

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the Clinton Presidential Library Staff.

Folder Title:

[China] [Folder 1] [1]

Staff Office-Individual:

Speechwriting-Orzulak, Paul

Original OA/ID Number:

4022

Row:	Section:	Shelf:	Position:	Stack:
48	6	9	2	V

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
--------------------------	---------------	------	-------------

001. note	Phone No. (1 page)	n.d.	P6/b(6)
-----------	--------------------	------	---------

COLLECTION:

Clinton Presidential Records
National Security Council
Speechwriting (Paul Orzulak)
OA/Box Number: 4022

FOLDER TITLE:

[China] [Folder 1] [1]

2008-0702-F

jm200

RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- 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]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
--------------------------	---------------	------	-------------

001. note	Phone No. (1 page)	n.d.	P6/b(6)
-----------	--------------------	------	---------

COLLECTION:

Clinton Presidential Records
National Security Council
Speechwriting (Paul Orzulak)
OA/Box Number: 4022

FOLDER TITLE:

[China] [Folder 1] [1]

2008-0702-F
jm200

RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- 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]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

MAIL-IT REQUESTED: JANUARY 13, 2000

100Y5T

CLIENT: NSC
LIBRARY: NEWS
FILE: MAGS

YOUR SEARCH REQUEST AT THE TIME THIS MAIL-IT WAS REQUESTED:

DATE AFT 1995 AND HLEAD(CHINA) AND ATLEAST15(CHINA OR CHINESE) AND CLINTON W/5
POLICY W/5 CHINA

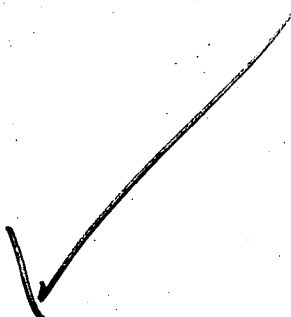
NUMBER OF STORIES FOUND WITH YOUR REQUEST THROUGH:

LEVEL 1... 120

LEVEL 1 PRINTED

DISPLAY FORMAT: CITE

MULTIPLE DOCUMENTS ON A PAGE



SEND TO: CRAGG, JACQUI
OFFICE OF ADMINISTRATION LRSD
EOP- LIBRARY
17TH & PENNSYLVANIA AVE NW
EOB, ROOM 308
WASHINGTON DISTRICT OF COLUMBIA 20502

*****07151*****



LEXIS·NEXIS
A member of the Reed Elsevier plc group



LEXIS·NEXIS
A member of the Reed Elsevier plc group



LEXIS·NEXIS
A member of the Reed Elsevier plc group

LEVEL 1 - 120 STORIES.

1. The American Prospect, December 20, 1999, CRITICISM; State of the Debate; Pg. 54, 4067 words, CHINA: THE ENGAGING QUESTION, BY TREVOR CORSON
2. The American Prospect, December 20, 1999, No. 3, Vol. 11; Pg. 54 ; ISSN: 1049-7285, 4069 words, CHINA: THE ENGAGING QUESTION., CORSON, TREVOR
3. The National Journal, December 4, 1999, SOCIAL STUDIES; Pg. 3447; Vol.31, No.47, 1550 words, Go Ahead And Appease China--It's The Right Thing to Do, Jonathan Rauch
4. Insight on the News, November 22, 1999, Monday, SPECIAL REPORT; Pg. 22, 3326 words, PC Answers on Panama Canal, J. Michael Waller; INSIGHT
5. Asiaweek, October 15, 1999, ARTS & SCIENCES BOOKS; Pg. 54, 862 words, RICEBOWL DIPLOMACY, BY TODD CROWELL
6. Insight on the News, September 13, 1999, Monday, INVESTIGATIVE REPORT; Pg. 14, 1934 words, At What Cost Did China Get Canal?, J. Michael Waller; INSIGHT
7. The National Journal, September 11, 1999, FOREIGN AFFAIRS; Pg. 2569; Vol. 31, No. 37, 642 words, China Trade Deal: No Fortune Inside, John Maggs
8. U.S. News & World Report, September 6, 1999, U.S. NEWS; THE NATIONAL INTEREST; Pg. 38, 878 words, China's strait flush, By Michael Barone
9. Bulletin of the Atomic Scientists, September 1, 1999, No. 5, Vol. 55; Pg. 30 ; ISSN: 0096-3402, 4408 words, China through the looking glass; U.S.-China relations, Cumings, Bruce
10. The Economist, August 21, 1999, U.S. Edition, 1292 words, Taiwan's high-stakes game, Beijing
11. Insight on the News, August 16, 1999, Monday, SYMPOSIUM; Pg. 40, 1737 words, Q: Should the United States end the 'strategic engagement' with China?; Yes: Clinton's policy amounts to a sham peace which undermines U.S. national security., Patrick J. Buchanan; SPECIAL TO INSIGHT
12. Jane's Intelligence Review, August 1, 1999, ASIA; Vol. 11; No. 8, 2521 words, Sino-US relations turn sour as nuclear espionage brings fallout, Ehsan Ahrari
13. Business Week, July 26, 1999, NEWS; Analysis & Commentary: ASIA; Number 3639; Pg. 26, 1049 words, DIRE STRAITS AGAIN, By Jonathan Moore in Taipei, with Dexter Roberts in Beijing and Paul Magnusson in Washington
14. The Weekly Standard, July 26, 1999, EDITORIAL; Pg. 11, 1565 words, FREE TAIWAN, William Kristol and Robert Kagan, for the Editors
15. The New Democrat, July, 1999 /, August, 1999, ESSAYS AND COMMENT; Pg. 24, 2063 words, NEITHER FRIEND NOR FOE; The Search for a Realistic China Policy, BY KENT HARRINGTON; Kent Harrington is the president of Harrington Group LLC, a consulting firm specializing in strategic planning and international business



LEXIS·NEXIS™

A member of the Reed Elsevier plc group



LEXIS·NEXIS™

A member of the Reed Elsevier plc group



LEXIS·NEXIS™

A member of the Reed Elsevier plc group

LEVEL 1 - 120 STORIES

development.

16. The National Interest, 1999 SUMMER, 6318 words, Undemocratic Capitalism: China and the Limits of Economism, David Zweig
17. The Washington Quarterly, 1999 Summer, THE NEXT ASIA; Vol. 22, No. 3; Pg. 165, 6844 words, Besieged: China, Hong Kong, and Taiwan in the Asian Financial Crisis, Willem van Kemenade - Willem van Kemenade is a writer and commentator on China and East Asia and the author of China, Hong Kong, Taiwan, Inc.: The Dynamics of a New Empire (New York: Alfred Knopf, 1997). He lives in Beijing.
18. Chemical Market Reporter, June 14, 1999, No. 24, Vol. 255; Pg. 10; ISSN: 1092-0110, 409 words, Industry Backs President Clinton On Improving Trade With China.
19. Asiaweek, June 11, 1999, THE NATIONS; China; Pg. 20, 1683 words, THE SHOCK FROM COX, BY TIM HEALY With reporting by David Hsieh/Beijing and Samuel Gilston/Washington
20. Presidential Studies Quarterly, June 1, 1999, No. 2, Vol. 29; Pg. 280 ; ISSN: 0360-4918, 10128 words, Interest Groups and Foreign Policy: Clinton and the China MFN Debates., DIETRICH, JOHN W.
21. Vital Speeches of the Day, June 1, 1999, Vol. 65, No. 16 Pg. 485-487; ISSN: 0042-742X; CODEN: VISPAG, 2965 words, U.S.-Taiwan-China relations, Copper, John F, 01837621
22. The Economist, May 29, 1999, U.S. Edition, 905 words, I spy...
23. The Weekly Standard, May 24, 1999, EDITORIAL; Pg. 9, 1092 words, CALL OFF THE ENGAGEMENT, William Kristol and Robert Kagan, for the Editors
24. Insight on the News, May 17, 1999, Monday, COVER STORY; Pg. 10, 2552 words Chinese Fortunes, Jennifer G. Hickey; INSIGHT
25. The American Spectator, May, 1999, The Smoke-Filled Room, 2217 words, Handle With Care The GOP cautiously unwraps Chinagate., by Linda Killian.; Linda Killian, a Washington journalist, is author of The Freshman: What Happened to the Republican Revolution?, now available in paperback (Westview).
26. Bulletin of the Atomic Scientists, May 1, 1999, No. 3, Vol. 55; Pg. 34; ISSN: 0096-3402, 4600 words, A very convenient scandal; alleged Chinese espionage not taken serious in US press for long time, Schwartz, Stephen I.
27. The Weekly Standard, April 26, 1999, Pg. 27, 2243 words, I LOVE ZHU, ZHU LOVE ME: CLINTON'S CHINA POLICY, By Peter D. Feaver; Peter D. Feaver, associate professor of political science at Duke University, served on the National Security Council staff from 1993 to 1994.
28. The National Journal, April 17, 1999, FOREIGN AFFAIRS; Pg. 1042; Vol. 31, No. 16, 2974 words, The China Debate (Continued), John Maggs
29. Newsweek, March 22, 1999, U.S. Edition, NATIONAL AFFAIRS; China; Pg. 28, 1605 words, Open Secret, BY DANIEL KLAIDMAN AND MELINDA LIU With JOHN BARRY in Washington, BRAD STONE in Silicon Valley and JOSHUA HAMMER in Los Alamos



LEXIS·NEXIS™

A member of the Reed Elsevier plc group



LEXIS·NEXIS™

A member of the Reed Elsevier plc group



LEXIS·NEXIS™

A member of the Reed Elsevier plc group

LEVEL 1 - 120 STORIES

30. Newsweek, March 22, 1999, U.S. Edition, NATIONAL AFFAIRS; China; Pg. 32, 692 words, Loves Me, Loves Me Not, BY FAREED ZAKARIA
31. Aviation Week and Space Technology, March 15, 1999, HEADLINE NEWS; Vol. 150, No. 11; Pg. 26, 1597 words, Spy Charges Jeopardize China's Trade Status, PAUL MANN, Washington
32. USA Today (Magazine), March 1, 1999, No. 2646, Vol. 127; Pg. 28; ISSN: 0161-7389, 4577 words, Impact of the GLOBAL MEDIA REVOLUTION., Bell, Steve
33. The Economist, January 2, 1999, U.S. Edition, World Politics and Current Affairs; ASIA; Pg. 35, 825 words, China. Three men who frighten the party
34. Aerospace America, January, 1999, POLICY; Pg. 42, 2128 words, Helping China improve its aim, by Ben Iannotta, contributing writer
35. The Weekly Standard, December 28, 1998, BOOKS & ARTS; Pg. 35, 1183 words, FOREIGN POLICY FOR SALE; Clinton, China, and Diplomacy, By Mark P. Lagon; Mark P. Lagon is a Council on Foreign Relations international affairs fellow at the Project for the New American Century.
36. Contemporary Southeast Asia, December 1, 1998, No. 20; Pg. 225; ISSN: 0129-797X, 6866 words, Current Sino-U.S. relations in strategic perspective., Roy, Denny
37. Foreign Affairs, November, 1998 / December, 1998, COMMENTS; Pg. 2, 2526 words, Roiling Asia; U.S. Coziness with China Upsets the Neighbors, Ted Galen Carpenter; TED GALEN CARPENTER is Vice President for Defense and Foreign Policy Studies at the Cato Institute.
38. Commentary, September, 1998, No. 3, Vol. 106; Pg. 15; ISSN: 0010-2601, 4793 words, Bowing to Beijing; President Clinton undermined American alliances on his trip to China; Commentary, Waldron, Arthur
39. Jane's Intelligence Review - Pointer, September 1, 1998, ASIA; Vol. 5; No. 9; Pg. 10, 1064 words, DIPLOMACY - US-Chinese detente stirs India, Ehsan Ahrari
40. The Weekly Standard, July 20, 1998, Pg. 14, 1012 words, GOP TAIWANNABES, by Matthew Rees; Matthew Rees is a staff writer for THE WEEKLY STANDARD.
41. The National Journal, July 18, 1998, COVER STORY; Vol. 30, No. 29, Pg. 1668, 4276 words, What We Did in China, Carl M. Cannon
42. The China Business Review, July 17, 1998, No. 4, Vol. 25; Pg. 46; ISSN: 0163-7169, 688 words, Members gather in Washington, elect board; 1998 meeting of US-China Business Council in Washington, D.C.; Council Activities
43. The China Business Review, July 17, 1998, No. 4, Vol. 25; Pg. 46; ISSN: 0163-7169, 688 words, Members gather in Washington, elect board; 1998 meeting of US-China Business Council in Washington, D.C.; Council Activities
44. The Christian Century, July 15, 1998, No. 20, Vol. 115; Pg. 672; ISSN: 0009-5281, 830 words, Split views on Clinton's China trip; Christian concerns about human rights policy



LEXIS·NEXIS™

A member of the Reed Elsevier plc group



LEXIS·NEXIS™

A member of the Reed Elsevier plc group



LEXIS·NEXIS™

A member of the Reed Elsevier plc group

LEVEL 1 - 120 STORIES

45. Asiaweek, July 10, 1998, SPECIAL REPORT CHINA AND THE U.S.; Pg. 28, 2300 words, A WIN-WIN SUMMIT; In spite of their differences, China and America seem set to develop closer ties for the next century, BY TODD CROWELL AND DAVID HSIEH, BEIJING With additional reporting by Sam Gilston/Washington
46. WWD, July 10, 1998, No. 137, Vol. 175; Pg. 14; ISSN: 0149-5380, 542 words, CHINA MFN LAUDED BEFORE SENATE PANEL; most favored nation regarding China, Barrett, Joyce
47. The Nation, July 6, 1998, No. 1, Vol. 267; Pg. 3; ISSN: 0027-8378, 1220 words, Clinton in China; Pres Bill Clinton; US relations with China; Editorial
48. The Nation, July 6, 1998, No. 1, Vol. 267; Pg. 22; ISSN: 0027-8378, 1859 words, China, human rights and the wait for a duck; Levi Strauss can set example in China, Schulz, William F.
49. Newsweek, July 6, 1998, U.S. Edition, SPECIAL REPORT; Between the Lines; Pg. 31, 958 words, DON'T BREAK THE CHINA, BY JONATHAN ALTER
50. Time, July 6, 1998, ;WORLD/THE CHINA SUMMIT; Pg. 66, 435 words, China Photo-Op Diplomacy; Pretty pictures of a changing China were supposed to support Clinton's policy of engagement, but China's leaders are still struggling to master the intricacies of global propaganda, Jay Branegan/Beijing, With reporting by Jaime A. FlorCruz/Xian
51. The American Spectator, July, 1998, FEATURE, 3801 words, The Collapse Of Clinton Foreign Policy Call it Clinton's New World Disorder. From China and Russia to Iraq and India and Pakistan, nukes and a new arms race are the order of the day, much of it abetted by the American president's own policies and reflexive sympathy for likely enemies., Michael Ledeen; Michael Ledeen, foreign editor of TAS, holds the Freedom Chair at the American Enterprise Institute.
52. The American Spectator, July, 1998, FEATURE, 6828 words, Loral Exams It doesn't take a rocket scientist to figure out why the leader of a country without missile defenses has gone out of his way to help another country point missiles at it., Kenneth R. Timmerman; Kenneth R. Timmerman is a frequent contributor to TAS.
53. The American Spectator, July, 1998, FEATURE, 3801 words, The Collapse Of Clinton Foreign Policy Call it Clinton's New World Disorder. From China and Russia to Iraq and India and Pakistan, nukes and a new arms race are the order of the day, much of it abetted by the American president's own policies and reflexive sympathy for likely enemies., Michael Ledeen; Michael Ledeen, foreign editor of TAS, holds the Freedom Chair at the American Enterprise Institute.
54. The American Spectator, July, 1998, FEATURE, 6828 words, Loral Exams It doesn't take a rocket scientist to figure out why the leader of a country without missile defenses has gone out of his way to help another country point missiles at it., Kenneth R. Timmerman; Kenneth R. Timmerman is a frequent contributor to TAS.
55. The Weekly Standard, June 29, 1998, Pg. 25, 3311 words, WISHFUL THINKING ON CHINA, By Arthur Waldron; Arthur Waldron is Lauder professor of international relations at the University of Pennsylvania and director of Asian studies at the



LEXIS·NEXIS™

A member of the Reed Elsevier plc group



LEXIS·NEXIS™

A member of the Reed Elsevier plc group



LEXIS·NEXIS™

A member of the Reed Elsevier plc group

LEVEL 1 - 120 STORIES

American Enterprise Institute.

56. The Economist, June 27, 1998, U.S. Edition, Special; Pg. 23, 2840 words, As China rises, must others bow?

57. The National Journal, June 20, 1998, ADMINISTRATION; Pg. 1446; Vol. 30, No. 25, 1659 words, Clinton's China Challenge, Carl M. Cannon

58. The Weekly Standard, June 15, 1998, Pg. 19, 879 words, NEWT IN THE CHINA SHOP, by Matthew Rees; Matthew Rees is a staff writer for THE WEEKLY STANDARD.

59. The National Journal, June 13, 1998, THE WEEK; Pg. 1344; Vol. 30, No. 24, 1576 words, Clinton's China Policy: Defining Engagement Down, Michael Kelly

60. Time, June 1, 1998, NATION; Pg. 46, 1957 words, Red Face Over China; Did a Chinese plot persuade Clinton to let a U.S. company give China its rocket science? No. Politics (and policy) did, Eric Pooley, Reported by James Carney, Elaine Shannon, Karen Tumulty and Michael Weisskopf/Washington

61. The Weekly Standard, June 1, 1998, EDITORIAL; Pg. 9, 1067 words, A SCANDALOUS SUMMIT

62. Aviation Week and Space Technology, May 11, 1998, HEADLINE NEWS; Vol. 148, No. 19; Pg. 55, 1612 words, High Tech Dispute Dogs U.S./Sino Summit, PAUL MANN, WASHINGTON

63. Time, May 11, 1998, INTERNATIONAL EDITION; TIME ASIA; ASIA; View From Washington; Pg. 17, 799 words, For The U.S., All Roads Lead To China; Clinton thinks he can do business with these guys. Will they disappoint him?, Christopher Ogden

64. The Weekly Standard, April 27, 1998, EDITORIAL; Pg. 7, 1244 words, CLINTON'S CHINA SYNDROME

65. The National Journal, April 25, 1998, NATIONAL SECURITY; Pg. 926; Vol. 30, No. 17, 3586 words, China's Long March, James Kitfield

66. Brigham Young University Law Review, 1998, Vol. 1998, No. 2 Pg. 563-606; ISSN: 0360-151X; CODEN: BWITEU, 18032 words, Understanding Chinese-U.S. conflict over freedom of religion: The Wolf-Spector Freedom from Religious Persecution Acts of 1997 and 1998, Carlson, Darin W, 01675688

67. Foreign Affairs, January, 1998 /February, 1998, Pg. 68, 5413 words, Is China Democratizing?, Minxin Pei; MINXIN PEI is Assistant Professor of Politics at Princeton University and author of From Reform to Revolution: The Demise of Communism in China and the Soviet Union.

68. The Weekly Standard, December 22, 1997, Pg. 18, 3671 words, BAUER POWER, By Fred Barnes; Fred Barnes is executive editor of THE WEEKLY STANDARD. Washington's Most Formidable Conservative

69. The Weekly Standard, November 17, 1997, Pg. 19, 870 words, ENGAGEMENT IN THE DOCK, by Matthew Rees; Matthew Rees is a staff writer at THE WEEKLY STANDARD.



LEXIS·NEXIS™

A member of the Reed Elsevier plc group



LEXIS·NEXIS™

A member of the Reed Elsevier plc group



LEXIS·NEXIS™

A member of the Reed Elsevier plc group

LEVEL 1 - 120 STORIES

70. The Weekly Standard, November 10, 1997, 1429 words, CHINA: THE END OF ENGAGEMENT, By Robert Kagan; Robert Kagan is a contributing editor of THE WEEKLY STANDARD.
71. Business Week, November 3, 1997, INTERNATIONAL BUSINESS; CHINA; Number 3551; Pg. 54, 1566 words, TIME FOR A FRESH START, By Stan Crock in Washington, Dexter Roberts in Beijing, and Joyce Barnathan in Hong Kong, with bureau reports
72. Business Week, November 3, 1997, BUSINESS WEEK INTERNATIONAL EDITIONS; Editorials; Number 3551; Pg. 88, 625 words, WHAT CHINA MUST UNDERSTAND
73. RCR Radio Communications Report, November 3, 1997, Vol. 16, No. 43; Pg. 17; ISSN: 0744-0618, 01243819, 778 words, Clinton, Zemin agree to phase out telecom technology tariffs, Jeffrey Silva
74. Aviation Week and Space Technology, October 27, 1997, HEADLINE NEWS; Vol. 147, No. 17; Pg. 24, 1788 words, Milestone and Minefield, PAUL MANN, WASHINGTON
75. Newsweek, October 27, 1997, UNITED STATES EDITION, INTERNATIONAL; Diplomacy; Pg. 36, 1546 words, Here Comes Jiang, BY GEORGE WEHRFRITZ AND MELINDA LIU
76. The Economist, October 25, 1997, U.S. Edition, Leaders; Pg. 15, 1271 words Greeting the dragon
77. The National Interest, 1997 FALL, 6559 words, Why Our Hardliners Are Wrong Robert S. Ross
78. U.S. News & World Report, September 29, 1997, U.S. NEWS; Pg. 30, 932 words China's surprising nuclear helpers, By Stephen J. Hedges; Douglas Pasternak
79. Chemical Week, August 27, 1997, September 3, 1997, COVER STORY; China; Pg. 38, 1973 words, More Economic Progress Despite Political Change, IAN YOUNG
80. The National Interest, 1997 SUMMER, 2413 words, Off-Center on the Middle Kingdom; Review of Richard Bernstein's and Ross H. Munro's The Coming Conflict with China (New York, Alfred A. Knopf, 1997), Henry S. Rowen
81. The Weekly Standard, June 30, 1997, Pg. 23, 2973 words, THE CANARY IN THE CHINESE COAL MINE, By Robert Kagan; Contributing editor Robert Kagan's article "What China Knows that We Don't" ran in our January 20 issue.
82. The Weekly Standard, June 23, 1997, EDITORIAL; Pg. 7, 1518 words, NO TO APPEASEMENT, David Tell, for the Editors
83. America, June 21, 1997, No. 21, Vol. 176; Pg. 3; ISSN: 0002-7049, 833 words, In this corner, Mr. Gephardt...; budget, China policies; Editorial
84. Business Week, May 26, 1997, INTERNATIONAL BUSINESS; INVESTING; Number 3528; Pg. 66, 2056 words, HOW YOU CAN WIN IN CHINA, By Mark L. Clifford in Guangzhou, with Dexter Roberts in Beijing, Pete Engardio in New York, and bureau reports
85. Business Week, May 26, 1997, ECONOMIC VIEWPOINT; Number 3528; Pg. 26, 776



LEXIS·NEXIS™

A member of the Reed Elsevier plc group



LEXIS·NEXIS™

A member of the Reed Elsevier plc group



LEXIS·NEXIS™

A member of the Reed Elsevier plc group

LEVEL 1 - 120 STORIES

words, IS THIS A CHINA POLICY-OR A BAD DREAM?, BY ROBERT KUTTNER; Robert Kuttner is co-editor of The American Prospect and author of The End of Laissez-Faire

86. The National Journal, May 17, 1997, LOBBYING; Pg. 982; Vol. 29, No. 20, 4720 words, China Clash, PETER H. STONE

87. Business Horizons, May 15, 1997, No. 3, Vol. 40; Pg. 43; ISSN: 0007-6813, 6900 words, New key success factors for China's growing market; includes bibliography, Yim Yu Wong; Maher, Thomas E.

88. Commonweal, April 25, 1997, No. 8, Vol. 124; Pg. 11; ISSN: 0010-3330, 2896 words, Limping toward China: Clinton's weak-kneed policy; commitment to freedom and democracy overshadowed by commitment to international trade with China, Finn, James

89. The Weekly Standard, April 7, 1997, EDITORIAL; Pg. 11, 1198 words, NO CONTROLLING MORAL AUTHORITY, David Tell, for the Editors

90. The Progressive, April, 1997, No. 4, Vol. 61; Pg. 8; ISSN: 0033-0736, 1044 words, Getting rich first; U.S. and China; Editorial

91. The Economist, March 29, 1997, U.S. Edition, World Politics and Current Affairs; ASIA; Pg. 35, 1411 words, America's dose of Sinophobia

92. Brookings Review, March 22, 1997, No. 2, Vol. 15; Pg. 14; ISSN: 0745-1253, 1426 words, Relations with the great powers: China; Sino-American relationship, Harding, Harry

93. The National Journal, March 15, 1997, FOREIGN AFFAIRS; Pg. 501; Vol. 29, No. 11, 5747 words, The China Challenge, Bruce Stokes

94. The New Republic, MARCH 10, 1997, Pg. 17, 2987 words, CHINATOWN, John B. Judis

95. Business Week, March 3, 1997, BUSINESS WEEK INTERNATIONAL EDITIONS; Asia Cover Story; Number 3516; Pg. 24, 726 words, STRAINS IN U.S.-SINO RELATIONS ARE SHOWING -- AGAIN, By Stan Crock in Washington and Joyce Barnathan in Hong Kong

96. Business Week, March 3, 1997, NEWS; Analysis & Commentary; Number 3516; Pg. 32, 1240 words, STRAINS IN U.S.-SINO RELATIONS ARE SHOWING -- AGAIN, By Stan Crock in Washington and Joyce Barnathan in Hong Kong There Are Signs of Progress... MILITARY: Beijing says it will sign the nuclear test-ban treaty and has resumed high-level military dialogue with the U.S. TRADE: China is making its currency easier to convert and indicates it will give foreign producers wider market access if it can enter the World Trade Organization POLITICS: Diplomatic activity is in full swing, with Clinton, Al Gore, and Madeleine Albright scheduling trips to Beijing... But Flashpoints Remain HONG KONG: The July 1 handover could spark tension if Beijing cracks down on political and economic freedoms DONOR GATE: The ongoing probe raises fear of Chinese espionage in the U.S. and undermines Clinton's credibility on Asia policy WEAPONS: Riots in China's Muslim regions and need for Middle East oil could tempt Beijing to continue supplying sophisticated military aid to Pakistan and Iran

97. The American Spectator, March, 1997, FEATURE, 7520 words, All Roads Lead



LEXIS·NEXIS™

A member of the Reed Elsevier plc group



LEXIS·NEXIS™

A member of the Reed Elsevier plc group



LEXIS·NEXIS™

A member of the Reed Elsevier plc group

LEVEL 1 - 120 STORIES

to China; John Huang was a main cog in a White House-DNC directed machine involving such men as Ira Magaziner and the mysterious Dr. Wang., Kenneth R. Timmerman; Kenneth R. Timmerman writes frequently on security issues for The American Spectator. Sheryl M. Henderson contributed research for this article. 98. Commentary, March, 1997, No. 3, Vol. 103; Pg. 44; ISSN: 0010-2601, 4348 words, How not to deal with China., Waldron, Arthur

99. The Weekly Standard, February 24, 1997, CHINA; The Issue; Vol. 2, No. 23; Pg. 20, 1930 words, LAND OF THE UN-FREE, by Christopher Cox; Christopher Cox, a Republican from the 47th District of California, is chairman of the House Republican Policy Committee.

100. The Weekly Standard, February 3, 1997, Vol. 2, No. 20; Pg. 29, 2175 words THE LAST DAYS OF HONG KONG, By Ellen Bork; Ellen Bork is senior professional staff member for East Asia and the Pacific for the Senate Committee on Foreign Relations.

101. Bulletin of the Atomic Scientists, January 11, 1997, No. 1, Vol. 53; Pg. 20; ISSN: 0096-3402, 4703 words, The Chinese way: in the next century, the world's most populous nation will set the pace in East Asia; Cover Story, Johnson, Chalmers

102. Insight on the News, January 6, 1997, Monday, Final Edition, Part SYMPOSIUM; Pg. 25, 1806 words, Q: Should Congress grant permanent 'most favored nation' status to China?; No: Don't let U.S. 'capitalist roaders' prolong the life of the world's sole remaining gulag., Harry Wu; SPECIAL TO INSIGHT

103. The National Interest, 1996/1997 WINTER, 5896 words, China: What Engagement Should Mean, Robert B. Zoellick

104. Business Week, December 30, 1996, INTERNATIONAL OUTLOOK; Number 3508; Pg. 63, 601 words, WHY WASHINGTON IS COURTING CHINA'S GENERALS, By Joyce Barnathan in Beijing, with Mark L. Clifford in Hong Kong and Amy Borrus in Washington; EDITED BY JOHN TEMPLEMAN

105. MEDIAWEEK, December 9, 1996, No. 47, Vol. 6; Pg. 17; ISSN: 1055-176X, 848 words, The Mouse roars; Walt Disney Co. defies China's criticism of its investment in a film about Dalai Lama; WashingtonColum), Mundy, Alicia

106. The China Business Review, November 21, 1996, No. 6, Vol. 23; Pg. 54; ISSN: 0163-7169, 850 words, Conference explores the evolving Chinese legal system; 1996 China Business Forum

107. Newsweek, October 14, 1996, UNITED STATES EDITION, BUSINESS; Diplomacy; Pg. 70, 804 words, So Let's Be Friends, BY MARC LEVINSON AND GEORGE WEHRFRITZ

108. Business Week, July 15, 1996, INTERNATIONAL OUTLOOK; Number 3484; Pg. 53, 585 words, CHINA AND THE U.S. TURN A TEMPEST INTO A TEA PARTY, EDITED BY STANLEY REED; By Amy Borrus in Washington, with Dexter Roberts in Beijing

109. Accountancy, July 1996, Vol. 118, No. 1235 Pg. 28-32; ISSN: 0001-4664; CODEN: ACTYAD, 2832 words, China: This way up, Walker, Tony, 01268392

110. The China Business Review, July, 1996, Vol. 23 ; No. 4 ; Pg. 46; ISSN:



LEXIS·NEXIS™

A member of the Reed Elsevier plc group



LEXIS·NEXIS™

A member of the Reed Elsevier plc group



LEXIS·NEXIS™

A member of the Reed Elsevier plc group

LEVEL 1 - 120 STORIES

0163-7169, 916 words, Perspectives on China and Hong Kong., IAC 18622605

111. The Weekly Standard, June 3, 1996, ARTICLE; Vol. 1, No. 37; Pg. 18, 3873 words, MOST FAVORED NATION -- OR MOST APPEASED?, By Robert Kagan

112. Asiaweek, May 31, 1996, BUSINESS; Pg. 60, 2210 words, Beyond Piracy; China and the U.S. must also tackle other trade problems, By Tim Healy and David Hsieh, BEIJING

113. The Economist, May 25, 1996, U.S. Edition, World Politics and Current Affairs; ASIA; Pg. 35, 1305 words, America's Chinese puzzle

114. Asiaweek, May 24, 1996, THE NATIONS; Trade; Pg. 34, 1038 words, Once More to the Brink; The China-U.S. copyrights tiff goes into overtime, By Todd Crowell, Reported by David Hsieh/Beijing, Sam Gilston/Washington and Alejandro Reyes/Hong Kong

115. Business Week, May 6, 1996, INTERNATIONAL BUSINESS; CHINA; Number 3474; Pg. 48, 1220 words, CHINA SHOVES BACK, By Joyce Barnathan in Beijing and Amy Borrus in Washington

116. Time, April 22, 1996, INTERNATIONAL EDITION; TOKYO; ASIA; Pg. 22, 1469 words, HONG KONG JITTERS; BEIJING'S ADVANCING STEAMROLLER COMES DOWN ON DISSENTERS AND SENDS THE COLONY'S RESIDENTS SCATTERING, ANTHONY SPAETH, REPORTED BY SANDRA BURTON AND JOHN COLMEY/HONG KONG

117. Business Week, March 4, 1996, COVER STORY; COMMENTARY; Number 3465; Pg. 65, 799 words, COMMENTARY: CRAFTING A REALISTIC CHINA POLICY, BY AMY BORRUS; Borrus covers trade and foreign policy in Washington.

118. U.S. News & World Report, February 26, 1996, WORLD REPORT; Vol. 120, No. 8; Pg. 46, 1584 words, How many Chinas?, By Tim Zimmermann; Richard J. Newman; Susan V. Lawrence; Brian Palmer; Philippe B. Moulrier; Kevin Whitelaw, Beijing

119. Journal of International Affairs, Winter 1996, Vol. 49, No. 2 Pg. 309-331; ISSN: 0022-197X; CODEN: POENAI, 9408 words, Addressing the human rights issue in Sino-American relations, Van Ness, Peter, 01296807

120. New Perspectives Quarterly, January, 1996, Vol. 13 ; No. 1 ; Pg. 41; ISSN: 0893-7850, 3006 words, China's muscular nationalism.Revisiting the New World Disorder, Jisi, Wang, IAC 18096591



LEXIS·NEXIS
A member of the Reed Elsevier plc group



LEXIS·NEXIS
A member of the Reed Elsevier plc group



LEXIS·NEXIS
A member of the Reed Elsevier plc group

LEVEL 1 - 28 OF 120 STORIES

Copyright 1999 The National Journal, Inc.
The National Journal

April 17, 1999

SECTION: FOREIGN AFFAIRS; Pg. 1042; Vol. 31, No. 16

LENGTH: 2974 words

HEADLINE: The China Debate (Continued)

BYLINE: John Maggs

HIGHLIGHT:

Critics howl about the shortcomings of the United States' Policy of "engagement" with Beijing.

BODY:

America is in the throes of another of its recurring China crises, this one stemming less from Beijing's misbehavior than from our increasingly murky perception of the Middle Kingdom. The latest crisis has been heightened by the white-hot rhetoric of those holding two warring views of China, each shaped by memories of the not-long-dead Soviet Union.

The resurgent critics of China say recent U.S. policy has amounted to a blunder of historic proportions: Through trade, technical aid, and endless forbearance, we've helped arm a future enemy bent on challenging the United States and dominating Asia. These critics scoff at those who accuse them of being fixated on the black-and-white world of the Cold War, but their harsh language and tough proscriptions do indeed echo those days. The critics demand that U.S. policy-makers reverse the overall decline in U.S. defense spending, that they increase arms sales to Taiwan and deploy a theater anti-missile defense system there, that they retard China's economic growth instead of assist it, and that they isolate China diplomatically. They warn of catastrophe otherwise.

The besieged defenders of the Clinton Administration's policy of "strategic engagement" with China are convinced, conversely, that there is no other practical way to influence Beijing (whatever its sins) while still forestalling a new Cold War. They strongly dispute their critics' claims that engagement has so far produced few concrete results; they point to China's concessions in trade, its pledges to cease mass weapons proliferation, and its expansion of liberties, however limited. The engagers acknowledge that advances in, say, human rights and

We used to let our
fear of the Soviet Union
shape our policy toward China.
Now we are letting our memories
of the Soviet Union shape our
policy toward China.

Critics



LEXIS-NEXIS™

A member of the Reed Elsevier plc group



LEXIS-NEXIS™

A member of the Reed Elsevier plc group



LEXIS-NEXIS™

A member of the Reed Elsevier plc group

weapons nonproliferation have tended to be at least matched by reversals. (In the past few years, Beijing has, for example, allowed a modestly greater expression of individual opinions but meanwhile greatly increased its oppression of organized political dissidents.)

But these losses, the engagers argue, are minor compared with the gains--for the American economy and for the spread of American democratic values--resulting from the dramatic changes that U.S.-style capitalism is bringing to **China**. Thus, say the engagers, the true historic mistake would be to jettison this approach and turn tough, provoking a standoff that could derail American prosperity and reopen the East-West schism.

Not incidentally, this vituperative fight has been nurtured by America's ever-nastier domestic politics. Many Republicans are flocking to the camp of the anti-engagement **China**-hawks because they see an enormous political opportunity in 2000. It's the same opening that candidate Bill Clinton saw in 1992 when he identified George Bush's pursuit of engagement with **China**--an approach descended from the Nixon-Kissinger drawing boards--as "the Achilles' heel" of his foreign policy. Republicans now glimpse a rare opportunity to use Clintonian "triangulation" against the President, joining with liberal Democrats who've traditionally been leading critics of **China**. Former Vice President Dan Quayle, after only three weeks of campaigning, last month repudiated the very **China** policy he had once helped uphold, siding with most of the rest of the GOP presidential pack. Asked whether his shift would help Republicans score political points, Quayle was candid: "I look at it as a wonderful opportunity."

Defenders of engagement appreciate that **China** is now their Achilles' heel. Among the most visible defenders have been not Administration figures but rather the legion of American business executives who regard **China** as one very fat and untapped marketplace. Business is well-suited to counter a Republican attack--but it is not particularly suited to argue credibly that big profits for U.S. companies are promoting freedom and U.S. interests in **China**.

The tendency instead too often has been to refuse to acknowledge even the most obvious evidence that **China**, in some areas, may be working against American interests. The latest example of the circle-the-wagons impulse has been the handling of charges that the White House may have ignored or shrugged off the theft of U.S. nuclear secrets by Chinese spies. As a White House nuclear weapons specialist looked on, nodding, former Democratic House assistant Joseph Cirincione last month argued, improbably, to reporters that America's security wouldn't be notably threatened even if **China** indeed had pilfered from U.S. atomic laboratories the technology that would allow the People's Liberation Army to incinerate five cities with one missile. It was "absurd" and "dishonest" to suggest otherwise, claimed



LEXIS·NEXIS

Ⓜ A member of the Reed Elsevier plc group



LEXIS·NEXIS

Ⓜ A member of the Reed Elsevier plc group



LEXIS·NEXIS

Ⓜ A member of the Reed Elsevier plc group

Cirincione, now a nonproliferation expert at the Carnegie Endowment for International Peace.

And here, politics intrudes again. Because of the political peril facing the Administration, and by extension the Democratic Party, over its **China** policy, many (though not by any means all) Democrats are joining the business community in its absolutist defense of the engagement policy, reflexively springing to Clinton's defense. In this reflexology, anyone who challenges any part of the Administration's approach is branded a Cold War revanchist.

Conversely, the political bonanza many (though again, not all) Republicans see in attacking the White House encourages an uncompromising repudiation of every aspect of the policy, and leads hotheads to brand any attempt at engagement as appeasement--or even treason. Though there are plenty of thoughtful views in between, they are often drowned out by the raucous brawling. Along the way, many people (or at least many among the few who pay much attention to such matters) are left mystified by the posturing and deprived of objective analyses.

As is often the case in Washington's policy debates, both sides have it a little right--and a little wrong--when they look to the Cold War for answers. **China**-hawks are wrong to regard America's stance toward Russia during the Soviet era as a model of rigid principle that must be imitated now with **China**. Engagers, for their part, are wrong to insist that there are no Cold War lessons that could be useful in crafting post-Cold War relations with Beijing. The history of the Cold War does in fact help explain much of the confusion and acrimony over **China**.

Some useful perspective on a crucial stretch of the Cold War appears in Henry Kissinger's just-published book, *Years of Renewal*. Kissinger was the architect of the 1972 opening of relations with **China** and is still the fiercest defender of engagement. But it is his discussion of the Soviet Union, stretching back to the establishment of detente in the Nixon years, that provides food for thought on **China**.

When President Nixon was sworn in, in 1969, the nation had been drained by 20 years of confrontation with Moscow and by the quagmire of Indochina. Nixon faced intense pressure to come up with a new way of dealing with the Soviet Union. Based on a conviction that Soviet intentions had shifted, or could be induced to shift, there was, Kissinger writes, "a widespread and vocal consensus, which had many supporters within the (foreign affairs) bureaucracy, (for) the Administration to initiate immediate negotiations with Moscow on trade, cultural and scientific exchanges, and above all, arms control." Hindsight and the Soviet archives, Kissinger maintains, make clear that such an approach would have been regarded as a show of weakness by a Kremlin still in the grip of the expansionist Brezhnev Doctrine.



LEXIS·NEXIS

A member of the Reed Elsevier plc group



LEXIS·NEXIS

A member of the Reed Elsevier plc group



LEXIS·NEXIS

A member of the Reed Elsevier plc group

Instead, Kissinger, the new White House national security adviser, set out to concoct a policy that would reflect a rethinking of Washington's dealings with Moscow but still display plenty of American backbone. The name given his invention was "detente," a French word that entailed a lessening of hostilities but also implied stability and resolve. In practice, it meant a "flexible nonideological approach" to the Soviets that allowed give-and-take on some issues, relaxing economic, cultural, and scientific exchanges where prudent, but penalizing the Soviets for bad behavior, no matter how minor.

The challenges that Nixon and Kissinger encountered in 1969 are very much like the ones Washington policy-makers now face on **China**. The current U.S.-**China** policy is also widely regarded as obsolete, since it was forged at a time when the paramount concern was forming a new alliance against the Soviet Union. The warm images of Nixon's **China** trip reassured the public, but times have changed.

Now that Russia's military capabilities have rusted away, the buzzwords of the Nixon **China** opening--"strategic partnership" and "spirit of friendship"--sound inappropriate when applied to **China** today, especially in light of **China's** stepped-up repression of dissent, its arms exports, and its possible nuclear spying.

American policy-makers' habit of depicting U.S.-**China** relations as always sunny has diminished the credibility of U.S. policy on the home front. And in **China**, after years of mixed signals from the Administration, America's standing has clearly been undermined by the perception in Beijing that the President is sometimes weak and always prone to policy swings prompted by shifts in the prevailing domestic political winds.

The thorniest confrontation between the two nations on Clinton's watch occurred in 1996, when **China** fired missiles near Taiwan. Clinton immediately dispatched a flotilla of warships to nearby seas to remind **China** of America's treaty obligations to defend Taiwan.

Beijing's leaders were stunned and humiliated when Clinton faced them down; they had thoroughly miscalculated his willingness to use military muscle. In retrospect, that confrontation seems a consequence of Clinton's first-term **China** flip-flop. After linking the overall relationship to progress on human rights and then jawboning **China** for a year, Clinton abruptly dropped the linkage in 1994 when Beijing refused to cooperate.

Re-establishing the credibility of United States policy--here and in **China**--must begin with changing the world's perceptions of America's goals--and of its will to be consistent. The accomplishments of detente (for a time, at least) during the



LEXIS-NEXIS

Ⓜ A member of the Reed Elsevier plc group



LEXIS-NEXIS

Ⓜ A member of the Reed Elsevier plc group



LEXIS-NEXIS

Ⓜ A member of the Reed Elsevier plc group

Nixon era show that this can be done. Kissinger's approach to the Soviet Union involved a broad and somewhat private linkage of the things Moscow wanted most--a summit with Nixon, an easing of trade barriers--to Soviet behavior everywhere. "We insisted," he writes, "that individual negotiations, on trade or arms control, take place in an atmosphere of Soviet political restraint, especially in regard to such long-standing trouble spots as Berlin, the Middle East, and Indochina."

Such linkage currently is missing from U.S.-China relations. Detente showed that a policy presented as a way of defusing tensions can still have a steel spine if the linkages are clear, firm, and not subject to domestic political pressures. A new China policy framed as firmer than engagement (but not as inflexible as containment) can quietly re-establish linkages needed to manage Chinese misbehavior.

Meanwhile, with America's China policy in flux, momentum in the debate is now clearly with the hawks. If there are any doubts about the stakes, there is a cautionary tale in the unraveling of detente with the Soviet Union in the mid-1970s.

Conservatives of the time, who criticized detente as too squishy, had become trapped in "heroic posturing," Kissinger writes. Liberals who had urged flexibility were suddenly united with conservatives over an inflammatory issue: the persecution of Soviet Jews.

They were joined by a vocal new faction, the neoconservatives. Most members of this group (many of them journalists and academics) were former leftists and Socialists who had grown disenchanted with Soviet repression in Eastern Europe and who saw armed attacks on Israel as a Soviet conspiracy. Norman Podhoretz, Midge Decter, Irving Kristol, and Daniel Patrick Moynihan were among these founding thinkers of the movement. In undiplomatic terms, Kissinger essentially calls the neocons self-absorbed dilettantes, "whose defining experience was their own ideological conversion to the pursuit of the Cold War," and not any actual event. "Tactics bored them; they discerned no worthy goals for American policy short of total victory."

In short order, liberals, conservatives, and neoconservatives halted the selective loosening of trade sanctions on the Soviets by pushing through Congress the Jackson-Vanik law, which linked trade to rights of free emigration. They initiated the congressional preoccupation with human rights inside Communist nations that is behind many of Congress's present efforts to alter the course of U.S.-China policy.

Kissinger fixes the beginning of the end of detente as Nov. 25, 1972, when that liberal tribunal, The New York Times, suddenly switched positions and said that closer trade ties had to wait for relief for Soviet Jewry. A similar if less dramatic



LEXIS·NEXIS

A member of the Reed Elsevier plc group



LEXIS·NEXIS

A member of the Reed Elsevier plc group



LEXIS·NEXIS

A member of the Reed Elsevier plc group

shift occurred in the past few years on **China**; The Times now supports linking human rights and trade.

A major development in the current debate over **China** has been an unlikely alliance between traditional liberal critics and conservatives newly radicalized about the long-standing persecution of Christians in **China** and the reports of forced abortions there. The swelling conservative ranks of this alliance have shattered the Republican Party's pro-business support for engagement.

In the liberal-conservative toppling of detente, Kissinger detected a whiff of what he considers the original sin of American foreign policy--idealism inspired by the high-minded strivings of President Woodrow Wilson. "Moral conviction not tempered by a sense of reality leads to self-righteousness, fanaticism and the erosion of all restraint," Kissinger writes. "We cannot abandon national security in pursuit of virtue."

It is widely accepted that Ronald Reagan's unyielding determination to fight the Soviet "evil empire" on every front played a decisive role in forcing the Cold War to closure, with victory for the West. Reagan's arms-race escalation simply made the long struggle too expensive for the Soviet Union to continue. But the Kissinger school would say it was not, say, Reagan's costly commitment to the still-unrealized technology of the Strategic Defense Initiative missile-defense system that drove the Soviet system to its knees. On the contrary, they would say, it was Reagan's untrumpeted flexibility in agreeing to the broadest disarmament pact in history. Kissinger hasn't endorsed any detente-like reformulation of the **China** policy he helped create, but it may be worth considering.

China-hawks aren't merely caught in the grip of Wilsonian Utopianism. And the engagers aren't necessarily as practical as they seem. The engagers might sound pragmatic when they warn that **China** is too big to be isolated, but their optimism is sustained by what may be a false faith. Call it, after The New York Times columnist who is among its foremost champions, Friedmanism: the belief that U.S.-style capitalism can by itself generate individual freedom, representative democracy, and the features of a civil society. Sounds good--but the Asia financial crisis has provided sufficient reason in itself to question this new religion.

What's missing from both extremes now dominating the **China** debate is flexibility, the engine that drove detente. The **China**-hawks can't say yes to Beijing's membership in the World Trade Organization--even if their refusal means thwarting the interests of U.S. business and delaying reforms in **China**--because this would hand a victory to Clinton and to engagement. Clinton ultimately can't say no to a WTO deal, even though it represents his only leverage with Beijing, because putting the brakes on trade with **China** would be an admission that his policy of de-



LEXIS·NEXIS™

Ⓜ A member of the Reed Elsevier plc group



LEXIS·NEXIS™

Ⓜ A member of the Reed Elsevier plc group



LEXIS·NEXIS™

Ⓜ A member of the Reed Elsevier plc group

linking trade from other **China** issues has been a failure.

Is **China** in a military position to challenge America's forces? National security experts with some detachment from the current fracas say **China's** arsenal of 20-odd nuclear missiles and its technologically challenged armed forces are not ready for a fight with the United States. But the real question is: Is **China**, because of its military advances, in a position to challenge America over an issue that matters immensely to **China** and not at all to the average American? The issue, of course, is the freedom of Taiwan. The United States is obligated to defend the island, but American policy essentially (if quietly) accepts Taiwan's eventual reversion to control by mainland **China**. Most analysts believe **China** isn't itching for a fight over Taiwan, but would fight if provoked enough by Taiwan's growing movement for nationhood.

If there is to be a showdown with **China**, this is where it will come, and this danger calls for a policy firm enough to possess a backbone, but not so firm as to force confrontation. Call it engagement with teeth, perhaps--or detente with a smile.

LANGUAGE: ENGLISH

LOAD-DATE: April 19, 1999



LEXIS-NEXIS

A member of the Reed Elsevier plc group



LEXIS-NEXIS

A member of the Reed Elsevier plc group



LEXIS-NEXIS

A member of the Reed Elsevier plc group

THE WHITE HOUSE

Office of the Press Secretary
(Beijing, People's Republic of China)

For Immediate Release

June 29, 1998

REMARKS BY THE PRESIDENT
TO STUDENTS AND COMMUNITY OF BEIJING UNIVERSITY

Beijing University
Beijing, People's Republic of China

10:25 A.M. (L)

PRESIDENT CLINTON: Thank you. Thank you, President Chen, Chairmen Ren, Vice President Chi, Vice Minister Wei. We are delighted to be here today with a very large American delegation, including the First Lady and our daughter, who is a student at Stanford, one of the schools with which Beijing University has a relationship. We have six members of the United States Congress; the Secretary of State; Secretary of Commerce; the Secretary of Agriculture; the Chairman of our Council of Economic Advisors; Senator Sasser, our Ambassador; the National Security Advisor and my Chief of Staff, among others. I say that to illustrate the importance that the United States places on our relationship with China.

I would like to begin by congratulating all of you, the students, the faculty, the administrators, on celebrating the centennial year of your university. Gongxi, Beida. (Applause.)

As I'm sure all of you know, this campus was once home to Yenching University which was founded by American missionaries. Many of its wonderful buildings were designed by an American architect. Thousands of Americans students and professors have come here to study and teach. We feel a special kinship with you.

I am, however, grateful that this day is different in one important respect from another important occasion 79 years ago. In June of 1919, the first president of Yenching University, John Leighton Stuart, was set to deliver the very first commencement address on these very grounds. At the appointed hour, he appeared, but no students appeared. They were all out leading the May 4th Movement for China's political and cultural renewal. When I read this, I hoped that when I walked into the auditorium today, someone would be sitting here. And I thank you for being here, very much. (Applause.)

Over the last 100 years, this university has grown to more than 20,000 students. Your graduates are spread throughout China and around the world. You have built the largest university library in all of Asia. Last year, 20 percent of your graduates went abroad to study, including half of your math and science majors. And in this anniversary year, more than a million people in China, Asia, and beyond have logged on to your web site. At the dawn of a new century, this university is leading China into the future.

I come here today to talk to you, the next generation of China's leaders, about the critical importance to your future of building a strong partnership between China and the United States.

The American people deeply admire China for its thousands of years of contributions to culture and religion, to philosophy and the arts, to science and technology. We remember well our strong partnership in World War II. Now we see China at a moment in history when your glorious past is matched by your present sweeping transformation and the even greater promise of your future.

Just three decades ago, China was virtually shut off from the world. Now, China is a member of more than 1,000 international organizations -- enterprises that affect everything from air travel to agricultural development. You have opened your nation to trade and investment on a large scale. Today, 40,000 young Chinese study in the United States, with hundreds of thousands more learning in Asia, Africa, Europe, and Latin America.

Your social and economic transformation has been even more remarkable, moving from a closed command economic system to a driving, increasingly market-based and driven economy, generating two decades of unprecedented growth, giving people greater freedom to travel within and outside China, to vote in village elections, to own a home, choose a job, attend a better school. As a result you have lifted literally hundreds of millions of people from poverty. Per capita income has more than doubled in the last decade. Most Chinese people are leading lives they could not have imagined just 20 years ago.

Of course, these changes have also brought disruptions in settled patterns of life and work, and have imposed enormous strains on your environment. Once every urban Chinese was guaranteed employment in a state enterprise. Now you must compete in a job market. Once a Chinese worker had only to meet the demands of a central planner in Beijing. Now the global economy means all must match the quality and creativity of the rest of the world. For those who lack the right training and skills and support, this new world can be daunting.

In the short-term, good, hardworking people -- some, at least will find themselves unemployed. And, as all of you can see, there have been enormous environmental and economic and health care costs to the development pattern and the energy use pattern of the last 20 years -- from air pollution to deforestation to acid rain and water shortage.

In the face of these challenges new systems of training and social security will have to be devised, and new environmental policies and technologies will have to be introduced with the goal of growing your economy while improving the environment. Everything I know about the intelligence, the ingenuity, the enterprise of the Chinese people and everything I have heard these last few days in my discussions with President Jiang, Prime Minister Zhu and others give me confidence that you will succeed.

As you build a new China, America wants to build a new relationship with you. We want China to be successful, secure and open, working with us for a more peaceful and prosperous world. I know there are those in China and the United States who question whether closer relations between our countries is a good thing. But everything all of us know about the way the world is changing and the challenges your generation will face tell us that our two nations will be far better off working together than apart.

The late Deng Xiaoping counseled us to seek truth from facts. At the dawn of the new century, the facts are clear. The distance between our two nations, indeed, between any nations, is shrinking. Where once an American clipper ship took months to cross from China to the United States. Today, technology has made us all virtual neighbors. From

laptops to lasers, from microchips to megabytes, an information revolution is lighting the landscape of human knowledge, bringing us all closer together. Ideas, information, and money cross the planet at the stroke of a computer key, bringing with them extraordinary opportunities to create wealth, to prevent and conquer disease, to foster greater understanding among peoples of different histories and different cultures.

But we also know that this greater openness and faster change mean that problems which start beyond one nation's borders can quickly move inside them -- the spread of weapons of mass destruction, the threats of organized crime and drug trafficking, of environmental degradation, and severe economic dislocation. No nation can isolate itself from these problems, and no nation can solve them alone. We, especially the younger generations of China and the United States, must make common cause of our common challenges, so that we can, together, shape a new century of brilliant possibilities.

In the 21st century -- your century -- China and the United States will face the challenge of security in Asia. On the Korean Peninsula, where once we were adversaries, today we are working together for a permanent peace and a future free of nuclear weapons.

On the Indian subcontinent, just as most of the rest of the world is moving away from nuclear danger, India and Pakistan risk sparking a new arms race. We are now pursuing a common strategy to move India and Pakistan away from further testing and toward a dialogue to resolve their differences.

In the 21st century, your generation must face the challenge of stopping the spread of deadlier nuclear, chemical, and biological weapons. In the wrong hands or the wrong places, these weapons can threaten the peace of nations large and small. Increasingly, China and the United States agree on the importance of stopping proliferation. That is why we are beginning to act in concert to control the world's most dangerous weapons.

In the 21st century, your generation will have to reverse the international tide of crime and drugs. Around the world, organized crime robs people of billions of dollars every year and undermines trust in government. America knows all about the devastation and despair that drugs can bring to schools and neighborhoods. With borders on more than a dozen countries, China has become a crossroad for smugglers of all kinds.

Last year, President Jiang and I asked senior Chinese and American law enforcement officials to step up our cooperation against these predators, to stop money from being laundered, to stop aliens from being cruelly smuggled, to stop currencies from being undermined by counterfeiting. Just this month, our drug enforcement agency opened an office in Beijing, and soon Chinese counternarcotics experts will be working out of Washington.

In the 21st century, your generation must make it your mission to ensure that today's progress does not come at tomorrow's expense. China's remarkable growth in the last two decades has come with a toxic cost, pollutants that foul the water you drink and the air you breathe -- the cost is not only environmental, it is also serious in terms of the health consequences of your people and in terms of the drag on economic growth.

Environmental problems are also increasingly global as well as national. For example, in the near future, if present energy use patterns persist, China will overtake the United States as the world's

largest emitter of greenhouse gases, the gases which are the principal cause of global warming. If the nations of the world do not reduce the gases which are causing global warming, sometime in the next century there is a serious risk of dramatic changes in climate which will change the way we live and the way we work, which could literally bury some island nations under mountains of water and undermine the economic and social fabric of nations.

We must work together. We Americans know from our own experience that it is possible to grow an economy while improving the environment. We must do that together for ourselves and for the world.

Building on the work that our Vice President, Al Gore, has done previously with the Chinese government, President Jiang and I are working together on ways to bring American clean energy technology to help improve air quality and grow the Chinese economy at the same time.

But I will say this again -- this is not on my remarks -- your generation must do more about this. This is a huge challenge for you, for the American people and for the future of the world. And it must be addressed at the university level, because political leaders will never be willing to adopt environmental measures if they believe it will lead to large-scale unemployment or more poverty. The evidence is clear that does not have to happen. You will actually have more rapid economic growth and better paying jobs, leading to higher levels of education and technology if we do this in the proper way. But you and the university, communities in China, the United States and throughout the world will have to lead the way. (Applause.)

In the 21st century your generation must also lead the challenge of an international financial system that has no respect for national borders. When stock markets fall in Hong Kong or Jakarta, the effects are no longer local; they are global. The vibrant growth of your own economy is tied closely, therefore, to the restoration of stability and growth in the Asia Pacific region.

China has steadfastly shouldered its responsibilities to the region and the world in this latest financial crisis -- helping to prevent another cycle of dangerous devaluations. We must continue to work together to counter this threat to the global financial system and to the growth and prosperity which should be embracing all of this region.

In the 21st century, your generation will have a remarkable opportunity to bring together the talents of our scientists, doctors, engineers into a shared quest for progress. Already the breakthroughs we have achieved in our areas of joint cooperation -- in challenges from dealing with spina bifida to dealing with extreme weather conditions and earthquakes -- have proved what we can do together to change the lives of millions of people in China and the United States and around the world. Expanding our cooperation in science and technology can be one of our greatest gifts to the future.

In each of these vital areas that I have mentioned, we can clearly accomplish so much more by walking together rather than standing apart. That is why we should work to see that the productive relationship we now enjoy blossoms into a fuller partnership in the new century.

If that is to happen, it is very important that we understand each other better, that we understand both our common interest and our shared aspirations and our honest differences. I believe the kind of open, direct exchange that President Jiang and I had on Saturday at our press conference -- which I know many of you watched on television -- can both clarify and narrow our differences, and, more important, by allowing

people to understand and debate and discuss these things can give a greater sense of confidence to our people that we can make a better future.

From the windows of the White House, where I live in Washington, D.C., the monument to our first President, George Washington, dominates the skyline. It is a very tall obelisk. But very near this large monument there is a small stone which contains these words: The United States neither established titles of nobility and royalty, nor created a hereditary system. State affairs are put to the vote of public opinion.

This created a new political situation, unprecedented from ancient times to the present. How wonderful it is. Those words were not written by an American. They were written by Xu Jiyu, governor of Fujian Province, inscribed as a gift from the government of China to our nation in 1853.

I am very grateful for that gift from China. It goes to the heart of who we are as a people -- the right to life, liberty, and the pursuit of happiness, the freedom to debate, to dissent, to associate, to worship without interference from the state. These are the ideals that were at the core of our founding over 220 years ago. These are the ideas that led us across our continent and onto the world stage. These are the ideals that Americans cherish today.

As I said in my press conference with President Jiang, we have an ongoing quest ourselves to live up to those ideals. The people who framed our Constitution understood that we would never achieve perfection. They said that the mission of America would always be "to form a more perfect union" -- in other words, that we would never be perfect, but we had to keep trying to do better.

The darkest moments in our history have come when we abandoned the effort to do better, when we denied freedom to our people because of their race or their religion, because there were new immigrants or because they held unpopular opinions. The best moments in our history have come when we protected the freedom of people who held unpopular opinion, or extended rights enjoyed by the many to the few who had previously been denied them, making, therefore, the promises of our Declaration of Independence and Constitution more than faded words on old parchment.

Today we do not seek to impose our vision on others, but we are convinced that certain rights are universal -- not American rights or European rights or rights for developed nations, but the birthrights of people everywhere, now enshrined in the United Nations Declaration on Human Rights -- the right to be treated with dignity; the right to express one's opinions, to choose one's own leaders, to associate freely with others, and to worship, or not, freely, however one chooses.

In the last letter of his life, the author of our Declaration of Independence and our third President, Thomas Jefferson, said then that "all eyes are opening to the rights of man." I believe that in this time, at long last, 172 years after Jefferson wrote those words, all eyes are opening to the rights of men and women everywhere.

Over the past two decades, a rising tide of freedom has lifted the lives of millions around the world, sweeping away failed dictatorial systems in the Former Soviet Union, throughout Central Europe; ending a vicious cycle of military coups and civil wars in Latin America; giving more people in Africa the chance to make the most of their hard-won independence. And from the Philippines to South Korea, from Thailand to Mongolia, freedom has reached Asia's shores, powering a surge of growth and productivity.

Economic security also can be an essential element of freedom. It is recognized in the United Nations Covenant on Economic, Social, and Cultural Rights. In China, you have made extraordinary strides in nurturing that liberty, and spreading freedom from want, to be a source of strength to your people. Incomes are up, poverty is down; people do have more choices of jobs, and the ability to travel -- the ability to make a better life. But true freedom includes more than economic freedom. In America, we believe it is a concept which is indivisible.

Over the past four days, I have seen freedom in many manifestations in China. I have seen the fresh shoots of democracy growing in the villages of your heartland. I have visited a village that chose its own leaders in free elections. I have also seen the cell phones, the video players, the fax machines carrying ideas, information and images from all over the world. I've heard people speak their minds and I have joined people in prayer in the faith of my own choosing. In all these ways I felt a steady breeze of freedom.

The question is, where do we go from here? How do we work together to be on the right side of history together? More than 50 years ago, Hu Shi, one of your great political thinkers and a teacher at this university, said these words: "Now some people say to me you must sacrifice your individual freedom so that the nation may be free. But I reply, the struggle for individual freedom is the struggle for the nation's freedom. The struggle for your own character is the struggle for the nation's character."

We Americans believe Hu Shi was right. We believe and our experience demonstrates that freedom strengthens stability and helps nations to change.

One of our founding fathers, Benjamin Franklin, once said, "Our critics are our friends, for they show us our faults." Now, if that is true, there are many days in the United States when the President has more friends than anyone else in America. (Laughter.) But it is so.

In the world we live in, this global information age, constant improvement and change is necessary to economic opportunity and to national strength. Therefore, the freest possible flow of information, ideas, and opinions, and a greater respect for divergent political and religious convictions will actually breed strength and stability going forward.

It is, therefore, profoundly in your interest, and the world's, that young Chinese minds be free to reach the fullness of their potential. That is the message of our time and the mandate of the new century and the new millennium.

I hope China will more fully embrace this mandate. For all the grandeur of your history, I believe your greatest days are still ahead. Against great odds in the 20th century China has not only survived, it is moving forward dramatically.

Other ancient cultures failed because they failed to change. China has constantly proven the capacity to change and grow. Now, you must re-imagine China again for a new century, and your generation must be at the heart of China's regeneration.

The new century is upon us. All our sights are turned toward the future. Now your country has known more millennia than the United States has known centuries. Today, however, China is as young as any nation on Earth. This new century can be the dawn of a new China, proud of your ancient greatness, proud of what you are doing, prouder still of

the tomorrows to come. It can be a time when the world again looks to China for the vigor of its culture, the freshness of its thinking, the elevation of human dignity that is apparent in its works. It can be a time when the oldest of nations helps to make a new world.

The United States wants to work with you to make that time a reality.

Thank you very much. (Applause.)

Q Mr. President, I'm very honored to be the first one to raise question. Just as you mentioned in your address, Chinese and American people should join hands and move forward together. And what is most important in this process is for us to have more exchanges.

In our view, since China is opening up in reform, we have had better understanding of the culture, history, and literature of America, and we have also learned a lot about you from the biography. And we have also learned about a lot of American Presidents. And we have also seen the movie, Titanic. But it seems that the American people's understanding of the Chinese people is not as much as the other way around. Maybe they are only seeing China through several movies, describing the Cultural Revolution or the rural life.

So my question is, as the first President of the United States visiting China in 10 years, what do you plan to do to enhance the real understanding and the respect between our two peoples? Thank you.

THE PRESIDENT: First of all, I think that's a very good point. And one of the reasons that I came here was to try to -- because, as you can see, a few people come with me from the news media -- I hope that my trip would help to show a full and balanced picture of modern China to the United States, and that by coming here, it would encourage others to come here and others to participate in the life of China.

I see a young man out in the audience who introduced himself to me yesterday as the first American ever to be a law student in China. So I hope we will have many more Americans coming here to study, many more Americans coming here to be tourists, many more Americans coming here to do business. The First Lady this morning and the Secretary of State had a meeting on a legal project. We are doing a lot of projects together with the Chinese to help promote the rule of law. That should bring a lot more people here.

I think there is no easy answer to your question. It's something we have to work at. We just need more people involved and more kinds of contacts. And I think the more we can do that, the better.

Is there a another question?

Q Mr. President, as a Chinese, I'm very interested in the reunification of my motherland. Since 1972, progress has been made on the question of Taiwan question, but we have seen that the Americans repeatedly are selling advanced weapons to Taiwan. And to our great indignation, we have seen that the United States and Japan have renewed the U.S.-Japan security treaty. And according to some Japanese officials, this treaty even includes Taiwan Province of China. So I have to ask, if China were to send its naval facility to Hawaii, and if China were to sign a security treaty with other countries against one part of the United States, will the United States agree to such an act; will the American people agree to such an act? (Applause.)

THE PRESIDENT: First of all, the United States policy is not an obstacle to the peaceful reunification of China and Taiwan. Our policy

is embodied in the three communiques and in the Taiwan Relations Act. Our country recognized China and embraced a one China policy almost 20 years ago. And I reaffirmed our one China policy to President Jiang in our meetings.

Now, when the United States and China reached agreement that we would have a one China policy, we also reached agreement that the reunification would occur by peaceful means, and we have encouraged the cross-strait dialogue to achieve that. Our policy is that any weapon sales, therefore, to Taiwan must be for defensive purposes only, and that the country must not believe -- China must not believe that we are in any way trying to undermine our own one China policy. It is our policy. But we do believe it should occur -- any reunification should occur peacefully.

Now, on Japan, if you read the security agreement we signed with Japan, I think it will be clear from its terms that the agreement is not directed against any country, but rather in support of stability in Asia. We have forces in South Korea that are designed to deter a resumption of the Korean War across the dividing line between the two Koreas. Our forces in Japan are largely designed to help us promote stability anywhere in the Asian Pacific region on short notice. But I believe that it is not fair to say that either Japan or the United States have a security relationship that is designed to contain China. Indeed, what both countries want is a security partnership with China for the 21st century.

For example, you mentioned NATO -- we have expanded NATO in Europe, but we also have made a treaty, an agreement between NATO and Russia, to prove that we are not against Russia anymore. And the most important thing NATO has done in the last five years is to work side by side with Russia to end the war in Bosnia. And I predict to you that what you see us doing with China now, working together to try to limit the tension from the Indian and the Pakistani nuclear tests, you will see more and more and more of that in the future. And I think you will see a lot of security cooperation in that area. And we can't see the agreements of today through the mirror of yesterday's conflicts.

Q Mr. President, I've very glad to have this opportunity to ask you a question. With a friendly smile you have set foot on the soil of China and you have come to the campus of Beida, so we are very excited and honored by your presence, for the Chinese people really aspire for the friendship between China and the United States on the basis of equality. As I know that before your departure from the States, you said that the reason for you to visit China is because China is too important and engagement is better than containment.

I'd like to ask you whether this sentence is kind of a commitment you made for your visit or do you have any other hidden sayings behind this smile. Do you have any other design to contain China? (Laughter and applause).

THE PRESIDENT: If I did, I wouldn't mask it behind a smile. (Laughter.) But I don't. That is, my words mean exactly what they say. We have to make a decision -- all of us do, but especially the people who live in large nations with great influence must decide how to define their greatness.

When the Soviet Union went away, Russia had to decide how to define its greatness. Would they attempt to develop the human capacity of the Russian people and work in partnership with their neighbors for a greater future, or would they remember the bad things that happened to them in the past 200 years and think the only way they could be great would be to dominate their neighbors militarily? They chose a forward

course. The world is a better place.

The same thing is true with China. You will decide both in terms of your policies within your country and beyond, what does it mean that China will be a great power in the 21st century? Does it mean that you will have enormous economic success? Does it mean you will have enormous cultural influence? Does it mean that you will be able to play a large role in solving the problems of the world? Or does it mean you will be able to dominate your neighbors in some form or fashion, whether they like it or not? This is the decision that every great country has to make.

You ask me, do I really want to contain China? The answer is no. The American people have always had a very warm feeling toward China that has been interrupted from time to time when we have had problems. But if you go back through the history of our country, there's always been a feeling on the part of our people that we ought to be close to the Chinese people. And I believe that it would be far better for the people of the United States to have a partnership on equal, respectful terms with China in the 21st century than to have to spend enormous amounts of time and money trying to contain China because we disagree with what's going on beyond our borders. So I do not want that. I want a partnership. I'm not hiding another design behind a smile, it's what I really believe. (Applause.)

Because I think it's good for the American people and it's my job to do what's good for them. What's good for them is to have a good relationship with you.

Q Mr. President, I'm going to graduate this year and I'm going to work in Bank of China. Just now, Mr. President, you mentioned the responsibilities of the young generation of the two countries for international security, environment, and the financial stability. I think they are really important. And I think the most important thing is for the young people to be well educated. And I know, Mr. President, you love your daughter very much, and she is now studying at Stanford. So, my question is, several years ago you proposed the concept of knowledge economy -- so, my first question is, what do you think the education of higher learning, what kind of role can this play in the future knowledge economy?

And the second question is, what expectations do you have, Mr. President, for the younger generation of our two countries?

THE PRESIDENT: Let me answer the knowledge economy question first. And let me answer by telling you what I have tried to do in the United States. I have tried to create a situation in America in which the doors of universities and colleges are open to every young person who has sufficient academic achievement to get in, that there are no financial burdens of any kind. And we have not completely achieved it, but we have made a great deal of progress.

Now, why would I do that? Because I believe that the more advanced an economy becomes, the more important it is to have a higher and higher and higher percentage of people with a university education. Let me just tell you how important it is in the United States. We count our people -- every 10 years we do a census and we count the numbers of the American people and we get all kinds of information on them. In the 1990 Census, younger Americans who had a college degree were overwhelmingly likely to get good jobs and have their incomes grow. Younger Americans who had two years or more of university were likely to get good jobs and have their incomes grow. Younger Americans who didn't go to university at all were likely to get jobs where their incomes declined and were much more likely to be unemployed.

And the more advanced China's economy becomes, the more that will be true of China -- the more you will need very large numbers of people getting university education and technical education. So I think it is very, very important.

Now, let me say one expectation I have for the younger generation of Americans and Chinese that has nothing to do with economics. One of the biggest threats to your future is a world which is dominated not by modern problems, but by ancient hatreds. Look around the world and see how much trouble is being caused by people who dislike each other because of their racial or their religious or their ethnic differences -- whether it's in Bosnia, or the conflict between the Indians and the Pakistanis, or in the Middle East or the tribal continents in Africa.

You look all over the world, you see these kind of problems. Young people are more open to others who are different, more interested in people who are different. And I hope young people in China and young people in America that have a good education will be a strong voice in the world against giving in to this sort of hating people or looking down on them simply because they're different.

Thank you. (Applause.)

Q Mr. President, with regard to the question of democracy, human rights and freedom, actually this is an issue of great interest to both the Chinese and American peoples. But, to be honest, our two countries have some differences over these issues. In your address just now you made a very proud review and retrospection of the history of the American democracy in human rights. And you have also made some suggestions for China. Of course, for the sincere suggestions, we welcome. But I think I recall one saying, that is we should have both criticism and self-criticism.

So now I'd like to ask you a question. Do you think that in the United States today, there are also some problems in the area of democracy, freedom, and human rights, and what your government has done in improving the situation? (Applause.)

THE PRESIDENT: I do, and, first of all, let me say, I never raise this question overseas in any country, not just China, without acknowledging first, that our country has had terrible problems in this area -- keep in mind, slavery was legal in America for many years -- and that we are still not perfect. I always say that, because I don't think it's right for any person to claim that he or she lives in a perfect country. We're all struggling toward ideals to live a better life. So I agree with the general point you made.

Now, I will give you two examples. We still have some instances of discrimination in America -- in housing or employment or other areas based on race. And we have a system set up to deal with it, but we have not totally eliminated it. And in the last year, I have been engaging the American people in a conversation on this subject, and we have tried to identify the things that government should do, the things that the American people should do either through the local government or through other organizations, and the attitudes that should change the minds and hearts of the American people. So that's one example.

Now, let me give you another example. We have -- when I ran for President in 1992, I was in a hotel in New York City, and an American immigrant from Greece came up to me and he said, my son is 10 years old and he studies the election in school and he says I should vote for you. But he said, if I vote for you, I want you to make my son free, because my son is not really free. So I asked this man, what do you mean? And

he said, well, the crime is so high in my neighborhood, there are so many guns and gangs that my son does not feel that he -- I can't let him walk to school by himself, or go across the street to play in the park. So if I vote for you, I want you to make my son free.

I think that's important, because, you see, in America, we tend to view freedom as the freedom from government abuse or from government control. That is our heritage. Our founders came here to escape the monarchy in England. But sometimes freedom requires affirmative steps by government to give everyone an equal opportunity to have an education and make a decent living and to preserve a lawful environment. So I work very hard to try to bring the crime rate down in America, and it's now lower than it has been at any time in 25 years, which means that more of our children are free. But the crime rate is still high; there is still too much violence.

So we Americans need to be sensitive not only to preserve the freedoms that we hold dear, but also to create an environment in which people can build a truly good and free life.

That's a good question. (Applause.)

Q Mr. President, you are warmly welcome to Beida. You mentioned a sentence by Mr. Xu Jiyu, but our former president once said that when the great moral is in practice, the morals, they will not contradict each other. And I don't think the individual freedom and the collective freedom will contradict each other. But in China the prosperous development of the nation is actually the free choice of our people, and it's also the result of their efforts. So I think that freedom, real freedom, should mean for the people to freely choose the way of life they like and also to develop. And I also think that only those who can really respect the freedom of others can really say that they understand what freedom means. (Applause.)

I don't know whether you agree with me or not.

THE PRESIDENT: First of all, if you believe in freedom, you have to respect the freedom of others to make another choice. And even societies that have rather radical views of individual freedom recognize limits on that freedom when it interferes with preserving other people's rights.

For example, there's one of our famous court cases which says we have freedom of speech, but no one should be free to shout the word "fire" in a crowded movie theatre where there is no fire, and cause people to stampede over each other. There's another famous court decision that says my freedom ends where the other person's nose begins, meaning that you don't have the freedom to hit someone else.

So I agree with that. People have the freedom to choose and you have to respect other people's freedom and they have the right to make decisions that are different from yours. And there will never be a time when our systems and our cultures and our choices will be completely identical. That's one of the things that makes life interesting.

Q Mr. President, I have two questions. The first question is, the U.S. economy has been growing for more than 18 months, so I'd like to ask, apart from your personal contribution to the United States, what other factors do you think important for the success of the U.S. economy? Maybe they can serve as good reference for China.

The second question is, when President Jiang Zemin visited Harvard University last year, there were a lot of students outside the hall demonstrating, so I'd like you, Mr. President, if you are in Beijing

University, and if there were a lot of students outside protesting and demonstrating, what feeling would you have?

THE PRESIDENT: Well, first of all, on the United States economy, I believe that the principal role of government policy since I've been President was to, first of all, get our big government deficit -- we had a huge annual deficit in spending -- we got that under control. We're about to have the first balanced budget in 30 years. That drove interest rates down and freed up a lot of money to be invested in creating jobs in the private sector. Then the second thing we did was to expand trade a lot, so we began to sell a lot more around the world than we had before. And the third thing we did was to attempt to invest more in our people -- in research, development, technology, and education.

Now, in addition to that, however, a lot of the credit here goes to the American people themselves. We have a very sophisticated business community; they were investing money in new technologies and in new markets and in training people. We have an environment where it's quite easy for people to start a business, and perhaps this is the area that might be most helpful to China.

I know that my wife has done a lot of work around the world in villages, trying to get credit to villagers so they could borrow money to start their own businesses, to try to take advantage of some skill they have. And we have seen this system work even in the poorest places in Africa and Latin America, where opportunity takes off.

So we have tried to make it easy in America for people to start a business, to expand a business, and to do business. And then we have also tried very, very hard to get new opportunities into areas where there were none before. And all these things together -- but especially, I give most of the credit to the people of my country. After all, a person in my position, we're supposed to have correct policies so that we create a framework within which the American people then create the future. And I think that is basically what has happened.

Now, you asked me an interesting question. Actually, I have been demonstrated against quite a lot in the United States. I told President Jiang when he was there, I was glad they demonstrated against him, so I didn't feel so lonely. (Laughter and applause.)

I'll give you a serious answer. If there were a lot of people demonstrating against me outside, suppose they were demonstrating over the question that the first gentleman asked me. Suppose they said, oh, President Clinton is trying to interfere with the peaceful reunification of China and Taiwan, and he shouldn't be selling them any weapons whatever. Well, I would try to find out what they were demonstrating against and then I would ask my host if they minded if I would go over and talk to them, or if they would mind if one or two people from the group of demonstrators could be brought to see me and they could say what is on their minds, and I could answer.

Remember what I said before about what Benjamin Franklin said -- our critics are our friends, for they show us our faults. You have asked me some very good questions today that have an element of criticism in them. They have been very helpful to me. They have helped me to understand how what I say is perceived by others -- not just in China, but around the world. They have helped me to focus on what I can do to be a more effective President for my people and for the things we believe in.

And so I feel very good that we have had this interchange. And

from my point of view, the questions were far more important than my speech -- I never learn anything when I'm talking, I only learn things when I'm listening.

Thank you very much. Thank you. (Applause.)

END

11:22 A.M. (L)

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

April 8, 1999

REMARKS BY THE PRESIDENT
AND PREMIER ZHU OF THE PEOPLE'S REPUBLIC OF CHINA

State Dining Room

9:04 P.M. EDT

THE PRESIDENT: May I have your attention, please. Can you hear? Ladies and gentlemen, Premier Zhu, Madam Lao, distinguished members of the Chinese delegation; to all of our guests here. And I would like to say a special word of welcome to two special Americans who made an extraordinary effort to be here tonight -- Reverend Billy Graham, and his wife, Ruth. We thank them for joining us. Thank you very much. (Applause.)

I would like to begin with two profound observations about China. The Chinese civilization has dazzled the world for thousands of years, and the Chinese do not have a tradition of long speeches before dinner. (Laughter.) I think there must be a connection. (Laughter.) Therefore, I will be brief.

It is not as brief in Chinese as in English. (Laughter.)

Since 1784, Chinese and Americans have shared a lively dialogue over how to achieve common cause in the countless pursuits that animate great nations. Thomas Jefferson took care to promote what he called "good dispositions" between the United States and China. Abraham Lincoln, in his first annual message to Congress, predicted our extensive trade with China. And, of course, Franklin Roosevelt made it America's purpose to join with China in defense of freedom.

Our dialogue and cooperation have now survived over two centuries, and over considerable challenges. Today, the Premier and I worked hard to renew both. We spoke to each other with candor and respect about our hopes for our people and our children's future. Sometimes speaking candidly is difficult.

Premier Zhu, I know your own life bears witness to this painful truth. But as you said this morning, only good friends tell each other what they really think. If you're right about that, you've turned out to be quite a good friend, indeed. (Laughter.)

As you know, the American people are glad to see you, and to return the hospitality you so generously extended to Hillary and me and our delegation last year. People are interested in you. After all, there aren't many leaders who understand both the intricacies of global finance and the intricacies of the Beijing Opera, who play the huqin, a kind of Chinese fiddle, and who voice both blunt political views and blunt musical opinions.

For example, this morning's New York Times reported that you said Western opera makes you want to take a nap. (Laughter.) I hope Yo-Yo Ma understands the pressure on him tonight. (Laughter.)

Premier, we have profound respect for your efforts to change China in sweeping ways, to build a 21st century China in which all Chinese have a chance to live full and prosperous lives. Of course, we have some differences over what is required to achieve that goal. And here in America we are still trying, ourselves, to form the "more perfect union" of our founders' dreams.

But we both believe tomorrow can be better than today, and we believe that our responsibility is to make it so before our brief journeys through life are over.

Last year on March the 5th, the Chinese people celebrated the centennial of the birth of the first premier of the People's Republic, Zhou Enlai. Americans still remember well the man who greeted President Nixon in 1972 and said to him in a toast: "The people, and the people alone, are the motive force in the making of world history." "We are confident," he went on to say, "that the day will surely come when this common desire of our two peoples will be realized."

Mr. Premier, as Zhou Enlai's successor, you have done much to bring this day closer.

Ladies and gentlemen, please join me in a toast to the Premier of China, Zhu Rongji, Madam Lao and the people of China.

(A toast is offered.) (Applause.)

PREMIER ZHU: Mr. President and Mrs. Clinton, ladies and gentlemen. May I begin by extending on behalf of my wife and colleagues, and also in my own name, our heartfelt gratitude to you, Mr. President and Mrs. Clinton, for hosting this grand dinner for us. I also wish to take this opportunity to express our sincere appreciation to the government and the people of the United States, especially to my old friends present today, for the very warm welcome and hospitality. (Applause.)

This year marks the 20th anniversary of the establishment of diplomatic ties between China and the United States. So this relationship has traversed a quite tortuous course in the past two decades. But I always believe that the friendly relations and the cooperation between China and the United States are developing and growing in greater depth and scope, and also with constant improvement in its quality.

Following the successful and historical visits by President Clinton and President Jiang, China and the United States are working together to build towards a constructive strategic partnership. Such a partnership will serve the interests of people of both our countries, and also the interests of the people in the world. So we should steadfastly stay this course.

Disagreements are unavoidable between any friends, but I have every confidence that any problem between China and the United States can be resolved through friendly consultations. We share the responsibility to further enhance mutual understanding and also increase exchanges between our two countries and the two peoples, so as to further develop the friendship between us.

Just now, in his toast, President Clinton mentioned the Chinese civilization. As a matter of fact, today, in the White House, I learned a lot about the American civilization. Today, I also went to visit Abraham Lincoln's bedroom, and I also saw that manuscript by him of the Gettysburg Address. I learned that address when I was in my middle school years, and at that time I could recite it, but I'm afraid now I cannot do so. (Laughter.) There's "of the people, by the people, and

for the people." (Laughter and applause.)

Meanwhile, I also had the opportunity of visiting the place where President Roosevelt made his very famous Fireside Chats. It gave me very great pleasure to have this opportunity to see that site, because during the second world war, we already had the pleasure of reading that.

And I especially, very appreciate the welcoming ceremony held today and also the ceremony before this evening's dinner. I think these ceremonies are very grand, and also make us feel very close to each other. Well, in China, we don't have such ceremonies. But I also would like to say something quite honest, because President Clinton said I'm a man famous for being quite honest. Just now, just at the receiving line, because by standing there for so long, I felt that I couldn't move my legs, so it's really -- (laughter) -- it's terrible for me.

But anyway, I think this is a very good ceremony and very good practice. That is, through such handshakes, this can bring me closer to each and every guest to this evening's dinner. The reason why, it's terrible for me because I'm already 70 years old, not as young as President Clinton. (Laughter.)

Maybe I should not have been so honest -- just now, President Clinton also said that the Western opera makes me want me to take a nap. Here, I'd like to explain. Please, don't misunderstand me. It is said that I took a nap when I watched the Western opera, but that's not true. I just said I just wanted to take a nap, but not really took a nap. (Laughter.) And also, more than that, I have not taken a nap and also I applauded and clapped my hands very hard. But I'm afraid maybe sometimes I clapped my hands at the wrong time. (Laughter.)

So I really believe that to strengthen culture exchanges between China and the United States is a very necessary way for promoting a lasting friendship between our two peoples.

I wish to let you know that today we had very friendly, candid, constructive and productive talks with President Clinton and his colleagues. We have reached agreements on many issues, and we have enhanced mutual understanding on the issues over which we still have some disagreements. And we have also reached concrete agreements on several areas. For instance, on the question of China's accession into the WTO, we are going to make a joint statement. And we have also reached agreement on the SPS -- that's the agriculture issue -- as a part of the WTO negotiation, and I believe this agreement will get the full support of all of you present tonight.

But I think the most important part of my visit to the United States is in the coming days; that is to say, during my traveling in the United States to several cities, and to have direct contact with the American people, so as to enhance our mutual friendship.

I think I should take the advice from President Clinton, because today, he told me a story about one of your Presidents in history who died after two hour-long speech. So I just cannot go on talking. (Laughter.) But, still, although I've tried my best, but I cannot do as well as President Abraham Lincoln did, because his speech, Gettysburg speech, was only two and a half minutes, but I believe this speech will forever be remembered by people throughout the world in the years and the decades and centuries to come.

So let's please join me in raising your glass to propose a toast to the health of President and Mrs. Clinton, to the health of all the friends present tonight, and to the friendly relations and the

cooperation between China and the United States of America.

(A toast is offered.) (Applause.)

END

9:28 P.M. EDT

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

April 8, 1999

JOINT PRESS CONFERENCE OF THE PRESIDENT
AND PREMIER ZHU RONGJI OF THE PEOPLE'S REPUBLIC OF CHINA

Presidential Hall

3:51 P.M. EDT

THE PRESIDENT: Good afternoon. Please be seated. Premier Zhu and members of the Chinese delegation, I want to thank you again for coming to the United States. It is important for the leaders of America and China to meet regularly.

Today we were able to make progress in areas that benefit both the American and Chinese people. We had the chance to speak directly and openly on matters where we have disagreements. We reviewed our ongoing efforts to enhance the security of both our nations, and to build world peace and stability -- in our efforts to seek peace on the Korean Peninsula, to work with India and Pakistan to curb their nuclear competition, to join in adherence to international agreements limiting the spread of weapons of mass destruction.

In that regard, let me say I hope that both our nations soon will ratify the Comprehensive Test Ban Treaty to end all nuclear testing.

We also discussed our common efforts to increase prosperity for both our nations. Economic is Premier Zhu's primary portfolio. With his leadership, China's economy has withstood Asia's financial turmoil and helped to mitigate its impact on other nations in the region. Now, with Asia's recovery underway, but regional growth still fragile, Premier Zhu has been squarely addressing China's toughest economic challenges -- reforming state-owned industries and financial institutions, rooting out corruption, bringing China into the Information Age, and expanding international trade. These efforts will benefit China and its trading partners, including America's businesses, workers and farmers.

Our nations also will benefit from new cooperative initiatives we have agreed upon in recent days -- to develop a private housing market in China; to create a U.S.-China dialogue on job training and labor rights; to support clean energy projects in China. Today we will sign a civil aviation agreement that will double passenger and cargo flights between our countries, bringing jobs and economic activity to both.

And after extensive efforts by our negotiators, China has agreed to direct all its government agencies to use only licensed computer software, which will greatly assist our software industry in China, now the world's fifth-largest personal computer market. Additionally, we have reached an important agreement that will open China's markets for U.S. exports of citrus, meat products, and Pacific Northwest wheat, all highly important for our farmers.

I am also pleased we have made significant progress toward bringing China into the World Trade Organization on fair commercial terms, although we are not quite there yet. A fair WTO agreement will go far toward leveling the playing field for our companies and our workers in China's markets; will commit China to play by the rules of the international trading system, and bring China fully into that system in a way that will bring greater opportunity for its citizens and its industries as well.

Today, we are issuing a joint statement recording the significant progress we have made on WTO and committing to work to resolve all remaining issues this year.

Ultimately, to succeed in the market-based, information-driven world economy, China must continue its efforts toward reform. Premier Zhu has worked very hard on them. There is still work to be done, and we want to support China in its efforts to strengthen its legal system, impose stronger labor and environmental protections, improve accountability, give citizens greater freedom and increase their access to information.

We disagree, of course, on the meaning and reach of human rights, because I am convinced that greater freedom, debate and openness are vital to improving China's citizens' lives as well as China's economy over the long run. It is troubling that in the past year, China has taken some steps backwards on human rights and arresting people basically for seeking to express their political views. I also regret that more progress has not been made to open a dialogue with the Dalai Lama.

We honor China's remarkable achievements, its greater prosperity and the greater range of personal choices available to its citizens, as well as the movement toward local democracy. We appreciate the magnitude of its struggles, far greater than those faced by any other country in the world. But the American people and, indeed, people all around the world, believe that all persons are entitled to fundamental freedoms that include freedom of speech, religion and association.

I hope that China's leaders will conclude that in these areas, too, benefits of change outweigh the risks. I hope and believe we can make the kind of progress together that will enable both of us to have the kind of strong partnership that would be very much in the world's interest in the 21st century -- a partnership against war and terrorism, against dangerous weapons and crime, far better health care and education, for a cleaner environment, achievements in the arts and the sciences, a deepening of democratic values and prosperity for all our citizens and indeed, for all the world.

I have no illusions that cooperation with China can resolve all of our differences. Our countries are too large, our backgrounds are too different. Where our interests diverge, we will continue to stand for our values and to protect our national security. But a policy of confrontation for confrontation's sake, as I said yesterday, will accomplish nothing but the fulfillment of the bleakest prophecies held by people in both the United States and China.

Yesterday I said we should not see this relationship through rose-colored glasses, nor should we see it through a glass darkly. We should see it with clear eyes. It is in the interest of the American people and the Chinese people that whenever we can cooperate, we should. This relationship, complex though it may be, is profoundly important to the future of every American and every Chinese citizens, and indeed, to all the world.

Premier Zhu.

PREMIER ZHU: Thank you. Ladies and gentlemen, I'd like to thank President Clinton for his invitation, and now the delegation of the People's Republic of China is visiting the United States. And today I'm very honored to join President Clinton, to meet all the friends coming from the press. And I am ready to convey through the friends from the media my most sincere greetings and best regards to the American people.

From the moment since I set foot on the American soil, which started from Los Angeles -- when maybe God did not welcome me very much, for it rained very hard -- but it appears to me that the American people like me. And today, we received a very grand welcome from the President and we had a very good talk with the President and his colleagues. And at noon, I also attended a very grand luncheon hosted by Secretary Albright, which was an opportunity for me to meet many old friends.

I believe that our talks were frank and candid, and they were constructive and fruitful. Naturally, the result has not been measured by how many agreements we may have reached -- I believe we've already reached quite a number of agreements. What is the key that the PRC delegation is able to have the opportunity of meeting people from different walks of life in the United States and that we can have an opportunity to talk directly to the American people to explain to them what is our views.

As I said in the morning, it is not that only friends who say yes to you are good friends; we believe that maybe the friends who are able to say no to you are the best friends for you.

And from Washington, I will also travel to Denver, to Chicago, to New York and to Boston where I will meet quite a lot of friends from the United States. I'm ready to talk to them, and I'm also prepared to argue, to debate with them. I believe by doing so, we will be able to promote the communication and mutual understanding between our two peoples, thus promoting the relationship between us -- or, rather, the objectives of working to build a constructive strategic partnership between the two sides as opened up by the two Presidents, and also to continue to develop the friendship between us.

As the President said earlier this morning, we also reached certain agreements on the WTO question, and we shall issue a joint statement. On this question and also on these areas we've already agreed upon, such as on the agricultural questions, we will sign certain agreements. In my view, all these will further promote the development of friendship and cooperation between China and the United States.

And today I am ready to answer your questions in a very candid manner. But as the Premier of China, I took my office only on the 17th of March last year, and today is my first time to experience such press conference -- so my heart is now beating. (Laughter.) I'm not as experienced as the President, because the President is very experienced in dealing with you. (Laughter.) I'm not that experienced, so should I say something which is not appropriate very much, I do hope that you will exercise certain leniency and try to promote what is good and try as much as you can to cover what may not be that appropriate. Thank you. (Laughter.)

Q Thank you, Mr. Premier. As a matter of fact, before your visit to the United States, and also since you set your foot on the American soil, many of our leaders have such a question -- that is, given such difficulties that the China-U.S. relations encountered, why

did you still decide to visit the United States as scheduled? What are your real thoughts? And how do you think China-U.S. relations should develop at the turn of the century?

PREMIER ZHU: Are you asking me to tell you the truth? To tell you the truth, I was really reluctant to come. (Laughter.) Two days before my departure from China to the United States, I received two congressional delegations from the United States, one headed by Mr. Thomas, the other by Mr. Roth. All together, more than 20 senators and congressmen were at the meetings. I said to them, as the current political atmosphere in the United States is so anti-China, I really lack the guts to pay the visit to the United States at present. And they told me that you should go; we welcome you, because we Americans like your new face.

I said, my old friend, Ambassador Sasser told me he was going to go back to the United States before me and he was going to each and every place that I was going to visit to introduce me to the local people and also to promote my trip. And he also told me that he was fully prepared to be even beaten black and blue, and maybe with a bandage wrapped around his face when he saw me in the United States. Then I said, even your Ambassador Sasser, an American, had such a risk of being beaten black and blue, then what would my fate be as a Chinese? Will my new face be turned into a bloody face? (Laughter.)

The senators and the congressmen didn't give me any guarantee. But President Jiang Zemin decided that I should come according to a schedule, and he is number one in China so I had to obey him. Now, I can tell you that I am now in a much better mood than when I was just about to make the trip, because since I came to the United States I've seen so many friendly faces and I've been accorded very warm welcome and reception.

I believe that through my current visit to the United States I will be able to contribute some of my part to the continued growth of the friendly relations and the cooperation between China and the United States. And more than that, I will also be able to get more understanding from the American people and maybe develop more consensus with the American side on the issues over which we still argue.

And we'll also be able to conclude several agreements in the economic field -- for instance, on SPS. And, actually, our negotiations in the field of WTO have been going on for 13 years. And on the part of the Chinese side, we have already made a lot of concessions. For instance, in the area of TCK wheat, now we have already agreed to lift the ban on the exports of wheat from seven American U.S. states to China. And now we have also decided to lift the restriction on the export of citrus from four states of the United States, including California, to China.

On the question of China's accession into the WTO, in my view, the gap between the two sides is really not very significant. Maybe Mr. President does not quite agree with me on that; their side still believes that the gap is significant. So that's why at present we are only in a position to sign a joint statement instead of a full package agreement.

If you want to hear some honest words, then I should say that now the problem does not lie with this big difference or big gap, but lies with the political atmosphere. But we are very optimistic about the prospect of the development of friendly relations and the cooperation between China and the United States.

As I said this morning, I don't think there's any problem or

question between our two countries that cannot be resolved satisfactorily through friendly consultations.\

As for some other issues, such as human rights and the Dalai Lama, President Clinton mentioned all these issues in his opening remarks. I think we have enough time to argue over these questions, so I don't want to dwell on these questions long here.

Q Mr. President, I have a three-part question on -- (laughter)--

THE PRESIDENT: You learned from her, right?

Q -- on Kosovo. Solana says that there are ongoing discussions on ground troops. Has the U.S. position changed? Question two: Has the Cypriot intervention helped to pave the way for the release of the American servicemen? And, three: Is Milosevic a war criminal by Nuremburg standards?

THE PRESIDENT: The answer to the first question is, no, I believe our present strategy will work if we can keep the allies with it. The answer to the second question is, I don't know. I hope so. We would like to see the servicemen released because they never should have been detained in the first place. They were in Macedonia; they had nothing to do with the operations against Serbia. And I would be for anything honorable that would secure their release, obviously.

The answer to the third question is that that is, strictly speaking, a legal decision that has to be made, but I certainly think it should be looked into.

Q Why are nine commanders named by the State Department to be possibly indicted, and you don't mention Milosevic?

THE PRESIDENT: The answer to that is, I'm not sure. The question I want to emphasize to you is, when you start talking about indicting people there are laws, there are standards of proof, there are coverages, there are all those issues. We have asked that this be looked at.

What we do know is this. Let's look at what we know. What we know is that by a deliberate policy he has caused hundreds of thousands of people to be refugees. We know that thousands of innocent people have been killed -- defenseless, completely defenseless people. We know that people were herded up and pushed to the borders and pushed over the borders. And today you all have stories saying that the same borders that people were herded up and pushed over or pushed up next to are now being mined, so if they try to get across them to save their lives they can be blown up.

We know that he supported, strongly, the Serbian actions in the Bosnian War, which led to the deaths of over a quarter million people and over 2.5 million people being made refugees.

Now, the important thing to me is to stop the killing, to stop the exodus, to see the refugees return, to see them safe, to see a political solution that gives them the autonomy that they were promised, to have an international peacekeeping force that will prevent this from happening again.

But I have been very clear, Helen -- I think quite unambiguous that, on the war crimes issue, that is something -- we have a tribunal set up for that. We have people whose job it is to make that determination. They should examine it and make that determination.

And I think that's all that is appropriate for me to say, because it's not my job and I'm not a legal expert on that question. But I do think that the facts are clear. The humanitarian suffering and loss here is staggering, and it is a repeat of what we saw in Bosnia. And it is his direct political strategy for first getting, and then maintaining, power. And the human loss has been breathtaking.

Q Seven hours before you landed in Andrews Air Force Base yesterday, President Clinton made a foreign policy speech in which he mentioned the sending of carriers to the waters in the Taiwan Straits in March 1996. And he said that that move had helped maintain the security in the Taiwan Straits. So, in your view, how do you see the effect of the military capabilities of the United States on the situation across the Taiwan Straits? And do you think there should be a timetable for the reunification of the mainland and Taiwan of China? And do you wish to pay a visit to Taiwan?

PREMIER ZHU: The policy of China and the reunification of the mainland and Taiwan of China is a very clear-cut one and the President Jiang Zemin has already expounded on China's policy in this regard. So I don't see the need for me to reiterate here.

Since the return of Hong Kong to the motherland, the policy of one country, two systems, Hong Kong people administering Hong Kong, Hong Kong enduring a high degree of autonomy, have been fully implemented, which is a fact there for the people in the entire world to see. And our policy for the reunification of China with Taiwan is more generous than our policy towards Hong Kong. That is to say, Taiwan will be allowed to maintain its army, and we're also prepared to let the head of Taiwan come to the central government to serve as the deputy head.

But as for whether he or she is able to be the head, then I'm not sure. But I'm afraid it would not get enough votes. Nobody would vote for him.

On the question of the reunification, the Chinese government has repeatedly stated that we strive for a peaceful reunification of the motherland, but we have never undertaken to renounce the use of force in this regard. Because if we were to make such a pledge, make such an undertaking, then I'm afraid that Taiwan would be in the perpetual state of separation from the motherland.

Just now, in the Oval Office of President Clinton, I saw the portrait of President Abraham Lincoln. Abraham Lincoln, in order to maintain the unity of the United States and oppose independence of the southern part, he had resorted to the use of force and fought a war for that, for maintaining the unity of the United States. So I think Abraham Lincoln, President, is a model, is an example.

As for whether I'm going to visit Taiwan, since none of them have issued an invitation to me, so how can I go there and in what capacity should I go there? I hope you will also help me to think of this. (Laughter.) Thank you.

THE PRESIDENT: I think I have to say just one thing, if I might -- since I got zapped by Abraham Lincoln. (Laughter.) First of all, the United States has a one-China policy and I have reaffirmed that at every opportunity. I do so again today.

Secondly, we believe that this matter should be resolved peacefully. The facts of the relationship between Taiwan and China over the last 50 years are somewhat different than the facts leading up to the American Civil War, as I'm sure that you would all agree.

It does seem to me that China and Taiwan, apart from the blood ties of being Chinese -- even the native Taiwanese -- that you have a lot to offer each other, including economic power, but beyond that as well.

And so I hope that we will see a resolution of this. And I think if the Premier is as humorous and clever in Taiwan as he is here, I think it would be a good thing for him to go. (Laughter.)

PREMIER ZHU: President Clinton's black and blue. (Laughter.)

Q A question to the Premier. Sir, how do you respond to charges that China stole nuclear warhead designs and perhaps neutron bomb technology from the United States, and also funneled hundreds of thousands of dollars to President Clinton's reelection campaign? (Laughter.)

And, Mr. Clinton, do you find any of these charges credible? And what do you say to criticism that your policy of engaging China has benefited China, and not penalized them at all for human rights abuses, trade problems, and espionage?

PREMIER ZHU: In the capacity of the Premier of the State Council of the People's Republic of China, I'd like to make a very solemn statement here that I have no knowledge whatsoever of any allegation of espionage or the theft of nuclear technology. And I don't believe such a story.

I've also asked President Jiang, and he does not have any knowledge of that at all. It is not the policy of China to steal so-called "military secrets" from the United States. And I don't think there can be such a problem, given the tight security measures in the United States and advanced technology. Although, it seems that to the technology, with regard to this microphone, is not that advanced. (Laughter.)

I think it's entirely impossible for China to have any effective -- or to steal any nuclear technology or military secrets from the United States effectively under such conditions, such tight security measures.

In the scientific exchanges between scholars of our two countries, they may have some exchanges concerning defense technologies. But I don't believe that such exchanges will involve any substantive or key technologies.

As a senior engineer, I've been in charge of the industry in China for more than 40 years, and I have never known any of our most advanced technology came from the United States. But the technology development, or technologies, are the common heritage or common property of mankind. And in scientific inventions, actually, all roads lead to Rome. And in terms of the missile and the nuclear technologies, indeed, we have learned that from foreign countries.

While in the area of missile technology, the pioneer in China is Mr. Tienjasen (phonetic), who returned from the United States. And in terms of the nuclear technology the pioneer in China is Chenseng Chung (phonetic), who returned from the lab of Madam Curie of France. But I can assure you that when they returned back, they didn't bring back even a piece of paper; they just brought back with them their brains.

That's why I said at the press conference last March that I

hope you don't underestimate your own ability, your own security ability, or your own ability to keep secrets, and don't underestimate the capability of the Chinese people to develop their own technology.

At a luncheon hosted by the mayor of Los Angeles, the wife of the mayor asked me, how are you going to celebrate the 50th anniversary of the founding of the People's Republic? I told her that we planned to hold a very grand military review and also the latest weaponry will be on display. And I also told her that all the weaponry are developed by China itself, not stolen from the United States. The wife of the mayor gave me advice, and she said, maybe you should put a sign on the weaponry, the missiles, that say, "Made in China, not from the United States." I appreciated her sense of humor very much, and I said, that's a good idea. (Laughter.)

Mr. Clinton stated in the speech that the United States has more than 6,000 nuclear missiles, while China only has less than two dozen. I think he knows better than I do. I, to tell you the truth, don't know the exact number of missiles that we have. (Laughter.) Although I do not know the exact number of our missiles, I agree with you in your conclusion -- that is, we have a very small number of missiles, and you have a very large number. So China does not constitute a threat whatsoever to the United States.

On the allegation of political contributions or campaign financing, I can also state in a very responsible manner here that neither I, nor President Jiang Zemin, know anything about that. And we, too, also once asked the senior military leaders in China, and they told us they didn't have any knowledge of that.

I think this shows that some Americans really had underestimated us. If the political contribution were to be really that effective, then now I have \$146 billion U.S. of foreign exchange reserved, so I should have put out at least \$10 billion U.S. for that purpose -- why just \$300,000? That would be too foolish. (Laughter.) I've learned that some people have spent a lot in lobbying here, but I never believed such rumors.

I think through such mutual discussions and even debates, we can develop consensus and reach agreement on many issues. That will serve the interests of both the Chinese and American peoples. And we also trust the American people and we, actually, we have never and we would not do such kind of thing.

THE PRESIDENT: Let me respond to the question you asked me. First of all, with regard to the two issues, the campaign finance issue and the espionage allegations, I raised both these issues with Premier Zhu last night. He gave me the same answer he just gave you today. And my response was that I hope that he and his government would cooperate with these two investigations.

You know, China is a big country with a big government. And I can only say that America is a big country with a big government, and occasionally, things happen in this government that I don't know about. And so I think it's important that we continue the investigation and do our best to find out what happened, and I asked for his cooperation.

Now, as to the second part of your question, which is, what do we get out of this -- the sort of anti-China crowd in America says. First of all, the implication is that if someone wants to have a relationship with us, they should agree with us about everything -- that's just not going to happen.

But I would like to point out the following things. Because

of our cooperation with China, we have lessened the tensions on the Korean Peninsula for several years, China has participated with us in any number of arms control initiatives, including an agreement to restrain its transfers of dangerous weapons and technology to other countries. China is a signatory to the Comprehensive Test Ban Treaty, and China has worked very hard, as I already said, to stabilize the Asian economy at a time when it was not only hurting people in Asia, but it was beginning to affect the American economy. So we get quite a lot out of our cooperation with China.

Last point. When you say, what do we get out of it? He could have people asking him that in China. They could say, it is the United States, not the European Union, that sponsors the human rights resolution. The United States has stricter controls on technology transfer to China than any other country with which it deals -- both of which are true.

But let me just give you one final example -- take the WTO. How could it possibly serve America's interests not to open more Chinese markets to America's workers and businesses and farmers? They have a much bigger share of our market, in terms of exports, than we have of theirs. How could it possibly be against our interest to bring more Chinese into contact with more Americans, and to give more opportunities for America to honestly compete in the Chinese market?

I think it is clear that the more we work together and talk together, and the more China is involved with the rest of the world, the more likely we are to reach positive outcomes. That is the logic of the policy, and the logic of what we are doing in particular on WTO.

PREMIER ZHU: I agree to cooperate with your side in investigation, so long as you can provide some clues. And no matter who it may involve, we will investigate it.

I'd like here to respond to what President Clinton said on WTO. He said that to allow China in the WTO will be in the best interest of the American people. And I want to say that although China has made the biggest concessions, that will also be in the interest of the Chinese people. Many Hong Kong newspapers say that I've come to the United States to present a very big gift. I don't think such a suggestion is right. I'm sorry, I'm afraid I've offended the press. (Laughter.)

Because if China wants to join the WTO, wants to be integrated in the international community, then China must play by the rules of the game. China cannot do that without making concessions. Of course, such concessions might bring about a very huge impact on China's national impact on some state-owned enterprises, and also on China's market.

But I have every assurance to say here, thanks to the achievements made in our reform and opening up process, we will be able to stand such impact. And the competition arising from such impact will also promote a more rapid and more healthy development of China's national economy.

Here I'd like to call the attention of the Hong Kong press people. In your future reports, don't ever write things like "present a big gift," because that would be interpreted -- equivalent to a political contribution or campaign financing. That would be very much detrimental to President Clinton. (Laughter.)

Q I'm a correspondent with CCTV China. Recently, there has been much talk within and out of China about China's economic development, reform and opening up policy. So, Mr. Premier, would you

please make some observations on the current state of China's economy and the prospect of economic development in China. And what impact do you think China's economic development will have on the stability and the development of the economy in Asia and the world at large?

PREMIER ZHU: Last year, China's economy experienced extreme difficulties due to the Asian financial crisis and the devastating floods hitting some areas in China. But we have tided over these difficulties and managed to achieve a 7.8 percent growth of our GDP. And we have maintained a policy of not to devalue the R&B currency. And the prices in China have been maintained basically stable and some have somewhat declined or have dropped.

As for the economic development in China this year, many foreigners are predicting that China will be the next to be hit by an economic crisis. But I don't think that will be the case. This year the projected GDP growth is 7 percent; but in the first quarter of the year the growth rate was 8.3 percent. So I expect China's economic development this year to be better than that of last year -- not in terms of the speed, simply in terms of speed, but in terms of the economic efficiency, economic results.

Secondly, some foreigners are saying that China's economic reform has come to a stop. I wish to state here in very explicit terms that last year, instead of coming to a standstill, China's reforms made greater progress than originally planned.

Firstly, in terms of the reform of the government institutions, last year we set the objective of cutting the size of the central government by half in three years time -- that is, from 33,000 people to 16,000 people. And this objective had been realized last year, just in one year. Apart from 4,000 government functionaries who have now gone to universities or colleges for further study, all the rest have been re-employed by other sectors, by enterprises. And so I think that represents a very major achievement.

And this year, we plan to press forward the reform of the local governments. We also plan to cut the size of the local governments by half in three years time -- that is, to cut from 5 million people to 2.5.

Certainly, some foreigners are saying that there is a very serious problem of unemployment in China, a lot of people have been laid off from state-owned enterprises and this has caused a social instability in China. I think anybody who has been to China will know that this is not true.

In the beginning of last year, indeed, there were 10 million laid-off workers or unemployed workers. Thanks to our efforts over the past year we have put in place a social security system. Now all those laid-off workers or unemployed workers can get basic living allowances. And many of them have been re-employed. Now there are 6 million unemployed or laid-off workers who are in those re-employment service centers waiting for being re-employed.

While the establishment of such a social security system is very helpful to our efforts to revitalize, rejuvenate the state-owned enterprises by introducing shareholding system into the large state-owned enterprises, and also to reform the small and the medium-sized enterprises in various ways, including to privatize some of the small ones.

Lastly, China now is introducing an unprecedented reform in its banking system. We are drawing on the experience of the RTC in the

United States to form the Assets Management Companies in China to handle the non-performing loans of the state-owned banks. I believe that such reform is conducive to turning the state-owned commercial banks into genuine commercial banks, and is also conducive to helping enhance the ability of the central bank to supervise and to regulate according to international practice.

So here, I'd like to say that China's RMB will not be depreciated and it will remain stable. So here, I'd like to call on the American business people to go to China for investment. You will not face the risk of devaluation of RMB. If you don't believe me, then I would take the advice from Professor Milton Miller of Chicago University. He advised me to offer a put option to those who don't believe me.

Thank you very much.

THE PRESIDENT: Larry?

Q That was tough.

THE PRESIDENT: That was real statesmanship. (Laughter.)

Q I think it was more of a ham, but -- I have questions for both you gentlemen. Mr. Premier, as you know the U.S. State Department issued a rather scathing report on human rights abuses in your country, and the United States is in the process of sponsoring a resolution before a U.N. group to criticize human rights in your country. Do you consider these assessments totally unfair, or do you think it's possible that there are problems within your country that need to be corrected?

And, President Clinton, at your last formal news conference, you spoke about the problems, or at least allegations, of Chinese spying, and you said that it mainly dealt in the 1980s, that there were no indications that it involved your presidency. In the wake of today's New York Times report, can you still make that statement? Or are you concerned that perhaps you were misled, or had information withheld from you about the extent of the allegations?

PREMIER ZHU: Me first? (Laughter.)

THE PRESIDENT: You're the guest. (Laughter.)

PREMIER ZHU: Thank you. Firstly, I wish to say I'm firmly opposed to the U.S. tabling of a draft resolution directed at China at the Human Rights Commission session. I not only regard that as unfair, but also take it as an interference in China's internal affairs.

I wish to make three points here. Firstly, China has made very big progress in the human rights area over the past several decades since the founding of new China. And the Chinese people today enjoy unprecedented extensive democratic and political rights.

Through certain legal procedures, through certain procedures, the Chinese people can voice their criticisms of the government and they can also exercise supervision over the government. And they can express fully their opinions. And in my view, in terms of the freedom of speech and freedom of press, China indeed has made very great progress.

Secondly, I also think that we should put the question of human rights in a historical perspective. And I think different countries may have a different understanding of this question. In terms of the human rights concept, Mencius, who lived in a period more than 2,000 years ago in China, he stated that people are the most important

and the most precious, while the state is next to that, and the emperor or the kings are the least important. So that kind of thought was much earlier than Rousseau of France, and then the Human Rights Declaration of France.

And also, different countries have different conditions, and human rights, actually, is also a concept that has evolved in history. In terms of per capita income, the per capita income of the United States is 20 times that of China. And also, in terms of education, the ratio of university graduates in the United States, in its total population, is higher than the ratio of the illiterate people, plus the primary school graduates to the total population in China. So given such different levels of education and also income, it's natural that people may have different concepts of human rights.

For instance, if you want to talk about human rights to a very poor person, maybe what he is more interested in is -- if you want to just talk to him about direct election. But maybe that's not what he is most interested in. What he is interested in most is the other aspects of human rights, such as the right to education, the right to subsistence, the right to development, the right to a cultural life, and the right to medical care, health care. So I think human rights actually include so many aspects.

So I think every country has its own approach in improving its human rights. One should not be too impatient, but to tell the truth, I'm more impatient than you are in how to further, constantly improve the human rights in China.

Thirdly, I concede that there is room for improvement in human rights conditions in China. As you may know, China has a history of several thousands years of a feudal system, feudal society -- so people have very deep-rooted concepts influenced by this historical background. It's quite difficult to change such mentality or concept overnight.

And also in China, the legal workers, the people working in the legal and the judicial field, some of them are not that qualified, are not that competent -- so sometimes in dealing with certain cases they need to improve their work. So under such conditions it's really not realistic to demand a very perfect practice in the human rights field.

So we are willing to listen to you and we are willing to have channels of dialogue on human rights question. We don't want to stage a confrontation in this regard.

Actually, in China, when I received some foreign visitors, they tend to put forward a list of so-called dissidents and ask me to release these people. Well, actually, we took this matter very seriously and we have looked into all these cases, and if we found that the person on the list has not committed any criminal offenses, then we will just release him.

Well, before I came to the United States, many of my friends mailed me a lot of materials in which they contained a lot of information about the problems of human rights in the United States. And they urged me to bring such materials to President Clinton, but I haven't brought them with me. I don't want to hand that over to President Clinton because I trust you are able to resolve your own problems.

THE PRESIDENT: Actually, sometimes we could use a little outside help, too. (Laughter.)

Let me say, first of all, in response to the question you

raise, I read The New York Times article today, and while I can't comment on specific intelligence reports as a matter of policy, I noted that even the article acknowledged that the alleged espionage might not have been connected to the national labs, which is the question I was asked in the press conference.

But let me say, I've looked into it and we're doing our best to resolve all outstanding questions. And I've asked the law enforcement agencies to try to accelerate their inquiries insofar as they can.

The real issue is, and one that we made perfectly clear last week, is that for quite a long while, from the '80s coming right up through the time I became President, the security at the labs was inadequate. And I think it grew out of, partly, the kind of dual culture of the labs -- part of their great centers of science and learning, and they've done a lot of path-breaking work in energy, and alternative sources of energy, and computer processing, and the use of software for all kinds of very important non-defense matters -- while maintaining their responsibilities in the nuclear area.

And to me, the most important thing of all now -- besides finishing the investigations in an appropriate way -- is making sure we get the security right. You know that I signed that executive order in early 1998. You know what Secretary Richardson has done recently. And I have also asked the President's Foreign Intelligence Advisory Board Chairman, Senator Rudman, to head a bipartisan panel to look into what we have done, and to tell us if we haven't done enough and what else we ought to do.

So I think the most important thing now is to recognize that for quite a long while, the security at the labs was not adequate, that we have been moving to do a lot of things in the last year-plus, that we have much more to do -- perhaps -- and we asked somebody to look into it, and then to do these investigations and do them right, and do them as quickly as possible.

THE PRESS: Thank you.

END

5:22 P.M. EDT

THE WHITE HOUSE

Office of the Press Secretary
(Guilin, People's Republic of China)

For Immediate Release

July 2, 1998

REMARKS BY THE PRESIDENT
IN DISCUSSION ON THE ENVIRONMENT WITH
CHINESE ENVIRONMENTAL SPECIALISTS

Seven Star Park
Guilin, People's Republic of China

11:00 A.M. (L)

Q (started in progress) -- the local government to stop the logging. But the local government is so poor, they ask for compensation. And then finally, the central government agreed to give them 11 million RMB per year to stop the logging.

THE PRESIDENT: Good.

Q So, now, well, for the time being, the monkeys are safe. This is one thing we have done. And I brought with me a picture of the monkeys and will give it to you as a gift.

THE PRESIDENT: Oh, thank you.

Q So this is the only red-lipped primate besides human beings. And the total number of it is less than 12 --

THE PRESIDENT: My cousins. (Laughter.) How many total number?

Q Less than 1,200.

THE PRESIDENT: You know, in our country we have exactly the same issue. We have, in the Pacific Northwest and the West -- California, Oregon, Washington -- the U.S., we have -- about 90 percent of our old-growth forest is gone. So now we have a law, a national law on endangered species, and it also protects the forest.

And we still have some logging in the forest, but you can't go in and just cut all the trees down, you have to be very careful, tree by tree, as the aging process goes, because I don't know how old the trees are, but these trees in the U.S. sometimes take 200 years for full growth. When our Native tribes were there -- Native American tribes -- they would only cut the trees after seven generations of growth. And, of course, that's not enough for an industrial society. So now, we have pine forest; we just grow them faster. In 20 to 30 years they can be harvested. And we try to get people to stay away from the old growth.

So, in this case, as I understand it, the provincial government has the first say, but the national government can come in and stop it.

Q Yes. And actually, the county government, they own -- they run the state timber companies there.

THE PRESIDENT: What about tree planting projects, who does that? At what level is that done?

Q Well, at different levels. The central government, local government, and also NGOs are all involved in this tree planting. But tree planting is so slow that all these older forests -- they may have some trees over 400 years old, and all these newly planted trees are so small, there's no comparison with the forest.

THE PRESIDENT: I agree with that. Interestingly enough, we now believe that tree planting may be most important in cities. We just had a study done in the U.S. which shows that a tree planted in a city will take in ten times as much carbon dioxide as a tree planted in the countryside. Now, you say, well, of course, because that's where the smog is. But the important thing is we did not know until this study was done that the tree could take in ten times as much and still process it.

I noticed in Shanghai yesterday -- I say this because Shanghai, you know, is growing very fast and they have all these wonderful new buildings -- but I drove to one of the building complexes yesterday to meet a family in their new home and I drove past a lot of the old residential areas, and in all the old areas there were lots of trees -- not only trees down the street, but trees up against the buildings.

So we're looking at whether in our country we should be supporting more of these tree planting operations in the cities because they do much more to clean the air than we had thought they did.

* * * * *

(In commenting on children's health)

THE PRESIDENT: Well, one of the things I think will really help is your government is moving to ban lead in the gasoline, going to unleaded gasoline. And that will help a great deal. And that's a very forward step.

But also children's lungs, they get polluted with all the things in the atmosphere. And, you're right, that will make -- smoking will become, interestingly enough, even more dangerous, more difficult because of all the pollution in the atmosphere.

So one of the things that I hope we can do in our partnership with the Chinese government is to work on the technologies that will clean up the air in ways that we have been able to do without hurting the economy. We think there are ways to do that.

In fact, one of the things that I hope -- I'm glad we have one business person here because one of the things we have seen is that we have actually created a lot of new businesses for cleaning the environment, and it creates a lot of jobs, provides a lot of opportunity for people to get an education and do this work.

* * * * *

THE PRESIDENT: I believe that China has a unique opportunity because you're developing rapidly, but later in time than other countries, to avoid some of the terrible mistakes we made. And if I could just mention, in the conservation area, our traditional energy use that causes pollution is about one-third in vehicles -- transportation -- about one-third in buildings, both housing and office buildings, and about one-third in factories and in power plants. And I think that if you -- again, in China, it's probably more in factories and power plants

-- a bigger percentage -- probably now, but it will come toward these numbers.

If you just taken them each in turn, in the vehicles, you have opportunities that, I think, that will come to you because of the development of fuel injection engines, which will take 80 percent of the pollution away, or natural gas-powered vehicles, which, I think, are worth looking at.

In the residential areas, yesterday in Shanghai, I spoke to the American Chamber of Commerce in Shanghai, and there on a visit was the businessman who is the head of our homebuilders association in the whole U.S. Just a few weeks ago, we went to California, which has a warm climate like much of China, and we started -- we announced a low-cost housing project for people with modest incomes. And in these houses, they have solar panels that now look like ordinary shingles on the roof and can be produced and sold for very little money, but they save huge amounts of money -- energy. You know, then the power plant can be used to power the country's industry -- if you use it. They have windows which let in more light but keep out more heat and cold. Now, they cost a little more, but over a 10-year period they save huge amounts of energy.

All these things could be jobs for Chinese people coming out of the state-owned enterprises. Someone could come in and start making these solar panels that go on the roof, someone should start making these windows. They have light bulbs that cost, in our country, they cost twice as much, but they last four or five times longer, and they don't emit the same amount of pollution.

And then, finally, in the manufacturing industries, there are whole businesses in America -- like you said, they make money going into these plants and saying, here are 100 things you can do and you will cut your energy use by 20 percent and increase your profits by 20 percent. And in power plants, in our old power plants, as much as 70 percent of the energy that goes in them, as you know, is lost in waste heat. So now we have huge facilities in America being heated and cooled with the waste heat.

I was in a cafe yesterday in Shanghai that had a picture of a famous American basketball player, Michael Jordan. Everybody knows who he is. Almost no one knows that the United Center where he plays basketball is completely heated and powered by waste heat, recovered from the normal electric generating capacity.

So these are things that we would like to work with you on, because these are all mistakes Americans made that we had to go back and undo. But since China is now building new factories, building new power plants, building new homes, selling new cars -- if you can do these things in the proper way the first time, you will have undreamed of efficiencies. And it will help the economy, not hurt it.

So I thank you for what you're doing.

Q I'm from the environmental monitoring station of Guilin City. Mr. President, you are very welcome to visit Guilin. Now I'd like to introduce to you the environmental quality situation in Guilin. Since our efforts in the 1970s, the water quality of the Li River has reached a grade two level of the state, that is the drinking water level. And the urban air quality has reached a grade one level.

We have two problems. One is the acid rain, because Guilin is in the acid rain area. The second problem is that in the atmosphere there's still a lot of dust and smog, so we need to work hard to improve

the situation.

In terms of noise, as Guilin is quite an old city and the city proper is quite small, and the roads are quite narrow, so the noise situation is not so good. And of course, today what we hear is the sound of cities, lots of noises.

To improve the environment, the people in Guilin have paid a big price since the 1970s. We have closed down or suspended 27 factories polluting the country. And we have also viewed some sewage treatment plants. So now we now the poisonous elements in the Li Jiang River now cannot be monitored -- that is to say; the level has been reduced to a lower level.

And also with the development of the tourism industry, more and more tourists have come to Guilin. So these tourists have consumed more energy and leave more waste than the local people do. So we are faced with a problem of the treatment of domestic sewage. And through our efforts over these years, some factories have also set a good example. For instance, Legion Beer Brewery -- they have done a good job in treating the waste water. But still some other factories still need to improve the work in this regard.

So I think, Mr. President, your visit to Guilin this time has actually provided us with a good opportunity. We hope that we can enhance the cooperation with American businesses, American science community in this regard. Especially we hope that cooperation can be stepped up in the area of environmental legislation, so that we can further improve our environment, because water and the mountains of Guilin not only belong to Guilin, but also belong to the peoples around the world.

So I'm really honored by your presence and arrival today in Guilin.

THE PRESIDENT: One of the things we find -- I'd like to ask Mr. Kong to talk next and then come back to Mr. Zhou, because I want to pursue this. I think it's a very good thing if one business does the right thing here, but if you don't have legislation, sometimes it can be unfair to one business, because if one business does the right thing and the others don't, then the business that's the most responsible could have a hard time making a profit. But if everyone in the province or country has to do it, then everyone is in the same footing.

I would like to ask two questions. One is, if you were to adopt legislation, say, limiting the discharge of factories into the water and requiring that it be treated, would it be done at the provincial level or the national level? And two, are there funds available from the national government to help communities like Guilin finance sewage treatment centers for the tourists or for the people who live here?

Because 20 years ago in the United States, this was a horrible problem. And I grew up in a little town -- a town not so little, about 35,000 -- that had three lakes. And the lake with the largest number of people living on it and the largest number of tourists was totally polluted. But we could not afford to fix it. But the national government said -- they gave us over time about 65 percent of the cost of it, and we came up with the rest, and we cleaned up the lake. So now the children can swim there. People don't get sick if they ingest the water. But we had to have some help. Where would the laws come from -- provincial or national level? And is there now a fund which helps you with the sewage treatment?

Q Well, we have national legislation for the limit on the

discharge. We actually already have six laws in this regard. The first is the general law; that is the environmental protection law. And we also have water pollution control act, noise control act, marine environment law, and the wildlife protection act, and also air quality protection law. So these laws actually are enacted by the national People's Congress. As for the provincial level, we also have our legislations. Actually, these legislation are specific in accordance with the local conditions.

As for the fairness, all the factories are treated as equals. No matter what factory it is, as long as its discharge exceeds the limit imposed by the state, then that factory must be dealt with and penalized.

As for the funding, the central government has given us a lot of help in this regard, because in the past the Li Jiang River once was turned into a seriously polluted river with two colors; one is green, the other is red -- very serious pollution. And since the treatment of the water pollution started the central government has allocated several hundred millions of RMB.

And as for other sources of funding, they mainly come from the taxation or the charges levied from the factories. And actually these fees collected are also returned to the factories to help them to deal with the environmental problem. So actually these are the sources of funding.

Q There is national legislation and the provincial legislation. But basically the provincial legislation is based on the administration and the national legislation.

THE PRESIDENT: It can be more stringent.

Q Can be more stringent. It only can be more stringent.

THE PRESIDENT: But not weaker? That's good, yes.

Q But funds from the central government, basically the investment for the environment basically is the responsibility for the local government, including fees. The central government gave them a little money. It basically is not a common case. The reason is that -- so in this case the central government gave them some money. But basically it was provided by themselves, locally.

THE PRESIDENT: You actually -- you're a lawyer and you helped to write these laws, right? (Laughter.) So what do you think the next step should be? What is the next most important thing to be done?

Q I think the central government should provide some additional funding to local government, is my personal will. And -- (inaudible) -- people they share the same idea. But we have some different ideas from the economic people, from -- (inaudible) -- people. So we still have different views and positions on this issue.

THE PRESIDENT: Let me say, in our country there is still a big fight over every new step, because there are always people who are afraid that if we take a new step it will hurt the economy. But in the end -- he talked about the tourists -- if you want the tourists to come to Guilin, you have to have a clean environment. If you want a stronger economy, you have to produce healthy children. So at some point we have to see these things together.

Q The problem right now is the fee or the penalty is too light.

THE PRESIDENT: Too light.

Q So a lot of our experts suggest to raise the penalty for the polluters.

Q I think the big problem is there is no community involvement. I went to -- I stayed for over two years; I know in the U.S. the enforcement of environmental law is very important, and U.S. EPA and the local government and NGOs. But there are so few NGOs in China -- -- enforcement of the environmental law, just the government's behavior, not the individual. It's a big problem. So how we can supervise or monitor this process? If a company discharged some polluted water in the night, who will know? It's a great problem. I think the enforcement of environmental law by -- (inaudible) -- involvement is most important in China.

THE PRESIDENT: Do you believe -- let me ask you this - do you believe that most ordinary Chinese people believe that the environmental standards should be raised, that they basically support a strong environmental policy?

Q I think this public awareness is still not so strong, so public should be educated, make them know they have a right to that.

THE PRESIDENT: That goes back to what Mr. Liang says about educating the public.

Mr. Kong, why did you clean up your factory if you didn't have to do it?

MR. KONG: Well, as an entrepreneur, I'd like to say something of my views. While the motive of business is to earn money, make profit, there's no doubt about it, but the modern entrepreneurs must have two responsibilities. One is to create wealth; the second is to adopt advanced technology to protect the environment and ecology. So look back at our experience. We are actually a beer brewer and we use the water Li Jiang River and I think this is the best -- one of the best beers in China. And I believe a lot of American tourists have already tasted that.

In the beginning period, the purification process was not very good, our discharge did not reach the level. But at that time, although we made a lot of money, we felt quite guilty because we thought we were kind of destroying the environment. And last year we persuaded our shareholders not to get their dividends, but to just retain the dividends in the company until we set up a discharge treatment plant. And actually after the water is purified and the sewage is processed, the discharge actually can reach or even exceed the state level.

So after that we feel quite happy because we really feel that God has blessed us because we are living in such a beautiful environment. So I think everybody, every citizen in Guilin has the responsibility to protect our environment and the beautiful waters and the mountains. And I believe that only with the environment here being protected can hundreds of millions of tourists come here. But I think the tourists should also come to realize that we local people have also paid a big price for that -- to protect the environment.

On the other hand, I think there's a problem that has not been resolved yet. As Mr. President, you mentioned that environmental protection actually requires the efforts of everybody, every enterprise, every plant. Only in this way can the planet, can the Earth be really preserved well. So we think we really should enhance the public awareness of protecting the environment. If everybody could do a good

job in this regard then there will be no problem in the environmental protection. And also in this regard, I think to protect the environment will require a lot of funding and also a lot of risk-taking courage. For instance, my company, we have invested more than 10 million RMB-yuan in environmental projects, but we have not actually gotten any return from that. So we have to explain to our shareholders why we have done this.

And I think in other regard we think that government should also provide some incentives to those factories that have taken these environmental protection measures. For instance, the Guilin government has already subsidized 2 million RMB-yuan to us. So I think, apart from the responsibilities of the general public and also the enterprise, the government should also take some responsibility in this regard.

THE PRESIDENT: I know we have to go out to the program, but I wanted to give every one of you a chance to say -- is there any specific think that you believe that I could do, or the United States could do in partnership with China that would be most helpful to you in what you're trying to achieve? If you were to ask us to go back and work with the Chinese government on one thing that we could do, or with our business people on one thing to be helpful, what would it be?

Q I would like to make a short comment on communications between the two countries. I think before, the communications between the two countries was limited to government circle. So I think today's roundtable is a significant start in history. We have NGOs invited to attend this important event. You know, NGOs in China is so young and so few. This is a big problem. I wish the U.S. to produce 90 minute TV series which is sponsored by U.S. EPA and the U.S. Information Agency about U.S. environmental movement. So I think the most important thing is -- (inaudible) -- and development of -- (inaudible) -- in U.S.

THE PRESIDENT: So you think, for example, if we could arrange to have some of our leaders of our environmental groups come here and meet with citizens like you, you think that would be helpful.

Q Yes, sure, so we can widen the NGOs channel to communication on environmental issue. And what we can do -- my organization is the media business and the grass-roots environmental -- we can provide some opportunity, like we can do something. We have a TV program, weekly TV program on China National Television, for over two years. It's broadcast at 1630 Friday, repeated at lunchtime Saturday. It's a countrywide TV program. We independently produce it for over two years. So we will broadcast in the TV series about environmental protection in the U.S. What we want to do is tell Chinese people, don't copy the mistake made by U.S.

For example, we focused on some environmental-friendly lifestyle. We tell the Chinese people, don't follow some wrong thing, like too many air conditioners and too many private cars, too many one-time use products.

THE PRESIDENT: One-time use, yes. Yes, I agree with that.

Q And by this we educate -- sustainable consumption. So I think this by we not only benefit to Chinese, but also benefit to Americans. If we run more communication projects between the two countries, we will encourage, induce the Americans to pay more attention to advocating sustainable consumption, which will help your sustainable production and the sustainable development.

We are seeking a training center, an NGO training center. Maybe we can authorize something like a training program for enforcement of

environmental law. We'll tell the citizens how to sue a company, polluter, and even how to sue the government if they cannot enforce the environmental law. So we can give them more information. I think they are not the resources available in the U.S. to Chinese. And, of course, we can keep this TV series to keep the Chinese people know by media what America is doing, what we should do.

And anyway, I think the communication of the NGOs -- why the NGOs channel is very important. And furthermore, I think that the U.S. comparing with European country and Japan, the U.S. is far behind in providing assistance to China. I think now talking is more than action. I know in China the environmental issue draws more and more attention from Chinese people -- no matter government or NGOs. So I believe that there will be big environmental movement in China in the near future. If Americans don't want to give up this good opportunity, economically, politically, and environmentally, you have to take action now.

THE PRESIDENT: I agree with that. (Applause.) Give that speech to the Congress. Unfortunately, all the people here from my Congress agree with you, but we believe that the U.S. Congress does not give enough aid in these areas. And I think it is a huge mistake, and I'm always trying to get more. So I will take what you said and publish it widely when we get home.

You raised another issue that I think is important. We have this rule of law project with China, and my wife met with some people earlier in the week about this. But what happens when you have these environmental laws and the government has to enforce them is you will always have some honest disputes. And so there has to be some way of resolving them. When our environmental agencies impose regulations, if the companies think they're wrong or unfair or they made a mistake or they think they have a cheaper way to do the same thing, well, they have a way to go into the courts and we examine that. So there has to be -- I agree with you, that will be a part of it.

What else? Anybody else want to say what you think of that? Yes, Mr. Zhou.

Q I have a specific suggestion. I assume maybe you can support us to raise the alliance for an energy efficiency challenge and encourage some big leading American company to be the co-initiator with such voluntary activities to protect environment and to do energy efficiency in China. Thank you.

* * * * *

Q When we try to protect the animals, the monkeys in the province, those people are really poor. And so we have experienced when these people say, you people in Beijing, you live in the houses with heating, electricity, gas, and lighting, and everything. Why should we change? We are moving into your houses and you people come here and live in this forest and see whether you can stop the logging and have a decent life. So I think is basically the rich countries and the poor countries are facing the same problems. But we are facing the problem of we want to develop the economy, but we have so many difficulties here.

THE PRESIDENT: It's an honest problem, too. And in the rural areas in all developed countries, people tend to be poorer. And they have to make their living, they believe, from natural resources. I told you, we had the same problem with the old-growth forests, and we had never handled this very well. So, in 1993 and '94, the Congress adopted a plan that I asked them to adopt to provide extra funds to these communities which were making the money from the logging to try to change the basis of their economy.

To be honest, no one knew whether we could do it or not. We didn't know. We thought we could, but we didn't know. But I can tell you now, five years later, the unemployment rate in all those communities is now lower than it was before we started to protect the trees. So over a five-year period, we were able to do this. And I think it requires a lot of effort and some money and a lot of thought and very good, vigorous local leaders -- you have to have local leaders who have confidence and then people who can change, you know. But I think this can be done.

MS. LIAO: If I could just site a specific interest and topic, my organization is women NGOs and the full-time staff are women. We focus on sustainable consumption and the children's education. We public children's environmental guide. We got grant from U.S. EPA to publish 10,000 volumes of this book. Of course, we need more support to donate to every child in China. Every child in China got this book.

THE PRESIDENT: Really?

MS. LIAO: Yes. And by my -- my organization views the women is a very important force in environmental movement because women, sooner or later, a mother, they care for the children's future. So whenever we tell women you have to do something or you choose -- (inaudible) -- they say, oh, terrible, terrible, what we can do, we have to protect the children.

So this way, we have many volunteers at my organization of women. And we hold an annual forum on women journalism and the environment. Almost every media organization attended this forum, which was very helpful. We think that, also, women are consumer decision-makers. Women choose environmental-friendly lifestyle, like reduce, recycle -- and reuse. So I would like to, by this chance, I would like to express that hope that we'll promote more cooperation between two countries and women and the environment.

THE PRESIDENT: Thank you. I agree with that. But interestingly enough, as a result of what you're saying -- and that goes back to what Mr. Liang was saying -- I think the more awareness the children have about this, and the more this is taught in school, the better. Because in our country now, I believe that the children are the strongest environmentalists.

You know, when I visit a community in America, suppose I -- next week I have to go to Atlanta, Georgia, when I get back -- very often a group of children will meet me at the airport, and they will bring me letters that the children have written. Sometimes they're six years old, these children. Very young. And I always look over these letters to see what they're writing me about. They ask me questions, and sometimes they're, how do you like being President, or something. But there are more letters from children age 12 and under on the environment than any other subject now, for the last several years.

So when the children begin to ask their parents about this, when they begin to talk about this at dinner, when it becomes a concern for the children, and then when the mothers are concerned about their health, I think it can change a country. No American official can talk to any group of schoolchildren for 10 minutes without being asked about the environment. It's an amazing thing. The children are sort of out there.

Well, I suppose we better go do the program, but this is very helpful. And we have taken careful note of what you have all said, and we will try to follow up. And I admire you all very much, and I thank

you for what you're doing. It will help not only the Chinese people,
but all the rest of us as well.

Thank you. (Applause.)

END

11:45 A.M. (L)

THE WHITE HOUSE

Office of the Press Secretary
(Guilin, People's Republic of China)

For Immediate Release

July 2, 1998

REMARKS BY THE PRESIDENT
ON THE ENVIRONMENT TO THE PEOPLE OF THE GUILIN AREA

Camel Hill Lawn, Seven Star Park
Guilin, People's Republic of China

12:22 P.M. (L)

THE PRESIDENT: Thank you very much. Thank you very much, Mr. Mayor. Thank you for welcoming us to your community and for your fine remarks. And, Senator Baucus, thank you for what you said. I want to thank you and all the members of the United States Congress who are here with you. Our American ambassador to China and the Chinese ambassador to the United States and the other members of the Chinese government who are here, and especially I'd like to thank Chairman Ding for being here and our Secretary of State, Madeleine Albright, and others from the White House. We are all delighted to be among you in Guilin today.

I would also like to express my appreciation to the seven Chinese citizens with whom I have just met because they are taking an active role in helping to clean up the environment, either of this area or the entire country. And I thank them for that, and they're all right there. I'd like to ask them to stand up because they spoke for all of China to me today. Please stand. (Applause.)

And since we're here to talk about saving the environment, I want to thank Ambassador Li for giving me this energy-efficient air conditioner. (Laughter.)

Since Chinese civilization first began to express itself thousands of years ago, its poems and paintings have sung of the beauty of the land, the air, the water. No place in China is more evocative of the beauty of your country than Guilin. The stunning mountains along the Li River are instantly familiar to millions and millions of Americans. When we see them, the landscapes of Guilin remind of us China's past, but we know they are alive, and we are grateful for their preservation.

A new sense of cooperation is building between the people of China and the people of the United States, based on our shared ties of commerce and culture, our common security interests, and our common enthusiasm for the future. But a big part of that cooperation must rest on our common understanding that we live on the same planet, sharing the same oceans, and breathing the same air.

Not so many years ago in the United States, one of our rivers was so polluted it actually caught on fire. Foul air blanketed our cities, acid rain blighted our landscape. Over the last generation, we have worked hard to restore our natural treasures and to find a way conduct our economy that is more in harmony with the environment.

China's extraordinary growth has put the same kind of pressures on your environment, and the costs of growth are rising right along with your prosperity. You know better than I that polluted air and water are threatening your remarkable progress. Smog has caused entire Chinese cities to disappear from satellite photographs. And respiratory illness is China's number one health problem.

We also know that more and more environmental problems in the United States, in China, and elsewhere are not just national problems, they are global problems. We must work together to protect the environment and there is a great deal that we can do together.

China has the world's longest meteorological records, going back over 500 years. They help us clearly to understand the problem of global warming. The five warmest years since the 15th century have all been in the 1990s; 1997 was the warmest year ever recorded. And if present trends continue, 1998 will break the record. We know that if this trend continues, it will bring more and more severe weather events and it will disrupt the lives of hundreds of millions of people in the world during the coming century.

China is already taking impressive steps to protect its future. Leaded gasoline is being banned. Inefficient stoves have been upgraded. People can find out about air quality from newspapers. Communities and provinces and the national government are doing more to clean up rivers. Chinese scientists are fighting deforestation and soil erosion. And citizens are doing more to promote public education about the environment, among families and especially among children.

The United States is determined to strengthen our cooperation with you. Last year our Vice President, Al Gore, and the Chinese government launched a forum to coordinate sustainable development and environmental protection.

In October at our summit, President Jiang and I oversaw the beginning of a joint initiative on clean energy. This week we have made important new progress. We will provide China assistance to monitor air quality. We will increase our support for programs that support renewable energy sources to decrease China's dependence on coal.

We are helping China develop its coal gasification and working with the Chinese to make financing available for clean energy projects through the Export-Import Bank. Because the United States and China are the world's two largest emitters of greenhouse gases that are dangerously warming our planet, we must do more to avoid increasing severe droughts and floods and the other kinds of destructive things that will occur.

Let me say, Mr. Mayor, I want to extend my sympathies to you on behalf of the American people for the families who suffered losses in the recent flooding here. It occurred just a few days ago, and some of our young Americans were already here working on the trip. They were honored to be able to work with you in some of the sandbagging and other things that were done. But we grieve with you in the losses that were sustained.

We cannot completely eliminate floods and fires and

other natural disasters, but we know they will get worse if we do not do something about global warming. There are many people who simply don't believe that anything can be done about it because they don't believe that you can grow an economy unless you use energy in the same way America and Europe have used it for the last 50 years -- more and more energy, more and more pollution to get more and more growth. That's what they believe. But I disagree.

Without any loss of economic opportunity we can conserve energy much more than we do; we can use clean, as opposed to dirty, energy sources much more than we do; and we can adopt new technologies to make the energy we have go further much more than we do.

Now is the time to join our citizens and our governments, our businesses and our industries, in the fight against pollution and global warming, even as we fight for a brighter economic future for the people of China and the people of the entire world.

As we move forward together let us, Chinese and Americans, preserve what we have inherited from the past, and in so doing, preserve the future we are working so hard to build for our children.

Thank you very much. (Applause.)

END

12:39 P.M. (L)

THE WHITE HOUSE

Office of the Press Secretary
(Shanghai, People's Republic of China)

For Immediate Release

June 30, 1998

REMARKS BY THE PRESIDENT
IN DISCUSSION AND CALL-IN
ON SHANGHAI RADIO 990

Studios of Shanghai Radio
Shanghai, People's Republic of China

12:14 P.M. (L)

PRESIDENT CLINTON: First of all, I want to thank the Mayor for welcoming me to Shanghai, and say I very much enjoyed my first morning here. We did go to the library, my wife and I did, and we met with a number of citizens from in and around Shanghai who are involved in one way or another in China's remarkable transformation. And they helped us a lot to understand what is going on in China.

I also want to say a word of appreciation to President Jiang for the very good meeting we had in Beijing and for making it possible for me to reach out to the people of China through televising our press conference together, and then, of course, I went to Beijing University yesterday, Beida, and spoke with the students there and answered questions. And that was also televised.

And then to be here in Shanghai, one of the very most exciting places in the entire world, to have the chance to begin my visit here with this radio program is very exciting. So I don't want to take any more time. I just want to hear from the questioners and to have a conversation so that when it's over, perhaps, both the American people and the people of China will understand each other better.

MR. ZUO: Mr. President, you already can see our TV screen -- right in front of you there are so many people waiting in line to talk to you. We're really happy about this. How about we just start right here, okay?

PRESIDENT CLINTON: Let's do it.

Q I am in a foreign trading company in the city of Shanghai, and the question I'd like to ask of President Clinton is as follows: Right now, America is the number two trading partner of China and the President of the United States, in facing the Southeast Asian crisis today, and also as far as increasing the cooperation between our countries, what do you think and what would you like to do to make this better?

THE PRESIDENT: First of all, Mr. Fong, that is a very good question and it has occupied a major amount of my time since last year, when we saw the difficulties developing in Indonesia, in the Philippines, in Thailand, in Korea and, of course, in Japan.

I would like to begin by saying I believe that China has done a very good job in holding its currency stable, in trying to be a force of stability during the Southeast Asian crisis. Secondly, we are working together, the U.S. and China, and we are working through the IMF to try to help all these countries stabilize their economies and then restore growth.

But I think the last point I'd like to make is that we cannot see growth restored in Asia unless it is restored in Japan. Now, in Japan the people are about to have an election for the upper house of the Diet, so this is not an easy time for them. But the government is going to disclose in the next couple of days what it intends to do in the area of financial reform.

If it is a good proposal and the confidence of the investors of the world is raised, then I believe you will see the situation begin to turn around and the pressure will be eased in China and we can see some economic growth come back to Japan and these other countries. It is very important to the United States and very important to China. We're working hard on it.

MR. ZUO: Yes, that's right, everybody should know that we've been working so hard, we in China have been working so hard to try to not devalue the RMB. That would be a great pressure on us. Mayor, it seems to me that I remember that the United States has a lot of trade going very well with us here right now; is that right?

MAYOR XU: Yes, that's right, you're right about that. This year we had a lot of trade growth between us and the United States. It was up 30 percent in the first five months. To Shanghai, as far as imports and exports go, actually there's pretty much of a balance because in Shanghai we import a lot of equipment, high-tech stuff from the United States. We hope that our trade will continue to develop with the United States.

MR. ZUO: Okay, Mr. Fong. Today there are a lot of people wanting to talk to the President so we'll just end it here, okay?

Mr. President, you were just at the library before this and now there's somebody from the library calling -- look at that. (Laughter.) They'd like to engage an exchange with you, okay?

Q Mr. President, I am from the Shanghai Library. I work there and my name is Mr. Chung. When you were touring our library with Mayor Xu just now and talking with him when you were at the library I was very happy. I was so happy that you were there doing this. And the question that I'd like to ask you is as follows: Please, can you tell me, as far as getting the Shanghai Library and American libraries going for better and better exchanges, what can we do to increase the amount of exchange and cooperation between them?

THE PRESIDENT: Well, first of all, I think that we need to make sure that all of our major libraries are connected through the Internet so that we can ship information back and forth over the Internet that is not available in the libraries themselves. For example, if you have total Internet connection with the New York Public Library, which is our largest public library, then there would be things that you have they don't have, but you could send them over the Internet. There would be

things that they have that you don't have that could be shared.

So what I will do, since you have asked this question, is, when I get home, I will ask the people who are in charge of our major libraries -- the Library of Congress, which is the biggest library in Washington, D.C., it's our national library, and the New York Public Library, and perhaps one or two others, to get in touch with the Shanghai Library and see whether we can establish a deeper partnership.

I was very impressed that the Shanghai Library has 300,000 members who actually pay the annual membership fee -- 10 yuan. And I think that -- we have many people using our libraries, too. I would also like to figure out, if I might, how these big libraries in America and China can better serve the small libraries in the rural areas, where people are so hungry for information and they don't have as much as we do, those of us who live in the bigger areas. So I will work on this.

Q Okay. Thanks, Mr. President.

MR. ZUO: Mr. President was just saying that libraries, especially in the rural areas should expand what they can provide. We agree, not just for the people living in the city, but a lot of people are saying, our farmers, or those people living -- they want to read, too. Give them books to read. A lot of people -- what we're doing now is teaching them, we're bringing libraries to the countryside.

THE PRESIDENT: But as you know, you now have the computers with the Internet hookups, and if you have printers there, then people all over China can order articles out of the Shanghai Library and just print them out on the computer. So that all you have to have now is a hookup with a printer in the small libraries, in the smallest villages and anything in the Shanghai Library can be sent to them. Of course, it's more expensive if it's a book. But if it's just an article it's easy to print out, takes just a couple of minutes.

MAYOR XU: Yes, but we really have to take computer knowledge and spread it, right. It's very important here, computer-wise, we have to get everyone connected, connected to the Information Superhighway. For the countryside in China there are a lot of people that don't even have a power grid, that don't even have electricity there. So first we've got to get the power grid going, we've got to get that out to everyone. That's the first thing we've got to do, because I think, what I'd like to add here is that this library has like 300,000 people who have a library card. And every year they pay 10 RMB, or something like that. But they only take up five percent of the entire resources, they only make up five percent of the budget. And the government has to make up a lot of that.

As the Mayor, I'm willing to put that money in. I think that's very important, the best investment you can make to improve the life and education and information situation for the people living in Shanghai. So I'm willing to do that and also acquire the skills necessary to operate in the --

MR. ZUO: Right now we're talking about libraries. Look, here we have somebody talking about education issue. We have Mr. Wong on here and he'd like to ask Mr. President and the Mayor to talk about education in China and the United States.

Q Distinguished Mr. Clinton and Mayor Xu, I am very happy that I was able to get in on this call. I am one of the college professors living in Shanghai and I'd like to ask a question, which is, you are both connected with education. That's your fate. You're both education type people. Mr. Clinton, since you've been in office you have been advocating education reform, and I think you, Mr. Xu, have been the president of a university. So can you both talk about educational exchanges and the future for them between the United States and China? That's the question I'd like to ask here.

PRESIDENT CLINTON: Well, first of all, let me say that we are working very hard in America to make sure that more of our own people go on to university, and also acquire the skills necessary to operate in the computer age. So, I have worked very hard to open the doors of universities to more people, to make sure that the cost of the education is not a bar to people going.

Now, in addition to that, we want to promote more exchanges of students. I want more American students to go to other places in the world, including China, to study, to learn the language, to learn the culture, to understand the nation. And I very much want to bring even more students from around the world to the United States to study. So perhaps there's something we can do coming out of this trip -- the Mayor and I -- to have more exchanges with people from the Shanghai area, because I believe it's very important. And I think it will only grow more important as we move into this new century.

MAYOR XU: Oh, I very much agree with what President Clinton said about how important education is. And we have to let everybody have the access to education -- everyone have the privilege to have education. I agree. In Shanghai, the education is quite universal. It's more universal here than it is anywhere else in the country. We, right now, among our high school graduates, 60 percent of them get into colleges. But we right now would even like to raise that percentage. We'd like to work through radio education, TV education, or adult education, to try to fill up the extra 40 percent, to make up that gap.

As for the education issue, I would like to talk a little bit here with the President about something. Let's talk about traditional Chinese education versus American education. We have a different way -- a different way of thinking about it. For example, in the Chinese education, we talk about the filling of information into the student, whereas in the United States, they try to make the students more able, they try to teach you how to have ability to do things. So a lot of tests -- Chinese students are very good at getting very good grades on tests, but not necessarily when it comes to scientific research. I think in this area, the two of us should try to reach a balance point. I think that's very important.

Another thing I'd like to say here is that whether you're talking about the parents or the schools in China, we have very high standards for discipline. They have to work together, and they have to be disciplined. We have high standards in this area. And in the United States, I believe, they emphasize the students being free, they want to give them more freedom.

So a lot of the professors in China think it's so hard to understand how it's going on there. They think it's such a messy, loud situation in the classes, or that it's not so

organized. They think it's so weird. A lot of times when you ask questions here in China, the students are too shy to raise their hands and ask the questions, because they're used to listening to the teacher speak, not listening -- to participating. So what I think, in educational exchanges, a good basis for these exchanges would be that we have to first talk about our basic thoughts, our basic philosophy towards education. I think both types of education have good points to them, but I think we have to learn from each other.

THE PRESIDENT: Well, actually, here's a case where I think we would greatly benefit from working together, because there is no perfect system. If you just start with the issue of discipline, we know that without a certain amount of discipline and order in the classroom, it's impossible for learning to occur. We also know if there is too much order, where everything is structured, the child may close up and not be open to information and to learning. So we have tried all kinds of things.

In our country, for example now, many of our schools are going back to an older practice of requiring the students to wear uniforms every day, as is the case in many other countries, on the theory that it makes people more disciplined, it also gives a spirit of equality. This is sweeping our country, really, and doing very well. On the other hand, we want enough freedom in the classroom so that the children have the confidence they need to participate in the class discussion.

Now, on the second matter, which I think is very important, does education emphasize drilling information into the head of the student, or should it emphasize sort of creative or critical thinking? I think the answer is, clearly, both. How can you be a creative thinker if you don't know something in the first place. First, you must know what you need to know. You must have the information.

On the other hand, if you look at how fast things are changing -- in this Information Age the volume of facts in the world is doubling every five years. That's a stunning thing. The volume of information is doubling every five years. Therefore, it's very important not only what you know today, but what you are capable of learning and whether you can apply what you know to solving new problems.

So I think what we need is a careful balance between making sure our students have the bedrock information without which you can't make those decisions, but also learn to be creative in the way you think to deal with the exploding information of the world.

MAYOR XU: Yes, after listening to you talk, Mr. President, I think you have a very deep understanding of education. I also agree with what you're saying. So if the Chinese and the United States want to engage in exchanges, first of all, we have to have a new consensus on our concept of education. And that way we can have better exchanges.

Recently, there was an example we had where we had some American teachers come here to teach high school. And a lot of parents didn't like it because the teachers didn't give enough tests. So they could speak English okay, but they couldn't pass the tests. So a lot of the parents in China didn't think this was the right way. A lot of times what we do here is we make

them memorize a lot of grammar and make them memorize a lot of vocabulary -- that's our way of doing it. So I think we need to have more exchanges in this area.

THE PRESIDENT: But, to be fair, we need more exchanges, too, because what sometimes happens in America is, if you don't have pretty high standards for measuring whether everybody knows what they should know, then the very best students may do better under our system and they go on and win the Nobel Prizes or they create the new companies, but we leave too many behind because we don't make sure they know.

So I think there's something we have to learn from each other and we really should work on this. Because every advanced society -- the Japanese could join with us in this, the Russians could join with us in this. We all have the same interests here in finding the right balance in our educational systems.

MR. ZUO: Look here, the President and the Mayor have been having such an enthusiastic discussion about education, even I'm jumping into this discussion. Usually when I do a program like this education becomes an issue a lot, becomes a topic that we discuss. But the topic that comes -- when we have an issue like this I want to get into, I want to talk to the President about it.

How about investment in education? A lot of times it's a slow process. You have to invest in a project or a company, though, it's fast -- you can get a payback right away. So a lot of people think, oh, I don't know what to do in this area, should I invest in education, because it's a long payback period. What do you think and how do you -- what do you do in this area?

THE PRESIDENT: Well, it is a long payback period but it has the highest payback of any investment. If you invest in a child's education -- maybe they're five years old when they start, and maybe they're in their early 20s when they get out of university -- that's a long time. And you have to hire all these teachers along the way and pay for all the laboratory facilities and all that. But there's nothing more important.

And then the young person gets out into world in which ideas create wealth and gives back to society many times over. So people shouldn't look at it just as one person investing in another; it ought to be China investing in its future, the United States investing in its future, together investing in a peaceful, stable, prosperous world.

Education, ideas, information -- they give us the capacity to lift people out of poverty and to lift people out of the ignorance that make them fight and kill each other, and to give us an understanding about how to solve the environmental problems of the world, which are great -- this is worth investing in. It's more important than everything else.

Yes, it takes a long time to pay out in the life of one child. But the payouts for a country are almost immediate.

MR. ZUO: Yes, that's right. So, in other words, we have to have far-reaching and ambitious goals. We have to look toward the future. We have to make investments in the long-term.

The same thing for the Sino-U.S. relationship -- we have to invest and look toward the future.

Okay, how about we talk about a question here that everyone seems to be very interested in. Somebody wants you to predict who is going to win the World Soccer Cup. Can you do that? In a minute we're going to ask you this, we're going to test you on this question. Get ready, get prepared.

12

Q Hi. My name is Lee. Here is the question that my friends and I want to ask. We're very happy and we welcome you here. We're very happy about your visit. We noticed that you've been involved in a lot of activities and you seem to very healthy, and you seem to have a very nice figure, Mr. President. And we like a lot of sports, too, in our university. We're into sports. So I'd like to ask you, Mr. President, first of all, when you were in college, which sports did you like to play? That's the first question.

The second question I'd like to ask, if you could answer, Mr. President, is how do you maintain your energy in your work? And then, also, the last thing I'd like to ask, can you predict who's going to win, which team is going to win the World Soccer Cup?

MR. ZUO: Oh, yes, so many questions. You threw a lot of questions at him all at once.

THE PRESIDENT: Well, when I was in college, I liked to play basketball, which is very popular in America, and I liked to jog. I have jogged -- I am a runner, you know, and I did that for most of the last almost 30 years. Then, about a year and half ago I hurt my leg, and I couldn't run for several months, and I began to work on the Stairmaster. You know, it's the machine, you find them in a lot of these gyms. You walk up and down stairs. And I do that quite a lot now because it's quicker than running. And I play golf. I like golf very much. It's my favorite sport. Even though it doesn't burn a lot of calories, it makes my mind calm. So I like it.

Now, on the World Cup, it's hard for me to predict. I will say this -- the World Cup is now becoming important to Americans in the way it's important to other countries, because soccer came rather late to America because we had football and basketball. Now, more and more of our children are playing soccer. And I think the World Cup is a great way of bringing people together. You know, the United States has been estranged from Iran for a long time, but we had this great soccer game and they beat us fair and square -- it was heartbreaking for Americans, but they won a great, fascinating soccer match and they eliminated us from the World Cup.

I'm not an expert in soccer, but I think the Brazilians are always hard to beat. I've watched them play a lot and they're very good.

MR. ZUO: So since we're talking about soccer, now even I am inspired to ask some questions here. Everybody knows that the United States and Iran was a competition that everyone was interested in in the World Soccer Cup. Everybody was thinking about that time a long time ago that the ping-pong diplomacy, those 20-something years ago, that started the relationship between the United States and China.

Now the question we'd like to ask you, Mr. President, is, is it possible that we can do soccer diplomacy in this area? Can you give us some information in this area, because we here in Shanghai are very interested in international issues?

THE PRESIDENT: I think it could be possible. The Iranians like wrestling very much, and we have exchanged wrestling team visits. And they treated our American wrestlers with great respect and friendship, which meant a great deal to me. And then we were honored to receive their wrestlers.

So I think -- the new President of Iran seems to be committed to not only lifting the economic and social conditions of his people, but also having a more regular relationship with the rest of the world, in accordance with international law and basically just conditions of good partnership. So I'm hoping that more will come out of this.

But I think Americans were riveted by the soccer game. And they were impressed because we were supposed to win the game and we had lots of chances and our players played very well -- they played very well, they had lots of chances, they could have scored eight times or something -- but the Iranians had two fast breaks and they played with such passion and they had those two chances and they capitalized on both of them. And we respect that. It was very good.

MR. ZUO: Of course we hope for peace between our two countries, but not only that, we hope for peace all over the world, right? Okay, how about now let's continue to get some calls here. We have caller number four, who has a very interesting question here. Go ahead.

Q Hi. Thank you, Mr. Mayor, Mayor Xu.

MAYOR XU: Hi, how are you?

Q Hi. I'm just a regular citizen here of the city of Shanghai. I am just an employee at a certain place in Shanghai. I'd like to ask a question. Right now in Shanghai we are encouraging people to have private cars. Is this going to make the traffic conditions worse, more crowded in Shanghai? And also is this going to make more environmental pollution for our city? I'd like to ask the mayor this question.

MAYOR XU: You've asked quite a good question here. We at the city government are just in the process of considering this. We are often debating this issue when we talk about traffic in the city because there are 13 million people in the city of Shanghai and it is very, very densely populated.

So our basic policy is to develop the public transportation system -- that's our priority -- like the subway system, buses, all these types of public transportation. Of course, though, I would just like to correct you for a second. We didn't encourage people to buy, private citizens to buy cars. We just relaxed the regulations on and the restrictions on individuals buying cars. Because in the past few years there have been some citizens who have bought apartments, then also they bought cars. And they were living far away and they didn't have a car, so they needed to have a car.

And then there were other people who bought houses

that you Westerners live in that are farther away, and they thought that it would be better if they had own cars. So in the past few years what we did was we had like an auction, sort of, on the license plate that you could get for your car, and the amount you had to pay for the license plate was pretty much as much as the car itself cost. So, as far as this goes, we've relaxed the restrictions. The government has decided pretty much to relax it to maybe 10,000 cars. As for how much this is going to affect the traffic situation, we still have to try to -- whatever the situation, we have to meet the needs of the people at all different income levels.

And as for the environmental question, we have to use unleaded gas. I think leaded gas should not be used in Shanghai. And then by 2000, we're also going to have use purifiers, these filters -- these filters that will make the emissions that come out of the cars up to standards. We'll use these methods to control the situation, because right now, we have, like, I think only 700,000 or so cars, less than in Beijing, less than in Tokyo, less than in Hong Kong. And our roads also need improvement.

But what the most important is that we need to manage -- we need to the "software" of how to managed the roadwork system. We have to know how to manage better the roads, the road system. For instance, for the one-way roads, we have to have maybe some roads that are not -- some will be one way, some will not allow you to park or stop, things like that, measures like that will help us improve the traffic situation.

I really understand what you're thinking. As the Mayor, I'm also afraid of there being too many cars. Thank you very much for asking that question. Do you have any other questions that you want to ask?

MR. ZUO: Even though Mr. President is here, look at this -- some of the people here are still interested in asking questions of the Mayor about their city, because they're interested and they're excited.

THE PRESIDENT: Well, they should be. I mean, that's a very basic thing.

I would like to comment on one thing the questioner asked, because I was impressed that he is concerned that if everyone has a private car, the air pollution will grow worse. Let me say, this is a big problem everywhere in the world. But I once told President Jiang, I said, my biggest concern is that China will get rich in exactly the same way America got rich, but you have four times as many people, so no one will be able to breath, because the air pollution will be bad.

Now, one of the things that you need to know is that when a car, an automobile burns gasoline, about 80 percent of the heat value of the gasoline is lost in the inefficiency of the engine. But they are now developing new engines, called fuel injection engines, where the fuel goes directly into the engine and it is about four times more efficient. So I hope that within a matter of just a few years, in the U.S., in China, and throughout the world, all these engines will be much, much less polluting. And that will be very good for the health of the people of China and for the health of world environment.

MAYOR XU: Correct. That's a good thing. We, right

now, are in the process of thinking about natural gas, LNG, that is, using it for cars, for taxis --

THE PRESIDENT: Very good.

MAYOR XU: -- for buses. And at the same time, even for personal motorcycles. We're thinking of making them electric instead of gasoline.

MR. ZUO: Mr. President, we were just talking about cars a second ago, and do you agree that, as for the development of cars, including in Shanghai and in China, we shouldn't make the same mistakes that you guys made in America necessarily, we should do it as suits the conditions in China, the development of the automobile market?

THE PRESIDENT: Absolutely. I think, for one thing, you should be much more disciplined than we were about making sure you have good, high-quality mass transit, because in the cities where we have good mass transit, people use it. So, if you have good mass transit, then I think people should be free to have cars, and it's a nice thing to have, but they won't have to drive them so much and you won't have the pollution problems.

Then I think the city, as the Mayor said, can set a good example. You can have electric vehicles, you can have natural gas vehicles. And then, as I said, within a few years, I believe all of us will be driving cars that, even if they use gasoline, will be much, much more efficient. Otherwise, if we don't do these things, the air pollution will be terrible and it will create public health problems that will cost far more than the benefits of the automobile. You don't want that. And you can avoid it. You can avoid the mistakes we made with technology and good planning.

Q Yes, thanks.

MR. ZHU: The time has gone so fast. I would love if we could make the time go slower. Okay, let's look -- there's somebody names Ms. Tong, number three.

Q Hi, Mr. Mayor and Mr. President. I work at the Shanghai gymnasium, and I'd like to ask of the two of you -- or I should say I'd like to tell the two of you something. In 1996 I went to America and I studied a little bit for 10 months there. And I felt like it really enriched me and I felt like the United States was a beautiful, rich and very open country -- especially I went to certain places where there were some gardens and pretty places. And I felt so at home when I saw these things, that they sort of reminded me of the Orient, of the Eastern places.

And I thought, oh, this is in the United States? I'm glad to see this. But what I felt bad was that my kid was studying at a school there and a lot of the American friends there, American teachers there thought that Cantonese was Mandarin -- because a lot of the early immigrants, Chinese immigrants to the United States were Cantonese.

I said, no, this is Mandarin. This is the common language we speak in China. I was hoping that you could have more exchanges -- whether it's the people or the government -- to get to know each other better, to get to know even more and get closer and closer and closer. I think in this way, the Mayor and Mr. President, you're getting closer and closer, and even if we

don't have any better conditions I would still like to know, what are you guys planning to do to improve and increase the cooperation and the amount that we get in touch in the future between the two of us?

THE PRESIDENT: Well, first of all, I perfectly agree with you. I think that this is a very important point. That's why I came to China. That's why I am very pleased that the press conference I had with President Jiang was televised and why I did a question and answer session at Beijing University yesterday and why I'm doing this today. I think that we need more of this.

And as I said to an earlier caller, when I go home I intend to see what I can do about sending more Americans to China and trying to make it possible for more Chinese to come to America. Because the more we do these things the more we will be able to work through our differences and build a common future. And, besides that, it will make life more interesting and more fun.

Q Okay. Thank you very much, Mr. Mayor and Mr. President.

MR. ZUO: All right. Let's look at number two. Hi, I'm very sorry to make you wait so long.

Q Mr. President and Mr. Mayor, hi. I am engaged in science and technology and I love what I do. And thank you very much for what you're doing and you're talking about today.

I'd like to ask you today, right now we are in the Information Age, we are in the knowledge age. We're also in the economic age, where everyone is worried about the world economy and the development of it. What I'd like to know is, as far as expanding, promoting cooperation in science and technology between the United States and China, what are you planning to do?

THE PRESIDENT: We have had for many years a U.S.-China science and technology forum -- (inaudible) -- some research that has helped us to predict extreme weather events. And it has helped us to predict the coming of earthquakes.

We have also had scientific research which has helped us to uncover the cause of a condition in newborn babies, called spina bifida, that is caused in part by the mother's having not enough folic acid. And that has helped us to have more healthy children. My wife, two days ago, talked to a mother whose first child was born with this condition and the second child was born perfectly normal because of the research done by our people together.

So we have made a commitment, President Jiang and I, to identify other areas where we will do more work. And if you or anyone listening to this program, if you have any ideas you ought to send them to this station or the Mayor; they will send them on to me -- because I think we should do more science research together.

Q Okay. So we've talked about a lot of things here. And in my mind since the President of the U.S. has stepped off the plane in China there's something that I've been thinking. I don't know if you've noticed -- I very much admire the courage that President Clinton has. This time his visit to China was

opposed by some congressmen and senators. And we think that that's -- we call that people that didn't cooperate or weren't in harmony with his thinking -- but he still came anyway, he came to China.

What I'd like to ask here is, after this visit -- right now, of course, it's only part of it -- but up until this point in time, up until today, can you tell me, do you have enough courage when you go back to the United States to convince the people, the nonbelievers, that what you're doing is right? Do you have facts and materials and information? If you don't have enough facts, don't have enough materials, I can provide you with more.

THE PRESIDENT: I believe that what the American people have seen already -- that our media has reported back on my meeting with President Jiang, and the press conference, yesterday, the meeting with the students, today, the meeting with the citizens before I came over here, and this -- it clearly shows that whatever differences we have in our systems and the differences of opinion we have about what human rights policy ought to be, what the scope of freedom of religion ought to be -- any of these differences, that we still have a lot in common and by working on the things we have in common we may also come to an understanding about how to manage our differences. And I believe that the forces of history will bring about more convergence in our societies going forward.

The Mayor and I were talking earlier about the education systems and how, in the end, we need to educate young people with the same kinds of skills. And I believe, as I have said repeatedly, that high levels of personal freedom are quite important to the success of a society in the Information Age, because you need people who feel free to explore, to state their views, to explore their own convictions, and then live out their own dreams, and that this will add to the stability of a society by enriching it. That's what I believe.

And we've been able to have these conversations here. And the government and the people of China have been very open. Also, yesterday, the students were very open in asking me some rather probing, difficult questions. And all of this, I think, is good. So I think the American people will see when I go home that this was a good thing that I came here. And it's a good thing that we have a working relationship.

Q I work in one of the government departments and my name is Wong. And the question I'd like to ask you is as follows: As for Chinese accession into the WTO and the negotiations, these negotiations have been going on for several years and I believe that the United States has an attitude in these talks which is very important, which everyone will really look to. So I hope that the United States will have a more positive attitude to let China get into the WTO as soon as possible. As far as this issue goes, can we have President Clinton talk a little bit about what you think about it? Thanks.

THE PRESIDENT: Yes. First of all, obviously I think it is important for China to be a member of the World Trade Organization because China is a major economic power that will grow only larger over time. Secondly, it should be obvious that we in the United States want to support China's economic growth. After all, we are by far the largest purchaser of Chinese exports. No other country comes close to the percentage of

exports that we purchase in the United States. So we support your growth.

But we believe that when China becomes a member of the WTO, it must do so on commercially reasonable terms; that is, you must allow access to your markets, not only of American products, but of others as well, and there should be some open investment opportunities. And all of this should be done, however, in recognition of the fact that China is still an emerging economy, so you are entitled to have certain longer timetables and certain procedural help in this regard.

So what we're trying to do in America is to say, okay, China should be in the World Trade Organization, but it has to be a commercially realistic set of understandings when you have memberships, and yet we owe you the right to a reasonable period of transition as you change your economy. And I think we'll get there. I think we'll reach an agreement before long.

MAYOR XU: We very much hope that what Mr. President just said will come to fruition. Of course, we're hoping for that day; we're waiting for that day.

MR. ZUO: Okay, Mr. President, you've noticed and you've seen that there are so many people waiting in line on the screen here to talk to you. There is not enough time; that's obvious. But somebody has asked you that in this constructive strategic relationship to promote world peace, they want to know what kind of meaning this has. They also want to know what the United States -- what else the United States can do in the Southeast Asian financial crisis, et cetera, et cetera, et cetera.

There are a lot of questions, but I think in the interest of time -- well, I think that in the future we might have other times to do this again, but I think for the time let's not take any more calls.

A minute ago when I was talking with you, when I was talking to the President, he said that in the United States, in America, he often gets in contact with the citizens, but he's never done this type of program outside the United States. It's right, this was the first time? Yes, the first time.

So what I'd like to know is, what do you think? What impressions do you have of this first time?

THE PRESIDENT: Well, first of all, I have enjoyed it very much. I want to thank all the people who called in with their questions and tell you that I'm sorry we didn't get to answer more questions. But it's always the way. People everywhere want to engage their leaders in dialogue. And so I thank you for your questions. They were very good ones. And if I didn't get to answer your question, I'm sorry. But this has been a historic occasion. And perhaps now when I travel to other countries, I will ask them if they will do the same thing. This was a very good idea.

MR. ZUO: Thanks.

Just now, Mayor Xu, you should also have come to see that in our program the people listening also hope that you will come back to this program. They'll engage in an exchange with you.

MAYOR XU: Okay, fine. As long as you arrange it, I'll come. I myself, as the mayor, that should be part of my job. That's an important part of my job, to be in close contact with the citizens of the city.

MR. ZUO: So after doing such a program with the President, did you think it was -- wasn't it fun? Didn't you have a good time?

MAYOR XU: Yes, it was very, very nice. I liked the way the President answered a lot of the questions. He has a lot of far-reaching thoughts, and he has a lot of far sight. I learned a lot from him.

MR. ZUO: The time went so fast. Look at that, it's pretty much almost gone. But we'll remember it forever, and we hope that the friendship between China and the United States will last forever, just as President Clinton said. We hope it will be just as long as the Great Wall.

And I would like now, for the Shanghai radio station and on behalf of this program, I'd like to really express my heartfelt thanks to the President and the Mayor for participating in this program. Thank you very much to those in the audience. Bye.

THE PRESIDENT: Good-bye. Thank you.

END

1:00 P.M. (L)

THE WHITE HOUSE

Office of the Press Secretary
(Shanghai, People's Republic of China)

For Immediate Release

July 1, 1998

REMARKS BY THE PRESIDENT
TO U.S. BUSINESS LEADERS AND
LEADERS OF THE SHANGHAI BUSINESS COMMUNITY

Atrium of Portman Ritz Carlton
Shanghai, People's Republic of China

9:37 A.M. (L)

PRESIDENT CLINTON: Thank you very much. Ladies and gentlemen, thank you for your warm welcome and let me begin by thanking Charles Wu for inviting me here today. I am honored to be joined not only by Secretary Daley, but by Secretary Albright and Ambassador Barshefsky, from whom you have already heard, and the distinguished congressional delegation and our fine ambassador, Jim Sasser.

It is fitting that the American Chamber of Commerce here in Shanghai is the fastest growing one in Asia. Over the past 24 hours or so, I've had the chance to see examples of the kind of ingenuity and energy of those who live and work here -- from the magnificent examples of architecture and culture to the people.

Yesterday, I hosted a discussion with a range of Chinese leaders in academia, in law, in the media, in culture and nongovernmental organizations, all working to create a more responsive, open, decentralized society. And also yesterday some of you may have heard the radio call-in show that I had, where the mayor joined me. It was very much like call-in shows in America. People were concerned about quite immediate issues by and large. My favorite caller said he did not want to talk to the President, he wanted to talk to the Mayor about traffic issues. (Laughter.)

One of the greatest American politicians in the last 50 years, the late Speaker Tip O'Neill, once told all of our Democrats in the House that all politics was local. That's the most extreme expression I've seen in a long time and I liked it very much.

Later today I will have the opportunity to speak with several new entrepreneurs and to families who have recently moved into their own home for the first time. All of this to me has been very, very encouraging. Many of you have helped to nurture Shanghai's success and in so doing have helped to nurture China's ongoing evolution to a more open, stable, and prosperous society. Your presence in Shanghai is vitally important for the future of China and the United States and the larger world.

China has, of course, been one of our largest trading partners. They bring more jobs, better pay, more growth, greater prosperity back home to the American people. In the 21st century more than ever our ability to compete in foreign markets will be a critical source of our strength and prosperity at home. We have, after all, in the United States just 4 percent of the world's population, but we produce 20

percent of its wealth. Clearly we must do something with the other 96 percent of the people on this small planet in order to maintain our standard of living and our ability to stand up for our values around the world.

We especially must reach out to the developing world, whose economies are projected to grow at three times the rate of the developed economies over the next 20 years, including, of course, the largest country -- China.

America, as Secretary Daley has said, has been very blessed these last five and a half years. I am grateful to have had the chance to serve, and I'm very grateful for the support I have received from the members of Congress here in this audience and, even more importantly, for the work the American people have done to bring our country back, bring our country together, and move our country forward.

But it is very important to note that a big part of all those numbers that Secretary Daley read off was the expanding, vigorous American presence in foreign markets. About 30 percent of the growth that produced those 16 million new jobs and the revenues necessary to balance the budget for the first time since 1969 and run a surplus came from expanded trade. And it is a cause we must keep at.

I also want to say that in addition to the positive impacts you have on the United States, your work here has a very positive impact in China. China's 20-year track record of unprecedented growth has been fueled in part by foreign products, know-how, investment, trade, and energy. These ties also have more subtle and perhaps more profound, long-lasting effects. They strengthen the rule of law, openness, and accountability. They expose China to fair labor practices and stronger environmental standards. They spread powerful agents of change: fax machines and photocopiers, computers and modems.

Over time, the more China enters the world community and the global economy, the more the world will strengthen freedom and openness in China. You are in the vanguard, therefore, of an historic process.

Our commercial relationship has also helped to strengthen, and in turn has been strengthened by, expanding diplomatic cooperation between our nations. I will do everything I can to encourage stronger trade ties between the United States and China. Just before my departure, the House Ways and Means Committee voted overwhelmingly in favor of normal trade treatment for China -- MFN. I hope the rest of Congress soon will follow suit. Failure to renew that would sever our economic ties, denying us the benefits of China's growth, endangering our strategic partnership, turning our back on the world's largest nation at a time when cooperation for peace and stability is more important and more productive than ever.

China and, indeed, Shanghai face major challenges in advancing economic progress beyond the present point. We all know that -- more restructuring of state-owned enterprises, developing a transparent legal and regulatory system, preserving the environment as the economy grows, building a strong financial system, opening markets, playing a responsible role in sustaining the international financial system.

The United States is prepared to work with China in meeting these challenges because the success of China will affect not only the Chinese people and Chinese prosperity but America's well-being and global stability as well.

First, restructuring state enterprises is critical to building a modern economy, but it also is disrupting settled patterns of life and

work, cracking the Iron Rice Bowl. In the short term, dismantling state enterprises puts people out of jobs -- lots of them -- and into competition for employment for private jobs. Those who lack the right education skills and support risk being left behind here, as they do, I might add, in the United States and other countries undergoing changes because of the global economy in the Information Age.

China will have to devise new systems of training workers and providing social benefits and social security. We have asked our Council of Economic Advisers, the Treasury, Commerce, and Labor Departments to share their expertise and experiences with Chinese to help them navigate this transition.

Second, China is working to put in place a more transparent and predictable legal and regulatory system, with enforceable rights, clear procedures, and strong efforts to combat corruption. I am pleased that American businesses have pledged financial support for the rule of law initiative President Jiang and I have launched. It is terribly important. It will improve legal education and judicial training in China, streamline the regulatory system, and improve legal aid for the poor.

Just as important, it can be the basis for strengthening the protection of personal rights and constraining arbitrary government. We've also initiated a dialogue between our labor ministers that will address worker rights. I challenge you to set a good example here to show that respect for core labor standards goes hand in hand with good and successful business practices.

Third, as we go forward we must ensure that economic development does not lead to environmental catastrophe. Respiratory illness from air pollution is now China's number one health problem. Every major body of water is polluted. The water table is dropping all over the country. China is about to assume the unfortunate distinction of replacing the United States as the largest emitter of greenhouse gases that are dangerously warming our planet.

Increasingly, pollution at home -- whether in China or the United States or elsewhere -- becomes a worldwide environmental problem, as well as a health, environmental, and economic problem for people in their home countries. Climate change is a real and growing issue. The five hottest years recorded on the planet since 1400 have all occurred in the 1990s. If present trends continue, 1998 will be the hottest year ever recorded.

Now, unfortunately, it is still the dominant opinion in virtually all developing countries -- and I might add, in many sectors of the United States, including among many in the Congress -- that there is an iron, unbreakable link between economic growth and industrial age energy practices. If that is the link, we can hardly expect decisionmakers in countries with a lot of poor people trying to come to grips with the enormous changes of the global economy, to do anything other than either deny the environmental problems or say that their children will have to fix them. Happily, it is not true. It is simply not true.

We have example after example after example of countries whose economies are doing well as they adopt more sensible environmental and energy practices, and companies in the United States who are making a significant share of their profits through conservation and the implementation of new technologies -- everything from simple initiatives, like using more natural gas, using better lighting and insulation material, use of waste heat from power generation facilities to provide heating, cooling, and lighting, and about to be widely available, fuel injection engines which will cut pollution from

automobiles by 80 percent.

All these things are available. Shanghai could be the center of an energy revolution in China which would actually lead to faster economic growth, less resources invested in cleaning up the mess later, and less resources invested in taking care of sick people who won't get sick if more is done to preserve the environment.

But we have to do something to break the idea in people's minds that the only way to grow the economy of a developing country is to adopt industrial age energy use patterns. It is not true; it is a huge problem. It is still a problem in the United States, and I ask you to lead the way.

All the evidence is, if you look at the record of our country going back to 1970, every time the United States has adopted higher environmental standards, businesses have created new technologies to meet them, and we have actually had faster economic growth with better and better paying jobs as a result. This is something we will have to do together.

I am pleased that the Energy and Environment Initiative we launched last October has begun already to yield concrete clean energy and clean air projects, which I'll have an opportunity to talk about more tomorrow in Guilin. But I wanted to take this opportunity to ask all of you to try to change the thinking because I have no right as President of the United States to ask China to slow its economic growth. I don't have a right to do that. But as a citizen of the world and the leader of my country, I have a responsibility to ask us all to work together for a planet that our grandchildren can still enjoy living on. And so do you. (Applause.)

Fourth, you know better than I that China faces significant challenges in strengthening its financial and its banking systems. America learned some hard lessons from our savings and loan crisis in the 1980s. The Asian financial crisis today demonstrates the havoc a weak and inadequately supervised banking system can create. We want to help China avoid similar errors by improving regulations, opening to foreign competition, training bank supervisors and employees, and in the process, I might add, developing the capacity to fund more private entrepreneurs in small businesses.

Fifth, as you are well aware, China's economy still is burdened with complicated and overlapping barriers. More open markets are important to the United States, which buys today about a third of China's exports, and in turn should have a fair shot at China's markets. It is important to China as it builds an economy that must compete globally. In America, as in China, rapid change and the disruptions it brings make it tempting to turn inward and to slow down. But for China, as for America, the promise for the future lies in helping our citizens to master the challenges of the global economy, not to deny them or run away from them.

President Jiang and I agree on the importance of China's entry into the World Trade Organization. But that can only happen on strong terms, the same terms that other nations of the world abide by to benefit from WTO membership. Of course, there will have to be an individual agreement that recognizes the transitions China must undertake, but the terms have to be clear and unambiguous.

I'm disappointed that we didn't make more progress on this issue, but we'll keep working at it until we reach a commercial viable agreement. I also want to emphasize something I'm sure every member of Congress here would agree with, which is that we cannot build support

for permanent MFN for China in the Congress on the basis of anything less.

Finally, China must help to meet the challenge of an international financial system with no respect for borders. I must say that I appreciate the very constructive role China has played in promoting financial stability in the region, through direct assistance, multilateral cooperation, participation in the international financial institutions. Premier Zhu and President Jiang told me China is determined to play its part in avoiding another round of competitive devaluations, which I believe would also be damaging to China, as well as to the region.

Both our countries have important responsibilities to counter the threat to the international financial system, and I am confident that working together, we can do so. Of course, we have work to do to meet all these challenges, but you can help, as I'm sure you know -- explaining to Chinese colleagues the important and tangible benefits in the Information Age of increasing individual freedom, and limiting arbitrary governmental decisions.

It isn't simply a philosophical matter that no one has a monopoly on the truth. If you look at what is driving the Information Age, it is ideas. The Chairman of the Federal Reserve, Alan Greenspan, was having a conversation with me several weeks ago and he told me something that I didn't know -- he usually tells me something I don't know when I visit with him -- (laughter) -- but he said that, actually, economists had measured the physical size of national output and compared changes in GNP or GDP with changes in physical size. He says that in the last 15 years, while America's income has gone way up, the bulk of what we've produced has hardly increased at all. Why? Because wealth is being generated by ideas.

That will become increasingly true everywhere. In that kind of world we must all value the ability of people to think and speak and explore and debate -- not only because it is, we believe in America, morally right, but because it is the only thing in the end that will actually work to maximize the potential of the people of China. And they deserve a chance, after so much struggle and so much hard work, to live up to their potential and to see their nation live up to its potential. (Applause.)

I also believe it is important to explain to American colleagues and friends back home the importance of our engagement with China. There are some people who actually question whether I ought to have come on this trip and who had, I thought, prescriptive advice, which would have completely undermined the effectiveness of the trip.

It is important for Americans to remember, as we go around the world telling people that no one has a monopoly on the truth, that we don't either. (Applause.) And that we live in a world where the unique position of the United States as the world's remaining military superpower, with all of our economic strength, is such that we can maximize our influence only by reaching out a hand of cooperation as well as standing strong when the moment requires it.

We have to make most of our progress with most people by working with them, and that requires us to seek to understand and communicate and reciprocate and to live by the values we espouse.

So I hope you will do both these things. I hope you will bring energy and commitment to these tasks. I hope you will be immensely successful at what we call your day job as well, because we have a lot to do to help America and China reach their full potential in the 21st

century. But a great deal is riding on our success, and I believe we will succeed.

Thank you. Thank you very much. (Applause.)

END

10:00 A.M. (L)

THE WHITE HOUSE

Office of the Press Secretary
(Beijing, People's Republic of China)

For Immediate Release

June 27, 1998

REMARKS BY THE PRESIDENT
IN TOAST AT STATE DINNER

Banquet Hall of the Great Hall of the People
Beijing, People's Republic of China

THE PRESIDENT: President Jiang, Madame Wang, members of the Chinese government, fellow guests -- I am honored to be here representing the people of the United States in the Great Hall of the People, which reflects the impressive progress of the Chinese people in the 20th century.

We Americans first saw it on our televisions 26 years ago when President Nixon became the first American leader to visit China. Those were the very first live pictures of China ever seen in my country. Across the United States, Americans were filled with great hope as relations resumed between our two great nations.

That visit changed history. It reminded us of the warmth each nation felt for the other -- long before the Cold War. It recalled our alliance in World War II and our long history of commercial relations dating back to the infancy of the United States. We were trading together before our Constitution was written. Even the tea that our founding fathers threw into the Boston Harbor in 1773 to protest British taxes was from China.

For most of our history we have looked upon China as a distant friend across the sea. As the Bamboo Curtain opened, Americans and Chinese learned about each other all over again. Starting with pandas and ping pong players, we have built a broad and friendly relationship.

Today China and the United States cooperate across a wide range of enterprises -- in business, in the arts, in the academic world, and in the personal friendship that unites Chinese and Americans. More than 1 million Americans trace their roots to China. Every day, Chinese Americans build a better America -- as entrepreneurs and architects, artists and public servants. And we form lifelong bonds with the thousands of Chinese students who study with us every year, teaching us their culture as they learn from ours.

Americans are proud that many of China's leaders spent time in the United States. Dr. Sun Yat Sen visited six times between 1896 and 1911, and he was in Denver when he learned he would become China's new leader. The great teacher, Hu Shi, was a student in New York when he pioneered a new system of expressing vernacular Chinese, an idea that changed China forever. I look forward to seeing Beijing University during its centennial year, a monument to Hu Shi and so many other friends of America.

As two great nations, the world looks to us to set a good example. In the last few months, we have seen how much we can and must do together -- in our strong response to the crisis in India and Pakistan, our efforts for lasting peace on the Korean Peninsula, our cooperation

to stem the flow of dangerous weapons around the world. In so many different ways, we are upholding the teachings of Mencius, who said: "A good citizen in one community will befriend the other citizens of the community; a good citizen of the world will befriend the other citizens of the world."

Mr. President, the American people admire the great strides China has taken. Your people are leading lives inconceivable just a generation ago. Your phenomenal growth over 20 years has opened new worlds of possibility -- for jobs, for more schools, for greater mobility, for instant access to the outside world. We Americans appreciate the mutual respect of our relationship -- a relationship based on cooperation, candor, and recognition of each nation's values and traditions.

An ancient Chinese proverb tell us: "Be not afraid of growing slowly; be only afraid of standing still." Let us commit to keep moving forward together, turning small steps into giant strides for our people, our nations, and the world.

I ask you now to please join me in a toast to the president and the first lady of the People's Republic of China and to the friendship joining our two peoples and the future we will build together.

Gan bei.

END

THE WHITE HOUSE

Office of the Press Secretary
(Shanghai, People's Republic of China)

For Immediate Release

June 30, 1998

REMARKS BY THE PRESIDENT
AT RECEPTION IN HIS HONOR
HOSTED BY THE MAYOR OF SHANGHAI

Shanghai Museum
Shanghai, People's Republic of China

6:40 P.M. (L)

THE PRESIDENT: Thank you very much, Mr. Mayor, Madame Xu, to Museum Director Ma, ladies and gentlemen. It is a great honor for my wife and members of our family, six members of the United States Congress, and many members of our Cabinet and other American citizens to be here in Shanghai tonight.

This museum is a fitting symbol of what I have seen in China these last few days -- the magnificence of your ancient past and your brilliant future.

I have seen a nation rising in its influence in the world, with China's leadership for stability in the Asian economic crisis; and China's leadership for peace on the Korean Peninsula and in working with us to help to deal with the difficulties caused by the nuclear tests by India and Pakistan.

I have seen the Chinese people rising, millions of them, out of poverty; millions more finding interesting work of their own choice, pursuing more educational opportunities, having more say in their local affairs.

I saw a great example of that when the Mayor and I did a talk radio show this morning here in Shanghai. And I was especially impressed when one of the callers called in and said, "don't want to talk to the President, I want to talk to the Mayor about traffic problems in Shanghai." (Laughter.)

Shanghai is truly the place where East meets West. Over the last 150 to 200 years, the West has not always been the best of partners in Shanghai, but now we have a good partnership.

I am especially pleased that a United States firm, RTKL, will design the new Scienceland Museum here. I hope that is a symbol of the kinds of positive, good things we will do together in the future.

I also want to say a special word of appreciation to your mayor. Mr. Mayor, I heard -- this may not be a true story, but don't tell me if it's not -- (laughter) -- I heard that years ago when your predecessor, Zhu Rongji, invited you to head Shanghai's Central Planning Commission you told him you hated the whole idea of central planning. And Zhu replied, then you're exactly the man I want for the job. (Laughter.)

Now we see you unleashing this city's great potential, cutting red

tape, fighting corruption, protecting the environment, spurring an artistic revival. You are making Shanghai a place the world looks to for commerce, culture and people of different walks of life thriving together.

Mr. Mayor, in 1996, when I asked the American people to give me another term as President of the United States, the theme of my campaign was, building a bridge to the 21st century. In Shanghai, you are building that bridge to the 21st century, and we want to build it with you.

Thank you very much. Thank you. (Applause.)

END

6:48 P.M. (L)

THE WHITE HOUSE

Office of the Press Secretary
(Beijing, People's Republic of China)

For Immediate Release

June 27, 1998

PRESS BRIEFING BY
MIKE MCCURRY,
NATIONAL SECURITY ADVISOR SANDY BERGER,
AND NATIONAL ECONOMIC ADVISOR GENE SPERLING

Shangri-la Hotel
Beijing, People's Republic of China

4:12 P.M. (L)

MR. MCCURRY: Let me explain what we'll do. I'm delighted to have here the President's National Security Advisor, Samuel Berger; and the President's National Economic Advisor, Gene Sperling. They're going to do a variety of things, so sit back and enjoy yourself for a while. They will -- first, Sandy will provide a readout of the bilateral meetings the President conducted today with President Jiang Zemin. He will then go through elements that are contained in the fact sheet and the agreements that have been reached so you better understand the remarkable substantive achievements that occurred at this summit.

And then Mr. Sperling will provide a readout of the working lunch held today with Premier Zhu Rongji and that delegation, talk a little bit about the economic issues that were raised at this summit. And then we will turn to your questions. And we apologize for the lengthy presentation, but it's one that we think is important so that you understand in greater detail the substantive achievements of this summit.

With that, Mr. Berger. Delighted to have you.

MR. BERGER: Thank you, Mr. McCurry.

I think this has been quite an extraordinary day in the evolution of U.S.-China relations. The summit today and the press conference which followed I believe demonstrate more graphically than anything we could possibly have said that the premise that we have been proceeding along is correct. That is that engagement with the Chinese can advance America's interests and its values. This is a summit that produced substantial results that will make life more secure and improve lives in other ways for the American people and for the Chinese people.

We also saw today a truly historic press conference that for the first time witnessed the leader of the United States and the leader of China discussing and debating a range of issues, but most particularly human rights, to a live audience across China and the United States. A President of the United States and a President of China not only speaking to themselves, not only speaking to the press, but speaking to their own people and speaking to each other's people.

There were a number of firsts involved in that press conference, and in the events of the past several hours. I think it's the first time that a foreign leader has addressed Tiananmen as directly as the President did in his remarks. It is, as far as we know, the first time a press conference held by a foreign leader has been broadcast live. It certainly was the most extensive public discussion by far between a Chinese leader and an American leader on human rights.

And it was extraordinary in other ways as well. President Jiang at various points invited President Clinton to add to his comments, thereby deciding to engage in this discussion rather than seeking in any way to truncate it.

I will come back to that and answer your questions about it in a few moments. Let me go to the other side of the equation here, because this was a summit that produced substantial concrete results, and we're very pleased with those results. Let me just go through them, hopefully not in excruciating detail, but in some detail.

I think perhaps the most important developments in this summit came, as they have generally in the last few meetings, in the area of nonproliferation, as China increasingly becomes part of the global nonproliferation regime. We have an agreement with the Chinese not to target our strategic nuclear weapons under their respective control at each other. I think this is an important step, as I talked about yesterday as we speculated about its possibility.

In the missile area, there are several pieces here. I think the most important piece, one that I am particularly pleased about, is that the Chinese have agreed now to actively study joining the MTCR. Now, what does that mean? The Chinese in the past have said unilaterally that they would adhere to the MTCR guidelines. That is a kind of a general commitment and it doesn't necessarily include all of the technology and components that are part of the annex of the MTCR, and it's not binding in any kind of international way.

This is an important towards joining the MTCR, and we have seen in the past -- whether it's been the Covenant on Civil and Political Rights or various other measures -- the Chinese often do these -- jump across the river in two or three steps. And here they have said basically that they are moving towards considering joining the MTCR. That would be a very significant development in terms of the sale of missile technology worldwide.

On chemical weapons, we agreed that we would strengthen our controls even further of the export of dual-use chemicals, that is those that can be used in perfectly legitimate commercial uses and those that can be used in weapons. China has just announced that it will expand its list of chemical precursors that will be under those controls.

In the area of biological weapons, I think you've heard me and the President, others, talk about our desire, perhaps this year, but as soon as possible, to negotiate an enforcement protocol for the Biological Weapons Convention, which does not have enforcement machinery. And the Chinese have agreed to work with us towards that objective.

And finally in this area, the Chinese have agreed with us on practices for end-use visits on U.S. high-technology exports to China. This has been an important issue back in Washington. We will now have a procedure for verifying that exports that are going to a location are at that location through a process of visits and inspection.

In the area of the security dialogue, the two Presidents talked considerably about South Asia, and both committed to place heavy priority over the next months to trying to de-escalate the tensions in the region. China has a unique historical relationship both with Pakistan and with India -- asymmetrical relationship -- and obviously can be a very important part of this process.

In the area of human rights, in addition to the press conference itself, which I think was a powerful discussion beaming across China about the relationship between freedom and government and the past and the future, we've agreed that we will resume our bilateral dialogue on human rights. The Chinese earlier had indicated they would sign the International Covenant on Civil and Political Rights, indicated they will do so this fall.

And on religious freedom, we agreed that we would continue to exchange among officials, as we had earlier this year with the mission of the three clerics, and that the State Department and the Chinese Ministry of Foreign Affairs will resume its dialogue.

I will let Gene talk about the economic area.

On energy and environment -- I talked about this yesterday -- I think this is extremely important -- China, growing as fast as it is, will surpass the United States as the largest emitter of greenhouse gases in 10 or 15 years. And we will now intensify substantially our cooperation on clean energy, with American technology, working with the Chinese, working on a nationwide air quality monitoring network, working on power projects and coal bed methane technologies, as well as having an energy finance conference so that we can talk about how China can finance an economic growth pattern that does not replicate the energy -- the wasteful energy pattern of the developed countries in the postwar period.

In science and technology, a area where we have been cooperating for 20 years, we will continue that cooperation, emphasizing a number of areas I will mention -- particularly disease, fighting disease. We're going to be cooperating in several areas including child health issues, birth defects, and health hazards due to environmental factors. The President mentioned this in his statement, talked about some of the things that have happened as a result of this cooperation.

In the area of rule of law, we will work with the Chinese on a more robust project, working with their judges, with their lawyers, training them on judicial systems, judicial practices. And also we will hold an important meeting with them in November on legal protection of human rights, including international human rights covenants, criminal procedural rights, legal protection of religious freedom and other issues.

There are a number of other things that are in the fact sheet, but I think it's a very rich and diverse set of steps

which continue the process that has been ongoing now for the last two years at least of strengthening and deepening and widening this relationship.

Now, let me just speak for a second about the meeting itself. The meeting started with an extended bilateral -- probably 10 on each side, 12 on each side. The President -- both Presidents exchanged obviously their commitments to the relationship and the President began with South Asia, talked about the role that China had played in the P-5 and chairing that and helping to move towards a common position of the international community with respect to what India and Pakistan need to do to get this process reversed.

They talked about Korea, Kim Dae Jong, and the cooperation that we have there, both for trying to move a process of reconciliation between North and South, as well as making sure that the agreed framework that has stopped North Korea's nuclear program is adhered to.

The President in his larger meeting raised three economic issues -- Asian financial crisis, trade and the economy and the environment. Again, Gene will talk about those. On the economy and the environment, the President said basically that China can avoid the mistakes that the developed world made over the last 30 years in developing a very high carbon energy base and do so in ways that don't impair its growth, but don't impair its environment.

Then we went to a smaller meeting. President Jiang expressed gratitude to President Clinton for coming to China, notwithstanding the criticism of the trip that a few people have raised at home. And the President said that there never was a question in his mind to give in to the critics, that he believes that the United States gains an advantage from engagement -- can gain an advantage from engagement, and the President must do what's in the best interest for the United States; that we can cooperate and it's important that we discuss areas of disagreement.

There was a lengthy discussion of trade and WTO. On human rights, the President acknowledged the steps that China has taken with respect to release of dissidents -- some dissidents -- his agreement to sign the Covenant, invitation granted to the religious clerics, and said the question now is where do we go from here; how do we get on the right side of history together. He said that that would have, he thought, enormous impact -- that that, that is, China's opening up and giving greater degree of political freedom, a greater degree of freedom of expression, would have an enormous impact on China's standing, it would be a source of strength for China, not weakness. And as he said in the press conference, it would be a source, ultimately, of stability for China, not instability.

He talked about a number of areas he mentioned in the press conference in general terms that China could undertake with respect to prisoner releases, with respect to freedom of access to information. He raised the question of the arrest or the detention of the dissidents over the last few days. He mentioned the question of jamming Radio Free Asia and he said that he looked hopefully to China for improvement.

On Taiwan, the President restated our basic policy, one China policy. It continues to be at the heart of our policy,

based on the three communiques. We don't support independence for Taiwan or one China, one Taiwan, or Taiwan's membership in organizations that require statehood; but that it is extraordinarily important to the United States that the issue between China and Taiwan be resolved peacefully. And that was a point the President emphasized.

There was some discussion of Tibet. You heard a reprise of that to some degree at the press conference. And the President urged President Jiang to engage in a dialogue with the Dalai Lama based upon a commitment or a statement that the Dalai Lama acknowledging that Tibet is a part of China. The President said he believed that the Dalai Lama would do that.

He urged President Jiang to take the step which he said had importance not only for the people of Tibet, but also for people around the world who I think have a particular feeling for the cultural and religious identity of Tibet and want to see it preserved.

Let me stop. Let me ask Gene to fill in the economic pieces. And then I will seek to answer your questions.

MR. SPERLING: Clearly, one of the things we are most pleased with during this trip is that both in the meeting yesterday with Secretary Rubin and then again with the working lunch today with the President, Premier Zhu Rongji was very strong and quite unambiguous in his commitment to not devalue the currency in China, and expressed the view that that would be harmful to the region, to Hong Kong, and ultimately, in the long-term, harmful to China; that whatever difficulties and short-term costs, that this was a sound approach for the region. And the President was strong in his praise for the sound judgment and responsible judgment that that showed.

As you know, the President had asked Secretary Rubin to go out a day earlier and have a preliminary conversation. That went very well yesterday. And again the President went through many of these issues with the Premier over the working lunch.

On the joint -- on accession to the World Trade Organization, there was clearly progress made, but clearly it didn't go far enough. We said before that, as we've always said, we needed a commercially viable package and that that would be our test. I can tell you that over the last several weeks, Charlene Barshefsky and her team, Deputy USTR Fisher and Assistant USTR Cassidy, I think showed tremendous skill in both pushing and engaging their Chinese counterparts and in making some significant progress. We just have farther to go.

A new round of talks has been scheduled for the week of July 20th in Geneva. The areas where progress was made was in new tariff cuts across a wide range of products, though not enough, particularly in some of the key export areas that are important to American workers and producers; reductions in some nontariff barriers, such as quotas and licensing procedures; a new financial service offer; and their very first telecommunications market access proposal.

I think China got a better understanding of what it would take. I think that it was made clear that while the President would like to see a time when there is permanent MFN, that that could only be done in the context of a strong and

commercially viable WTO package.

On other fronts -- I won't go through everything in the fact sheet, but Secretary Daley certainly made progress in strengthening our export controls with China. China has agreed to a framework for permitting end-use verification inspections of U.S. dual-use high-technology exports. There is a five-year aviation initiative that will focus on airport infrastructure development, training, management, air traffic control systems. On Monday Secretary Daley will be part of several contract signings.

And one thing in particular we're very pleased with due to some very hard work right up to the last minute was that we are announcing the first exchange of Labor Secretaries to go over a broad dialogue of labor issues, including core labor standards, employment creation policies. And I think this is very important in continuing progress and some of the intersection between some of the economic issues and the freedom of association issues.

In the meeting with Zhu, it started by him telling the President of some of his previous visits prior to his current job, and the President inviting the Premier to come to the United States. He warmly received that, though obviously any type of dates would have to be discussed.

The President had a significant conversation with him on climate change, echoing some of the things that Sandy just went over in his conversation with President Jiang Zemin -- the notion that when the President is trying to bring in China into the Kyoto framework with targets and timetables, that he does not mean them to be targets or timetables that would limit China's growth, and that he believes that with the right type of energy policy earlier, that there can even be potential for reducing the growth of greenhouse gas emissions while encouraging growth.

There was also a significant discussion on Japan and the Asian financial crisis. This was at the point where the Premier made very clear to the President that as a matter of their responsibility to the region and to their neighbors and to Hong Kong, as well as economic sense for China, that they would not consider devaluing. There was discussion of the situation in Japan and what the economic challenges were there.

The Premier went through some of the issues with their own economic plan, their tremendous challenge in trying to deal with the 300,000 state-operated enterprises and their efforts to create a social safety net to deal with things, the problems and the challenges that result from that. He spoke of the fact that they were focusing very much on infrastructure investment, long-term infrastructure investment as their way of further stimulus, and the President was supportive of the long-term investment focus on that as opposed to a commercial subsidy focus.

On the WTO, the President talked about the importance of making progress. One thing I would say is that at this meeting the President had invited and the Chinese had invited the congressional delegation to be at the meeting. During the discussion in which the President was talking about the importance of making further progress on trade, he asked a few members of the congressional delegation to speak. Senator Rockefeller and Senator Baucus talked about the importance from

their perspective in maintaining support for open economic relations with China and for eventually getting permanent MFN or not having to fight such hard battles every year, of having greater open markets and doing more on the export side so as to bring down the trade deficit. Congressman Hamilton also strongly made these points and stressed that the effort of himself and people to continue open trade relations with China.

The President echoed that the status quo was not in an acceptable place and that we needed to make further progress.

With that -- since I know you are anxious to get to questions -- I will stop, either Sandy or I will be available for any questions you have. Thanks.

Q Sandy, did we somehow signal to President Jiang that President Clinton would raise the issue of Tiananmen Square in the press conference, that he would, in fact, speak at some length on what that meant to the American people and to him?

MR. BERGER: No, there was no specific conversation with President Jiang about what the President intended to say.

Q That wasn't the question.

MR. BERGER: Yes, I said no.

Q Did he signal in any way, not whether there was specific conversation.

MR. BERGER: No, didn't pull his ear, didn't --

Q And none of you talked to your counterparts at a lower level?

MR. BERGER: No.

Q Sandy, what message should other governments in Asia -- Japan, India, for that matter, Taiwan -- take from this new relationship that you are forming with China?

MR. BERGER: As far as I know, every leader that we have met with from Asia has encouraged us to develop a good, strong relationship with China. Well, we haven't had a conversation with the new Indian government of great depth, although we look forward to having discussions with them. But certainly, the Japanese, Prime Minister Hashimoto, the Koreans, President Kim Dae Jong. I think that the nations in this region know that we are not forming an alliance with China. They know that we are not -- that an improving relationship with China is not directed against any of them, but that stability in China and bringing China into the global and regional regime is to their advantage.

So I think we've tried to make it quite clear to each of them -- we do have, of course, security relationships with a number of those countries -- with Japan, with Korea, with Thailand, with the Philippines, with Australia. Those are qualitatively different relationships. Those are defense security relationships. But I think the others, for the most part, prefer to see a strong, good relationship between the United States and China than a tense and hostile relationship.

Q Can you help us and point to any particular

place in the human rights debate that we watched where President Clinton's stated views on human rights in China moved at all, or where you think President Jiang's position on human rights budged an inch?

MR. BERGER: Well, I think, first of all, the very fact that this happened is a movement on the part of the Chinese. It would have been unthinkable for that to happen even five years ago, perhaps even yesterday. So the fact that President Jiang not only was willing to engage, but seemed almost eager to engage in that dialogue -- there were times when he turned to the President where he could have cut off the discussion, and said, President Clinton, do you want to add anything to that.

What you're seeing in that press conference to some degree is a window into what has happened in the evolution of their relationship over the past few years. What I have seen in these meetings, where two leaders now have a level of mutual respect sufficient that they can engage in these discussions with a good deal of honesty and candor.

I think there were a number of moments -- I think that when President Clinton said at one point, I'd like to add a comment; first of all, I think this debate and discussion has been healthy and a good thing, and then went into a discussion of the relationship between stability and freedom. What he has been saying in many different ways and now is saying directly to the people of China is that: I understand China's apprehension, at least the leadership's apprehension, about disintegration." China has had historic problems of breaking up. But in the future, stability and freedom are not inconsistent. The better way to get stability in this new world is greater degree of freedom -- I think that's a very strong message to the people of China.

And I think the President was aware that this was being broadcast live and I think was speaking to the broader audience in that respect.

Q Sandy, how was he aware that it was being broadcast live? You didn't know going into this that it was going to be, did you?

MR. BERGER: We knew as we came out of the meeting, I think Mike had received some indication before the press conference that it would be broadcast live. And I think maybe on radio live. We've heard reports from some of our embassy people of cab drivers stopping and pulling over to the side of the street to listen to this. Those are unverified, and they are sourced to the U.S. embassy personnel.

Q -- mentioned that he would work on helping with people who are being arrested because of the counterrevolutionary law, that they were being arrested and put in jail. But wouldn't it be a matter of semantics, because people are being arrested now for endangering the safety of the country? So what would be your --

MR. BERGER: Well, I think the President made clear that he opposed arresting anybody for the expression of their views, of their political views, and made some suggestions to President Jiang as to concrete steps that might be taken in that direction. But we would oppose, obviously, the arrest for anyone for expression of religious freedom, for expression of their

political views.

I think part of this dialogue was President Clinton saying to the Chinese people and to President Jiang, let me explain America's values to the Chinese people and why that has made America strong, and why that can make China stronger.

Q President Jiang Zemin stated very clearly the idea of political contributions to the U.S. was absurd and sheer fabrication. President Clinton didn't say anything about that. Do you know his views on the matter, or what's the White House position?

MR. BERGER: I'm sorry, what was the predicate of -- I just didn't hear the first part.

Q Political contributions.

MR. BERGER: Oh. This is a matter we have raised before with President Jiang and other Chinese leaders. They have in the past said things similar to what President Jiang said today; that is that they have conducted their own investigation and they have not found anything to bear out the proposition that the Chinese government was engaged in an effort to funnel campaign finances into political parties in the United States. That is a matter for the Justice Department to investigate and we urged, as we always have, the Chinese government to cooperate.

Q On a related issue, did the issue of satellite export waivers come up in any of the meetings -- past, present or future export waivers?

MR. BERGER: Did not come up. I mean, it certainly has come up in our discussions with the Chinese at other levels; did not come up in the summit. But as you know, I think our view is that while there are some instances of private companies that are being investigated, that our policy with respect to satellite launches on Chinese satellites is one that serves the national interest and has not compromised our national security.

Q Sandy, can I ask about a couple of pieces of language that came out today -- one, an additional piece of the language and one that was omitted, and I'd like to ask your explanation of what these two things meant. The first one was, in talking about the detargeting, there was an interesting phrase about weapons under their respective control. Is that a reference, for instance, maybe to weapons on NATO bases in Europe? What does it mean -- weapons that are under the respective control?

And the second is an omission, or seemed to me to be an omission. After the summit I did not hear a repetition of the Taiwan Relations Act as being one of the pillars of American policy toward Taiwan. Does that Relations Act continue to be a policy of ours?

MR. BERGER: With respect to -- the issue of arms sales did not come up in the press conference. Obviously with respect to that, our template, our guidance is the three communiques and U.S. law.

And with respect to missiles under our control, that means all missiles that are under U.S. control. I'd rather not get into that more specifically.

Q You said that the President reiterated -- policy with regards to Taiwan to President Jiang. Then why didn't the President make that a part of his statement at the press conference? Was that by mutual agreement?

MR. BERGER: No.

Q And one more. During the President's stay in China, is he planning to address that issue in public?

MR. BERGER: There is no change here in the policy. Secretary Albright articulated it when she was here. Others have articulated it. I think I answered a question yesterday, answered a question today with respect to the policy. I don't know whether -- it's not inconceivable to me that at some point between now and the end -- there is a lot of speeches to go -- that the President will address Taiwan somewhat more specifically.

Q Did he specifically mention -- the three nos to President Jiang? Did the President specifically state --

MR. BERGER: He stated what our policy is. It includes those elements -- also the three communiques, the one China policy, peaceful resolution of the dispute. He restated our policy.

Q When did the United States begin talking about -- when did the United States start saying that it formally opposes independence for Taiwan?

MR. BERGER: That has been part of our policy I think for quite some time.

Q That would be the case even if the democratically-elected government of Taiwan chose that, or there was a democratic referendum that overwhelmingly favored it?

MR. BERGER: No, we believe that the status -- the issue of the future of Taiwan and China should be resolved between the two entities and between the two peoples. And it is inherent in the three communiques that we do not support the independence of Taiwan. That goes back long before we got here.

Q Can I follow up? Did the President restate the three nos of the one China policy on his own, or he was responding to a request from President Jiang? And also, what was President Jiang's response to the President's point that the pursuit of a cross-strait dialogue is the best way to achieve a final peaceful resolution?

MR. BERGER: I have not in my readout tried to characterize President Jiang's comments. I would suggest that you go to the Chinese government for that.

Q What about my point --

MR. BERGER: The President stated this in the context of a discussion on Taiwan which President Jiang talked at some length about Taiwan, and the President articulated our policy.

MR. MCCURRY: Our counterparts on the Chinese side,

Zhu Bangzao, the spokesman for the Foreign Ministry, very graciously delayed his briefing, their readout, until 5:00 p.m. I wanted to alert everyone of that. That will begin shortly -- those of you who have got responsibility to cover that event as well.

Q Where is that?

MR. MCCURRY: You can inquire -- Paul, do you know where they're doing that? Up around the corner, very nearby. So I did want to advise you of that. We will continue for a short while here for those of you in the White House press who've got some more questions.

Q On the environment, I would like to ask you, we all feel like China has a moral obligation to act on human rights. You sounded very strongly on your commitment to environmental dialogue with China. So is there a feeling that we, as developed countries -- America as the richest country -- has a moral obligation to help China do its job on clean energy and the environment?

MR. BERGER: The whole premise of our approach -- maybe we can just actually keep it a little bit down back there so I can try to answer the question. Our whole premise at Kyoto was that developed countries such as the United States had basic obligations to deal with the emissions that are causing greenhouse gases and global warming. And we undertook very substantial cuts in our levels over a period of time.

But we also said that if we cut, and the developing world, like China, doesn't cut, the planet doesn't know whether emission comes from Shanghai or San Francisco. So we'll have the same problem. And therefore we asked the developing countries to undertake their own efforts and to participate with us in a emissions control exchange regime whereby investments that are private sector could make clean energy in the developing world would both provide them an investment and provide our companies with credit for emissions control.

Q Just a quick question, clarification from yesterday. You described China as an authoritarian regime -- communist states are generally regarded as totalitarian. Is this an upgrade or a downgrade? (Laughter.)

MR. BERGER: Any single word doesn't capture I think a regime as complicated as China. This is a regime in transition. In some respects, as I said yesterday, the people in this country have a far better life than they did when I first came here 20 years ago, or 10 years ago or 5 years ago -- not only in their economic life, but also in their ability to choose what they do for work, whether they're educated, whether they travel, whether they have cable television and a whole range -- whether they elect their village mayor.

Now, at the same time, this is a one-party state and it has a very tight control on -- certainly on public expression, on political dissent. And in that respect it is authoritarian.

Q -- clarify the earlier question, what is this phrase, "under their respective control"?

MR. BERGER: Let me have a conversation with you later about that.

Q Sandy, on the question of transition, the President has now had seven meetings, I think, with Jiang. Do you see him as a transitional figure of sort of the Gorbachevian mold or is it something less than that or is it something more than that?

MR. BERGER: Well, first of all, one has to be humble about predicting the future of American leadership, let alone the future of Chinese leadership. I do not believe that President Jiang is a transitional figure. I think that he has consolidated his support within the government and that has been affirmed by various institutions. I think that he has strong control of the government.

Obviously, others in this government are extraordinary important -- for example, Premier Zhu Rongji, who has special influence in the massive economic restructuring going on here. But I think President Jiang is not a transitional figure. I think he is someone who, I would expect -- and I would hope that's he's not a transitional figure, I'd hope that he's a figure that accelerates the transition of China.

Q But is he a reformational figure?

MR. BERGER: Well, I think we'll have to make those judgments looking backwards. I think that what he did today was rather interesting. I think there are many ways to have reacted to that situation in the press conference. His instinct was not to cut it off. His instinct was to engage in the discussion, in the dialogue, in the debate, even to prolong it. I think that's an interesting instinct. And I hope that he will be a figure that sees the relationship between economic reform and political reform in China.

Q Did President Clinton directly complain to President Jiang about the recent detention of U.S. dissidents, and did President Jiang indicate that this would cease while President Clinton was in this country for his visit?

MR. BERGER: President Clinton specifically raised it. I'm not -- I don't believe President Jiang specifically responded to it, although others have said that the three individuals, in particular, have been released. Obviously, we don't -- we're not able to verify that independently, although I think there has been some confirmation of that in a few of the cases.

Q There were reports that people in other parts of the country were picked up, too. It isn't just those three.

MR. BERGER: Well, the President raised it, and not just -- the President raised it in the larger sense of how counterproductive it is for these things to -- and how much of a mistake it is for these patterns to be repeated in connection with official visitors, and urged that it be stopped.

Q Something on the economy. I just wanted to ask something about the intervention. We've seen that the yen has weakened again, and independent of the words that have been exchanged today, does the U.S. plan or will consider the possibility of a new intervention in the market should the yen weaken further? And was this discussed directly with the Chinese, whether they can participate in that?

MR. SPERLING: Well, I think that what our view is, what the President has communicated is that the main thing that will determine the strength of the yen in the coming weeks and month is going to be the actions Japan takes itself, particularly in the banking and financial restructuring area, to restore confidence. It was within the context of serious statements by both Prime Minister Hashimoto and Finance Minister Matsunaga on serious statements foreshadowing significant action that the intervention was taken.

So I think that the real test will be -- the real test in the view that currency follows in the long-term fundamentals will be the actions that Japan takes. As Secretary Rubin has said and repeated, currency intervention is a tool that obviously is available and will be used by the Secretary of Treasury when he feels it's appropriate, and will not be used when he doesn't feel it's appropriate.

The terms of the discussion, there certainly was discussion of currency issues in more depth in the meeting with Secretary Rubin and Zhu Rongji yesterday. It came up a little, the overall issue did, in the meeting with the President today. I don't recall that it did in the meeting with President Jiang Zemin.

Q So what did they actually talk about regarding Japan? Did they both just kind of -- that Japan isn't taking much action, but will support Japan if they do, or did the Chinese side say, we'd appreciate it if the U.S. put a little bit more pressure on Japan to stimulate its economy and so on? What did they actually talk about?

MR. SPERLING: Well, I don't want to do too much, as Sandy suggested, debriefing on their comments. But I think what was significant is that they were not suggesting that their actions -- that China's actions on devaluation were dependent on Japan or the yen. What they were suggesting was that they felt that regardless of the circumstances it would be nonadvantageous for the region and for China in the long-term to devalue and to risk another wave of competitive devaluations.

So, again, they were very reassuring on their pledge not to devalue and they were not hedging that commitment that was given both to the President and to Secretary Rubin on actions by the Japanese government or the movement of the yen.

Q Can you tell us more about the conversation of yesterday between Secretary Rubin and Zhu?

MR. SPERLING: It was a very in depth conversation. I think it must have lasted an hour and 20 minutes. I think Secretary Rubin did give a readout to some of the reporters who were with him yesterday.

There was a lot of conversation simply about what China itself was doing about what the restructuring they were doing, their growth targets. Secretary Rubin praised in the meeting the fact that to the extent they were trying to stimulate the economy, they were not focusing on commercial investments, which they suggested would lead to the kind of redundancy that they were trying to avoid, but rather on infrastructure investments; that they had been growing at 10 percent, 15 percent over this first half of the year in infrastructure investments

from highways, railroads, power plant commitments. So it was a very in-depth discussion of what they were doing. Certainly, Japan and currency issues came up. I don't feel I should go into too much more in what -- in their conversation.

Q Sandy, do you have a take on why the Chinese reversed course on the question of televising the remarks after earlier signaling not a lot of flexibility on that question? And, since is the last question, more broadly, can you speculate on what you think this improved relationship between the two leaders is going to mean over the next six months or year in terms of policy advances or other summits, what have you?

MR. BERGER: I knew you'd ask that question and I've been waiting to say, I told you yesterday, not to make a judgment based on the first day.

Q I took your advice, Sandy. (Laughter.)

MR. BERGER: Good.

I think it's a very interesting decision that they made to televise the press conference. And I'm not -- I think it's a very encouraging decision because in many ways, one had to believe that, given the fact that the arrival ceremony was in front of the Great Hall of the People, adjacent to Tiananmen Square, that the President might address it. There certainly had been a good deal of speculation in the press about that. And so I think, notwithstanding that, they made a judgment -- I mean, we have been encouraging them to give as much access to the President, and in every contact we've had the Chinese -- when Madeleine was out here, when I was out here, Jim's contacts in the last few days, we have said, we want the President -- it's very important for the President to be able to speak to the Chinese people. And I think they realized it was important to us, and I think they want this summit to be successful not just for them, but I think for the relationship.

In terms of where the relationship is going, I hope that this puts on a solid and higher level of cooperation. I hope that those who are critical of the relationship at home will see that through engagement you can get a lot of serious things done and promote America's values and maybe even advance the process of change in China all at the same time; that these are not multiple choice, you've got to pick one or the other.

I think today proved that premise to be correct. And I think there is a willingness on the part of the President and I think there is a willingness on the part of President Jiang to keep building as we have. We have built on each of these summits -- the October summit, this summit -- substantial achievements in a widening area of cooperation while talking about our differences in increasingly candid and open and honest terms. That can only be good.

And I hope that that will continue and I hope that those who saw this back home will realize that this is an important relationship, there is an enormous amount at stake, that you can aggressively pursue your interests and aggressively pursue your values at the same time.

THE PRESS: Thank you.

END

5:10 P.M. (L)

