receives far more foreign direct investment than any other developing country. Trade, investment and reform will continue whether China enters the WTO or not. The question isn't whether to engage China; it's what the terms of that engagement will be.

Even for this White House the gulf between rhetoric and reality is striking. President Clinton is trying to sell this as a trade deal that's good for America and also as a historic reform that will endow China with the blessings of liberty. The trade claims are exaggerated and disingenuous. Every trade deal of the past decade has been hailed as opening China's markets, even as the trade deficit has skyrocketed. The most detailed Administration estimate by the International Trade Commission assumes generously that our exports to China will rise faster than our imports under this deal; even so, it projects a possible doubling of the trade deficit to more than \$ 130 billion a year in the next ten years.

In fact, the Chinese leaders have no intention of surrendering control over their markets-nor should they. For example, the Administration is making a big play for the farm vote by claiming the agreement will open up a market of 1.2 billion people for US farmers. Don't bet the farm on that. The Chinese are sensibly intent on self-sufficiency in agriculture and today sell us more produce than they buy from us. With millions of unemployed peasants in the cities, the last thing China needs is to have millions more displaced by a flood

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of imports from massively subsidized US agribusinesses. Moreover, contrary to the President's claims, even if China enters the WTO without US support, our bilateral treaties with China guarantee that we will get the same treatment as our competitors. And as the purchaser of up to 40 percent of Chinese exports, we surely have the clout to insist on it.

The President also claims that the deal will foster dramatic change in China, for it will "import one of democracy's most cherished values- economic freedom." In fact, the Chinese leaders are in difficult straits, seeking to attract foreign capital and open up globally competitive factories while slowly dismantling state industries and subsidies. Inevitably, tens of millions of workers are going to lose their jobs in a country in which the safety net has been provided mainly by the enterprises that are being dismantled. Surely one reason that the Chinese leadership wants the deal-and the waiver of annual review of their trading status-is to reassure foreign investors that no matter how horrific the upheaval, access to Western markets is guaranteed. And they can lay the blame for the most disruptive reforms on the WTO and foreign capitalists.

Clinton paints the global corporations as philanthropic agents of democracy, but they are unlikely champions of freedom. They prefer order to democracy, powerless workers to organized ones, self-regulation to environmental and consumer protections. China attracts investment primarily as an export platform with cheap, disciplined labor, where union organizers are immediately clapped in jail and worker protests are squelched. The President says he wants to avoid a race to the bottom in the global economy, but bringing China into the WTO and waiving annual review of its trading status is like firing the starter's gun. Asia's fragile democracies-Thailand, the Philippines, Korea, where workers have the right to organize-will find China setting the competitive floor on everything from salaries to environmental despoliation.

In the end, the debate isn't about trade benefits or about China's internal reforms. It's a choice between the past and the future. The China deal is part of the past, the militant campaign of the past twenty-five years by global corporations and banks seeking to break down regulation, weaken labor unions, sweep away socialist and social democratic regimes, and forge an unregulated global economy. Their success has generated growth, but also growing inequality, increasing instability, environmental destruction and a return of the satanic mills of a bygone day. The challenge of the future is carried by the Seattle coalition that seeks to create the rules-at national and global levels- that empower workers, protect the environment and consumers, and make this global economy work for the many, not just the few.

If Clinton were serious about meeting that challenge rather than furthering the goals of global corporations, he would continue to engage China-expanding trade through already established channels while pushing arms control and encouraging reforms. He would also work to give struggling democracies that protect independent worker movements preferential access to our markets over authoritarian regimes that repress free association. His priority would be to bring workers' rights and environmental protections into the global trading system, not to usher in China and impede progress on those issues. Without such leadership, the Seattle coalition-the best hope for progressive change to emerge in decades-has little choice but to oppose the corporate agenda until those in

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power hear the voices of the growing movement for democracy. That, in the end, is what the China vote is about.

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