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THE WHITE HOUSE

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

For Immediate Release

June 27, 1998

REMARKS BY PRESIDENT CLINTON
AND PRESIDENT JIANG ZEMIN
IN PHOTO OPPORTUNITY

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

9:23 A.M. (L)

PRESIDENT JIANG: First of all, I'd like to welcome you, Mr. President, on the state visit to China. And I'm looking forward to an in-depth exchange of views with you on a series of major issues.

Last fall I paid a state visit to your country at your invitation, and we made an important decision -- that is China and the United States would work together to establish a 21st century-oriented constructive, strategic partnership. Today your visit is another major event in China-U.S. relations.

The exchange of visits between the heads of state of China and the United States represents the common desire of our two peoples, and also marks a new stage of growth for the bilateral relations. Facts have demonstrated that improvement in growth of China-U.S. relations are the inevitable development of the history and are irresistible for any force on Earth. I'm prepared to work together with you, Mr. President, to make your visit a complete success.

PRESIDENT CLINTON: Thank you very much, Mr. President. As you know, this is my first trip to China, the first by an American President in nine years. It comes only eight months after your visit to the United States, which was very successful. I believe that these two visits demonstrate our commitment and our progress in building the constructive, strategic partnership we talked about last October.

I know that I speak for the vast majority of the American people when I say that this effort to improve and strengthen our relationship is very welcome. I have been impressed by the progress we have made and by the open and honest relationship we have developed in discussing all matters, and for that I thank you very much.

I very much hope this trip will not only help us to expand our areas of cooperation and move toward reconciling our differences, but also will help to increase the understanding of the American people about China and the Chinese people about America, because long after we are gone from the scene our people will have to carry on this partnership and this friendship.

END

9:28 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, Huihi, 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 Huihi 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
(Beijing, People's Republic of China)

For Immediate Release

June 28, 1998

REMARKS BY THE PRESIDENT
AT THE GREAT WALL

Great Wall
Mutianyu, People's Republic of China

2:45 P.M. (L)

Q: What are your impressions of the wall, Mr. President?

PRESIDENT CLINTON: Quite unbelievable. It's amazing to imagine that it was done so long ago. They've even had bricks here for 400 and some odd years.

Q: Do you see any analogies, sir, to the way China is now and the way it was then?

PRESIDENT CLINTON: No. (Laughter.) I said yesterday that I felt -- I believe this wall now is a symbol that China shows to the rest of the world, not a wall to keep people out. It sort of unifies the country for over 7,000 kilometers.

Q: Mr. President, could you tell us what the woman in the church wanted to talk to you about today?

PRESIDENT CLINTON: She just kept saying how happy she was I was in the church and how she wished I could come to the little village where she was from. She was very emotional. But as nearly as I can tell, there was nothing specific that she was saying. She kept thanking me for being there and saying that she was glad I was there and she wished I could come to her village, her home village.

Q: What do you think, Mrs. Clinton? What are your impressions?

MRS. CLINTON: Magnificent.

PRESIDENT CLINTON: You know, the part -- the steep incline you see up there, we were told, is the steepest part of the wall. So if we had a couple of hours we could walk 10 kilometers and we'd hit the biggest incline and we'd all be in very good shape when we finished. Or we'd be finished. (Laughter.)

Q: Was it a good workout anyway?

PRESIDENT CLINTON: It was a good workout. It was great.

Nice cap, Peter.

Q: Thank you, sir.

END

2:49 P.M. (L)

THE WHITE HOUSE

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

For Immediate Release

June 28, 1998

REMARKS BY THE PRESIDENT
AT CHURCH SERVICE

Chongwenmen Church
Beijing, People's Republic of China

10:31 A.M. (L)

PRESIDENT CLINTON: Thank you, Reverend Wu, Reverend Siu, Reverend Yin. Ladies and gentlemen, thank you for making me and my family and our party of Americans feel so welcome in your church today. We are a long way from home, but we felt very much at home with you here in this church.

We celebrate with you the growth of the practice of our faith in China, and we rejoice to hear Reverend Siu cite the numbers of churches and other places of worship where people are practicing their faith today.

The sermon today was on the unity of the church, and our unity with God in the church. I would like to add only one point -- I believe our faith calls upon us to seek unity with people across the world of different races and backgrounds and creeds. In the Book of Acts, the 26th verse, it is said that God has made from one blood every nation to dwell on the surface of the Earth. I believe that is true. Therefore, I believe that Chinese and Americans are brothers and sisters as children of God. We come here in that spirit today, grateful for your welcome. (Applause.)

END

10:34 A.M. (L)

THE WHITE HOUSE

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

For Immediate Release

June 29, 1998

REMARKS BY THE PRESIDENT
IN PRESENTING COLLECTION OF AMERICAN BOOKS
TO THE AMERICAN STUDIES REFERENCE COLLECTION
OF THE BEIJING UNIVERSITY LIBRARY

Library Lawn
Beijing University
Beijing, People's Republic of China

12:19 P.M. (L)

PRESIDENT CLINTON: Thank you very much. Well, first, let me thank all of you for coming out to see us on such a nice, warm day. (Laughter and applause.) I thank President Chen, Vice President Ren, Professor Chi, Senator Akaka, and the members of Congress who are here, and all the members of the university community, who have made my wife and our daughter and our whole delegation feel so very welcome today. Thank you very much. (Applause.)

Now, when Senator Akaka said that some people thought of Beida as the Harvard of China -- (laughter and applause) -- all of us Americans who did not go to Harvard were thinking, perhaps, Harvard was the Beida of the United States. (Applause.)

You know, political leaders of my generation talk a lot about the future and the 21st century, but it is you, the students who are here, who will live in it and who must build it. A child born today will not even remember the 20th century. Indeed, a child born today may think of people like me as relics of an ancient dynasty. (Laughter.) Americans -- including that one -- (laughter) -- want to work with China to help build this future -- a future of security and prosperity, a future in which we clean up the world's environment instead of destroy it, a future in which we advance education and dignity and freedom for all people.

As a small token of our respect and in honor of your centennial, we are donating over 500 reference books to the library of Beida. (Applause.) Thank you. Xie xie. (Laughter and applause.) Through the U.S. Information Agency, we have selected some of the best volumes in our history and literature, along with encyclopedias and dictionaries on every subject related to the United States. And my wife and I have added personally two books which we wrote: her book, "It Takes A Village," and mine, "Between Hope and History." And I'd like to present them to the President at this moment. (Applause.)

Now, if you're trying to decide which one to read first, I should tell you that in America her book sold a lot more copies than mine did. (Laughter and applause.)

We are proud of our historic relationship with this

university. I hope these books will help to further our friendship for another generation. I hope, too, that more and more Americans will come to China to study and more and more young Chinese will go to America to study. (Applause.)

Every day, I must be preoccupied with the world's problems, but I believe a lot of the world's problems would be quickly solved if the world's young people were permitted to live together and learn together and serve together. You can set the standard, and I hope you will. (Applause.)

Next week, our young country will celebrate its 222nd birthday. (Applause.) It is a time of year when we Americans stop to reflect on the many blessings we enjoy, on the ideals of our founders to provide life, liberty, and the opportunity to pursue happiness to all people. It is a time when we measure our progress and try to honestly assess our continuing problems; when we take pride in our history, but also resolve to keep working on it. For history is not just something to be studied at university. History is always unfolding. Here it is unfolding. And I believe a large part of the next chapter in America's history will be its partnership with the new China. (Applause.)

China, too, is always rebuilding itself. Of course, your foundations are deeper than ours; our entire history could fit into one of your longer dynasties. (Laughter.) But from different starting points we are working toward a common destiny of peace and prosperity, and, I hope, of lifting the level of freedom and dignity not only for all our own people, but for others throughout the world.

China is a very old country, But, thanks to you --to your idealism, to your spirit and to your future -- it will remain forever young.

Thank you very much. (Applause.)

END

12:30 P.M. (L)

THE WHITE HOUSE

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

For Immediate Release

June 27, 1998

RADIO ADDRESS OF THE PRESIDENT
TO THE NATION

Beijing, People's Republic of China

THE PRESIDENT: Good morning. I'm speaking to you today from Beijing. In just two days, I've seen some of the rich history and remarkable changes that are taking place in China, home to nearly one-quarter of the world's population.

China is the oldest civilization on Earth. In Xian, on Friday, I saw the old and the new China, from magnificent Terra Cotta Warriors sculpted by artisans 2000 years before America was founded, to the beginnings of democracy in a nearby village, where residents soon will hold elections.

I've been touched by the warm reception given to me, my family, and the members of Congress traveling with us. Tens of thousands of Chinese families have lined the streets to greet us. For all these people, China is changing. I see cell phones, beepers, new office buildings.

China is no longer the same country it was when President Nixon first came here 26 years ago. Never before have so many Chinese had the opportunity to start businesses, lift their families out of poverty, choose where to live, work, and travel, and enjoy the fruits of their labors. But there's also resistance to change -- the legacy of a history that has not always been kind to the Chinese people and has left a deeply-rooted fear of instability.

Today in Beijing I am meeting with China's leaders to talk about the future of our two countries and a relationship between us that is essential to a peaceful, stable, and prosperous world in the next century. We talked about the United States and China's mutual interests -- promoting peace in Korea, where 40,000 U.S. soldiers still risk their lives to patrol the Cold War's last frontier; preventing a nuclear arms race between India and Pakistan; restoring economic stability in Asia; stopping the spread of nuclear, chemical, and biological weapons and the missiles to deliver them; combatting international crime and drug trafficking; preserving the environment; and opening trade.

We also spoke frankly about our differences, especially concerning human rights. Over the past year, we have seen some progress in this area, though still far from enough. Some of China's famous political prisoners have been released, but other still languish in prison. The government is loosening its control over many aspects of daily life, yet people still are not completely free to meet, to publish, to speak, to worship according to the dictates of their own hearts.

Throughout this trip, I will raise human rights and try to explain how freedom has been at the heart of America's success and prosperity. I will also argue that in this global information age, when economic success is built on ideas, personal freedom is necessary to the innovation and creativity that are essential to the greatness of any modern nation.

In dealing with China, we must stay true to a course that is both principled and pragmatic. We must continue to expand our areas of cooperation, even as we deal directly with our differences.

China is important to our future, with the largest population on Earth, a permanent seat on the United Nations Security Council, an economy increasingly connected to our own. Without China, it will be difficult to face the challenges successfully that affect all of us. With China, we can build a safer, more prosperous future for our children, a world of unlimited possibility in the new century.

Thanks for listening.

END

THE WHITE HOUSE

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

For Immediate Release

June 26, 1998

PRESS BRIEFING BY
MIKE MCCURRY AND
NATIONAL SECURITY ADVISOR SANDY BERGER

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

4:08 P.M. (L)

MR. MCCURRY: Good afternoon. One program note before I bring Sandy up. During the course of the tour, the very interesting tour the President had of the Terra Cotta Warriors, your print pooler was with him and had an opportunity to talk to the President afterwards, so you're going to get a pool report that has him commenting with some color on his tour. I won't attempt to do that now.

Q All color, no substance?

MR. MCCURRY: All color, no substantive comments. Mostly just about the tour itself.

Sandy, very graciously, will do a little preview of tomorrow and discussion today.

MR. BERGER: There are a few comments in the pool report about the construction of the Terra Cotta Warriors, the President's perspective on that. So it is substantive. I was kidding. (Laughter.) Mistake. (Laughter.)

Let me talk briefly about today, a little bit about tomorrow, and then if there are any questions I will be happy to try to answer them.

I think in day one here in China we have seen that China has many faces, and we have seen several of them over the past 24 hours. In the village this morning that we visited, both in the roundtable with the villagers and then just generally, listening to the Mayor, this is one of a half a million villages in China that have had multicandidate, genuine elections. About 500,000 of China's one million villages have gone through this process. And these have generally been real elections, Incumbents have often been defeated, and the Carter Center, for example, has a project here in China that both assists in this process and observes it and has generally found the process to be quite a good one.

I thought it was particularly noteworthy, the President's comments at the end of the remarks to the village -- and I think, obviously, deliberately so, that "I have run in elections, I have won, and I have lost, I prefer winning, but when there is a democratic process, then everybody is a winner." And I think you'll see in all of the President's statements an effort to draw from the specific to make the

general point of encouraging and reinforcing the processes of change that are taking place.

I thought it was also particularly interesting in terms of this morning, the question, the one question from I believe the teacher, the gentleman, to the President's -- sitting to the President's left, when the First Lady asked if there were any questions -- he said, why are you here, why did you come to our village? This is obviously not a general practice of Chinese officials, just as we found when we went to South America, that the President doing this has been quite a dramatic difference from the way in which they're used to relating to their national officials.

The President's answer, as you know, was because he thinks it's important for people who run countries to understand how what they do affects the average people in those countries and because he wants the American people to see various aspects of Chinese life.

This afternoon the President saw what is clearly one of the most extraordinary archaeological sites in the world, and an enormous statement about China's past. The President's comment to me was that he was impressed by the awesome nature of the site, but equally impressed by the care and meticulousness with which the Chinese people are reconstructing what they have found and what they have been working on now for about 25 years.

Before Emperor Qin, whose tombs those were of course, the soldiers were buried alive. Qin instituted the policy apparently of having them simply replicate themselves, I think thus being the first "third way" emperor in history.

China is changing. There are still forces that are pulling the other direction, that are resisting. That change -- we've seen that in the episodes over the last day of dissidents who have been detained, obviously, the Chinese apparatus, Chinese security apparatus doing what comes naturally for them. People are not debris to be swept up for a visitor, and we have expressed our concern about this to the Chinese government.

Their response so far has not been terribly satisfactory. They dispute the facts or otherwise explain these incidents away. But we will continue to make clear, and the President will make clear in his meetings tomorrow, that this is simply, as he said today, China looking backward, quite at odds with the China that we see all around us here in the last 24 hours; a China that is moving in leaps and bounds into the 21st century.

Let me talk a little bit about tomorrow. After the arrival ceremony, the President will meet with President Jiang. There will be, the first day, a larger meeting and then a smaller meeting. There then will be a press availability, joint press availability, between President Jiang and President Clinton with a -- a brief press availability -- they will each make a statement and take a few questions. And then there will be a lunch with Premier Zhu Rongji.

In terms of the substance, we've obviously been working on this over some time. There are some matters that are still under discussion, the outcome of which, I think at this point, unclear and obviously will not materialize unless it is satisfactory to us.

On the issue of detargeting, for example, the Chinese traditionally have linked that issue to our unwillingness to accept a doctrine of no first use of nuclear weapons. That is not something that we're prepared to do. And we continue to discuss this with them.

With respect to other security areas, we will be talking to them, we have been talking to them since the Secretary's trip, my trip, Sandy Kristoff's trip, discussions over the last few days in Beijing with Jim Steinberg and Sandy Kristoff -- a number of issues, missile issues in particular, where we would hope that we would make some progress.

On human rights, this is something we've talked about very extensively with the Chinese. We have made a number of suggestions relating to dissidents, relating to Tibet. I would not anticipate that we would see the fruits of those discussions while we're here. As you'll recall, when President Jiang came to Washington and we had very extensive discussions with him on a number of human rights topics, it was not until he returned to China, until some weeks or even months later that they announced the release of Wei Jingsheng and Wang Dan and Bishop Jin and intention to sign the U.N. Covenant of Political Civil Rights. I would anticipate the same pattern in this case.

On rule of law, an area that we are placing increasing importance on, I believe we will be able to conclude an agreement to intensify a process that's begun over the last year of training Chinese judges and lawyers, of working with Chinese jurists and judicial, legal officials on legal assistance to the poor, working with the Chinese on making sure that the process of rule of law includes personal rights as well as property rights -- human rights as well as intellectual property rights.

On energy and the environment, a process begun well over a year ago by the Vice President, it is moving along very nicely. We will be undertaking a number of projects with the Chinese as we help them move away from a heavy coal-based economy to a clean energy economy. When you get to Beijing tomorrow, if you haven't been there recently, look up in the sky, and you will, simply looking up in the sky, believe that you were in Los Angeles 10 years ago. It is a rather dramatically polluted city, and obviously extraordinarily important to them and to us, since they will become the largest emitter of greenhouse gases in the next 10 years.

We will be undertaking with them specific projects on coal gassification, involving American technology and we'll be working with them on a nationwide air quality monitoring network with the help of EPA.

Finally, in the science and technology area, an area where we have been working with the Chinese for 20 years and which has produced some extraordinary developments, including breakthroughs in the treatment of spina bifida, including cooperative projects in detecting natural disasters before they occur, we will be undertaking some collective projects in the health area, particularly concentrating on the area of birth defects, polio, and the effects of tobacco use.

There are other areas, but that reflects the broad range of issues that this relationship now embraces, and we will be, hopefully, making progress on a number of them while we're here.

Q Sandy, you said that in their response the Chinese government was disputing the facts on the dissident arrests. Can you tell us what the facts are as you know them? It's very hard to get a handle on what's going on.

MR. BERGER: I can't give you a definitive version of the facts. We have heard the reports from you folks and in some cases the Chinese have had a different version of facts; in some cases -- their response has not been satisfactory, let me just leave it at that.

Q Sandy, what have the Chinese been saying? What is their version of the facts?

MR. BERGER: As I say, I don't want to get into enormous specifics here. They have basically not adequately explained the situation, as far as we're --

Q Well, how hard have you been protesting? And I mean by that, with Ambassador Sasser -- he's the one?

MR. BERGER: Among others.

Q Well, he has presented these protests. What has he said to the Chinese?

MR. BERGER: He has said to the Chinese, this is thoroughly unacceptable, as the President will say to the Chinese tomorrow, as I have said to the Chinese today, as I expect my deputy, Mr. Steinberg, will say to the Chinese today. So this is not in China's interest. The fact that we're obviously focused on this as opposed to the other things that are happening in China. We've made this point to the Chinese. It's not in their interests. But --

Q What does "unacceptable" mean? That's a strong word. What's behind it?

MR. BERGER: It's unacceptable, in my judgment, for people to be detained in connection with an event like this -- this is not surprising, but it's not unacceptable. Those of you who have been here before, that have traveled with President Bush or traveled with Secretary Christopher or others, know that the security apparatus often undertakes these kinds of steps. They see a trip like this with a combination of, I think, anticipation and some fear. But if China is going to make that next step into really being a nation whose practices are fully acceptable to the international community, then this is a step -- this is not a step in that direction.

Q Sandy, on that point, are you trying to separate the security apparatus from the folks you will see in Beijing tomorrow? They're all the same thing, aren't they?

MR. BERGER: I'm not trying to make any -- I can't tell you where these decisions are made. I know in the planning of this trip there have been very large decisions that have been made at a local level and sometimes very small decisions that have been pushed to Beijing. So it's hard to know exactly what the line of responsibility is here. It really doesn't matter. As I say, people are not debris to be swept up for visitors.

Q Do the Ambassador's comments to the Chinese represent a formal objection?

MR. BERGER: Certainly.

Q Are we suggesting that there is something that the United States will withhold in terms of cooperation as a result of this?

MR. BERGER: I think it is just as effective for the President to speak about it forthrightly and directly today, for us to speak to them about it directly. I think -- we will certainly not accept this, but as I say, this is a not unusual pattern, although not an acceptable pattern. And as China increasingly moves into the international community, it has to be less fearful of its own people.

Q Yeah, but, Sandy, what's the "or else"? What are we going to do except stomp our feet?

MR. BERGER: I think there has already been -- you speak almost as loudly as Sam does, Bill. Not quite, but almost. I think there has been change in China over the last five to 10 years, even in the area of the options that people have in their lives and the general freedom of expression that they have overall. And many of your correspondents have written about it. So the movement is in the right direction. And I think part of the reason for that has been the presence and pressure of the international community. I think that's effective.

Q Sandy, the Chinese in Beijing are indicating that the President will not have an opportunity to speak at large by television to the Chinese people. Is that your understanding?

MR. BERGER: I have not heard one way or the other on that.

Q So you think it's still an open question?

MR. BERGER: It was open as far as I know.

Q And what does the United States want? Is it tomorrow's event, Monday's speech? What are you seeking?

MR. BERGER: Well, we'd like the most exposure for the President as we can. Tomorrow, I think you know the logistics. The President arrives in front of the Great Hall of the People adjacent to Tiananmen Square, and there will be a brief arrival ceremony, which I understand will last about 15 minutes. He will then go in for the meetings. There then will be a brief press availability after that meeting. He will speak on Monday at Beijing University. He will speak in Shanghai. There are a number of opportunities for the President to speak.

Q To follow on that point, Sandy, it seems that in the summit preparations, all the flexibility has been on the U.S. side regarding the arrival ceremony in Tiananmen Square, where the U.S. delegation stays, the guest house versus the China -- all the flexibility on the U.S. side, none on the Chinese side. Are you getting anything?

MR. BERGER: I think that's just wrong, John. I think if you --

Q What are you getting, can you give me an example?

MR. BERGER: Can I answer?

Q Yes. I was wondering if you can give me an example of the Chinese flexibility --

MR. BERGER: Anything else? Okay. First of all, I think it's hard to make a judgment about what is the net result of the summit on day one. So for starters, I think the premise here is a little difficult. Second of all, I think all of the things that I have indicated are areas that we have wanted to see progress on from China. I think that with respect to a hundred issues involving logistics, involving Secret Service, involving other issues, the Chinese have done things that they have not done before -- even, in fact, ironically, in terms of visas. Except for the foolishness of the Radio Free Asia, they have allowed people into China that have never been permitted into China before.

Again, even with respect to the actions they've taken on dissidents, which I think, as I say, are thoroughly unacceptable, I think that they probably are not of the scale that has happened before.

So I think that there is an effort on the part of the Chinese to make this successful, and I think that in the end, if our objective is to advance America's national interest across a range of issues and to make sure the President has an opportunity with the Chinese officials to raise very directly his concerns, I think that will happen. And the last thing I would say is, if you just look over the last year or two, the things that have been accomplished, I think you have to say that by and large China has moved in our direction, whether it has been giving up nuclear testing, signing the Comprehensive Test Ban Treaty, giving up their nuclear cooperation with Iran, giving up their nuclear cooperation with Pakistan -- those are big deals. And I think signing the Chemical Weapons Convention and all of those things -- they have not done it for us, but they've done what we have asked them to do.

With respect to South Asia, an area of enormous risk and danger at this point, China has played a very constructive role since the tests. So I think you have to look at the overall picture and I think if you simply look at where the President stays or take one fact out of it, I think that's a snapshot.

Q What are the prospects of a detargeting agreement?

MR. BERGER: I don't know the answer, Wolf. We certainly -- we would like such an agreement. I think such an agreement would be useful in two respects. Number one, it would be a commitment by the Chinese to us that they would not target our cities and, therefore, would preclude the danger of an accidental launch, which is not insubstantial. There was a time when entire movies were based on swans going across radar screens.

And second of all, I think it would be an important statement about -- a confidence-building measure and a statement about the evolution of our relationship since adversaries point their missiles against each other and not countries that are working to build a better relationship.

Q Where does it stand right now --

MR. BERGER: I cannot tell you that we will have -- we are unwilling to, and have been, to change our doctrine on no first use, and that's a bottom red line for us.

Q Is that what you meant when you were talking about you were looking for progress on missile issues, the detargeting thing? Or what are you talking about?

MR. BERGER: No, I think beyond detargeting -- divide the nonproliferation world into two areas, nuclear and delivery systems. On the nuclear side we've made a lot of progress. As I said, on Iran, in connection with Jiang's meeting, they agreed they had no plans to assist the Iranian nuclear program. They've said that they would not assist unsafeguarded nuclear facilities -- read that Pakistan. And they have recently adopted in their law most of the nuclear export controls of the so-called Zanger Committee, which are kind of the internationally recognized nuclear technology no-nos. That's a technical term. (Laughter.) So that's the nuclear side.

On the missile side their commitments have been more ambiguous and more subject to differing interpretations. They have said that they would adhere to the MTCR guidelines. They have not talked about looking ahead towards a day when they might join the MTCR itself, where they would actually undertake not just the principles of restraint, but also the obligations of restraint. If we could make some progress in moving

them in that direction I think that would be a plus.

Q Sandy, you've said that the Chinese are generally moving in the right direction on the issue of human rights and that these dissident roundups, such as they are, are probably not on the scale that we've seen before. Are you concerned that your comments might be interpreted by the Chinese as sort of a tacit approval of what they're doing, despite what the U.S. saying --

MR. BERGER: No.

Q -- and, Sandy, if not, if you don't believe that, then why do you think that the Chinese would do this if they're not afraid of our response?

MR. BERGER: Well, first of all, I think China's human rights record is terrible. I think China is an authoritarian nation, as I've said before. I think there's been some progress in human rights, but it has been not nearly enough. So I, by no means -- I think that what I said, or at least intended to say was that the choices the Chinese people have in their lives today were unimaginable 10 years ago, 20 years ago. You saw those people out there today -- where to work, where to live, where to travel. Two and a half million Chinese went abroad last year. The choices that come from the cable television -- I love the fact that the income that they derive from the community companies was plowed back into that village into cable television. I think that's a step in the right direction.

So, in that sense, when I say -- I think that the degree of options that the Chinese people have today are greater than they were. I think in the area of public dissent, they are still totally unacceptable. And I don't think this is directed -- the implication is that this directed at President Clinton. This is -- the fact that this happens generally in connection with these kinds of visits does not make it acceptable. It is not appropriate. It's not necessary. It is also not the first time it's happened.

Q How does this roundup affect the chemistry of the summit? How does it push up the issue of human rights above other issues that you intended to put forward?

MR. BERGER: I think human rights -- I think human rights was, is, and will be a very high priority for the President in his conversations with President Jiang. I think -- that these episodes I think simply reinforce that priority.

Q So will the President specifically raise the detaining of those dissidents when he is talking with Jiang Zemin?

MR. BERGER: I expect that they will be raised in connection with that meeting. I'll give you a readout after the meeting rather than --

Q Sandy, by staging this roundup now, on the occasion of the President's visit, doesn't it show that the Chinese authorities, or at least some of them, just don't care what the American President thinks about these matters?

MR. BERGER: No, I think -- I don't think that's the case. I think they have anticipated this visit with great excitement. I think they -- look at the number of people who have been here in Xian. I'm not a great crowd counter, but there have been certainly hundreds of thousands of people, if not more.

There is enormous excitement here, as I saw when I came twice in

the last two months, about the President's visit. As I said before, I think the Chinese face these things with the combination of excitement, anticipation, and fear. And their instinct -- the instinct of some at least -- is to let their desire for order overwhelm their ability to permit expression. And that is something that has to change.

Q A question on the Zhu Rongji meeting. What are you expecting to get out of the Zhu Rongji meeting, and will there be any announcements coming out of that?

MR. BERGER: The Zhu Rongji meeting I think will be largely about the economy, both the Chinese economy, the Asian economy. I expect we'll have some discussion of trade, although I don't expect anything concrete to come out of that. There are a number of larger issues the President wants to raise, the trade deficit being one; a number of specific sectoral issues the President wants to raise. But I think the President wants to hear about Jiang's sweeping economic reform program, what he sees the consequences of it being. And also how he sees the Asian financial situation and the impact that that will have on China.

Q Sandy, is the idea of lifting sanctions, even relatively minor ones like trade and development assistance, now off the tables for the summit?

MR. BERGER: Well, we have always said that that would happen only in the context of the fundamental requirements and the national interests being served by doing that.

Q Mr. Berger, can you clarify a couple of points about an issue in Taiwan? This morning the President was asked about whether or not he's going to reinterpret, reinstate the three nos of the one China policy. Based on his answer I get the impression he's not going to do so. Can you tell us --

MR. BERGER: What he said was our policy will not be changed here. I'd refer you to Secretary Albright's comments when she was here. Our policy has been that we support the one China policy and that we don't support the independence of Taiwan or one China, one Taiwan, or Taiwan's admission into international organizations that depend on statehood. But we believe there ought to be a peaceful resolution of the Taiwan issue and we will encourage the Chinese towards that end.

Q But, Mr. Berger, my question to you is really whether the President will restate the policy in his meetings with Jiang Zemin?

MR. BERGER: Well, I just stated the policy. Secretary Albright has stated the policy. The President may state the policy.

Q Arms sales -- they don't want arm sales to Taiwan.

MR. MCCURRY: This is the last chance on any other subjects. Hearing none, thank you.

Q Can you explain why the President didn't express these outrages publicly in his remarks to the Chinese people? He has said that he wants to speak with them directly. Why didn't he ask them if they'd ever been harassed by police or has anyone ever experienced these types --

MR. MCCURRY: The President, speaking both to U.S. press members and Chinese press members very directly, addressed the situation this morning. Maybe you haven't seen the transcript.

Q What, if anything, is the President planning on doing on the

line item veto now that it's unconstitutional?

MR. MCCURRY: The White House Legal Counsel's Office is reviewing the opinion, but, clearly, the President believes this authority is important to protect taxpayers in the United States. It's an authority that he believes he has used correctly and constitutionally to protect the American people from wasteful spending. We will clearly work with those who believe that the President needs this authority to find some constitutional way in which the President can use the same tool available to governors around the United States to protect taxpayers.

Q But he won't defy the court, will he? The court --

MR. MCCURRY: Clearly, we're not going to defy the court or the ruling of the court. But there are many who believe there ought to be an effort to continue to find some constitutional way to make this authority available to the President, and that's why the White House Legal Counsel's Office is examining the opinion very carefully at this point.

Q Mike, is HHS looking into possibly suing the tobacco companies?

MR. MCCURRY: I'd have to check into that. If that's happening, that's happening a long ways away from here. I'll see if I can find out anything about that.

Q Can you add anything to what Sandy said about the possibility of a live address by the President? What is the hang-up there?

MR. MCCURRY: No, I can't.

Anything else?

Q What about on the Supreme Court decision on the Vince Foster attorney-client privilege? Does that suggest that the other attorney-client privilege involving Bruce Lindsey might move in the right direction?

MR. MCCURRY: I think you know that White House Legal Counsel Chuck Ruff has been quoted saying that they'll have to see how the court considers the arguments that will be made with respect to the other attorney-client privilege issues that have arisen. Clearly, the court's reaffirmation of the importance of that principle yesterday was something that was welcomed by Mr. Ruff. Whether or not it has a bearing on the case that's pending with respect to Mr. Lindsey remains to be seen. Certainly the White House would hope so, given the argument that we'd make, but we'll have to see. We were not a party to the litigation over the notes involving Mr. Foster, but we are a party to the litigation that's pending and that will be argued, I believe, next week.

Q Mike, do you know what at point of the visit the President will give the American flag and the American historical documents to Chinese leaders? And will it be to President Jiang himself?

MR. MCCURRY: I believe that will be presented as the official presentation of gifts as made through our protocol channels when we arrive in Beijing, either tonight or tomorrow. But it's not customary in any state visit for the heads of state to directly exchange gifts; it's done through their protocol departments.

Q Did you have to clear that the Chinese would accept these gifts?

MR. MCCURRY: It's not necessary as far as I know. We can present

any gift we so choose, and it will be a part of the gift presented by the President to the people of China.

Q Mike, can you talk about his schedule tonight when he arrives in Beijing? Can you rule out any impromptu visit to Tiananmen or anything like that?

MR. MCCURRY: I haven't heard of any consideration of that type of visit.

Q Any reaction to the recently announced merger of -- Trust and the deeply troubled -- Credit Bank?

MR. MCCURRY: No.

Anything else?

Q Mike, what are the logistics for the ceremony tomorrow in the square. Will he review troops? Are there national anthems? What are the two or three elements?

MR. MCCURRY: I'm not sure exactly -- let me consult are handy-dandy book. The way I have it listed currently -- but these things have been on a number of issues, a number of matters pending and subject to change right down to the last minute -- it is currently listed as: The President is introduced by President Jiang Zemin to the Chinese delegation. President Clinton introduces President Jiang Zemin to the American delegation. The two anthems are played. The two Presidents proceed to the dais. They review the troops. They march and review the Honor Guard. Then they bid farewell and go into the Great Hall of the People for the meeting.

Q All of these are comments just between the two leaders. They're not public comments, right?

MR. MCCURRY: That's correct. And a way of thinking of it is, it's more similar to the way state arrivals are done in most of the places in the world. We have a rather unique element in our state arrivals which includes speaking points. But as you know if you've seen the President arrive elsewhere, that's not the custom in most countries.

Q When the President arrives at Tiananmen Square, is he expected to talk about --

MR. MCCURRY: He will address the events of June 1989 at some appropriate point, but, as I just indicated, it won't be during the course of the arrival ceremony because there are no speeches given during the arrival ceremony.

Q Would you say, Mike, that the speech on Monday at Beijing University will not be carried live by Chinese television?

MR. MCCURRY: Twice now in response to questions, I don't have any further information on that.

Q Mike, just let me follow up on that. If the President's comments either in Beijing on Monday or in Shanghai aren't televised, isn't he just here in a bubble, in a vacuum, if the Chinese people never hear him --

MR. MCCURRY: No, of course not. We have -- number one of the changes occurring throughout China is the way that information is disseminated and information proliferates -- through the Internet, through a variety of sources. This is becoming a complex culture in

part because of all the influences that are beginning to penetrate through what in the past has been a great wall of disinformation.

So I think the President's remarks will certainly be distributed widely through a variety of news sources represented here in this room, and obviously our embassy will make a great effort to translate them and distribute them appropriately. And the best of all worlds would be to have the address carried live so that the people of China can hear it, and I think there is sufficient demand in China here for it if anyone is going to make the judgment based on news value.

Q What are the expectations that the talks between President and Jiang Zemin extend beyond the rather small window tomorrow?

MR. MCCURRY: Well, they have a private dinner. I mean, they will see each other again on Sunday and have a private dinner. And I suspect, just as when Jiang Zemin visited the United States and a very substantial part of the conversations between the two Presidents occurred privately in the White House residence, I suspect that the private dinner that they have Sunday night will be important and be a continuing part of the effort to deepen and nurture the relations between both countries.

Q Mike, regardless of the Chinese plans whether they broadcast the President's speech at Beijing University, will VOA carry that live and broadcast it on Radio Free Asia?

MR. MCCURRY: That's a good question. Well, VOA and Radio Free are separate, but there will be a variety of ways in which we could try to get broader interest in coverage of the speech.

Q But there's not a plan that you're aware at this point?

MR. MCCURRY: Both of those organizations may have plans for coverage. You should ask them -- they make their decisions independently.

Q What's the briefing time tomorrow? Will you do a feedback --

MR. MCCURRY: I think that everyone -- just in terms of logistics needs to understand, particularly print people, that you're in a real crunch deadline because the two Presidents are going to come out, they will presumably say something. There's some interest in having at least a few questions taken by both sides. That's all going to happen presumably right around midnight Eastern Time. So, for print people, you have to be conscious of the fact you're going to be on deadline trying to cover the results of the initial rounds of meetings.

We will tip as much as we can in advance what we know about the substantive outcome of the discussions and some of the negotiations occurring up in Beijing now, as we get into the morning hours tomorrow, so we can protect those of you who would be right on deadline tomorrow.

Q Mike, you had mentioned that the President is still intending to receive a 21-gun salute from the PLA. Is that correct?

MR. MCCURRY: I don't see that listed in my book. I'd have to check further and see. I don't know whether that's part of their custom or not.

Q You say you're going to give us a tip some time during the morning, but when are the formal agreements announced or whatever happens at this summit -- when does that happen?

MR. MCCURRY: Right on deadline tomorrow.

Q Does that all happen -- everything happens in the --

MR. MCCURRY: Whatever happens, happens. That's what I'm trying to convey to you, that you need to be alert to that, and we're obviously conscious of that. And we're going to try to begin reading out substantively whatever we can as soon as we can even if there's going to be any delay before the two Presidents come out and make their joint statements, particularly for print folks who are right up against their deadline at that point.

Q So, are you going to be doing that in the filing center or to the pool or --

MR. MCCURRY: We're figuring out how to do that -- probably have to be a phone call into a filing center where you all are is my guess. I don't know. I mean, we're open to suggestions on that because some of you presumably will want to be there and be wherever the two Presidents are going to come out. But others of you are going to need be writing on deadline.

Q -- give it to us tonight?

MR. MCCURRY: We don't have it, as you just heard.

Q -- from dissident groups indicated that if there's an opportunity they might -- and under those circumstances, how would the President --

MR. MCCURRY: They may do what? I'm sorry, I missed the question.

Q They might try to take an opportunity that they can find in order to see the President.

MR. MCCURRY: I'm not aware of any plans for a meeting.

THE PRESS: Thank you.

END

4:52 P.M. (L)

THE WHITE HOUSE

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

For Immediate Release

June 26, 1998

REMARKS BY THE PRESIDENT
AND THE FIRST LADY
IN DISCUSSION WITH VILLAGERS AND AREA RESIDENTS

Village of Xiahe
People's Republic of China

10:40 A.M. (L)

THE PRESIDENT: Let me begin by thanking all of you for spending a little time with my wife and me today, and by thanking everyone in Xiahe for making us feel so welcomed.

I'm sorry that I had to take a little time to answer some questions from our news media, but, as you know, there's 12 hours' time difference and so, they're running out of time to file their stories, and thank you for your patience.

In America, there is a lot of respect for, and interest in, Chinese history and culture, but also in the remarkable transformation which has occurred here over the last 25 years. For example, many Americans are very interested in the fact that over half a million Chinese villages now have local elections, including this one.

They are interested in knowing more about the changes which have led to rising incomes and giving more people the ability to own their own homes and to make decisions about jobs. And they're interested in how small entrepreneurs start their own businesses and how villages like this have their own investments.

So we really have no set program today. I would like to just hear from each of you about what you are doing and how you personally have seen things change in China in the last few years.

Who would like to go first?

VILLAGER: Maybe it would be interesting in hearing about some of the changes that have taken place at the school.

THE PRESIDENT: Yes, very much.

VILLAGER: I think that education in China has achieved great progress during the past few years. And the economy and development of China has benefitted education. I've been educated from elementary school through high school. The life in university is very rich now, and we're learning a great deal now. It is very helpful for our future development.

Thank you.

THE PRESIDENT: Thank you.

DOCTOR: I am from the Xiahe Village. I work in the local village clinic, and this is the lowest level clinic in China. We work according to the regulations from the government and we try to -- one of our jobs is to prevent the common diseases in the countryside and report our work to the higher level government. Another responsibility of the lower level clinic is to treat common diseases in the countryside. That's all for now.

MRS. CLINTON: Doctor, have you noticed improvements in the health of the people here in the countryside during your time as a doctor?

DOCTOR: There has been great improvement in the health quality in the countryside people, especially now we have more money and they do less physical work.

VILLAGER: My name is Yao Linua, and I am the manager of the Terra Cotta Warrior -- I own a little factory. I am the manager there, and I also manage old people's home. I am just a country woman, but ever since the reform, I now rent a factory and an old people home and, basically, the factory also supports the old people home.

Now the Chinese have become rich, but we shouldn't forget about old people. In the 20th century we have in China more older people. We really should do more for them, and that's my goal in my life. That's what I want to do.

MRS. CLINTON: May I ask, how did you start your factory? Where did you get the funds to start the factory and get the equipment and materials that you needed?

VILLAGER: I used my own money and got some loan from government and actually, several of us work together, so I also collect some funds from my partners.

THE PRESIDENT: The older people who stay in your home, how do they get the funds to pay to be in the home?

VILLAGER: We get our funds -- some of them get money from the government, and the factory would pay for their expenses for their living in the old people home.

THE PRESIDENT: And what is the average age of the people in the home?

VILLAGER: Sixty-five years old is the average age. The oldest one is 89 years-old.

THE PRESIDENT: This is going to be a big issue in the future for every country. In our country, the fastest growing group of Americans are people over 85. There are still not many of them, but they're growing fast. And every society will have to figure out an honorable way to take care of such people. So I appreciate the work you're doing.

VILLAGER: My name is Yang Dongyi, and I am from Xiahe village. I grew up in this village. First I was a farmer, and now I rent a little company. Ever since the liberation in 1949, there are three big changes I experienced myself in this village. The first change I experienced was the life in the village after the liberation was better than before. Our life since 1982, the reform began, our life has improved compared to before the liberation. In 1992, our life experienced another improvement. Before 1989, the average income in the village was about -- a little bit more than 100 yuan, and then in 1992, the average income in the village was more than 1,000 yuan. And now the average income in

the village is over 3,000 yuan.

(Before 1982, my whole family would only get about 100 yuan income per year. Now I and my wife and one daughter, the three of us, we have more than 30,000 yuan income per year. I want to tell the President that the changes in my village and the change in my own family is also the change in the country.

My personal change, compared to some people in China is still relatively small, and this place and Xian, compared to the coastal cities in China is still a little backwards. But, of course, compared to the U.S., this village is a lot more -- even more backward, but we would be willing to work very hard.

THE PRESIDENT: Let me say, first of all, that it's very impressive how much economic progress has been made in such a short time.

What specific change do you think has been most important in helping you and your family to earn so much more money through your hard work?

VILLAGER: The most important thing is we have a good policy in our country now. In the past, no matter what your abilities are, you are told to do what you are supposed to do. But after the reform, everyone can have the space to show their own talent and to work very hard.

The reason now the production improved so much is everybody can do what they're good at. Some people begin to do business, some people stay in the farmland, and some people begin to have their own company -- they're all doing what they're good at. They are also paying more attention to learning the new technology, so their ability to work has greatly improved.

Another thing is they also learn from the foreign countries now. They borrow and they learn the advanced technology from the foreign country and use on their own production. And that's the main reason where they are now today.

THE PRESIDENT: Thank you.

VILLAGER: I am a primary school teacher. I feel that the whole society now respects a teacher a lot more. All children who are school age now go to enroll in the primary school and they have nine years of government-sponsored education. The issues associated with young kids have attracted a lot of attention from all aspects of the society.

THE PRESIDENT: What percentage of the teachers are women and what percentage are men?

VILLAGER: In primary school, female teachers are more. They're about 70 percent. I feel that it might be females are more suitable for this job.

THE PRESIDENT: And after the children complete nine years of school, how is it determined who goes on to more school? Like this young woman here is a university student. How is it determined who gets to go beyond?

VILLAGER: In China, for the college entrance -- there is a college entrance exam, so everybody has to pass the exam to go to the college. And others who didn't pass, then they might go to technical school to learn some special technique for their use.

VILLAGER: My name is Xie Liming. I have benefitted the most ever since -- my kind of people benefit the most ever since the reform. I served in the air force for 15 years and worked another eight years in the government. In 1992 I opened a small restaurant with 80 seats. Now I have extended my restaurant to 500 seats.

My restaurant is among the best in Xian and very influential. I really wish to invite both of you to go to my restaurant and enjoy my food. If you don't have the chance this time, you are still welcome after you finish your duty as President to come back. (Laughter.)

THE PRESIDENT: Thank you.

VILLAGER: And I also want to ask what is your favorite Chinese dish. (Laughter.)

THE PRESIDENT: Well, now I understand how you fill a restaurant with 500 seats every night. (Laughter.)

MRS. CLINTON: I would wonder whether any of you might have any questions for us, because one of the reasons that my husband made this trip is so that the Chinese people and the American people can learn more about each other and about our lives.

VILLAGER: I want to ask the President why do you want to hold this roundtable discussion with ordinary Chinese people.

THE PRESIDENT: For two reasons. First of all, I think it's important that people who are in positions like mine, in the United States and in China, in every country, understand how people live at what we call the grass-roots level, and understand how the policies we make affect the lives that people live, because that's actually the purpose of leadership -- to try to make a positive difference in the lives of ordinary citizens.

And secondly, because the American people are very interested in learning more about Chinese people as the result of my trip. So, when we do this, there will be pictures and reports of this meeting in America so people just like you in America will have a feeling for what it's like to own a restaurant or teach a school or be a business person or be a student or a doctor or run a home for older people. They will feel these things in a different way because of this event we're doing here.

VILLAGER: I believe a President who is looking to the facts of people's life must be a President who is supported by his people.

THE PRESIDENT: Thank you.

MRS. CLINTON: Could I ask the student, what are you studying at the university?

VILLAGER: I am now taking the basic college courses, but I want to major in electronics.

THE PRESIDENT: And what do you want to do when you finish your degree?

VILLAGER: I want to further my study after graduating from college and then I want to have my own fields of interest in working.

THE PRESIDENT: Do you believe that in China today young women have the same opportunities that young men do to do whatever they want

with their lives?

VILLAGER: I believe the answer is yes, even though they might have different choices -- but the final answer is yes.

THE PRESIDENT: We have to stop in a moment, but I'd like to ask the doctor one more question. What do you believe the biggest challenge is for improving the health care of the Chinese people now at the village level? What is the largest remaining challenge that would -- any change that could be made that would improve health much more?

DOCTOR: First of all, from my past experience, I believe the biggest challenge is to improve the environmental situation. Prevention is also very important.

THE PRESIDENT: This is a very important point which has been made -- important for China and important for the United States. When a country grows economically, you use more energy and you have more activity, and it leads to strains on the environment, especially air pollution, which can really affect people's health. So one of China's big challenges, and a continuing challenge for America, is to grow the economy, but to clean up the environment at the same time. And we can do both, but we have to work at it, and we should work at it together.

VILLAGER: I want to make one comment. All the businesspeople in Xian really want to improve the trade between the U.S. and China, and they would like to see that China become America's first biggest business partner. And I would, for myself, want to make more U.S. dollars. (Laughter.)

THE PRESIDENT: Well, I'll work on that and I will also work on accepting your invitation to come to your restaurant when I'm not in office anymore. This is very nice, you know. Most people in my position wonder if anyone will want us to eat with them when we're not in office anymore. (Laughter.)

Thank you all very much. Thank you. (Applause.) Good luck to you, thank you.

END

11:14 A.M. (L)

THE WHITE HOUSE

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

For Immediate Release

June 26, 1998

REMARKS BY THE PRESIDENT
TO THE PEOPLE OF THE VILLAGE OF XIAHE

The Village of Xiahe
People's Republic of China

11:40 A.M. (L)

THE PRESIDENT: Nin men hao, Xiahe. (Applause.) Thank you, Yunlong, for your welcome. I thank all of the students for the greeting and for the wonderful music, and I thank all the rest of you for making all of us in the American delegation feel so welcome here. (Applause.)

My wife and I are delighted to be joined by our daughter, my mother-in-law, and Secretary Albright, Secretary Daley, Ambassador and Mrs. Sasser, and six members of the United States Congress -- Senator Rockefeller, Senator Baucus, Senator Akaka, and Representatives Dingell and Hamilton and Markey -- along with a number of people who work with me in the White House. We are all very honored to be here. Thank you. (Applause.)

I understand that soon, like nearly half a million other villages across China, you will be voting to choose your local leaders. I know what it is like to run for office. I have won elections and I have also lost two. I like winning better than losing, but whenever there is an election and the people decide, everyone wins. (Applause.)

I have come to China to strengthen the ties between our two nations. Over the past 25 years, your country has launched a remarkable period of change, and today most Chinese, including the members of this village, enjoy a higher standard of living than at any time in China's history.

Here, by using better farming techniques, you have freed up time and money for other projects, like your brick factory, your construction crews, your handicrafts. Your village has sponsored language classes in English and Japanese to help you in dealing with foreign tourists. Today, your village committee owns a dozen businesses, with 300 hardworking people now able to provide for their families. Many of you have opened your own businesses, and in only 15 years, average income here has grown 17 times. I congratulate you.

I also appreciate the fact that you have invested money back into your community in better schools, in better roads, in installing cable television to bring the world into your homes. Your achievements are a window for all the world to see what local democracy has brought to China and what a brighter future you are building for the children here with us today. (Applause.)

We Americans respect your devotion to family, to education, to work, your respect for the land, and for your heritage. And we hope you

will reap the fruits of your labor for many years to come. (Applause.)

Thank you again for making us all feel so welcome here in Xiahe.
Thank you. Xie xie. (Applause.)

END

11:47 A.M. (L)

THE WHITE HOUSE

Office of the Press Secretary
(Xian, China)

For Immediate Release

June 25, 1998

REMARKS BY THE PRESIDENT
IN WELCOMING CEREMONIES

South Gate of the Old City
Xian, China

8:55 P.M. (L)

THE PRESIDENT: Mayor Feng, Governor Cheng, Secretary Li, nim men hao. (Applause.) Thank you for the key to your city and for this magnificent welcome.

Here in this ancient capital, China seems very young to me tonight, blessed with both a proud history and the promise of tomorrow. I am delighted to begin my journey in Xian, once the capital of China, still the heartland of the Chinese people. I was raised in the heartland of my country. I know that the character of a nation is determined by the hard-working people who live here.

Over 1,000 years ago, during the Tang Dynasty, which I have seen recreated tonight, Xian was perhaps the most open and culturally advanced city in the entire world. From this place, trade routes extended through Asia to Europe and Africa. And to this place, great thinkers came, spreading philosophy and new ideas that have contributed to the greatness of China.

Tomorrow, I look forward to seeing the Terra Cotta Warriors, the Old City walls, the Muslim quarter. I look forward to learning more about China's great contributions to the store of human knowledge, from medicine and printing to mathematics and astronomy -- discoveries on which so much of the whole world's progress is based. And I want to see more of the new nation you are building on a scale even the emperors could not have foreseen.

The China that gave us printing now boasts fax machines, computers, and cell phones. Xian is home to film-makers, Internet explorers, businesspeople of every description. Here in this city, famous for calligraphy, a new chapter in China's story is being written.

We Americans admire your accomplishments, your economy, your hard work, creativity, and vision, your efforts against hunger and poverty, your work with us on peace and stability in Korea and South Asia. A new day is dawning for the Chinese people, for China's greatness lies, as always, with its people.

Our own history has convinced Americans that the greatness of any country is measured in its people -- in their shared reverence for family and community, for work and learning, and in their individual thoughts, beliefs, and creativity.

Respect for the worth, the dignity, the potential, and the freedom

of every citizen is a vital source of America's strength and success. In this global information age, where both economic growth and individual opportunity are based on ideas, a commitment to providing all human beings the opportunity to develop their full potential is vital to the strength and success of the new China, as well.

As I travel across China, I hope to learn as much as I can about the Chinese people, your history, and your dreams for the future; and I hope to help the Chinese people understand more of America's history, the lessons the American people have drawn from it, and the dreams we hold for the 21st century.

I believe both Chinese and Americans aspire to many of the same things -- to provide for our families, to teach our children, to build our communities, to protect our Earth, to shape our own futures, and pass brighter possibilities on to our children.

There may be those here and back in America who wonder whether closer ties and deeper friendship between America and China are good. Clearly, the answer is yes. We have a powerful ability to help each other grow. We can learn much from each other. And as two great nations, we have a special responsibility to the future of the world. The steps we take over the next week can lead to far greater strides for our people in the years ahead.

Here in this city of your magnificent history, we must always remember that we, too, are ancestors. Someday our children and their children will ask if we did all we could to build just societies and a more peaceful world. Let our monument be their judgment that we did that. Let our progress include all people, with all their differences, moving toward a common destiny.

Let us give new meaning to the words written in the ancient Book of Rites, what you call the Li Shi: When the great way is followed, all under heaven will be equal.

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

END

9:10 P.M. (L)

THE WHITE HOUSE

Office of the Press Secretary

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June 17, 1998

PRESS BRIEFING BY
NATIONAL SECURITY ADVISOR SANDY BERGER,
TREASURY SECRETARY BOB RUBIN AND

DIRECTOR OF THE NATIONAL ECONOMIC COUNCIL GENE SPERLING

The Briefing Room

3:15 P.M. EDT

MR. LOCKHART: Hello, everybody. Oh, it's a packed house. As promised, the long-awaited briefing on our trip to China. The President's National Security Advisor Sandy Berger will start it off with a preview of the trip, a look at the schedule and at some of the goals that we hope to accomplish on the trip. We'll then hear from Treasury Secretary Rubin on some of the economic elements of the trip. And also the National Economic Council Advisor, Gene Sperling.

Sandy.

MR. BERGER: You'll notice that we delayed this briefing so that you cannot file until the market closes since we have Rubin here. (Laughter.)

Let me first try to put the trip in some perspective and then talk a bit about the agenda and then a bit about the itinerary. And then Secretary Rubin and Gene Sperling will discuss the economic and trade aspects of the trip.

Let me first try to, though, put the trip in some context. Since the beginning of this administration, the President has spoken of a number of fundamental strategic objectives that he has for defining America's role in the world in the next century, one of which is to build a strong bridge to Asia, and in particular to put the U.S.-China relationship on a more solid footing. And the reason for that is because the direction China takes over the next 10 years or 20 years will fundamentally and profoundly affect our interests, our children's future, stability in Asia, peace in the world.

Thus we have a fundamental interest in engagement with China, which does not necessarily mean that we endorse all about China or all of China's policies. Engagement is a vehicle, is a means to both expand the areas of our cooperation and to deal with the Chinese directly, face-to-face, about areas of difference.

I think one needs only to look at the events of the past month in Asia to see the importance of China and the importance of the U.S.-China relationship. With an escalation of tension in South Asia, clearly China, with its unique and complex relationship to both of those countries, is an indispensable part of a process of de-escalation and finding a way down the ladder of tension.

In Korea we have an extraordinary new president, Kim Dae Jong, who has reached out to the North and who seeks to accomplish a reconciliation between North and South, which could profoundly affect Asia. But, again, within the context of the four-party talks that we initiated a few years ago, China will play a very important role in that process.

And then, finally, in the context of the Asian financial crisis, the stability of China's currency, its ability to contribute both economically and financially to the situation in China and in Asia will be very important to the trajectory by which we work our way out of that crisis. So for all of these reasons, this is a very important relationship.

There are also, obviously, areas where we have serious and significant differences with China, such as in human rights, in some of their weapons transactions. But we have found that we have made more progress by looking them in the eye and telling them strongly and firmly what we believe their obligation is to the international community than by seeking to isolate them or seeking to isolate ourselves.

Now, let me talk about the five or six areas where we will concentrate in the meetings with President Jiang and with Premier Zhu Rongji, in particular.

One, is stability in Asia. As I mentioned before, China has been -- played a constructive role in the past several weeks in forging a consensus among the permanent five members of the Security Council on the steps that India and Pakistan must take to stop this escalation and move towards a situation of less tension. And we will be working with the Chinese to try to encourage both the Pakistanis and the Indians to take those steps.

On nonproliferation, I think this is an area where there's been quite remarkable progress in the past four or five years. We've seen China join the Nonproliferation Treaty. We have seen it stop nuclear testing and sign the Comprehensive Test Ban Treaty. Had they not, think about the situation in South Asia right now if China were not adhering to a test ban.

They have indicated and, in fact, complied with a commitment not to provide assistance to unsafeguarded nuclear facilities -- i.e., Pakistan. When President Jiang was here in October, they made a commitment not to provide support to the Iranian nuclear program. They've stopped their supply of anti-ship cruise missiles to Iran. They have indicated that they would adhere to MTCR with respect to missiles. These are all steps that have been the product of engagement and we would hope to continue this progress, particularly in the area of missiles and missile technology, and seek further steps by the Chinese to bring itself wholly in line with the international regimes.

On crime and drug trafficking, this has been an area of growing cooperation between our two countries. We have a DEA office opening in Beijing and have had a growing degree of cooperation in the law enforcement area and hope we will take further steps.

On the environment, Vice President Gore launched an initiative with the former premier, Li Peng, to help China deal with its really daunting environmental problems. It has probably the greatest environmental problems of any country in the world. I think I've said before the number one cause of death in China is from respiratory illnesses that are caused by pollution. And when you get to Beijing, which is a thriving, quite exciting city and you look up in the sky and you can see it looks like perhaps Los Angeles looked 10 years ago or

Mexico City.

We will be engaging with the Chinese in a range of clean energy projects, which obviously benefit them and benefit us at the same time. And I'll let Secretary Rubin and Gene address the economic and trade issues.

Let me quickly just walk through the bare bones of the schedule so you can decide how many shirts to pack. We will leave on -- or blouses -- we will leave on Thursday -- I saw the glare.

A week from today, we'll have a 19-hour very pleasant plane ride and arrive in Xian on Thursday evening. As most of you know, Xian was China's capital -- ancient capital -- from 1100 B.C. to roughly 900 A.D., and once rivaled Rome and Constantinople as one of the great and most important cities in the world. It is the home of some of the great excavations of the terra cotta warriors, which we will visit.

We will also -- there will be an arrival ceremony there for the President that I think will be quite colorful. The President will make remarks to the people of Xian and we will tour a local village outside of Xian and speak with a cross-section of village people.

On Saturday, we will arrive in Beijing, there will be an arrival ceremony on the steps of the Great Hall -- on the steps and portico of the Great Hall of the People, which is next to Tiananmen Square. Then there will be a bilateral meeting between President Jiang and President Clinton, a working lunch with President Jiang, a meeting with Prime Minister Zhu Rongji, and at some point, a press availability. The President and President Jiang, presumably, together will have some remarks to the press.

On Sunday, the President will attend -- go to one of the larger churches in Beijing, the Chong Wen Men Church, a Protestant church. Afterwards, he will meet with a group of clerics. The issue of religious freedom has been an important one to the President; he'll be meeting this Thursday, tomorrow, with the three -- Rabbi Schneier and Bishop McCarrick, and Donald Argue, who the President sent as three representatives to China to talk to the Chinese about issues of religious freedom. They will be here tomorrow and this will be a chance to continue that effort.

He will also do some touring on Sunday afternoon, looking at the Forbidden City and the Great Wall, and then will have dinner with President and Mrs. Jiang.

On Monday, the President will give a major speech on the U.S.-China relationship at Beida or Beijing University, followed by a Q&A session with students and faculty. And then we'll leave for Shanghai.

In Shanghai on Tuesday, the President will have a roundtable discussion with a group of young entrepreneurs, some of whom have been featured in recent articles, who are obviously building a new economy in China, and that discussion will take place at the Shanghai Municipal Library, which is the largest library in the world and which is connected by Internet to the New York Public Library.

On Wednesday, there will be a number of events including a meeting with new homeowners in China. There is a program in China that seeks to encourage homeownership. We are assisting them with technical assistance in terms of creating a secondary mortgage market in China, and we will visit some folks that are involved in that.

On Thursday, we will start in Guilin, do an environmental event there with a group of environmentalists from China, and then take a boat ride down the famous Li River, before we head into Hong Kong, where we will have a reception with Hong Kong's Chief Executive, C.H. Tung. The following day the President will make a speech at the Convention Center, meet with political leaders, including Martin Lee. And we will be leaving late Friday night and arriving back on July 4th.

Q There's a news conference.

MR. BERGER: Oh, excuse me, press conference on Friday. You know the schedule better than I do.

SECRETARY RUBIN: Well, I'll comment briefly on some of the economic issues; Gene will pick up on trade.

Let me say the United States has an enormous stake in the economic well-being of China. China, if things go according to most people's expectations, will be the largest economy in the world some time in the first half of the next century. And as I said a moment ago, there's enormous benefit to us in terms of our trade relationship and otherwise in China being successful economically. In that respect, we have been very supportive of China, will continue to be as they make their transition to a market-based economy, and also very supportive of China as they integrate with the world economy.

With respect to the issues they face in going to a market-based economy, we will continue the discussions that we have had in many other fora with Chinese officials about the state-owned enterprises, the reform of that system, the issues around the financial sector, and the challenges they face with respect to their banking sector. It is very much our view that the key for China is to establish the basis for long-term growth, including good economic -- as they have been doing -- strong macroeconomic policy and strong reform and not be especially focused on growth in any given year. This year growth will presumably be somewhat less than had been expected because of conditions in the region.

All of those on our side, economic officials who have met with their economic officials, have come away consistently with being very impressed both with the extent to which and the sense in which their economic officials recognize the challenges that they face and with their commitment to transforming or moving to a market-based economy.

In terms of integrating with the world economy, Gene will cover trade. Sandy mentioned their importance with respect to the Asian financial crisis. We have been in touch with them, we've had discussions with them. I think they have played an absolutely critical role in maintaining their currency, which has been very much in their interest as they've seen it, and I think correctly so, but they're doing so has also been an island of stability in an otherwise very difficult time.

Let me just conclude by saying that over the past two or three years we have developed regular interchange with Chinese economic officials and I think it's been a very useful thing. Treasury has regular interchange now with officials in the Ministry of Finance several times a week. We have the joint economic commission which met recently here in Washington; it meets once a year. We've had several meetings in China, and now we very much look forward to our meetings when we go with the President.

MR. SPERLING: Let me just say a couple words about our trade goals on the trip and over the next week or two. Clearly, open markets

and expanding open markets has been one of the three cores of the President's economic agenda, and we feel it is strongly in our national interest to bring China into the global trading system -- not only because of the 400,000 and certainly exceedingly growing number of American jobs that would be dependent on exports to China and Hong Kong, but also because it is, as Sandy suggested, part of our belief that more open markets leads to a more open system, that brings in more free flow of ideas, more people traveling, more people interacting through companies, through e-mail, through the 4 million Chinese that by the year 2000 will be on the Internet. And that a withdrawal from this type of engagement would be harmful not only in terms of economic terms but in those who would like less openness for China.

The President will press during the meeting for China to open its markets, for good service in agricultural, as it engages in the sweeping economic reforms Bob mentioned. And we expect the President to discuss several trade issues, including the current negotiations on China's potential membership in the WTO.

Let me just say, at the moment we have had a team on the ground there led by Deputy USTR Richard Fisher, along with Bob Cassidy, and others. Charlene -- Ambassador Barshefsky is on her way and will arrive tomorrow for meetings with her counterpart, Minister Shi.

At this point I think it is fair to say that over the last couple of years there has been progress in some areas, including having independent judicial review of administrative actions, allowing our businesses to be able to bypass -- or commitment with WTO membership -- of a commitment of our firms' ability to bypass the government and deal directly with Chinese businesses and customers, and some significant progress in closing down pirated factories. In fact, they've closed down 64 factories that engage in pirated CDs or CD-ROMs.

All that said, there are still significant and at times very destructive barriers that are complex and confusing, including high tariffs that make it very difficult for our businesses and our workers to have fair access and a fair shot at doing business. Again, we believe that this is -- more openness will be better for both economies. Some of the examples of where there are problems is that they still have average tariff rates on goods of 23 percent, though as Ambassador Barshefsky discusses with them, we'll be looking not just at the across-the-board tariff rate, but at the tariff rate of key areas such as autos and chemicals where the tariffs have been quite higher than that 23, even double that amount.

China's distribution system also is wanting in many ways, not allowing foreign firms to own and manage distribution networks, wholesaling outlets, or warehouses, and has recently issued a ban on direct selling that affects Revlon, Amway, others doing business there.

In agriculture, while we do have a surplus in our trade with China, U.S. farmers still face very high barriers, and despite our '92 agreement, still face nonscientific-based restrictions on U.S. wheat, citrus fruit exports.

I think as we go forward, we very much want to work with China to bring them into the WTO, but the ball is very much in their court. And as our position has always been, our standard will be whether commercially viable terms will be -- can be reached, and not those that are just politically convenient.

And again, as I said, Charlene arrives tomorrow, and so those talks will be going on not just -- on trade not just when the President arrives, but serious talk over the next several days.

Q Secretary Rubin, can we ask you about -- do you see today's intervention on behalf of Japan sort of like an emergency patch, the first perhaps of a number of efforts, a bail-out, or is this going to do it?

SECRETARY RUBIN: Well, Sam, I would say this. This is something we've been working on for the last few days and thinking through, and there were many paths we could have taken. We spent a lot of time analyzing this and a fair bit of time talking with people at the Fed about it, one thing and another.

The key in Japan in policy. Their problems are economic, and those problems have gone on for a long time. They've built up and increased over time, and the only answer to those questions in any long-run sense is policy. Having said that, their Prime Minister and Finance Minister, as you know, made announcements this morning. I made a subsequent announcement. And I think in doing that, they gave you a sense of their approach and, in a broad sense, their plans going forward. It is in that context, and in that conjunction, that we made a determination to intervene.

Q Well, with all due respect, the Japanese have, over many decades, made promises about opening their markets, about changing their policy, and it hasn't happened.

SECRETARY RUBIN: I think you've got it right. The absolute key -- it isn't always the case, but it is this time -- the absolute key is that the Japanese government take the necessary actions with respect to their economy, on the fiscal side, and as you know, the Diet last night did pass a substantial fiscal program, but if needed, additional fiscal measures, and, most importantly, I would say at this point, appropriate and effective measures with respect to their banking system, though deregulation and opening markets are also very important.

Q Mr. Secretary, if I could follow up on Sam's question. What was the value of the U.S. intervention and what specifically did we ask for from the Japanese in return for that intervention?

SECRETARY RUBIN: We have had a policy of not disclosing the amounts involved in interventions.

Q The traders are saying it's about \$2 billion. Is that -- would you steer us away from that, is that --

SECRETARY RUBIN: I used to be a trader. You want me to say it off the record?

Q I don't think you can be off the record in this case.

SECRETARY RUBIN: I suspect that's probably right. I'll stick with what I said before. We have never disclosed the amounts involved in our interventions.

On the second question, the Japanese government has indicated a course of direction an approach, a set of plans, as I said a moment ago, in their statements. And as you know, there were a number of conversations. But the key is exactly -- we just discussed -- the key is what gets done over time on the very difficult issues they face.

Q The sense of my question, though, sir, is was there a quid pro quo? Did we say look, we can help your currency tonight if you can assure us that you will do x, y, and z.

SECRETARY RUBIN: I think I'd really like to stick with what I've said, for a lot of reasons. But let me just say it again and maybe it will be somewhat responsive. Our intervention was in the context of their announcements with respect to plans and approach and a path going forward. And I think these things are very much integrally related, but the key in the final analysis is what they do with respect to dealing with their issues.

Q Do we have a bottomless barrel here? In other words, if we don't see a performance, that economy is so important to Asia, do we have any choice but to keep on bailing them out?

SECRETARY RUBIN: Sam, the issue isn't our intervention. The issue is what they do. The only way the problems in Japan will get solved is through what Japan does. Having said that, as we have said in many occasions before, and I'll just repeat it again, that we will intervene when appropriate and not intervene when it's not appropriate.

Q Is it stable now, Mr. Secretary, the currency situation? Has this had the desired effect?

SECRETARY RUBIN: It's had an effect.

Q Is it stable enough, or do you imagine another intervention in 48 hours?

SECRETARY RUBIN: I'll stick with what I just said. When we deem it to be appropriate to intervene, we will do so. And if we don't deem it to be so, we will not do so.

Q Can I ask something about China?

MR. BERGER: Why don't we do China, we'll go back -- give him a chance to replenish -- you know, since he financed this intervention himself -- (laughter) -- he has to replenish his financial support.

Q As sort of a parallel for the kind of legislative criticism and action that precedes this summit, has the President ever gotten this kind of a send-off before, and does it inhibit what the President will be able to do while he's in China?

MR. BERGER: I don't believe that it will. I continue to believe that there is -- that most members of Congress and most Americans believe that we should be engaged with China, we should be trying to cooperate while we can and we should be trying to press them where we disagree.

Now, people can disagree about the relative priority of one issue over another. Some would say we should spend more time on nonproliferation. Some would say we should spend more time on human rights. Some would say we should spend more time on trade. I think those are legitimate policy issues. We try to make the best balance we can.

But I think most Americans understand that you cannot turn your back on a quarter of the world's population, a country that is growing very rapidly, and, as Secretary Rubin said, will be the largest economy in the world in the not-too-distant future. The Hill is focused on a series of issues involving our satellite policy to China, which we can get into if you'd like, but I think are relatively narrow issues and, again, legitimate for them to look at them. But I think they were decisions that were made very much in the national interests.

Q Sandy, on a related matter, the President is about to enter into

another foreign policy confrontation with Congress when he vetoes the Iran sanctions bill. He signed a lot of these bills before, even if he didn't like them -- Helms-Burton, D'Amato. Now he's changing his tack, even in the face of what looks like to be a certain override. Why is he going to veto this one and he went along with all those others?

MR. BERGER: Well, I think it is likely that he will veto this bill. That would certainly be my recommendation to him. I think it's important for him -- I answer that question, Mara, on two levels. Let me start with the bill itself.

I think the bill is totally counterproductive. This is a bill that seeks to gain restraint on Russian cooperation with the Iranian missile program. Over the past few months we've seen significant effort on the part of the Russians, and the emergence in this new government of people who have taken a sense of responsibility for bringing the errant companies under control. We've seen them promulgate a catch-all regulation, which they never had before, which gives them the legal authority. We've seen very strong statements from President Yeltsin on down. So they're moving in the right direction.

Now, what this bill does, is it says, no good deed goes unpunished; that is, we will take those people who are trying to bring this under control and cut their legs out from under them by saying that the response is that America will impose sanctions on them. I think it is a fundamental, profound mistake.

Second of all, I think that there is a sense that we have perhaps over-used -- reacted too quickly with sanctions as a policy response to problems -- mainly because they're not scored by CBO, and therefore it's easier to do them within the context of the balanced budget. But I think we have to look at the more -- with a greater degree of scrutiny in the aggregate to make sure that we're not piling one of these regimes after another and simply undermining America's influence.

But I would say that's a secondary concern. The real reason why I think he ought to veto this bill is I think it will run directly counter to the purpose we share, which is stopping assistance to the Iranian missile problem.

Q What benefits accrue to the U.S. business community from the President's policy of engagement, and what will his message be to U.S. business leaders when he gives an address to them in Shanghai?

MR. BERGER: I think that a policy of engagement with China is of benefit to all Americans. It's a benefit to Americans who have benefitted from tighter Chinese policies on nonproliferation. It's a benefit to Americans who would like to see the nuclear arms race in South Asia reversed, for which we need Chinese cooperation. I think it's a benefit for the Chinese people, for whom we have advocated greater political freedom and human rights.

To the extent that we can open Chinese markets to American companies -- I think there are about 120,000 jobs in particular that are dedicated to -- that are related to the Chinese market. Our exports to China increased 17 percent this year over last year. But there obviously has to be, as Gene pointed out, a good deal more market opening.

Q Mr. Berger, since you've been with the Clinton foreign policy team from the start, would you trace for us how the President's philosophy on dealing with the Chinese leadership has changed since he accused his predecessor of coddling them?

MR. BERGER: Six years have transpired during that -- since that statement. Things have changed in China I think to some degree. I think we are no less assiduous or vigorous in promoting human rights today than the President's advocacy earlier. I think that he reached the conclusion, as did most members of Congress, that the mechanism that we had used, which was threatening to cut off MFN, essentially threatening to sever our economic relationship, was no leverage on human rights. And I would argue that the policy that we have pursued over the past year or so -- past few years -- has in fact produced results.

Since -- just take the past six months. We've seen two prominent dissidents, Wei Jingsheng and Wang Dan, released from prison -- perhaps the two most prominent Chinese dissidents. Bishop Jin, a very prominent religious figure. We've seen the Chinese agree to sign the U.N. Covenant on Civil and Political Rights -- a very significant step because it will involve monitoring by the United Nations and the obligation of the Chinese to report on their progress.

So I think that we're making more progress by strong advocacy and keeping this very high on the agenda than by earlier efforts that perhaps were more clumsy.

Q Is the President going to speak on Tiananmen Square, and if so, where? And will he be as blunt on that as he has been here? Will he be as blunt there as he has been here?

MR. BERGER: I am sure that the President during the trip will speak about the issue of human rights, about generally the question of political freedom. He feels very strongly that China cannot develop unless its people have the freedom to express themselves politically as well as economically. I am sure that he will address the events in Tiananmen Square.

Q When and where will he do this, and how?

MR. BERGER: I don't know that I can tell you when and where. There are a number of places where the President will speak and this will be one of the things he speaks to.

Q Is a specific event or speech dedicated to the question of human rights? Is there any particular event that --

MR. BERGER: He will address human rights more than once, I'm sure.

Q Secretary Rubin, on the decision to intervene, should that be seen as a fundamental shift in the U.S. strong dollar policy? Can you kind of put it in a little more context for us?

SECRETARY RUBIN: The answer to that is no. I think the strong-dollar policy has served us exceedingly well over the past several years and still does. Having said that, we have said for many, many months now that we were deeply concerned -- we shared Japan's concerns and we were also deeply concerned ourselves with respect to the issues of the weak yen and the weak Japanese economy and the impacts that was having in other parts of Asia.

And as you've seen in the last several weeks, the renewed weakness of the yen has had destabilizing effects on the rest of Asia. The actions that were taken and announced both in Japan and the United States today were very much animated by a concern for Asia, the other parts of Asia, but it has nothing to do with our more general policy with respect to the dollar. It has a great deal to do with our concern about the weakness in Japan's economy and the weakness of the yen.

Q Mr. Secretary, you praised China for resisting the devaluation of its renminbi. Could you tell us what sort of pressure the falling yen has put on the renminbi and also, for that matter, on the Hong Kong dollar? And how long can Americans expect the Chinese to resist those kinds of pressures?

SECRETARY RUBIN: We, as I said a bit ago, -- and I think it's a very positive thing -- have over the last couple years developed a good deal of interchange with Chinese economic officials. And in every discussion that we have had with them, including some very recently, they continue to discuss the stability of their currency in terms of their interests and their calculation of their own interests, and I think rightly their own interests.

So I have not seen any indications in discussions that I've had with them of a lessening of that commitment. We'll be seeing them next week, but I have not seen any lessening of that commitment.

Q Mr. Secretary, the statement that you referred to that Prime Minister Hashimoto turned out, all three of the elements that he described in there as the Japanese efforts to revive the economy are things that he has been saying for many years; some of them he said when he was Finance Minister in 1992. Can you tell us very specifically what he agreed to do and on what timetable, beyond these vague generalities, in the course of the conversations that led to this decision?

SECRETARY RUBIN: David, the object of both his statement and the Finance Minister's somewhat longer statement was to set forth -- and to some extent to rearticulate, though I would say putting all together in one place and talking about dropping the convoy system and the rest -- was to some extent a reaffirmation and maybe to some extent a more forceful statement in a cohesive sense than in the past, with respect to where they plan to go forward.

And the point here was to have a statement of approach and a statement of plans in a general sense. We did, as you know, have a number of conversations -- the President with the Prime Minister, myself with the Finance Minister, and Larry Summers with Sakakibara. But I think the sense of all of that is captured in terms of a general sense of approach and plans in those statements. But the key then becomes their actions and taking the very difficult steps that they're going to have to take to deal with the very large challenges they have. And that is what this is all going to be about in the final analysis.

Q Did you send Secretary Summers to Tokyo or did the Japanese invite him?

SECRETARY RUBIN: I would say that it was an idea that developed -- we've had enormous numbers of conversations over the last few days, including a lot over the weekend -- and it was an idea that developed out of conversations that we had together. I wouldn't say it was necessarily the idea of either one of us particularly.

Q What changed your mind on the subject of devaluation. You're pretty much standard that devaluations do not affect solid change over the long term?

SECRETARY RUBIN: Are you talking about intervention?

Q Yes.

SECRETARY RUBIN: Oh, nothing has changed my mind about anything. (Laughter.)

Q What convinced you last night to go ahead with this?

SECRETARY RUBIN: That's a different question. What I have said consistently, and it is my strongly held view, that ultimately currencies follow fundamentals. And that is going to be true in Japan as well and Japan has to deal with its fundamental problems.

I've also said at the same time that there are times when it is useful and appropriate to intervene. And we spent the weekend and then again yesterday and last night evaluating various paths that we could possibly have taken. And it was our judgment that the total package that you've seen was the best path to go and that plan of action was put into effect.

Q What was the down side, sir, had we not intervened and done so last night?

SECRETARY RUBIN: I think the question you had to ask yourself was what is the best -- excuse me -- what are all the pluses and minuses of each of the paths in terms of leading to appropriate policy measures in Japan and also creating stability in the interim as those measures are developed and implemented? And it was really that framework. And then you can look at all the various pluses and minuses around that framework.

Q But were we looking at -- and you'll forgive the colorful metaphor -- but were you looking at a train wreck? Two billion dollars, if that's accurate, it's a lot of money. This is a rarely employed technique. I'm wondering why it seemed so imperative.

SECRETARY RUBIN: Well, without going into the specifics of exactly what the pluses and the minuses were, let me just say that there was a lot of technical work, and there was a lot of market judgment, and there was a lot of appraisal of the general situation. The United States is uniquely situated today to try to be helpful in Asia, as we have been over the last -- what is it -- 10 months now or something since this crisis began. And this seemed to us an appropriate way to be helpful in this circumstance.

Q How close is this Asian crisis to profoundly affecting the U.S. economy?

SECRETARY BERGER: You're seeing significant effects in some sectors already, Sam, and that is why, for example, the agricultural community has been so concerned. Something like, if I remember correctly, 40 percent of agricultural exports -- I'm sorry, agricultural production goes to exports and then 40 percent of those go to Asia, and that's why you've had such strong support in both the House and the Senate, from Senators and Representatives from agricultural states, for IMF funding, because of the critical role that IMF funding plays in trying to maintain a world stability.

I can't tell you what's going to happen going forward other than to say that I think the probability of something major, in terms of the crisis, happening is low. But if a major crisis were to develop, then the effects in our nation could be severe. And it's precisely to avoid that, that the United States has exercised its -- has taken action in various ways over the last, roughly a year now. And last night is part of that thrust.

Q Where do you see impacts on the U.S. economy already?

SECRETARY RUBIN: I think that you see it -- my recollection --

and you can check me if I'm wrong in the numbers, but I think I'm roughly right -- is that exports for the first quarter on an annualized basis, were deemed -- were thought to be somewhere around \$23 billion less than they would have been to the nations in Asia that are in difficulty. And then if you add Japan, it would -- I think it was \$20 billion to \$23 billion or something -- you better check my numbers -- and then another \$4 or \$5 billion to Japan. But the sector I think that -- at least as I understand it -- the sectors that have felt it most strongly are agriculture and then a lot of the high-tech areas -- chips and things of that sort.

MR. SPERLING: And then to the degree that there's an increase in our trade deficit, almost all of that can be tracked by looking at the decrease in exports to non-Japan or -China Asian economies.

Q When the Vice President was in China, and then again when Jiang came here last fall, they were -- the Chinese got the message that if there was attempts to influence U.S. elections it, would be serious, but the investigation is continuing. Since then we've learned about Johnny Chung's testimony saying he took \$100,000 from the Chinese to put into the U.S. political process. How does that change this -- what the Chinese were told previously?

MR. BERGER: Well, I mean, I can't comment on the accuracy of the predicate of the question. That's obviously a matter under investigation by the Justice Department.

Q Do you have access to that information if you need it to make your judgment?

MR. BERGER: We've had -- I think we've had access to information that we -- that is relevant to national security issues. I would expect -- let me say this, when President Jiang was here, when I was in China, when Secretary Albright was in China, we have in each case raised with the Chinese these allegations. They have denied them very vigorously. We have encouraged them to cooperate fully with the Justice Department. And I would expect that we would do the same -- we would do so in the context of this trip, as well.

Q Sandy, there were some discussions with the Chinese about formally joining the missile technology regime and some other export control agreements. Do you expect some of those to be signed or reached during the President trip? And how will that affect some of the criticism that's being leveled up on the Hill about missiles and satellite exports?

MR. BERGER: Well, clearly, one of the issues that we are discussing with the Chinese continually is nonproliferation. And I went -- earlier, went through the, I think, rather considerable number of things the Chinese have undertaken and are complying with over the past four or five years. I think an area where further attention is appropriate is in the area of missile technology. They have, back in, I believe, '94, undertaken to comply with the MTCR guidelines, but there is also -- which involves missiles -- but there's also something called the MTCR annex, which is essentially a list of all sorts of components and technologies that could be used in missiles. They have not subscribed particularly to that list. I don't know whether that will happen in connection with this trip; it will be something we talk to them about.

Sometimes we find that the results of these trips with the Chinese happen after we leave. I think that you saw, for example, after Jiang left and went back to China -- the release of Wei Jingsheng, the release of Wang Dan. And so hopefully there will be some things that will

happen in connection with the trip, and hopefully there will be some things that will become apparent in the weeks and months thereafter.

Q It's my impression that the Chinese are the ones that wanted this trip moved up in timing. Could you explain to us what they are looking for, what's in it for them, and what specific agreements they'd like from us?

MR. BERGER: Well, I don't know -- I think -- let me tell you from my perspective why this was moved up, at least; I can't speak for them. Ambassador Sasser came in to see me, I think back in the early part of the year, and he said that he thought it would be advantageous for us to move up the summit for a couple of reasons. Number one, there was a certain degree of momentum that came out of the Jiang summit. There was a different kind of mood in the relationship, much more candor.

I find that, for example, when I was just in China talking about human rights. It used to be when you raised human rights with the Chinese, you got a lecture about why it was none of your business. That's no longer the case; they engage. They may not do everything you want them to do -- and basically, he was saying that he thought we should take advantage of that by moving the summit up. He also felt that the summit, as a stand-alone visit as opposed to simply an add-on to the APEC meeting, would be more effective. And I thought his advice made sense and recommended it to the President.

Q The Paula Jones case is widely believed to be the reason -- or at least reported to be the reason the summit was moved up by the United States side. Are you denying that that was any factor in the decision?

MR. BERGER: That was not a factor in my decision to recommend to the President that he move up the trip. And I'm not aware of anything else.

Q You're speaking only for yourself?

MR. BERGER: Yes, but I'm not aware of any other factors. But I can't prove a negative.

Q Sandy, you talked about the lectures the Chinese used to give, but if I remember, Jiang gave precisely that lecture to all of us and to the American people when he was here last October -- I'm sorry, you worry about just tokenism. These were two very high-profile dissidents, but they haven't been followed by others, and the vast majority of dissidents are still in jail, right?

MR. BERGER: A couple of things. Number one, I think that this is not simply about one or two individuals. It has to ultimately move towards more systemic change on the part of China. And it's something that we will encourage them to undertake. As they embrace the rule of law more fully -- as they are doing in some areas of Chinese life -- that rule of law has to be embraced just as strongly and firmly in the area of personal rights and personal liberties.

So we're very pleased that Wei Jingsheng and Wang Dan and Bishop Jin and others have been released. There are others who are less well known. But we don't consider that to be the end of the game, as far as we're concerned. We want to continue to press and push for further change.

Q Will he meet with any dissidents over there?

MR. BERGER: We will be with a broad cross-section of people while we're in China, in small groups and large, and clearly the President

will speak his mind and hope and expect others will as well. And we will do and act and say what we think will be most effective to promote the cause of human freedom and human rights.

Q So the answer to that question was no, to Mara's question.

MR. BERGER: No, the answer is not no. I think the answer is that we will take those decisions and act in a way that we think is most effective.

Q Sandy, regarding arms sales to Taiwan, China used to link the proliferation issue with U.S. arms sales to Taiwan. Can you clarify the United States' position on this, arms sales policy to Taiwan? Will there be any change, or will there be any secret deal?

MR. BERGER: No, no secret deal, no change. Our policy with respect to arms sales to Taiwan are dictated by the Taiwan Relations Act, by the communiques, and we will not take any action during this trip that will undermine Taiwan.

END

4:05 P.M. EDTY

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As Prepared for Delivery

REMARKS BY SAMUEL R. BERGER
ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS
TO THE NATIONAL PRESS CLUB

National Press Club Building
Washington, D.C.

American Leadership in the 21st Century

This is a historic milestone for me - my first chance in years to give a speech without alluding to the bridge to the next century or evoking the next millennium. Instead, I want to look back with you on some of the things our Administration did in foreign policy back in the 1900's and reflect on challenges of an era that is already upon us.

1999 was a busy, intensive and generally successful year for American foreign policy. Indeed, it's hard to imagine it all happened in one year: A revitalized Middle East peace process, with the Wye accords being implemented, and genuine engagement on peace between Israel and both Syria and the Palestinians at the same time. The defeat of ethnic cleansing in Kosovo, with NATO united, Russia helping us make and keep the peace, and Balkan integration into Europe now high on the international agenda. A WTO agreement with China. Economic recovery in Asia, much aided by strong US economic growth and the President's commitment to keep our markets open. With the democratic transitions in Nigeria and Indonesia, the passage of more people to freedom in 1999 than in 1989, the year the Berlin Wall fell. Independence for East Timor after a quarter century of conflict. The peace process in Northern Ireland moving forward again. Talks resumed on the future of Cyprus. A Caspian pipeline agreement that can help assure our energy security and reinforce the independence of the new nations of central Asia. A historic debt relief initiative for the poorest countries of the developing world.

Imagine the questions you'd be asking me today had we made a different set of choices last year: You'd want to know how we could justify letting a million Kosovars spend the winter despairing in refugee camps. You might be asking how we could have let a regional economic downturn spark a global depression, or whether our failure to reach a WTO agreement with China would make that country more recalcitrant on the world stage, or what happened to the hope for a comprehensive peace in the Holy Land?

We had our share of disappointments last year, too, from CTBT to Seattle. But I am pleased with the progress we have made, and satisfied that an active year in foreign policy has sparked a constructive discussion about America's role in the world.

One reason we are where we are today is that we -- the Congress and the Administration, led by the President and Secretary Albright - generally

have maintained a bipartisan consensus about the need for American leadership, though for five of the last seven years we have had divided government. Without that consensus, we could not have opened NATO to new democracies, or approved aid to dismantle former Soviet weapons, or approved NAFTA, or created the WTO, or ratified START II, or given our armed forces the backing they needed from the Balkans to the Persian Gulf. I think one reason the protests in Seattle seemed so unusual is that we have gotten used to having more consensus about our role in the world in this decade, or at least less contention, than we had over the last three decades of the Cold War.

But that doesn't mean that the consensus isn't threatened, and it doesn't mean that there aren't competing visions of our role.

Today, just about everyone believes we need a strong military to protect our interests in a world of continuing, if shifting, dangers; unfortunately, some think that's about all we need - and undervalue and underfund our efforts to prevent conflicts. All agree we need friends and allies when the going gets tough; some seem to think we can afford to alienate them when they need us to play our part in international institutions and arrangements. That way of looking at the world is reflected in the radical cuts to our foreign affairs budget Congress proposed last fall, in the vote on the Test Ban Treaty that a small group of Senators forced against the wishes of more than 60 of their colleagues, in protectionist sentiments in both political parties. I have called that vision a new isolationism. It's one part go-it-alone and another part don't-go-at-all.

Of course, it is possible to agree that America must play an active role in the world, but still to disagree about how. Every Administration is tempted to deny that from time to time. Dean Acheson once sarcastically observed that the only way to run a country was to "say politics stops at the seaboard -- and anyone who denies that postulate is an SOB and a crook and not a true patriot. Now if people will swallow that," Acheson added, "you're off to the races."

The duty of internationalists in both parties is not to agree on every matter of policy, but to come together around the basic principle that Americans benefit when nations coalesce to deter aggression, to resolve conflicts, to open markets, to raise living standards, to prevent the spread of dangerous weapons, and to meet other dangers that no nation can meet alone. . . . and that a key to forging such coalitions is American leadership. That's what the bipartisan, internationalist center believes, and I am gratified that as 1999 ended, it reclaimed center stage. The Administration and the Congress agreed on a budget that restored funding for our global priorities. We agreed to pay our UN dues and arrears, bolstering America's credibility as a global leader.

Having advanced the argument that America should continue to lead, the beginning of a new century should cause us to reflect on the larger purpose of that leadership. For we are experiencing something more than just a changing of the digits on the calendar; this period in history has been a genuine changing of the times - a time of collapsing empires, expanding freedoms, eroding barriers and emerging threats. The success of our foreign policy in this new era is going to depend on our ability to help answer a few fundamental, long-term questions.

One critical question for the next generation and beyond is whether our former adversaries Russia and China will emerge as stable, prosperous, democratic partners of the United States.

Since the collapse of the Soviet Union nine years ago, our engagement with a democratic Russia has produced concrete results -- the

dismantlement of 5,000 former Soviet nuclear weapons, the withdrawal of Russian troops from the Baltics, Russia's role in ending the conflict in Kosovo on acceptable terms, and the cooperation our troops have forged in Bosnia and Kosovo. Russia itself is still struggling with demons that have bedeviled it for years: the legacy of totalitarianism, poverty, corruption, conflict in the Caucasus. But the way President Yeltsin left office last week reflected just how much has changed. For the first time in their thousand year history, the Russian people now know that leaders can voluntarily transfer power, under constitutional rules, instead of holding on till death or being forced from office. Just as important, their new government has promised to uphold basic liberties and Russia's break with communism, and to hold free and fair presidential elections. The world will be looking with great interest as the Russian government moves forward in meeting this pledge.

Acting President Putin enjoys strong support from the Russian people and a newly elected Duma. That's no guarantee of progress on the issues that matter most to us, but we certainly intend to seek it, including further reductions in strategic weapons as we work to develop a national missile defense system while preserving the ABM Treaty. Whoever is elected Russia's next President will also inherit a tough challenge -- to give Russians the sense of stability they crave after years of wrenching change and the hope their sacrifices will be rewarded. The question is whether stability and hope will be based on strengthening or weakening the rule of law? That question applies to Chechnya as well: We've made clear that Russia's fight against terrorism is right, but its use of indiscriminate force is wrong. And it is inviting far more serious problems for itself than it can possibly be solving. But we should not stop supporting those forces in Russia that are trying to strengthen the rule of law and build faith in democratic institutions. Russia is paying a price for its conduct in Chechnya; Russian democracy must not.

As for China, a sense of realism cautions us to be prepared for the possibility that this emerging power emerges as a threat. But we should not presuppose that outcome, or make it more likely by acting as if it has already happened. Realism also tells us to see China in all its complexity: as a country that has lifted hundreds of millions of its citizens from poverty and expanded personal freedoms, but whose progress is held back by resistance to political reforms vital to its growth and stability. We can protect our security and promote the right kind of change in China by continuing a policy of principled, purposeful engagement with China's leaders and people.

That is reflected in the deal we reached last fall to bring China into the WTO. It is a good agreement. Our market already is open to China's goods and services. This agreement gains us better access to China's market in every sector from agriculture to telecommunications to automobiles.

But the agreement is in our interest even apart from its economic benefit. There is simply no better way right now to encourage China to choose deeper economic reform and respect for the rule of law. To choose to play by international rules, instead of defying them. To choose integration with the world, instead of self-isolation. The only people who could possibly gain from China remaining outside the WTO are the most backward-looking, anti-democratic elements in China itself. That's why I am confident that when the debate is over and the votes are counted, the Congress will support this agreement by establishing Permanent Normal Trade Relations with China.

A second question that will shape the character of the coming century is whether, as the first non-imperial global power in history, we can use our influence and strength to prevent and if need be to help end

regional conflicts that threaten wider war?

To that end, we have worked hard in the last seven years to help complete the job of building an undivided, democratic, peaceful Europe -- a Europe that embraces new democracies from the Baltics to the Balkans, a Europe that embraces Turkey as well as Greece.

There is a great deal to do to advance this vision for the region: helping Kosovo through its first free elections while continuing to clamp down on violence; bolstering the democratic opposition in Serbia; promoting investment in the Balkans; encouraging progress in the Cyprus talks and greater cooperation between Greece and Turkey; helping more new democracies get ready for membership in NATO. Some of this will require money and the steady support of our Congress over many years. But if we're persistent, the payoff will be huge. Not just a post-Cold War Europe, but a durably post-war Europe where American soldiers are never again called to fight.

We also have a chance now to help the people of the Middle East to end 50 years of conflict that has threatened the peace of the world and isolated their region from the life of the world.

If you are hoping for an up-to-the-minute update on the Israeli-Syrian talks underway again this week in Shepherdstown, I will disappoint you by citing an old adage: When making peace in the Middle East, say nothing at all and you'll get misquoted only half the time. I will say that for the first time in several years, the parties -- Israel, Syria and the Palestinians -- have a common goal in sight, and the common sense to see that they have a historic opportunity to achieve it now. The President and Secretary Albright will spare neither time nor effort to help them succeed.

Building peace in the Middle East, in southeast Europe and elsewhere is a long-term challenge. In the meantime, America will sometimes be called upon to decide what to do when brutal and dangerous conflicts break out. And while we cannot and should not respond to every outbreak of violence and injustice around the world, neither can the United States afford never to respond.

That is true because, as we have seen so many times in this century, big wars that harm our interests almost always start as small wars that the world does not care enough to do something about. It is also true because in a globalized world, we see -- almost instantly -- the killing and uprooting of innocent men, women and children thousands of miles away. In such a world, we cannot choose not to know; we can only choose not to act.

Over the years, our administration has chosen to act where America's interests and values were at stake. For all the recent discussion of humanitarian intervention, we should remember that America hasn't used force for purely humanitarian ends since the commitment to end famine in Somalia in 1992. From Haiti to Iraq to Bosnia and Kosovo, we have acted both to help others and to protect ourselves from the consequences of unchecked conflict and violence.

I expect you will continue to ask hard, appropriate questions of the Administration about when and how America should use force. But those who are examining this issue critically need to ask themselves some hard questions, too. What precisely would they have done differently about Kosovo, Bosnia, Iraq, Haiti, East Timor, and why do they think that would have been more effective? How would they have dealt with the consequences of not acting?

A third question we will face in the next century is whether terrorists

and potentially hostile nations will acquire the means to undermine our defenses, and cause us to live in fear once again.

Thankfully, the New Year's Eve celebrations around the world passed without a terrorist attack. But just because we dodged a bullet doesn't mean there was no bullet to dodge. The last weeks of 1999 saw the largest US counter-terrorism operation in history. Terrorist cells were disrupted in eight countries and attacks were almost certainly prevented thanks to the good work of our law enforcement and intelligence agencies. But the threat remains real. We'll need to keep meeting this challenge just as we met it last week: with both vigilance and a refusal to be intimidated.

Part of the challenge will be to make it more difficult for weapons of mass destruction and the missiles that can carry them to fall into the wrong hands. That requires the United States to do many things well at the same time: helping the nations of the former Soviet Union secure weapons and their key components. Continuing to prevent Iraq from threatening its neighbors. Restraining North Korea's missile and nuclear program and Iran's. Aggressively pursuing terrorists and maintaining pressure against those who shelter them, including the Taliban. Strengthening global standards against proliferation. And yes, that means eventually finding the common ground on the Test Ban Treaty that last year's truncated debate in the Senate prevented.

We also are working to convince Russia that the missile defense system we are planning is not designed to undermine their deterrence, nor would it be capable of doing so. We must also convince some of our critics at home who say we should preemptively abandon the ABM Treaty and arms control and move forward unilaterally. The difference between us is that we see defense against missile attack as part of a broader national security strategy. Some seem to think missile defenses should be the sum total of our strategy. We believe it is a far wiser course to move forward in a way that takes into account the technical feasibility of a missile defense system, its cost, the nature of the threat, and its impact on our overall security, including arms control.

A fourth question is the one that came into stark relief in Seattle: How can we shape globalization so that it spurs growth and lifts the poor as well as the rich, improves the dignity of labor and strengthens protection of the environment?

In various ways, the protestors in Seattle were raising that question. But they offered a confusing answer. Many complained that the WTO is too powerful, yet argued, in effect, that the WTO should acquire new powers to impose and enforce labor and environmental standards around the world. All expressed solidarity with poor people in the developing world. Yet it is hard to see how the 1.3 billion people around the world living on a dollar a day will ever be able to live in dignity if we deny them the chance to sell the fruits of their labor and creativity beyond their borders. There are practices such as forced labor and child labor that the world should not tolerate. But we must also understand that, for the poorest countries, trade means growth and growth means improved working conditions. We don't want a race to the bottom in the international economy, but neither do we want to keep the bottom down. It is not right and it is not in our interest. What we want is a steady march to the top that leaves no one behind.

In the years ahead, we will face many other fundamental questions, and challenges we can hardly foresee, whether tragedies or hopeful breakthroughs.

But, as a result of the last several years, we look to that distant horizon from higher and more hopeful ground. We have done much already

to help shape the character of the 21st century world, and the terms of debate about America's involvement in it. Think of it: the world's great powers still disagree on many things, but for the first time they do not see one another as military adversaries. A decade after the Cold War ended, our alliances are not weaker, but stronger, with new, more enduring purpose. Half the world enjoys democratic government, and the democracies that emerged with the end of the Cold War have survived and in many cases thrived. Bitter regional conflicts that once defied resolution are bending to international mediation. There is a growing recognition that war crimes and massive violations of human rights are the world's concern, even if they happen within sovereign borders. The central phenomenon of our time, globalization, plays to America's greatest strengths - to our creative and entrepreneurial spirit -- and spreads our most cherished ideals of openness and freedom. Trade is more open today than ever before, raising standards of living for many, though not all, and the world's economic architecture is being adapted to a new economy. People are thinking freshly about the relationship between promoting global growth and protecting the global environment. Perhaps most important, eight years after Time Magazine, echoed by countless other commentators, asked "Is the U.S. in an irreversible decline as the world's premier power?" America has arrived at a moment when our strength and prosperity are unparalleled.

That is a very good place to begin a new era.

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LEVEL 1 - 11 OF 120 STORIES

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Insight on the News

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HEADLINE: 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.

BYLINE: Patrick J. Buchanan; SPECIAL TO INSIGHT

BODY:

Ten years ago, a frightened Chinese regime that had watched pro-Western demonstrators shake every Communist state in Europe decided it would not happen in China. Tanks were sent to disperse students in Tiananmen Square for the crime of demanding democratic reforms. We do not yet know how many perished in that massacre.

Seventeen years before this atrocity, I rode through that same square with President Nixon as a member of the 1972 U.S. delegation that opened up the People's Republic. I believed then, as I do now, that America should not seek any confrontation with China. Nor did I oppose the rapprochement pursued by presidents Ford, Carter, Reagan and Bush, urging only that it be done with eyes open - for the aging men who rule China today were all young apparatchiks in a Maoist regime that had as much blood on its hands as Hitler's and Stalin's.

President Clinton's initial determination to reengage with China seemed to me well worth the effort. Beijing controls 22 percent of the world's population and possesses nuclear weapons; hence, we can neither ignore nor isolate China.

But because our vision of the Asia-Pacific region is one of peace, prosperity and independence for all nations, America cannot embrace as a friend and partner an expansionist power that is openly hostile to the ideals of human dignity and freedom on which this nation was founded. As a Pacific power, we have interests in Asia we cannot permit to be imperiled and allies whom we cannot allow to be bullied or subjugated. It thus is a time for truth about the People's Republic and about the China policy of this White House.

In a sentence, the Clinton policy of "constructive engagement" has degenerated into willful self-delusion and craven appeasement, and that policy is leading directly to a confrontation with Beijing.

In the last decade, America has sought to mollify China. Since 1990, Beijing has been allowed to run up \$274 billion in trade surpluses with the United States. Our trade concessions have given China the second-largest hoard of hard currency in the world - \$150 billion. Last year alone, China rang up a \$57 billion trade surplus with the United States, representing almost 100 percent of



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China's economic growth.

The United States has voted to provide Beijing with World Bank and Asian Development Bank loans that amount to foreign aid, and **China** has been permitted to purchase the latest U.S. technology, including dozens of supercomputers. Moreover, since 1990, America has slashed its strategic missile forces and cut conventional forces by the equivalent of the entire land, air and sea forces that fought Operation Desert Storm. Defense spending that consumed 6 percent of our gross national product during the Reagan era now consumes only half that. Reagan's 600-ship Navy, which patrolled the **China** coast, has been cut almost in half. Thus, the United States has not threatened **China** in this decade; the United States has sought to befriend **China**.

But what have been the fruits of our "engagement" since Tiananmen Square in 1989?

- * **China** has provided missiles to Iran and nuclear technology to Pakistan.

- * Chinese naval forces have occupied Mischief Reef in the Spratly Islands that sit astride Japan's oil lifeline.

- * **China** has fired missiles toward Taiwan to intimidate its government and disrupt free elections.

- * **China** has warned Japan against any deeper military cooperation with the United States and warned us that any deployment of a theater missile defense in Asia would be an unfriendly act, as would any missile defense of Japan or Taiwan.

- * **China** has launched the greatest military buildup in Asia since Japan in the 1930s, using hard currency from its U.S. trade to buy the latest in Russian antiship weaponry.

- * **China** has stolen U.S. satellite and missile technology and targeted 13 of its 18 intercontinental ballistic missiles at the U.S.

- * **China** has ignored our protests of the persecution of Tibetans, Christians and political dissidents.

Some argue that **China's** internal policies are its own business, but as Beijing treats its own citizens, so it defines its own character and so it will treat us if ever we permit our defenses to atrophy and decline. Americans are being true neither to themselves nor to their heritage as champions of freedom and decency if they engage in business-as-usual with tyrants who trample upon all that we profess to hold sacred. For Americans there must always be something greater in the hierarchy of values than the bottom line of a balance sheet.

Last year, Clinton went to Beijing and proclaimed **China** to be our "strategic partner." But according to the Department of State, **China's** human-rights record deteriorated sharply last year. Even Clinton now seeks to have **China** condemned by the U.N. Commission on Human Rights. Perhaps most ominous, **China** steadily has expanded to 200 the number of M-9 and M-11 missiles targeted at Taiwan, building to a force of 650, and has mock test-fired missiles at U.S. forces on



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Okinawa and in South Korea. What is **China** up to? The answer seems clear.

In 1996, when the United States sent two carriers to the waters off Taiwan, **China** had between 30 and 50 missiles aimed at Taiwan and no air force capable of challenging our 7th Fleet. Thus, Beijing dissolved the crisis. But **China** is now clearly preparing for a future crisis to force Taiwan back to the "embrace of the Motherland" and intends to use the threat of a missile blockade if Taiwan resists. If the U.S. 7th Fleet attempts to intervene, **China** intends to have the air, sea and missile capacity to put at risk every U.S. warship and base between the Asian coast and Guam. This confrontation may still be several years away, but **China** clearly is preparing for it; if we do not act now to head it off, there is a near certainty it is coming. This is where the unrequited appeasement of **China** has left the next president.

Though his **China** policy is a demonstrable failure, the president refuses to see it, or concede it, and seems determined to retain his rosy view of what Beijing is about. And in their failure to renounce and repudiate **Clinton's China policy**, Republicans, too, are embracing a series of myths about **China**.

The "**China** market," visions of which so intoxicate the Business Roundtable, is a myth dating back to the turn of the century when Secretary of State John Hay proclaimed an open door in **China**. The truth: **China** has never been an important export market. Last year, less than 2 percent of our exports went to **China**, while **China** ran up huge trade surpluses with us in electrical equipment, heavy machinery, footwear, furniture, apparel, clothing, leather and plastics. Beijing tailors its trade policy to augment state power. It buys what it needs and cannot produce, such as Boeing planes, while stealing our technology to create its own airframe industry.

Now, I understand what **China** is doing; what I don't understand is what America is doing. U.S. trade policy today is impossible to defend in terms of U.S. strategic interests. America imposes sanctions on democratic India for testing nuclear weapons to deter **China**, which has attacked India twice. But when Beijing targets its nuclear missiles on the United States, we call **China** our "strategic partner." When generals in Haiti violate human rights, they get invaded; when the Chinese Communists trample on the human rights of a billion people, they are rewarded with a \$57 billion trade surplus.

For the Clinton administration, which has all its political capital wagered on the **China** card, there may be no turning back. But it is time for Congress to renounce a Clinton policy that is leading to confrontation, while it strengthens Beijing for that confrontation. What should be done?

- * Congress should block the transfer of any new high-tech military technology to **China's** regime.

- * Congress should demand that U.S. representatives veto new loans to **China** from the World Bank or Asian Development Bank and reject the admission of **China** to the World Trade Organization.

- * Until **China** closes its concentration camps, stops coercive abortions and ceases its persecution of Christians, Tibetans and dissidents, Congress should suspend "most favored nation" trade status, which the pro-**China** advocates now call "normal trade relations" status, and impose on all Chinese imports the same



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taxes China imposes on goods made in the U.S.A.

* As America is an island nation and the Pacific is our frontier, we must restore the U.S. Navy to the preeminence it had under President Reagan. A decade of slashing defense for social programs, and of using the U.S. military for social experiments, must come to an end.

* Finally, the United States must assert that any decision to deploy purely defensive weapons, such as a theater missile defense, is not subject to China's veto. And if Beijing does not halt its own missile buildup, we should interrupt normal trade. An embargo against China hardly would be felt by America, but it would bring an instant currency and economic collapse in China.

In the sixth century B.C., Chinese general Sun Tzu wrote, "The opportunity to defeat the enemy is often provided by the enemy himself." Today, China is dependent on U.S. trade and goodwill for loans, for yearly infusions of hard currency and for virtually its entire economic growth. In this relationship, today, the United States has the whip hand; we will not have it too much longer.

Now is the time to use our leverage to demonstrate forcefully to Beijing the cost of going down this road to confrontation over Taiwan so that, further down this road, it will not be necessary to use our military power - and put at risk our fleets, our forces in Asia and our cities. Half a century ago, General of the Army Douglas MacArthur said that those who would appease China are "blind to history's clear lesson," and there is no instance where appeasement has led to other than a "sham peace." We do not want a sham peace; we want real peace. But peace requires a clarity of vision and a firmness of purpose woefully absent from our China policy since that awful June night when those tanks rolled through Tiananmen Square.

Buchanan, a Republican presidential candidate, was a White House adviser in the Nixon and Reagan administrations and has been a TV commentator and a columnist.

LANGUAGE: ENGLISH

LOAD-DATE: August 23, 1999



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LEVEL 1 - 1 OF 120 STORIES

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December 20, 1999

SECTION: CRITICISM; State of the Debate; Pg. 54

LENGTH: 4067 words

HEADLINE: **CHINA: THE ENGAGING QUESTION**

BYLINE: BY TREVOR CORSON

BODY:

My friend Liu, a film instructor in his 40s at the Communist Party's elite People's University, appeared one crisp Beijing morning at 7:00 and asked if I wanted to watch a pornographic videotape. It wasn't only the early hour that startled me. The year was late 1987. After a decade of unprecedented economic reforms, **China's** Ministry of Radio, Film, and Television had just completed a four-month crackdown on "spiritually polluting" illegal videos.

Liu had gotten an early start because it would take us all day. Traipsing surreptitiously across the city, we borrowed a television from a friendly party cadre at a factory, a VCR from a state-run TV studio, a jeep to carry the equipment courtesy of an acquaintance at a state-owned store, and the smuggled videotape from an aficionado of contraband. Hours of chummy haggling and banqueting finally culminated when our co-conspirators congregated in Liu's tiny room late in the evening. The door padlocked, our giddy group treated itself to a B-grade Japanese porn film from the 1970s.

By defying the **Chinese** state, had we been subversive? Within the Communist apparatus, were Liu and his friends a cell for future democratic freedoms? The **Chinese** leadership would have thought so. Less than two years later, Liu and his friends were demonstrating in Tiananmen Square. Postmassacre, **China's** chief of propaganda launched a renewed crackdown on obscene videos, declaring that "sweeping away pornography is an integral component of the struggle against bourgeois liberalization."

After another decade of economic reforms, questions about liberalization are more pressing than ever: Is technology -- not just TVs and VCRs, but now faxes, e-mail, and the Internet -- enabling citizens to organize a democratic challenge to the Communist regime? Is a latent public sphere emerging independent of the state? Or is the new freedom of expression in **China** limited to crass consumerism and cheap thrills? Has the regime perhaps even tacitly employed pornography -- more readily available in **China** than ever before -- as an opiate for the masses?

Several new books examining **Chinese** society shed light on these questions. In addition, two major histories of America's relations with **China** have been published this year, against the backdrop of a vociferous debate in Washington over **China** policy. The conundrum: engagement or containment? By engaging **China** in trade and diplomacy, is the United States promoting the emergence of



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civil society and evolution toward a liberal polity? Or is containment, and even punishment, necessary to coerce an expansionist **Chinese** regime into backing off from oppression at home and aggression abroad?

James Mann, foreign affairs columnist for The Los Angeles Times and the paper's former Beijing bureau chief, produced the first of this year's two studies of U.S.-**China** diplomatic relations: *About Face: A History of America's Curious Relationship with China*, from Nixon to Clinton. Mann was followed by Patrick Tyler, the former Beijing bureau chief for The New York Times, with *A Great Wall: Six Presidents and China*, an Investigative History.

About Face and *A Great Wall* weave previously secret conversations and newly declassified documents, based on painstaking research, into a set of rich narratives. They expose the faults and foibles and, less often, the strengths of the personalities who have crafted our **China** policies. Where Mann tends to identify larger political impulses, Tyler zeroes in on character traits and over-sized egos.

No major American statesman, Democrat or Republican, comes across as especially astute on **China** in either of these books. The heroes of *About Face* and *A Great Wall* are not the strategic visionaries of one administration or another; they are the patient functionaries in every administration who actually knew something about **China** and tried to rein in the excesses of their superiors. Likewise, the real historical lesson to be gleaned from these books is not that containing communism worked better than engaging dictators or vice versa; it is that every administration since Nixon, Democratic and Republican, has for strategic reasons engaged **China**. Actual American policies toward **China** have never really been about human rights.

After Tiananmen, a moralistic congressional crusade led by Democrats helped Bill Clinton defeat George Bush, but Clinton can hardly be accused of betraying a human rights-based **China** policy that never existed. And Clinton's secretaries of state have been less obsequious in Beijing than have **China's** "old friends" -- Kissinger, Zbigniew Brzezinski, Alexander Haig, and Bush, all of whom considered themselves hard-nosed strategists. Still, Clinton deserves the low marks he gets from both Mann and Tyler. "No president has done less," writes Tyler, "to prepare the American people for a new era in foreign policy." If the United States ought, indeed, to continue to engage **China** -- even after the disillusionment of Tiananmen and with **Chinese** chauvinism on the rise in the international arena -- the Clinton administration has failed to show us why. For starters, Clinton's claim that trade promotes democracy turns out to be specious, as several other **China** books published this year reveal.

In 1980 the **Chinese** government decided to install cable television systems in all new apartment buildings "so that the state could be assured of easy access to the minds of the citizenry," writes Daniel Lynch, a professor of international relations. Lynch's *After the Propaganda State: Media, Politics, and "Thought Work" in Reformed China* assays whether mass-media technology has helped **China** propagate official ideology. Happily, Lynch finds indisputable evidence that it has not. Capitalism is doing what it is supposed to; economic reform means media producers must now cater to customer demand. The state's mandatory TV systems, for example, have "evolved into semi-autonomous, program-originating cable networks" that "supply subscribers with [Rupert Murdoch's] STAR-TV, pornography, and other politically unacceptable items."



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Lest Clinton's engagement camp start celebrating, however, it should note that Lynch's research is cautionary. **Chinese** audiences are not demanding more political information -- they want entertainment. To be sure, there will be inadvertently subversive content. Bemused, Lynch cites the Ministry of Radio, Film, and Television's incongruous choice of the Harrison Ford thriller *The Fugitive* to kick off a new series of officially sanctioned "good" Western movies. Noting the message that **Chinese** viewers must have gleaned from the film, Lynch writes, "In the United States, the innocent man secures his freedom in the end, while in **China** the execution would have probably long since taken place." Such messages are likely to exert "a long-term impact," Lynch admits. But "nothing about it justifies asserting that a liberal, structured public sphere is in the process of emerging now." Lynch reaches similar conclusions about the Internet -- throwing cold water on the idea that the communications revolution is inherently democratic.

And yet, cheated of Orwellian surveillance technology by capitalism, **China's** hard-liners have turned to unorthodox means to reassert control. For example, the octogenarian revolutionary Peng Zhen complained to his fellow Communists in 1987: "Who supervises rural cadres? Can we supervise them? No, not even if we had 48 hours a day." Peng's solution, in evidence in rural **China** today, was -- of all things -- elections. Village-level democracy holds local officials accountable -- as detailed in another new book, the aptly titled *Paradox of China's Post-Mao Reforms*, edited by the distinguished Harvard-based team of Merle Goldman and Roderick MacFarquhar. The chapter on the elections that are Peng's brain-child is testament to how far **China** has come since Tiananmen. And yet the authors make clear that "behind Peng's desire to boost the nation's democratic consciousness lay a concern that worsening relations between cadres and farmers might cripple the Party's ability to rule." Before congratulating **China's** new democrats, we must remember that candidates from any party besides the Communist Party are more likely to be arrested than elected.

The *Paradox of China's Post-Mao Reforms* contains a similarly surprising chapter on the rise of the National People's Congress (NPC). Long dismissed as a weak-kneed, rubber-stamp legislature, the NPC is evolving into a real check on the kind of personal power responsible for the worst excesses of the Communists. Likewise, however, the NPC's increasing institutionalization does not mean that it will promote liberal policies, let alone that its members will be directly elected. The most forceful advocates for the NPC among its ranks, the author notes, are "several dozen Long March-veterans . . . seven ex-Politburo members, and dozens of former central department heads."

Even in the business world, exciting new organizations are forming, but they remain dependent on the Communist Party -- and more concerned with making money than promoting group interests, according to one contributor to this volume. The scope of change in **China** is clearly breathtaking; this book is an impressive achievement of far-reaching scholarship. Like Daniel Lynch, however, the book's editors remain sober. Summarizing the research of their 15 contributors, they write: "Although hundreds of supposedly nongovernmental associations have sprung up in the 1990s to deal with a wide range of social, environmental, and intellectual questions, they can survive only as long as they stay away from political issues. **Chinese** in the 1990s can change jobs, travel abroad, criticize the potholes in the street on talk radio, and vote their village leaders out of office, but they cannot express political criticism of the



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party-state or its leaders publicly. Those who do are put in prison."

If an emerging civil society is not yet in evidence, and if commercial trade with the West is unlikely to promote American-style democracy, what then? Are there alternatives besides containment? Robert Weller, a specialist on **Chinese** society in the Anthropology Department at Boston University, thinks so. "There are more ways to achieve a 'democratic civility' than simple reproduction of the Western history of civil society," Weller writes in his new book *Alternate Civilities: Democracy and Culture in China and Taiwan*. Make no mistake: Weller is neither a moral relativist nor an apologist for "Asian values" -- the excuse employed by the likes of Singapore's Lee Kuan Yew to justify authoritarianism. In Taiwan, Weller's sympathies lie with the populist environmental movement, the women's movement, and the labor movement that he so vividly describes. Indeed, it is his intimate knowledge of these **Chinese** social phenomena that leads Weller to some bold claims about modern **Chinese** history: "**China** was not behind the West on an evolutionary path toward civil society; it was its own world, to be taken on its own terms."

The notion that **China** -- not to mention the increasingly democratic Taiwan -- is not simply becoming "more like us" would be unwelcome news to most American statesmen, so deep runs our missionary zeal. Yet Weller makes a strong case, founded on two decades of research in the field, that Taiwanese democracy has evolved from social ties that "were nearly always based in particular localities and corporate identities of various kinds -- never the autonomous individuals of an idealized West." Weller's implication is clear: Even without civil society as Westerners know it, and even if tied to the state, the informal social networks that scholars observe in **China** are the crucial groundwork for a future native form of **Chinese** democracy.

Weller writes that despite periods of egregious top-down control, the authoritarian reach of the state has never managed to remain ubiquitous in either Taiwan or mainland **China**. Weller is more impressed by the creative strategies with which **Chinese** societies have combatted government intrusion on the local level -- and with the similarities between Taiwan 20 or 30 years ago and **China** today. Weller notes that while the pre-democratic regime in Taiwan "maintained a smothering grip on politics, it allowed genuinely competitive village-level elections." And even the money-grubbing groupings of businessmen now coalescing in **China**, no matter how apolitical their aims, resemble for Weller the casual business clubs that emerged in Taiwan -- groups that later advanced the island's political transition toward a vibrant civil society.

The most encouraging harbinger of democracy for Weller, however, is the explosion in **China** of social trends that most observers identify as decidedly uncivil: a renewed parochial reliance on blood ties and a resurgence of superstitious cults and religious rites. He dedicates long sections of his book to the kinship ties and religious sects that in pre-democracy Taiwan provided a safe realm where "social capital" could incubate away from the state. When Chiang Kai-shek's Nationalist regime finally backed away from authoritarian rule in the late 1980s, a mature civil society flourished in Taiwan almost immediately. As Weller notes, the contrast with the chaos of sudden liberalization in Russia and eastern Europe is striking. Today, large Buddhist sects have become the most respected, well-funded, and socially responsible civic associations in Taiwan. After reading Weller, one can see why Beijing fears the Falun Gong sect that only recently emerged into public view -- and was



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quickly suppressed this fall.

Unfortunately, unauthorized religions are likely to inspire the ire of the atheistic Communist state for some time to come. But Weller suggests a similar source of "social capital" in Taiwan that Beijing will be less able to oppose on the mainland: environmental activism. In Taiwan, grass-roots action against industrial pollution was a major precursor to democracy. With the extreme environmental degradation that is occurring in **China**, Beijing can ill afford to discourage popular concern for the environment.

As **China's** reforms have given localities more control over economic and cultural decisions, the state and Communist Party have a harder time dealing with large-scale ills like the environment. This decentralization of power is a major theme of another recent book, *Discovering Chinese Nationalism in China: Modernization, Identity, and International Relations* by Yongnian Zheng.

Just as strategists for America's containment school have argued, Zheng finds that Beijing is trying to reassert control with a dangerous new tool: nationalism. The reasons that **Chinese** nationalism is dangerous, however, turn out to be quite the opposite of what America's new Cold Warriors claim.

Zheng, a Princeton-trained scholar based at the National University of Singapore, reveals himself as something of an apologist for the neonationalist intellectuals now ascendant in **China**. For just that reason, though, Zheng provides invaluable insight into the current mind-set of the leadership. **Chinese** popular nationalism is a menacing phenomenon, we learn, but far more so for Beijing than for Washington. Several recent incidents of nationalist outburst in **China** -- the 1996 dispute with Japan over the Senkaku Islands is a good example -- required dicey maneuvering by the government to appease demonstrators without letting the movement get out of hand. The worry of Deng Xiaoping and his cohorts is two-fold: nationalist protest could easily mushroom into broader revolt, and ill will toward a country like Japan could jeopardize foreign investment and trade. To be sure, nationalism affords the Communist Party a fright-eningly effective device for the manipulation of public opinion. But its very potency discredits the notion that Beijing will stoke nationalism at all turns. The assumption that they will has fueled American fears over the supposed danger of **Chinese** expansionism.

Even the toughest advocates of nationalist realpolitik in **China** rarely indulge in expansionist sentiment, Zheng contends. Keen to avoid interruptions in **China's** economic transformation, they are committed to achieving success for **China** within international norms -- a claim born out by the concessions **China** made on the terms of its World Trade Organization accession last spring, even as anti-Americanism reigned in Beijing over the Kosovo bombings. Zheng notes that the prominent hard-line **Chinese** strategist Yan Xuetong has "regarded 'avoiding conflicts with the United States' as one of the most important 'strategic interests' of **China**." According to Yan, a Sino-US confrontation would impose a major threat to **China's** strategic interests because it would lead the United States, first, to strengthen the US-Japan alliance to constrain **China**; second, to support Taiwan's separatist forces to block **China's** national reunification; and third, to form various forms of military alliances with **China's** neighbors to contain it."

For many **Chinese** nationalists, of course, the United States appears to be on



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the brink of these actions anyway. And this leads to Zheng's most important point, for which he spends the rest of his book garnering evidence. The rise in the 1990s of what Zheng calls American "anti-China theories," and the attendant threat of Western militancy they carry, is the reason **Chinese** strategists have dug in behind nationalism in the first place.

A gaping blind spot mars Zheng's narrative here -- his failure to trace these American "anti-China theories" to the atrocities of Tiananmen. Still, James Mann's *About Face* and Patrick Tyler's *Great Wall* both demonstrate that our naive

infatuation during the 1980s with Deng Xiaoping's **China** was partly our own fault. With this caveat, Zheng's analysis is edifying. The glimpse Zheng provides into the **Chinese** point of view leaves little doubt that American advocates of containment are in the reckless business of hawking self-fulfilling prophecies.

"After centuries of humiliation," Zheng concludes, "the **Chinese** have desperately longed for international respect. . . . Nationalism arises when other great powers ignore **China's** national dignity in their dealings with it. The impact of **China's** nationalism on its international behavior therefore depends, to a great degree, on the ways other major powers deal with **China**." Skeptics will dismiss this as a manipulative guilt trip manufactured by the Communists. The long history of strident popular nationalism in **China** during the twentieth century proves otherwise. It is not **China** that must settle for American hegemony; it is America that must reconcile itself to **China's** natural maturation.

The foremost concern of **Chinese** nationalism is, of course, Taiwan. And curiously it is tiny Taiwan around which the swirl of suggestions about engagement or containment comes to rest in these six **China** books. For the crux of the matter is this: America wants **China** to have what Taiwan has, without having Taiwan.

Since a mature and widespread democratic opposition is not in evidence on the mainland, the only convincing rationale for America to threaten the regime in Beijing is to protect democracy in this admirable island nation. And here the lessons of Zheng's *Discovering Chinese Nationalism in China*, Mann's *About Face*, and especially Tyler's *Great Wall* present themselves for the brave thinker to ponder: America bears more responsibility for the dangerous, crisis-ridden stalemate over Taiwan than does **China**. "The United States," writes Tyler, "has reneged on the solemn promises of Presidents Nixon, Ford, Carter, and Reagan. . . . [These] American presidents agreed to shift the emphasis away from supplying arms to Taiwan in favor of promoting the necessary dialogue and negotiation that would help reconcile mainland **China** and Taiwan. . . . America has failed to live up to these commitments." The result inside **China**, writes Zheng, has only been to strengthen the grip of military hard-liners on **Chinese** foreign policy.

If trying to "contain" **China** is a bad idea, why is engagement any better? As we have seen, the Clinton administration's "commercial diplomacy" has its limits. The answer: Look to Taiwan. Of these six books, Weller's *Alternate Civilities* provides the spark of hope that a strategy of engagement will, at least, buy mainland **Chinese** society the time it needs to mature toward the unique democratic inclinations of its favorite "renegade province." And indeed, the bold reader of *After the Propaganda State* and *The Paradox of China's*



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Post-Mao Reforms could conclude that "appeasement" of Beijing is not necessarily a bad word. It might well be in the interest of both the United States and future **Chinese** civil society to ensure that Beijing retains enough centralized power to complete its ambitious economic transformation. Without first establishing a social structure similar to that of Taiwan before democracy, **China** has little hope of following Taiwan to democracy. At the very least, condemning engagement as ineffective is premature. The Paradox of **China's** Post-Mao Reforms and Alternate Civilities remind us that the Communist Party, its old-timers still dying off, is only now beginning to evolve from a revolutionary party to a ruling party.

But the greatest impediment to engaging **China** today is not Communists abroad. It is Republicans at home -- along with a handful of Democrats. America's mostly right-wing sentiment against engaging **Chinese** dictators makes for great fulmination -- but it misses a most important point. In Taiwan, the Republican legacy is one of constructive engagement. When Ronald Reagan telephoned Nixon in 1971 to berate him for selling out Taiwan, the governor was voicing the adamant support of his party for a grand strategy of engagement with no less than one of the twentieth century's most unscrupulous **Chinese** dictators.

Lest we forget about the regime of Chiang Kai-shek -- great friend not only to Reagan but also to the likes of Barry Goldwater and Patrick Buchanan -- Weller's Alternate Civilities refreshes our memory. Before the lifting of martial law on Taiwan in 1987, "the Nationalist regime had been powerfully influenced by Leninist political and military organization ever since the United Front with the Communists, although Chiang later also used Nazi military models. The regime is generally recognized as having been largely corrupt, brutal, and ineffective. Voices outside the central authorities were channeled through corporatist institutions at best, and crushed at worst." And yet, during decades of interaction with the West, this brutal Leninist regime gradually evolved toward a native form of democracy.

"Taiwan now has a civil society in the usual senses of the term," writes Weller. "This is a statement that neither I nor nearly any other observer would have predicted two decades ago as we watched yet another wave of dissidents being sentenced to long prison terms." If anyone, it is Republicans who have proven illustriously that engaging **Chinese** dictators -- nay, perhaps even coddling them -- while their people quietly take over might be the most subversive strategy that we have.

WORKS DISCUSSED IN THIS ESSAY

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After the Propaganda State: Media, Politics, and "Thought Work" in Reformed **China**, by Daniel C. Lynch. Stanford University Press, 424 pages, \$ 49.50.

About Face: A History of America's Curious Relationship with **China**, from Nixon to Clinton, by James Mann. Alfred A. Knopf, 433 pages, \$ 30.00.

A Great Wall: Six Presidents and **China**, an Investigative History, by Patrick Tyler. Perseus Books Group, 476 pages, \$ 27.50.



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Alternate Civilities: Democracy and Culture in China and Taiwan, by Robert P. Weller. Westview Press, 192 pages, \$ 60.00.

Discovering Chinese Nationalism in China: Modernization, Identity, and International Relations, by Yongnian Zheng. Cambridge University Press, 272 pages, \$ 64.95.

GRAPHIC: Pictures 1 through 3, no caption; Picture 4, Twin images of Tiananmen Square. An ambulance stands ready to transport hunger strikers to a hospital during the protest of May 1989 in Tiananmen Square; schoolboys playing in Tiananmen Square during happier times circa 1990.

LANGUAGE: ENGLISH

LOAD-DATE: December 13, 1999



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September 11, 1999

SECTION: FOREIGN AFFAIRS; Pg. 2569; Vol. 31, No. 37

LENGTH: 642 words

HEADLINE: China Trade Deal: No Fortune Inside

BYLINE: John Maggs

BODY:

As President Clinton closes in on a long-sought deal to admit China to the World Trade Organization, a new government report on the impact of that agreement could cloud its reception in Congress.

Economics has always been at the heart of Clinton's China policy, and that remains so now, as the President heads to New Zealand this weekend for a meeting with Chinese President Jiang Zemin. China's confrontation with Taiwan and its stepped-up political and religious repression are also on the agenda. But the summit's centerpiece will be the final push it gives to the WTO talks.

Clinton, arguing that U.S. economic interests in the WTO deal are too great to be caught up in a debate about human rights, is echoing the position of U.S. business executives and most congressional leaders.

But a new report from the U.S. International Trade Commission is poking holes in widely held expectations about the WTO deal's benefits. Efforts to keep the report under wraps left Administration officials on the defensive, and they issued an unclassified summary last week.

The most dramatic conclusion is that under the pact, the U.S.-China trade deficit would worsen. Despite Clinton's assurances that the pact would help close the trade gap with China, the ITC finds that the deal would increase that deficit by 10 percent, or \$ 556 million. Tougher international competition, it seems, will make China a more competitive exporter.

But this detail may be less significant than the overall finding that the WTO deal's effect would be 'positive but minor.' How minor? Using one measure in the report, the total gain for the U.S. economy amounts to about two weeks' production



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for the Boeing Co., supposedly one of the agreement's big winners.

Significantly, the report assesses only the most dependable and quantifiable benefits for U.S. exporters from the reforms **China** will have to make to join the WTO--cuts in its tariffs. U.S. trade officials argue that unquantifiable cuts in import quotas and informal trade barriers would be just as important, and the ITC supports their argument. But these "nontariff" barriers have proved to be the toughest to remove under WTO rules, and American businesses widely expect years of struggle to hold **China** to those promises.

After the tariff deal takes full effect, in five to 10 years, U.S. exports to **China** should rise \$ 2.7 billion a year, or 10 percent, the ITC estimates. But a third of those exports would have gone to other countries anyway, cutting the real benefit to \$1.9 billion. In the \$ 8.6 trillion U.S. economy, the net gain from the **China** deal would be \$ 1.7 billion--the equivalent of about a dime for someone earning an annual income of \$ 40,000.

Some of the big boosters of the **China** pact would get very little from tariff cuts. Wheat growers would sell another \$ 40 million to **China**, about the value of a good-sized boatload. Another supposed big winner, chemicals, would sell another \$ 170 million, a drop in the bucket for an industry that exports \$ 67 billion a year. Auto producers would actually see exports fall, as **China** makes more cars on its own.

Nicholas R. Lardy, a **China** expert at the Brookings Institution, says that the report contains no surprises, but that it could be a potent tool for **China's** critics. That's certainly the plan for GOP presidential candidate Gary Bauer, who said the ITC report confirms his argument that Clinton has "been wrong to make trade the focus of our **China** policy." House Minority Leader Richard A. Gephardt, D-Mo., is pushing to declassify the full report, setting the stage for a lively debate if a WTO deal goes to Congress this fall.

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The New Democrat

July, 1999 / August, 1999

SECTION: ESSAYS AND COMMENT; Pg. 24

LENGTH: 2063 words

HEADLINE: NEITHER FRIEND NOR FOE;
The Search for a Realistic **China** Policy

BYLINE: BY KENT HARRINGTON; Kent Harrington is the president of Harrington Group LLC, a consulting firm specializing in strategic planning and international business development.

BODY:

After President Clinton's nine-day visit to **China** in June 1998, administration officials optimistically began describing our relationship with that nation as a "strategic partnership." Roughly one year later, our relations with **China** have plunged to a new low. In Washington, alleged nuclear espionage, acquisition of U.S. missile know-how, and illegal campaign donations top the list of **Chinese** transgressions. Beijing, meanwhile, insists that the U.S.-led NATO alliance's May 7 bombing of the **Chinese** Embassy in Belgrade was no accident.

Both countries have reacted predictably to recent events. Washington resounds with calls for sanctions and warnings about future conflicts with Beijing. Democrats and Republicans point fingers at each other over who's to blame for lost nuclear secrets. **China's** leaders mobilized crowds to lay siege to the U.S. Embassy in Beijing in retaliation for the bombing of their embassy in Yugoslavia. They have revived diatribes against U.S. imperialism, postponed diplomatic talks, and canceled military visits.

As a result, the Clinton administration's **China** policy has entered a period of flux. A vote in Congress on **Chinese** entry into the World Trade Organization has been put off, and the administration instead has proposed yet another one-year renewal of **China's** most-favored-nation trade status. Administration foreign policy spokesmen have ceased all talk of a "strategic partnership." Predictions about the outcome of talks with **China** over trade, missile proliferation, and other issues have become less sanguine.

It's time for the United States to candidly reassess its relationship with **China** and develop a realistic agenda for engagement with Beijing. We need to re-examine which of our policies have worked and which have not, identify goals we share with the **Chinese**, and anticipate the challenges Beijing will pose to U.S. interests in the future.

Our goal should be to build a durable foundation for U.S.-**China** cooperation that can win bipartisan support, serve the objectives of our Asian allies as well as our own, and provide the basis for a candid dialogue with Beijing. Without such a foundation, the star-crossed events of 1999 will only repeat



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themselves, undermining our economic and security interests well into the 21st century.

U.S.-**China** relations have oscillated between amity and enmity for more than 100 years. During the past half-century alone, we went from embracing the **Chinese** Communists as allies in the war against Japan to confronting them as die-hard enemies after they seized power on the mainland. During the Nixon administration, **China's** growing fear of Moscow opened the door for a renewal of closer relations. For the next two decades, checking the Soviets was the bedrock of our relations with **China**. Our strategic competition with Moscow justified a de facto alliance with **China**. National security trumped other priorities. Notwithstanding domestic repression, **Chinese** arms sales in the Middle East, and the uncertain ambitions of new leaders in Beijing, we needed to ensure that **China** weighed in on our side in the struggle against the Soviet Union.

The joint anti-Soviet effort opened the door to economic ties and a far broader U.S.-**China** relationship. American perceptions of **China** changed dramatically: Who can forget Deng Xiaoping wearing a cowboy hat in Texas during his 1979 state visit to the United States? U.S. businesses began to focus on the enormous potential of **Chinese** markets, from which they had been cut off for some 30 years. The economic transformation of **China** in subsequent years has created a country that is more open and affords its people more freedom than the Maoist autocracy we aligned ourselves with in 1972. U.S. policies played an important role in this positive evolution.

The fall of the Soviet Union in 1991 obviously marked a new chapter in U.S.-**China** relations. The prologue arguably was written two years earlier in Tiananmen Square. The brutal crushing of the 1989 democracy movement weakened American public support for closer relations with **China**. Since Tiananmen, **China's** senior leaders have strengthened their nation's internal security apparatus and continued to repress democracy activists. Their message is unambiguous: The Communist Party shall not be challenged.

Creating a Realistic Agenda

Our Cold War decision to base our relations with **China** on the imperative of national security has come at a price. Nearly a decade since the fall of the Soviet Union, we still lack a new, overarching basis for our relations with **China** that can win broad support here at home.

The U.S.-**China** relationship today is a whole that is less than the sum of its parts. To create a coherent, realistic agenda for the U.S.-**China** relationship that can earn durable domestic support, we need to address the following issues:

Economic engagement

Since President Carter established diplomatic ties with Beijing in 1978, successive administrations have gotten one major point consistently right: **Chinese** economic reform and modernization is in both nations' interest.

China's leaders recognize that their legitimacy ultimately depends on improving the quality of life of the billion-plus **Chinese**. We have an obvious self-interest in trade and investment opportunities. Beyond that, we too have a



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stake in the **Chinese** leadership's ability to deliver on promises of a better life. The challenge of holding **China** together haunts **Chinese** leaders. The prospect of **China** fracturing internally or lashing out because of domestic economic turmoil should give us pause. The consequences for Asia's economy and security are clear.

We need to stabilize our economic relationship with **China**. The annual most-favored-nation voting ritual and our inconsistent approach to technology transfer neither influences **Chinese** political behavior nor effectively controls defense-related technology proliferation.

World Trade Organization

During talks in Washington last April over **China's** entry into the World Trade Organization, **Chinese** Premier Zhu Rongji by many accounts offered the United States an extraordinary trade deal. Among other things, the **Chinese** offered to reduce tariffs and quotas on a wide range of industrial and agricultural goods; to liberalize rules governing foreign investment in **Chinese** firms; and to grant wider distribution and trading rights to foreign firms doing business in **China**. The United States, however, rejected the offer, and **China** broke off WTO negotiations after the bombing of its embassy in Yugoslavia.

Assuming that the trade deal remains on the table, the Clinton administration has a chance to regroup and regain the initiative on economic relations with **China**. Zhu's proposal was preceded by hard bargaining, and more tough negotiations lie ahead. Reviving the WTO bargain should be the centerpiece of any credible **China** policy in the short run.

Technology transfer

On technology transfer, the ball is squarely in the administration's court. Forty years of Cold War experience should give us the know-how to organize an effective, efficient inter-department review and enforcement process that both serves business needs and protects national security. It will take White House attention, resources, and political leadership to mobilize the right ideas and right people for the task.

Our Asian allies' concerns

China's growing power is provoking quiet concern among our allies. **China's** military modernization, its more assertive behavior regarding territorial disputes in the South **China** Sea, and its approach to Taiwan are producing anxiety. So, too, is **China's** vision of a diminished U.S. strategic role in Asia. In its first defense white paper, issued last year, **China** described U.S. military forward deployment in Asia and its involvement in Asian alliances and military blocs as a direct threat.

In addition, **Chinese** leaders have become increasingly critical of the U.S.-Japan alliance after all but endorsing it for the past 25 years. Their verbal attacks initially targeted U.S. encouragement of a more active Japanese security role in the region. Such talk provoked Beijing to allege that the United States was freeing Japan to project its military power abroad once again. More recently, **China** has suggested that Tokyo and Washington are forging a Cold War-style understanding to contain Beijing. In dealing with **China** on this



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issue, we should leave no doubt about the priority we accord our 50-year-long alliance with Tokyo and our intention to maintain its health and effectiveness.

Asian leaders view the U.S. presence in the region as the key to its security and stability. It is vital that the United States makes certain that both

China and our allies understand our interest in an effective balance of power in

Asia and in our own strategic access in the region.

Asia is home to several potential military flashpoints that might well involve U.S. forces: the Korean peninsula, Taiwan, and territorial disputes affecting major sea lines of communication. **China** plays an important role in these and other cases. Washington should talk frankly and constructively with Beijing about mutual efforts to resolve such problems. It also should explore greater sharing of military data and related "transparency" efforts to reduce regional tensions. But U.S. policymakers must leave no doubts about our commitments to protect historic partners and maintain our presence in Asia.

The Taiwan issue

Virtually all **China** experts agree that Beijing badly miscalculated the negative political effect of its saber-rattling in 1996 to intimidate pro-independence advocates in Taiwan's national elections. Unfortunately, that judgment apparently is not shared in Beijing. As widely reported in February, the **Chinese** deployed some 200 M-9 and M-11 missiles across the Taiwan straits earlier this year. Most analysts believe that Beijing is making it clear that Taiwan needs to think twice about its campaign to gain a place under the umbrella of a proposed missile defense system for the region.

There is no question that Beijing is worried about the effect of a theater missile defense system on pro-independence sentiment in Taiwan. But in truth, even the system's advocates acknowledge that it is unlikely to be deployed for at least another 10 years, if at all. It's far more likely that the recent **Chinese** missile deployment was made with an eye toward influencing Taiwan's presidential election next year.

Americans should be concerned about the potential effects of a reprise of the 1996 Taiwan crisis in the middle of our own presidential race. No one can predict how Beijing would perceive the implications of our presidential election or Taiwan's as they unfold. It goes without saying, therefore, that the United States should quickly open a quiet diplomatic dialogue with Beijing emphasizing the need for prudent behavior.

Chinese military intimidation of Taiwan's democracy is symptomatic of a far more fundamental problem for U.S. policy. Thirty years ago, the United States left it to the **Chinese** on both sides of the Taiwan straits to resolve the issue of reunification. The artful formulations in the Shanghai Communiqué -- the 1972 document that captured our understandings with Beijing on this matter -- found broad support at home and worked well abroad for nearly 20 years. But the rise of a democratic Taiwan has changed the issue of reunification for us and Beijing.

For the United States, the advent of a freely elected, democratic government on Taiwan makes any **Chinese** use of force more than a challenge to regional



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stability. Inevitably, that prospect compels us to address the core values of freedom, human rights, and political choice that the Clinton administration increasingly cites as the rationale for America's post-Cold-War engagement in the world. Reunification remains a question for the **Chinese** to decide. But how Americans see the risks and assess our interests if Taiwan is challenged -- however sensitive the subject may be among **Chinese** leaders -- must be part of any realistic discussion of **China** policy. Beijing's actions in 1996 put Taiwan on our agenda. If we hope to create a durable **China** policy, the maintenance of democracy in Taiwan must be on the table.

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LEVEL 1 - 23 OF 120 STORIES

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May 24, 1999

SECTION: EDITORIAL; Pg. 9

LENGTH: 1092 words

HEADLINE: CALL OFF THE ENGAGEMENT

BYLINE: William Kristol and Robert Kagan, for the Editors

BODY:

The conventional wisdom these days is that **China** is going to be a big issue in the 2000 campaign. We wonder.

Sure, Republicans will kick up a fuss about nuclear espionage and Johnny Chung. And well they should. But will Republicans propose a fundamental reassessment of U.S. policy toward **China**? Will they advance a real alternative to Clinton's policy of "engagement"? Not likely. They'll call for some minor tinkering around the edges of Clinton's policy -- tightening security at Los Alamos, changing the administrative procedures for approving U.S. satellite launches on Chinese rockets, a few nice words about Taiwan. They'll talk about a more "mature" and "tough-minded" view of U.S.-**China** relations. But at the end of the day, the Republican policy toward **China** could well look a lot like Clinton's. And where's the big surprise in that? After all, Clinton's policy looks an awful lot like George Bush's.

The Republican party's inability to make an issue out of **China** is likely to be demonstrated in the coming months. Sometime between now and June 4, Clinton will notify Congress of his intention to extend **China's** most-favored-nation status another year. Congress will then have a chance to overturn the president's decision. And guess what? Many Republicans who are now screaming about Chinese spying and campaign finagling will vote once again to approve **China's** trade status -- the cornerstone of Clinton's engagement strategy. That's not all. Later this year, the Clinton administration will probably strike a deal with Beijing on **China's** entry into the World Trade Organization. That will trigger a vote in Congress on granting **China** permanent most-favored-nation status, in compliance with WTO rules. And many Republicans are likely to support Clinton on that, too, despite the fact that **China's** entry into the WTO will be perceived, rightly, as a major victory for Clinton's policy of engaging **China**.

Republicans, you see, like big business at least as much as Clinton and Al Gore do. And this is the GOP's Achilles' heel when it comes to criticizing the Clinton-Gore administration's handling of **China**. For it turns out that not only is big business opposed to any effort to limit **China's** trading privileges in the United States. American corporations are also opposed to any effort to limit the transfer of military-related technologies. In fact, they're opposed to any American action that creates tensions in the U.S.-**China** relationship, because they know **China** will punish American businesses in retaliation for any American



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policies Beijing perceives as contrary to its interests -- whether they're related to human rights or non-proliferation or Taiwan. The big American corporations, which create jobs in Republican congressmen's districts and contribute to Republican campaign coffers, love Clinton's engagement policy. So can Republicans afford not to love it?

Never mind that few American businesses are actually making any money in China, that the dreams of huge profits in a potential market of 1.2 billion people seem never to materialize. The dreams alone are enough to keep this trade-happy administration on the path of appeasement. And to keep Republicans from proposing a serious alternative.

And never mind that the most popular argument of the China engagers -- that trade will make China more democratic and a more responsible international partner -- has by now been discredited. Since last year's vote to approve MFN for China, Beijing has carried out the most systematic crackdown against dissidents and democracy activists since Tiananmen Square. Since last year's MFN vote, the Chinese have been caught stealing nuclear secrets. They have deployed missiles across the straits from Taiwan. They have sponsored violent anti-American protests. Those who stood up in Congress last year -- and the year before that, -- to claim great benefits from renewing MFN should now be forced to explain exactly what those benefits have been. All we can see are burned American flags, imprisoned democrats, an intimidated Taiwan, and a vastly more dangerous Chinese nuclear arsenal aimed at the United States and our East Asian allies.

Republicans should have a political interest in mounting a broad critique of Clinton's appeasement of China. But they also have a national duty to mount it. The United States and China are on a course of confrontation, and no happy talk about the magic of trade and of a "strategic partnership" can change that. This pending confrontation need not be a cause for alarm. China is still weak enough to be contained, and the United States is still strong enough to lead its allies in a policy to hem in Chinese ambitions. A real and dangerous confrontation between the United States and China can in fact be avoided, but only if the United States begins now to take seriously the threat China poses to vital American interests and principles.

That will take more than putting better locks on the doors at Los Alamos. It will take an acknowledgment of what no one seems willing to acknowledge -- not the Clinton administration, not its Republican critics, and not the foreign policy establishment: that the failure to safeguard American nuclear secrets, the failure to keep missile-launch technologies from being transferred by American corporations, the failure to punish China for proliferating weapons of mass destruction, the failure of the U.S. government to express appropriate indignation when our ambassador is held hostage, the failure to stand up for Taiwan, the failure to do anything about increasing Chinese oppression at home -- all these failures are the inevitable consequence of an engagement policy which blindly seeks to treat as a friend a government that thinks and behaves like an adversary.

What Republicans need to do in 2000 is take on frontally the premises and practice of a failed policy of engagement that has heretofore had support, unfortunately, from the mainstream of both parties. Reagan defeated Carter in



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1980 not by explaining that Henry Kissinger's version of detente was more skillful and mature than Cyrus Vance's. Reagan challenged the premises of U.S.-Soviet policy over the previous decade and offered a bold alternative that advanced American interests and principles. Within a few years, Reagan's policies led to better relations with the Soviet Union. And within a few more years, they led to the fall of Soviet communism. The Republican candidate in 2000 should make this his model.

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LEVEL 1 - 27 OF 120 STORIES

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HEADLINE: I LOVE ZHU, ZHU LOVE ME: CLINTON'S CHINA POLICY

BYLINE: 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.

BODY:

Chinese premier Zhu Rongji's visit to America was not supposed to end this way. Leading up to the summit on April 7-9, administration aides had proudly announced that trade negotiators had agreed to double the air traffic between **China** and the United States. But in the end, that modest step -- along with a couple of one-liners from Zhu about stamping warheads "made in **China**" to avoid misunderstandings about nuclear espionage -- was about all the **Clinton** administration had to show for its policy of constructive engagement with **China**.

Premier Zhu left hastily, without the biggest prize: entry for **China** into the World Trade Organization (WTO). This would have opened **Chinese** markets to more American goods, but on terms allowing **China** to minimize competition from American companies.

The WTO deal collapsed because **China** was unwilling to make enough concessions to satisfy Congress. Administration officials privately estimated that they had secured 95 percent of what they needed to make the deal fly. Some even worried that Zhu had promised more than he could deliver, at a time when unemployment is skyrocketing in **China**. But the White House realized that after months of news about **Chinese** espionage in U.S. weapons labs, Beijing's crackdown on democracy activists, and illegal **Chinese** contributions to the 1996 Clinton-Gore campaign, even 95 percent of a loaf was not enough. The whole loaf would be needed to get the protectionist big-labor wing of the Democratic party -- not to mention the growing chorus of **China** hawks in the Republican party -- to swallow an agreement with Beijing.

Exhausted trade negotiators blamed the Kosovo crisis for distracting the White House during the crucial endgame, when the president should have thrown his prestige behind the effort. For his part, the president, in a belated effort to mobilize public support for the deal, blamed **China**-bashers for exploiting the various spy, campaign-finance, and other controversies to usher in a new Cold War. No one at the White House apparently thought to blame **China** for the espionage, campaign meddling, and domestic repression that have provided grist for the "**China**-bashing" mill.

In any case, the real reason the WTO deal collapsed lies elsewhere. The WTO



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deal came to nothing because the administration's **China** policy as a whole has failed, and failed in such a way that it is almost impossible for the administration to confront the **Chinese** on any serious matter. Because the administration had been weak on **China** for the preceding six years, it had to get "tough" on the country's bid to join the WTO.

As for why constructive engagement has failed, begin with the fact that it is logically incoherent. Even the most atavistic cold warriors in Congress and elsewhere could not have killed it had the policy been sound and beneficial to the country. And even the most attentive president could not have saved a policy so flawed. Indeed, until the administration addresses the internal contradictions of constructive engagement, it is dooming U.S.-**Chinese** relations for the next century and paving the way for a crisis so grave that the next administration will long for the comparative triviality of the Balkans.

The Clinton administration's constructive engagement with **China** rests on a simple claim: If we treat the **Chinese** as an enemy, we will certainly turn them into an enemy, but if we treat them as a friend, we may possibly make them a friend. The near-term costs -- downplaying **China's** challenges to our interests and overlooking its irregularities in honoring its commitments -- are justified by the potentially high payoff from a friendship.

It sounds good, and sophisticated exponents like Harvard's Joseph Nye are careful to qualify the idea so as to reinforce its plausibility. But when translated into practice by the bumbling Clinton administration, constructive engagement turns out to be rife with contradictions. With the exception of a few Asia watchers in the Defense Department, where the policy originated and its limits are best understood, the Clinton administration has proved extraordinarily inept in implementing it. Far from acknowledging and compensating for the inherent limitations of their policy, our leaders seem to have been seduced by their own propaganda.

There are at least two fundamental weaknesses in the Clinton administration's **China** policy as currently practiced. First, constructive engagement grossly overstates U.S. influence on **Chinese** behavior, perceptions, interests, and domestic politics. This is ironic, for the Clinton administration defends its policy as a less ambitious alternative to the hard-line options of containment and confrontation. But the truth is, constructive engagement is much the most ambitious course.

It assumes, to begin with, that Washington can frame the way the **Chinese** perceive the United States. Constructive engagement promises that if we avoid demands and embrace concessions, the **Chinese** will see us as reasonable and friendly rather than as weak and hostile. When we overlook a **Chinese** challenge to preserve engagement, however, the **Chinese** can draw one of two inferences: that a weak United States is unwilling or unable to defend its interests, or that a strong United States is accommodating and reasonable. Constructive engagement depends on their drawing the latter inference.

To secure that result, the administration must manage **Chinese** perceptions with extraordinary adroitness, for even if U.S. behavior is consistent, it remains subject to various interpretations; any given act of accommodation can be construed to mean either that we are irresolute or that we are friendly. The



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policy thus entails one of the most ambitious perception management operations ever attempted. Success depends not so much on whether the United States takes the proper actions but on how **Chinese** leaders perceive U.S. actions and the new strategic environment they engender.

Consider just a few of the perceptions the administration must manage in order to shape the thinking of **Chinese** decision makers:

(1) The **Chinese** must interpret U.S. policy as "reasonable accommodation" rather than as "irresolution" or "submission to **Chinese** demands." Specifically, the **Chinese** must believe that

- * U.S. policy reflects confidence in the future rather than apprehension of growing **Chinese** power, and

- * U.S. concessions are generated by a desire for cooperative relations rather than by **Chinese** ultimatums.

(2) The **Chinese** must perceive the United States to be a "secure and stable power" rather than a "declining power." Specifically, they must believe that

- * the United States will always be a leading player in Asian-Pacific affairs and will not be markedly less powerful relative to **China** in a few decades than it is now, and that

- * the growth in **Chinese** power is not inexorable; instead, **Chinese** missteps, such as a failure to reach accommodation with the United States, could derail the expansion of **Chinese** military, political, and economic influence.

(3) The **Chinese** must perceive that if they challenge the United States they will be worse off than if they cooperate. Specifically, they must believe that

- * there is a readily identifiable limit to the concessions the United States is willing to grant to **China**;

- * Washington's failure to contest the last **Chinese** challenge does not lower the likelihood that the United States will contest the next **Chinese** challenge; and

- * the alternative to the current policy is one less favorable to **Chinese** interests, not more favorable.

The Clinton policy also assumes that if we make the existing world order look benign, **China** will realize it has a stake in that order -- in short, that Washington can change how **China** conceives of its interests. The trouble is, the existing world order consists of rules more or less tailored to Western, especially American, interests. If **China** is determined to rewrite the rules to be more congenial to **Chinese** interests, then constructive engagement collapses and may even be counterproductive (by hastening **China's** accumulation of the power it needs to reshape the world order).

Constructive engagement, then, amounts to a gamble that **China's** growing stake in the existing order will trump any interest **China** has in reshaping the order. If the gamble pays off, it will be unprecedented. Every rising power in history



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has sought to rewrite the rules in its favor rather than conform its interests to the system as it is.

Furthermore, the ambitions of constructive engagement do not end there. This policy is so bold as to assume that Washington can shape **China's** domestic order. Constructive engagement promises that U.S. cooperation will undermine the position of the hard-liners and reinforce that of the soft-liners inside **China**. In reality, the United States has very little influence over the distribution of power within the **Chinese** government, which derives chiefly from both the success or failure of economic reform and the ability of the government to contain political reform. Every concession by the Clinton administration can be simultaneously seized upon by both the hard-liners ("See, the United States is weak, so let us press our advantage") and the soft-liners ("See, the United States is reasonable, so let us be reasonable").

The administration has smuggled so many grandiose assumptions into its supposedly modest engagement strategy, it is no wonder the policy has failed to deliver any meaningful payoff.

The second fatal weakness in the Clinton administration's **China** policy is that it promises a virtuous cycle of cooperation but in fact traps the United States into a vicious cycle of concessions.

Constructive engagement assumes that American concessions will be matched by **Chinese** concessions, which in turn will facilitate cooperation. As currently practiced, however, the policy enmeshes the administration in a vicious cycle of capitulation. It prompts decision makers to think, in response to every disagreeable **Chinese** action: If we mollify them on this point, then we leave open the chance that a friendship will emerge; but if we challenge the **Chinese** on this point, then we accelerate the process whereby enmity develops. When the issue is thus framed, avoiding confrontation always turns out to be preferable. No matter how egregious the **Chinese** provocation, the United States always has a choice -- confront or accommodate -- and accommodation prolongs the game, leaving open the chance that the **Chinese** will moderate their behavior.

Put it another way: If under constructive engagement the Clinton administration views "starting another cold War" as an outcome to be avoided at all costs, then it will never deem the time right to get tough with **China**. To break this cycle, policy makers must voluntarily abandon constructive engagement -- or be faced with some extraneous pressure, such as the need to get Congress to go along with **China's** joining the WTO.

The longer the game is played this way, the greater the pressure to avoid confrontation. By now, the long series of concessions to the **Chinese** is a sunk cost invested in the relationship. After every **Chinese** challenge, the administration confronts the following calculus: How do the costs of acquiescing to **China** in this instance compare with the costs of starting another Cold War? Given that the administration was willing to let pass all the previous challenges, surely it shouldn't jettison the policy just for this latest challenge. The greater the cumulative concessions already made, the bigger a new **Chinese** challenge must be to justify switching tracks. A player committed above all to avoiding "making an enemy" will be willing to endure ever higher provocations.



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The almost pitiable laments from the White House in response to reports of **Chinese** nuclear espionage are simply the latest case in point. Only when the **Chinese** started lobbing missiles at Taiwan in 1996 could the Clinton administration bestir itself to deviate, however briefly, from the path of accommodation. All other challenges, great and small, it explained away.

Established powers need not always expend precious resources trying to check the rise of competing states. Given U.S. business interests and a public weary of bearing a superpower's burdens, the Clinton policy does have the virtue of appealing to the voters' desire to enjoy peace. But one of the great tragedies of constructive engagement is that even in cases where mutual compromise is called for -- **China's** admission to the WTO, for instance, might actually be in the U.S. interest -- concessions may be impossible because too much has already been conceded.

Before long, then, we would do well to reconsider the logical foundations on which this policy rests. The Clinton administration is selling appeasement (but calling it constructive engagement) on the grounds that it is less costly and less onerous than the alternatives. In fact, the Clinton policy will work only if the United States is able to influence **Chinese** decision makers in extraordinarily subtle ways.

Perhaps the administration does have it in its power to influence how the **Chinese** perceive, think, and calculate. If so, Bill Clinton will go down in history as one of the more farsighted statesmen the United States has produced. But if not, his **China** policy is setting up the United States for a catastrophe.

GRAPHIC: Picture, Zhu Rongji, Kevin Chadwick

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Commentary

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BYLINE: Waldron, Arthur

BODY:

"I hate our **China policy**!" Bill Clinton is reported to have shouted during a White House meeting in 1994, just after he had bowed to threats from Beijing and broken the linkage between **China's** progress on human rights and its winning of trade status as a Most Favored Nation (MFN). "I wish I was running against our **China policy**. I mean, we gave them MFN and we change our commercial policy, and what has it changed?"

A good question--and one that, as it happens, Bill Clinton had asked of his own predecessor. A mere two years earlier, Clinton had campaigned for the presidency by decrying the Bush administration's truckling to the "butchers of Beijing" and promising to make human rights the centerpiece of his own approach. But once in office, although he would occasionally show traces of gumption--in an unscripted moment, Clinton even told the **Chinese** President Jiang Zemin in 1997 that **China's** human-rights practices put it "on the wrong side of history"--the record of the President would come to be wholly at odds with the vows of the campaigner.

This past July, in the course of the longest trip to a single country by any American President since Woodrow Wilson went to Paris after World War I, Bill Clinton went farther than any of his predecessors in aligning U.S. policy with Beijing. In so doing, the Clinton administration undermined American alliances, abandoned longstanding American principle, and endangered American interests. The worst of it all is that it was unnecessary.

II

In a formal sense, the strategy the Clinton administration now calls "engagement" resuscitates, and radically extends, the approach initiated by President Richard Nixon in the 1970's, when it was misleadingly termed "normalization." Though made up of several parts, then as now the essence of the strategy can be seen through its effects on the island of Taiwan, a democratic state with which we have strong ties but no formal relations since 1979, and



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which has been excluded from membership in international organizations.

Ceded by **China** to Japan in 1895, Taiwan was "returned" after World War II to the then-mainland **Chinese** government of Chiang Kai-shek, an American ally. By the late 1940's, however, Chiang was thoroughly embroiled in a civil war with the **Chinese** Communists led by Mao Zedong; as the fortunes of the struggle turned against him, he and his Nationalist forces took refuge on Taiwan. Thus the island became an American concern. With the advent of the Korean war in 1950, the United States secured the Taiwan Strait against Mao, and in 1954 we concluded a mutual-defense treaty with the Chiang-led Republic of **China** on Taiwan.

Like the new Communist government in Beijing of the People's Republic of **China**, the government in Taipei insisted on being recognized as the only legal **Chinese** authority, and each considered the other's territory rightfully its own. The United States was thereby confronted with a zero-sum choice. Few doubted that good relations with the vastly larger People's Republic were in principle a desirable thing, though Mao's virulent anti-Americanism made the immediate prospect unlikely. But the idea of sacrificing Taiwan was hardly palatable. Not only was its political system, for all its grave faults, better than the one in Beijing, but the native Taiwanese were clearly the victims of history. Better educated and more advanced in many respects than their distant mainland cousins, they had not elected to join the **Chinese** civil war, and now they were being largely silenced by the fierce authoritarian methods of Chiang's Nationalist regime.

The American foreign-policy establishment of the 1950's and 1960's hoped to find an exit from this dead end at some future point in the proposition that we could deal diplomatically with both governments. Successive administrations explored either a "one-**China**, one-Taiwan" policy, according to which the island would be considered a fundamentally distinct entity from **China**, or a "two-**China**" policy based on the principle of dual recognition. (The latter approach is similar to the one followed today by **China** itself toward North and South Korea.)

By the 1970's, however, these moderate and balanced options were on the verge of being supplanted by a previously marginal idea: that Taiwan should be "de-recognized" in favor of Beijing. Two different streams came together in support of this option. By the midpoint of that dark decade, the old American foreign-policy elite was losing its nerve. The defense of South Vietnam had been bungled, and its people seemed destined to be consigned to a grim fate; an assertive Soviet Union was making political and military gains from Asia to Africa to Latin America; in Europe, Portugal appeared on the brink of going Communist. We seemed, in short, to be losing the cold war.

Into the policy vacuum created by the confusion and hesitancy of the old guard stepped a new elite, armed with ideas largely drawn from the intellectual and political arsenal of the Left. Whether or not the proponents of these ideas welcomed the prospect of an American defeat in the global struggle against Communism, they came equipped with an explanation for U.S. setbacks that put the onus squarely on the policies of the old guard, which had backed the wrong side in the **Chinese** civil war and intervened in Vietnam, and they saw the time as ripe to correct these grave errors.



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In the case of **China**, both schools agreed that, as Communism was growing into an ever more formidable and entrenched force, the moment had come to redirect American policy. Among the younger guard, there were those who wanted to do this for practical reasons, but there were also those who had developed a credulous appraisal of Mao's regime, in fact one of the most brutal in human history, and a correspondingly distorted critique of the sins of Taiwan, where living standards were actually rising rapidly and elections were held at the grassroots level. Among the old guard, realists favored the change for another reason: extending recognition to Beijing, they calculated, would provide a deterrent balance to the expansionism of the USSR. The idea was to wrest some sort of role for the U.S. in a rapidly worsening international situation by exacerbating the divisions in the Communist bloc, rather as Talleyrand had divided the victors at Vienna in 1815 and thereby, in Henry Kissinger's phrase, restored a world.

In either case, this meant winning over Beijing, which, even though it stood to benefit from an entente at least as much as the U.S., could be counted on to charge what the traffic would bear. In 1971, Kissinger, then Richard Nixon's National Security Adviser and later to become his Secretary of State, made a secret trip to Beijing that was the first step on the road to our eventually recognizing Communist **China** and breaking with Taiwan. His first meeting was with Zhou Enlai, the Premier, before whom Kissinger recited the formula Beijing had demanded to hear: the United States, he said, did not seek to create "two **Chinas**; one **China**, one Taiwan; or an independent Taiwan." Although he was careful not to say what that left, and indeed omitted the whole episode from his memoirs, there was only one logical possibility: the absorption of Taiwan by **China**.

"No government less deserved what was about to happen to it than that of Taiwan," Kissinger would later write with melancholy. That was true enough. But even as he made the requisite noises in Beijing, both he and Nixon also knew something else: the American public would never accept the outright sacrifice of Taiwan. This gave them running room. By the time Nixon himself visited **China** the following year, diplomatic and military relations with Taipei still firmly in place, the farthest he would go publicly to meet Beijing's demands was to acknowledge, accurately, that "all **Chinese** on either side of the Taiwan Strait maintain that there is but one **China** and that Taiwan is part of **China**." The whole point of this pronouncement, contained in a jointly signed document known as the Shanghai communique, lay in what it did not say. While declaring to Beijing, in effect, "We recognize you," it did not say, "We also agree that Taiwan is yours."

But that hardly ended the matter. In 1979, without prior warning, Jimmy Carter announced in a second communique the establishing of full diplomatic relations with Beijing, this time at the price of a break with Taiwan, military as well as diplomatic. Carter spoke emolliently--"the United States is confident that the people of Taiwan face a peaceful and prosperous future"--but said nothing as to how that future would be assured. His plan, soon codified in his administration's proposed Taiwan Relations Act, offered a role for ultra-low-profile "private" organizations to look after Taiwanese political interests, while making no explicit provisions whatsoever for the island's defense.

Had things remained thus, Beijing would have moved close to its goal. Once



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again, however, the American people saved the day. As finally redrafted by Congress, the Taiwan Relations Act stated squarely that U.S. recognition of Communist **China** rested on the assumption that neither force nor the threat of force would be used against Taiwan, and provided for weapons supplies to ensure the island's defense. Carter had no choice but to sign.

Finally, in 1982, Ronald Reagan put his signature on a third joint communique. In it, the mainland **Chinese** asserted the peacefulness of their intentions toward Taiwan, and on that condition the United States agreed gradually to reduce weapons sales to the island.

Throughout the 1980's, this basket of agreements, the so-called "three communiques" plus the Taiwan Relations Act, governed U.S. policy. In its seeming contradictions, it embodied the subterranean struggle (which continues today) between those policy-makers who expected "normalization" to spell the end of Taiwan and those determined to prevent any such outcome. The odd thing is that, throughout the Reagan years and even beyond, the structure worked remarkably well. U.S.-**China** relations improved and Taiwan prospered. Although Beijing never explicitly renounced the use of force, both sides understood that, in fact, force was absolutely ruled out, and Beijing refrained from military deployments in the areas near Taiwan. Negotiations in which the two sides treated each other as equals got under way in Singapore in 1993.

By this time, however, two additional factors had intervened to complicate the issue. The first was the Tiananmen massacre of 1989, the naked violence of which put paid to the belief, held naively by many foreigners and even by some Taiwanese, that the island had nothing to fear from **China**. The second was the democratization of Taiwan itself. Over the course of the previous decade, with encouragement from the Reagan administration, Taiwan had abandoned unrealistic claims to the mainland and, most importantly, had reconstructed its political system. Martial law was abolished, political prisoners were released, the press was set free, exiles were welcomed home, and every level of government came to be elected democratically.

The only trouble with these latter developments was that they profoundly displeased Beijing. Bound formally by the three communiques, **China** had nevertheless been angling all along to win Taiwan for itself by means of a deal that would be struck over the heads of its people. But in light of Tiananmen, and with power on Taiwan increasingly in the hands of these same people and their democratically chosen representatives, it was becoming dear that no such deal was going to happen. And so, starting in the 90's, Beijing began reconsidering the possible use of force.

This brings us to the present, and to Bill Clinton. In June 1995, Lee Teng-hui, Taiwan's President, was allowed to come to the United States to receive an honorary degree from Cornell. In response to this alleged "provocation"--remember that, in deference to Beijing, the U.S. still does not maintain diplomatic relations with Taiwan--**China** began firing missiles into waters in the island's immediate vicinity. In August, Jiang Zemin, **China's** President, told the publisher of Japan's Asahi Shimbun that "if we abandon the threat of force against Taiwan, then it is not possible that peaceful unification will be achieved."

If this was a test, the United States flunked it. However much he may have



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professed to "hate" his own **China** policy, or yearn for another, President Clinton responded to **China's** violation of the tacit understandings on the non-use of force by doing nothing at all. The State Department's comment--that the missile firings were "not conducive to peace and stability in the area of the Taiwan Strait"--was utterly inadequate, and helped set the stage for what was to come.

Reading all this, reasonably enough, as a sign of American acquiescence, Beijing next put into place a far more audacious set of "exercises" for early 1996. These exercises were an ugly business. On March 8, two M-9 nuclear-capable ballistic missiles were fired into the shipping lanes off the Taiwanese harbor at Kaohsiung, and another into waters near Taipei's port of Keelung. On March 18-25, the **Chinese** rehearsed an invasion of Taiwan with air, sea, and land operations including amphibious-assault drills, troop landings by helicopter, artillery firings, and troop-transport flights.

That Washington would once again refrain from reacting must have seemed a safe bet to the **Chinese**. As if to make certain, a **Chinese** general suggested in unsubtle terms to a visiting American diplomat that, whereas in the past the United States could threaten **China** with nuclear weapons "because we couldn't hit back," things had now changed. "You are not going to threaten us again because, in the end, you care a lot more about Los Angeles than Taipei." And indeed, as "the bludgeoning of Taiwan" (in the words of the New York Times) began, no American reply was initially forthcoming. (*)

What followed then may seem baffling, but was actually true to form. Washington did finally act: strong warnings were delivered to Beijing, and two carrier battle groups were dispatched to the area, thus putting an end to the immediate crisis. But the reckless display of **Chinese** brinkmanship had clearly frightened the Clinton administration, and, just as the **Chinese** general surmised, the intimidation worked. What emerged from the White House was not a renewed emphasis on the need to deter **Chinese** aggression, or to enhance the security of our democratic allies. Quite the opposite: within a few months, the White House had responded to the **Chinese** threats and use of violence by unveiling its new strategy of "engagement" with Beijing.

III

Couched in the language of realism, moderation, dialogue, and respect for the culture of others, the new American strategy, which the President's trip to **China** this past July was meant to dramatize, is a transparent exercise in accommodation. As Clinton himself put it, the purpose of his visit was to help "show a full and balanced picture of modern **China** to the United States and ... [to] encourage others to come here and others to participate in the life of **China**." That "full and balanced picture" is, by definition, a sunny one, and its human face is Jiang Zemin, the rather mediocre figure who is **China's** leader.

In Clinton's Jiang, we meet again that perennial character in cold-war drama, the likable, reasonable Communist and would-be reformer. Hyped beyond recognition, this politician, who once referred to the furor over Tiananmen as "much ado about nothing," emerged in the President's tribute to him as

a man of extraordinary intellect, very high energy,



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a lot of vigor for his age, or indeed any age.

And I think he has a quality that is profoundly important at this moment in our history when there is so much change going on. He has a good imagination. He has vision. He can visualize. He can imagine a future that is different from the past.

Jiang, the President was saying, once again reading from the familiar cold-war script, is someone whose tenure in power is good for us, but who needs our help if he is to win the battle against his own "hard-liners." It follows that the way for us to help him is first to understand what he wants, and then to try to give it to him.

Which brings us back to Taiwan. Clinton's language on this subject, carefully prepared, was intended to signal a fundamental shift, reassuring Beijing that in any forthcoming talks--which Washington in fact looks set to sponsor--the U.S. will support its position on Taiwan's final status. Previous American formulations had referred only to the hoped-for "peaceful resolution" of the Taiwan issue, avoiding any mention of what such a resolution might consist of. Clinton, by contrast, said that he hoped one day to see "the peaceful reunification of **China** and Taiwan" (emphasis added).

That the President was not misspeaking was confirmed by his staged recitation at a Shanghai press conference of the "three noes." When the planted question was duly asked, Clinton did not even pause to praise Taiwan's democracy, something even official Beijing commentators have been known to do on television before they turn to the obligatory criticisms. Instead, he got immediately to the point: the United States, he said, would not support independence for Taiwan; it would not support any solution that would create "two **Chinas**" or "one **China** and one Taiwan"; and it would not support the admission of Taiwan to international organizations like the United Nations.

As Jim Mann of the Los Angeles Times correctly noted, Clinton's was "an unprecedented presidential commitment, made on **Chinese** soil, that ties American policy [to Beijing] more tightly than ever before." For the question may be asked: why, at this late date in history, should we rule out independence for Taiwan? We support the independence of all the states in the territory of the ex-Soviet Union; we support an independent Bosnia; Hillary Clinton has spoken out for a Palestinian state; even in the case of Kosovo, a State Department spokesman maintains that "independence should be on the table." Why not for Taiwan? The only possible answer is that Beijing opposes it. And why should we not support membership in the UN for a state that obviously meets every relevant criterion? The answer is the same: Beijing opposes it.

In brief, from an ambiguous and open-ended approach premised on no use and no threat of force, the U.S. has now moved to a strategy, sparked precisely by the successful use of mainland **Chinese** force against Taiwan, in which the



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outcome is strictly circumscribed and which carries the implicit warning to the Taiwanese that challenging the new understanding will entail the loss of American support. This is hardly a glorious position for the world's oldest democracy to be adopting toward a democratic ally. And it is profoundly unrealistic to boot. Does anyone believe that Taiwan is ever going to fly the flag of the People's Republic of **China** atop its public buildings, or agree to cease electing its own president, except at bayonet point? Yet our entire strategy invites the display of bayonets, and possibly their use.

IV

Just as the administration has reacted to **Chinese** intimidation by distancing itself from Taiwan, so it has thrown in its lot with the present political arrangement in Beijing, eschewing any attempt to bring about internal change and basing its hopes for the future on continued "dialogue." The mistake is no less grievous, and no less foolhardy.

China's accumulated problems differ in their precise composition from those that brought the Soviet Union to its knees, but they are parallel in scale and gravity. In the economic sphere, the country's banking system is insolvent, its state-owned enterprises mostly lose money, its currency will probably have to be devalued. In the political sphere, the one-party dictatorship is keeping its lease on life through the encouragement of private economic growth, the vigorous (if selective) repression of dissent, and lots of foreign support.

As Clinton himself told Jiang Zemin a year ago, the tide of history is flowing strongly against Beijing's dictatorship. The generation now coming to maturity, in a world of spreading knowledge, relative abundance, and rising expectations, will not tolerate indefinitely the archaic and dysfunctional Leninist system now in place. How will it be transformed? What of the crushing legacy of repression? What of Tibet and Muslim Xinjiang, where Beijing has flooded the native population with **Chinese** immigrants, and ravaged the indigenous culture and religion? "All of these things," in the words of a graffito that appeared in Beijing in English shortly after the Tiananmen massacre, "are to be answered for."

So far, the answer of the Clinton administration to "all of these things" has been to put itself on the side of dictatorship. True, Clinton is not the first American President to adopt this position toward a Communist regime, and **China** is not the only Communist regime to have benefited from it. But at least during the era of detente with the Soviet Union there was a kind of excuse. In those days, few informed people thought the end of Communism was nigh or even conceivable, and no one thought much about how the world might be reconstructed after Communism fell. Even when the USSR was finally collapsing, we backed Gorbachev to the bitter end and were nonplussed when the Lithuanians and the rest declared independence.

But all that is presumably behind us, and presumably we have learned our lesson. In light of what we have seen since the mid-1980's, not only in Eastern Europe and Latin America but across Asia, the notion that **China** may also one day democratize is no fantasy; it is simple realism. Nor are pro-democratic forces lacking in **China**, even at high levels. The regime that Clinton visited, after all, is a post-Tiananmen regime. Had he traveled to Beijing not in 1998 but early in 1989, the year that saw, in **China**, the largest demonstrations in human



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history in support of democracy, Clinton would have met figures absent from today's scene like Zhao Ziyang, the liberalizing general secretary of the Communist party.

One who did meet Zhao that year was Chris Patten, then the British governor of Hong Kong. After a rather forced discussion of economic questions, Patten finally asked Zhao "to tell us what was happening all around us."

With an almost audible sigh of relief, [Zhao] produced from his pocket a card covered in headings and embarked on a long reply. He told us he was confident that legal and democratic avenues would be found to resolve the students' demands. The students' concerns about corruption and graft were shared by the party and the government. Zhao was articulate and convincing. He was also throwing down the gauntlet at the feet of the party hard-liners. When this "speech" was reported on the evening news, the students in the square applauded. Zhao's more mule-headed colleagues presumably began to sharpen their knives. (*)

We all know what happened. On June 4, the tanks abruptly closed off the path to pluralism and legitimate government; the populace was terrorized; Zhao was placed under house arrest and many of his followers went to prison; and gradually, things got back to "normal," where they remain today. The means securing this end have been a solid wall of official denial, to which Clinton added a few bricks with his own symbolic appearance in Tiananmen Square.

But the story is hardly over. In a letter smuggled out just before the President's visit this past July, Zhao wrote hopefully that "we are facing the arrival of a new, open, democratic, and information-age era. What reason do we have to reject the will of the people, cling to the June 4 problem, and block our road to democratic politics?" His words make an especially stark contrast with Clinton's own awkward comments on the "June 4 problem" when he appeared in Tiananmen Square.

The President's speech contained not the slightest allusion to what the Chinese themselves might think about the practice of murdering students. For all one could gather from his remarks--"I believe, and the American people believe,

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that the use of force and the tragic loss of life were wrong"--an aversion to official violence is just a cultural peculiarity of Americans, like (in its way) an inclination to democratic politics. Speaking "for China," Jiang Zemin said as much in his response to the President. But few Chinese, comparing Zhao to Jiang, would be in doubt as to which of them really does speak for his country.

The fact is that Zhao Ziyang, who has never recanted his views, almost certainly enjoys far more support both inside and outside the party than does Jiang. Chinese politics is like a play, in which only one cast is on stage at a time. But other casts are waiting in the wings, or in prison. From this perspective, Zhao and his followers are an unseen but powerful presence of which all Chinese are aware but to which most foreigners, including the President of the United States, seem totally oblivious.

Although the administration behaves as if the main obstacle in U.S.-Chinese relations is mutual misunderstanding, in fact the issues between Washington and Beijing--emphatically including the issue of Taiwan--are consequences of a fundamental and unresolved problem: the unstable and dictatorial political regime of Communist China. Given that Jiang's government has let it be known that no political reform is planned, we may expect that change, when it does come, will be unplanned, unmanaged, chaotic, and dangerous--to China, to Asia, and to the world. By embracing the Chinese status quo more tightly than any of its predecessors, the Clinton administration is helping to ensure that when that fateful moment arrives, America will have distanced itself from those on whose side its standard should be most firmly planted.

V

Where do we go from here? To begin with, it must be understood that the alternative to Clinton's "engagement" policy is not, as the administration would have us believe, the "isolation" of China and a new cold war. Rather, it is engagement of another sort: one in which our allies and our democratic values come first and in which threats of force do not elicit American retreats. It is preposterous to take China pretty much as a given, as we once took the USSR, and then consider how the rest of Asia and the world will have to adjust in deference to its needs, sensitivities, and spheres of interest. To the contrary, our own policy must be based on a security system among us and the democratic states of Asia in which China is not a crucial load-bearing element.

Such a policy, instead of attempting to isolate and pressure Taiwan ("put it in a box," in the term favored by the administration), would forthrightly support the island's democratization, push Beijing to accept its reality, and, without foreclosing any options, seek to find it a legitimate place in the international community. It would confront China over the sale of missiles and other weapons to regimes, like Iran and Pakistan, with the potential to cause international mayhem. It would protest vigorously China's continuing crackdown on human rights, vividly exemplified by the arrest and imprisonment of many dissidents as soon as Clinton left the country. It would recognize democratization as indispensable to a genuinely peaceful future.

Above all, such a policy would proceed from the lessons learned by the end of the cold war in the West. As we once staked too much on the Soviet Union, so we are staking too much on China, going long when we should be hedging, and



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shorting the fundamentals. By this means we are setting ourselves up for disaster when **Chinese** Communism sells off. It is time to recognize that the challenge in Asia is not to "restore" a world but to surmount the coming upheaval and help bring about, for ourselves and our allies, the future we wish to live in.

(*) On this chain of incidents and its significance, see my article, "How Not to Deal With **China**," COMMENTARY, March 1997.

(*) This is taken from Patten's fascinating new book, East and West: **China**, Power, and the Future of Asia. Times Books, 320 pp., \$ 25.00.

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