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Staff Office-Individual: Speechwriting-Orzulak, Paul				
Original OA/ID Number: 4022				
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Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. statement	re: Draft President William Jefferson Clinton remarks to Johns Hopkins University School of Advanced International Studies on China (12 pages)	03/06/2000	P5
002. note	DOB's (Partial); SSN's (Partial); Phone No. (Partial) (1 page)	03/01/2000	P6/b(6)

COLLECTION:

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

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[China] [Folder 2] [2]

2008-0702-F

jm201

RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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

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

RR. Document will be reviewed upon request.

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

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



Jeffrey A. Shesol

03/07/2000 04:12:51 PM

Record Type: Record

To: Paul K. Orzulak/NSC/EOP@EOP
cc: Jeffrey A. Shesol/WHO/EOP@EOP
Subject: revised China draft (red-lined)

Paul,

Again, truly terrific job. And thanks for going a long way indeed toward accommodating my edits.

I have just a few additional concerns that I'll mention briefly:

- 1) On p. 1, I think the choice before the Congress can be more clear still, and I've suggested a slight rewrite.
- 2) On p. 2, to say China was a "question mark" is not quite right. "Who lost China" was not really a question at all -- it was political finger-pointing, a cudgel wielded by the GOP in a brutally partisan political battle against the Truman WH and the allegedly "Red"-riddled China Bureau of the State Dept. I would lose this entirely; but if you're going to use it, I think you need to be a little more clear.
- 3) On p.3, the discussion of what trade agreements are usually like is way too wonky and actually unnecessary.
- 4) On p. 7, the point about China "blaming US bullying" is never really explained. I'd lose it.
- 5) On p. 8, again, I strongly believe the detail about Shenyang only confuses things. It's several steps of this-happened-then-that-happened before you hit the punchline. You just don't need it to make this point; and, as I said, I think it only confuses the point, because it's so specific as to have no obvious relevance to the other 900,000 villages that are now holding elections.
- 6) On p. 10, I still believe quite strongly that "nail Jello to the wall" is too glib; this idea (about freedom on the Internet) needs more lift: something like, "Well, it won't work. In an information age, it simply can't work.. In China today, the one-party state is still powerful; but with one click of a mouse, a Chinese child can find new freedoms that are even more powerful."
- 7) It's still much too long. (Yes, I know you were expecting to hear that from a domestic speechwriter.) My edits yesterday brought it down from 4000 to 3300 words; your revised version is still at 3900. My new round of changes gets you down to 3700, but I still think it should be several hundred words shorter than that.

Again, I think you've done a lot of heavy lifting with apparent ease and I hope this additional stuff only lightens your burden a little more...

Jeff

3/7/00 12:30:30 p.m.

Orzulak

**PRESIDENT WILLIAM JEFFERSON CLINTON
REMARKS TO JOHNS HOPKINS UNIVERSITY
SCHOOL OF ADVANCED INTERNATIONAL STUDIES
ON CHINA
WASHINGTON, DC
MARCH 8, 2000**

I want to thank Johns Hopkins University and the School of Advanced International Studies for the opportunity to come here today and talk about China. For the past decade or so, this school has shared a unique program with Nanjing University. It trains future leaders in both of our countries who will guide our relationship in the decades to come. So this is a good place to talk about a decision America has to make this year that could change not only our relationship with China, but China itself.

Last fall, as many of you know, America signed an agreement to bring China into the World Trade Organization on terms that will dramatically open its market to American products. When China concludes similar agreements with other countries, it will join the WTO. But for us to benefit from China's entry, we must first grant it Permanent Normal Trade Relations status, which is the same arrangement we have given to 132 of the 134 countries in the WTO.

~~Today,~~ Today/ this week, I am submitting legislation to the Congress that will do just that.

Let me be clear: ~~the vote the Congress is going to take this spring is not on~~ ^{not on} ~~will not be deciding~~ whether China will join the WTO; ~~it is only on~~ ^{can only} ~~the Congress will decide only~~ whether the United States will share in the economic benefits. A vote against PNTR will cost America ~~jobs~~ ^{because jobs}; it will cost America opportunity as our competitors in Canada, Europe, and Asia will capture part of the China market that capture Chinese we otherwise could markets that we would otherwise have served.

*I more conf w/ PNTR if
we're more conf with
underlying choice*

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At the same time, I understand that members of Congress are much more likely to vote for PNTR if they understand why it is in America's fundamental interest to bring China into the WTO, and why we made the choice we made last fall. So I'm going to work as hard as I can to encourage Americans to embrace that choice. Because I believe with all my heart that the agreement we reached represents the most significant we have taken to create both jobs in America and positive change in China since President Nixon first went to China nearly three decades ago.

For a long time now, Americans have debated our relationship with China, partly because our perceptions of China keep changing.

In the early 1900s, most Americans saw China either through the eyes of traders seeking to win markets, or missionaries seeking to win hearts. During World War II, China was our ally. During the Korean War, it was our adversary. [At the dawn of the Cold War, when I was growing up, it was a cudgel in a partisan political question mark battle -- who lost China?] Later, it was a counterweight to the Soviet Union. Now, in some people's eyes it's a caricature: either the next great capitalist tiger with the biggest market in the world, or the world's last great communist dragon and a threat to peace and stability in Asia -- the land of a billion customers, or the land of a billion prisoners.

Our changing perceptions of China only superficially reflected the profound changes that have taken place within China itself -- the falling fallen dynasties, foreign invasions, civil wars, cruel famines, reigns of terror, a communist revolution, an industrial revolution, and now the beginning of a market revolution.

Through all this upheaval, there has been one constant: America's stake -- our profound national interest -- in the outcome. For the past 30 years, every American President, without regard to

party, has worked for a China that contributes to the stability, not the instability, of Asia; that is open to our products; that upholds the rule of law at home and plays by international rules around the world. There is a simple reason. We are a nation that has fought three wars in Asia in the 20th Century. But we are also a nation that cherishes liberty and believes that if people are free to make their own choices, the world will be a safer and more prosperous place.

ok If we had a crystal ball, we could see exactly what China will look like in 20 years. But we don't. Every nation defines its greatness in different ways, and every nation makes its own choices. We don't know what choices China will make. But we do The path China takes is China's choice. We can't control it. But we can control the choices we make. We can work to move China in the right direction; or we can turn our backs and almost certainly send it in the wrong direction. I believe the this WTO agreement will move China in the right direction, and advance the goals America has worked for in China the past 30 years. I want to talk today about how and why.

This has been called a free trade agreement. But let's understand from the beginning: it is not like most trade agreements. Usually, when we sign trade agreements, we have to weigh the benefits of opening another country's markets against the dislocations that can take place when we open our markets further. But this agreement It is the trade equivalent of a one-way street. It requires street - requiring China to open its markets to our products and services, but all we agree to do is while we agree only to maintain the market access that we already give to China. It does not change our tariffs one bit. This is the kind of agreement every country wishes for or works toward, the kind you get maybe once in a generation.

Seng My 1/5
P. 1/1

? We are a country with four percent of the world's population but 22 percent of its income. If we're going to continue to prosper in the 21st Century, we had better grow, we've got to be selling more and more things to more and more people around the world. And where better

than China? With more than a billion people — over one-fifth of the world's population -- China is the biggest potential market in the world, and under China's WTO accession agreement, America will gain unprecedented access to it.

Chinese tariffs in every sector, from telecommunications products to automobiles to agriculture, will fall by half or more over five years. For the first time, our companies will be able to sell and distribute products in China made by workers here in America, without being forced to relocate manufacturing to China, sell through a government middle-man, or transfer valuable technology or operations to China. We'll be able to export products without exporting jobs. Meanwhile, we'll get new safeguards against any surges of imports from China.

If the Congress passes PNTR, then we reap these rewards. If Congress rejects it, then our competitors do. I will say this again, because we must understand the consequences of saying no: if we don't sell our products to China, some other country will be happy to, and we will spend the next twenty years regretting it. We will spend the next 20 years wondering why we ever handed over all the benefits we negotiated -- and gave up the competitive edge we've earned -- to Europe, Japan, and others.

So on purely economic grounds, this agreement is a win-win. Most of its critics don't even question that. ~~Critics~~ They are more likely to say that: China is a growing threat to Taiwan and its neighbors, and we shouldn't strengthen it. Or, China violates labor rights and environmental standards, and we shouldn't enrich it. Or, China is an offender of human rights, and we shouldn't reward it. Or, China is a dangerous proliferator, and we shouldn't empower it. And most of their concerns are absolutely legitimate.

Those of us who support the China WTO agreement are under no illusion about the government in Beijing. It is a one-party state that does not tolerate opposition. It denies its citizens the most

✓
fundamental rights of free speech and religious expression. It defines its interests in the world in ways that are often at odds with our own.

But let me be very clear: the question is not whether we approve or disapprove of conditions in China. The question is, what can we do to improve them?

✓
This is not about a contest between economic rights ~~versus~~ and human rights, or economic security ~~versus~~ and national security. ~~That is a false choice.~~ These are false choices. We're not trying to promote one over the other, we are trying to promote both. Membership in the WTO won't create a free society in China overnight, or guarantee that China will play by global rules. But over time, we believe it's going to move China much further in the right direction.

To understand how, it's important to understand why China is willing to do all of this in the first place. Why they are doing this is just as important as what they are doing.

Over the past 20 years, China has made great progress in building a new economy, lifting more than 200 million people out of absolute poverty. It is linking so many people through its efforts to build a new communications network that is it adding the equivalent of a new Baby Bell every year. Nationwide, China has seen more than one million nonprofit and social organizations emerge, and a 2,500 percent explosion of print and broadcast media.

But its system is still plagued by corruption. Only about one-third of its economy is private enterprise. And nearly 60 percent of its investment and 80 percent of all business lending is directed toward state-owned dinosaurs that are least likely to survive in the global economy. ✓
Much of China's economy today still ~~basically~~ operates under the old theory that if they had just shoveled coal into the furnaces faster, the Titanic would have stayed afloat.

Meanwhile, its workforce is increasing by 12 million each year. At least 100 million people in China are still looking for work. And economic growth has slowed just when it needs to be rising to create new jobs. It's ironic: many Americans are legitimately concerned about the danger a strong and successful China could pose to us in the 21st century. But the danger of a weak China, beset by internal chaos and disintegration is also real, and China's leaders know it.

So China's leaders face a dilemma: they realize that if they open China's antiquated market to global competition, they risk unleashing forces beyond their control – temporary unemployment, social unrest, and greater demands for freedom. But they have also concluded that without competition, China will not be able to attract investment or build world-class industries that can survive and grow in the global economy.

With this agreement, China has chosen reform, despite the risks. The question for America is: do we want to play a constructive role in encouraging those reforms? Or do we want to reject China's choice, stand aside, and perhaps make failure a self-fulfilling prophecy? I think that would be a mistake of historic proportions. This is a choice we must embrace, for our own good and the good of the world.

When I see this debate about China going on in our country, I try to remind people that the Chinese are engaged in the same kind of debate about us. Not just China's leaders, but many of China's people believe Americans don't want their country to assume its rightful place in the world. If China joins the WTO and we turn our backs, many Chinese will see this as an American vote for failure in China.

Let's not forget: there is a reason China built the Great Wall. It has endured centuries of invasions and occupations; it has tried for most of its history to keep the world out. By joining the WTO, they've made a clear choice -- to overcome a great wall of suspicion and insecurity

and engage the rest of the world. Again, I ask: if they're willing to reach out to us, do we really want to slap that hand away?

I am telling you, everything I have ever learned in my life, and everything I have learned about China, convinces me that we have a far greater chance of influencing China's actions if we bring it into the world than if we shut it out.

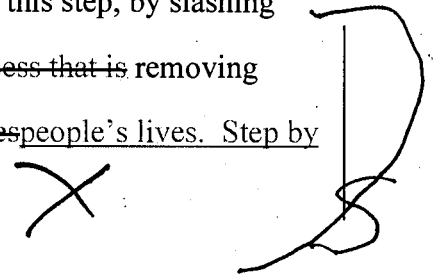
Under this agreement, some of China's most important decisions, for the first time, will be subject to the review of an international body. China is conceding that governments cannot behave arbitrarily either at home or abroad, that their actions are subject to rules consistently applied. Opponents say that doesn't matter; China will just break its promises. But if it does, ~~we're still better off, because it won't be able to blame U.S. bullying. Its~~ its actions will be subject to rules embraced and judgments passed by 135 nations.

But the change this agreement can bring from the outside-in is nothing compared to the change it can bring from the inside-out. By joining the WTO, China is not simply agreeing to import more of our products; it is agreeing to import one of democracy's most cherished principles: economic freedom. The more China liberalizes its economy, the more fully it will liberates the potential of its people -- their initiative, their imagination, their spirit of enterprise. And when individuals have the power not just to dream but to realize those dreams, they will demand a greater say in their own destiny.

Already, more and more, China's best and brightest are starting their own companies, or seeking jobs with foreign-owned companies -- where they generally get higher pay, more respect, and a better work environment. In fits and starts, for the first time, China may become a society where people get ahead based on what they know rather than who they know. Surveys show that American businesses in China are leading the market in developing human resources -- by emphasizing teamwork and respect for individual rights. In turn, Chinese firms are realizing that

unless they treat employees with respect, they will lose out in the competition for top talent. This process will only accelerate as China joins the WTO, and we should encourage it, because it will lift standards for Chinese workers -- and their expectations.

But there is something even more revolutionary at work here. By taking this step, by slashing the tariffs that protect its state-owned industries, China is speeding a process that is removing government from vast areas of its people's lives. ~~This step effectively takes people's lives. Step by step it is taking the command and control out of communism.~~



Let's not forget how communism works. In the past, virtually every Chinese citizen woke up in an apartment or house owned by their government, went to work in a factory or farm run by their government, read newspapers published by their government. State-run workplaces also operated the schools where they sent their children, the clinics where they received health care, and the stores where they bought food.

~~That system was a big source of the Communist Party's power and control.~~ Now people are leaving those firms, and when China joins the WTO, they will leave them faster. The Chinese government will no longer be everyone's employer, landlord, shopkeeper and nanny rolled into one. It will have fewer instruments to control people's lives, fewer means to win their loyalty. And that may lead to profound change.

A few weeks ago, the Washington Post had a good story about the impact of these changes in the city of Shenyang in China. *[I still strongly believe this detail only confuses things. It's several steps of this-happened-then-that-happened before you get to the punchline. I would save 70 words by cutting from here to the end of the bracket: Since 1949, most of the people of Shenyang have worked in massive state-run industries. But as these old factories and mills shut down, people are losing their jobs -- and their benefits. Last September, Beijing announced that it*

was going to be awarding bonus checks to Chinese citizens to celebrate China's 50th anniversary under communism. But Shenyang didn't have the money to pay, which sparked a massive protest. ~~So to ease tensions, So~~ ~~To ease tensions caused by economic change,~~ the local government has given the people a say in how the city is run. On a limited basis, citizens now have the right to vote in local elections. It's not exactly democracy, because the Party still puts up the candidates, and decides who can vote. But it's a first step. And it's not just happening in Shenyang. Local elections are now held in the vast majority of the country's 900,000 villages.

When asked why, one Party official in Shenyang said: "This is the beginning of a process. We realized that in order to improve social control, we have got to let the masses have a say." This is not the first time a communist country has taken this gamble. But the genie of freedom will not go back in the bottle. As Earl Warren ~~once~~ said: "Liberty" Liberty is the most contagious force in the world." ✓

~~How~~ And how will liberty spread, in this new century? The answer is obvious: in the information age, liberty is carried ~~in part~~ by cell phone; it is conducted by cable modem. China's information infrastructure is growing fast, by orders of magnitude that defy measurement. In the past year, the number of Internet addresses in China more than quadrupled from two million to nine million. This year, the number is expected to grow to 20 million. Now, project that rate of growth onto a country that has 1.2 billion people.

✓ ~~And when~~ When China joins the WTO, it will eliminate its tariffs on information technology products. ~~That means~~ products – making the tools of communication will only become even cheaper, better, and more widely available to the Chinese people. This will allow ~~the citizens of China~~ them to communicate with each other -- to share ideas and information -- in ways that no government can control. We know how much the Internet has changed America -- and we are already an open society. Just imagine how much it could change China.

There is no question China has been trying to crack down on the Internet. Well, good luck. In this information age, cracking down on the Internet is like trying to nail Jello to the wall. It just proves how real these changes are and how they threaten the status quo. It's not an argument for slowing down the effort to bring Again, I think "nail Jello to the wall" is too glib and the metaphor doesn't work here. I think this is an important point that requires some lift. I suggest the following: Well, it won't work. In an information age, it simply can't work.. In China into the world, but for accelerating it. today, the one-party state is still powerful; but with one click of a mouse, a Chinese child can find new freedoms that are even more powerful.

I think China is going to learn what every other nation is learning as we embrace this knowledge-based economy: you can't expect people to be innovative economically while being stifled politically. Bringing China into the WTO doesn't guarantee it will choose political reform. But accelerating the process of economic change will force China to confront that choice sooner, and it will make the imperative for the right choice far stronger. And again, if China is willing to take this risk, how could we possibly turn our backs?

This is not to say that the ~~WTO alone will accomplish the goals of our policy toward China.~~ Nobody who supports China's membership, for example, believes that bringing China into the WTO is, by China's membership in the WTO will alone accomplish our goals, or that it constitutes, in itself, a human rights policy for the United States. ~~Change will only come through~~ ^{China} ~~come only by~~ a combination of internal pressure and external validation of China's human rights struggle. And we must maintain our leadership in the latter, even as the WTO agreement contributes to the former.

That's why we sanctioned China under the International Religious Freedom Act last year. It is why we are again sponsoring a resolution in the UN Human Rights Commission condemning

China's human rights record. We will continue to press China to respect global norms on non-proliferation. And we will continue to reject the use of force as a means to resolve the Taiwan question, and make absolutely clear that the issues between Beijing and Taiwan must be resolved peacefully and with the assent of the people of Taiwan.

In other words, we must and will continue to defend our interests and our ideals with candor and consistency. But we will not and cannot do so by isolating China from the very forces most likely to change it, the very forces already empowering its people to build a better future.

If we did that, it would be a gift to the hard-liners in China's government who don't want their country to be part of the world. Keep in mind: These are the same people most eager to settle differences with Taiwan by force. The same people most threatened by our alliances with Japan and South Korea. The same people who would like to keep the Chinese military in the business of selling dangerous technologies around the world. The same people whose first instinct in the face of opposition is to throw people in prison camps.

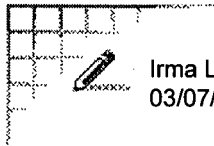
Voting against PNTR won't free a single prisoner in China, or create a single job in America, or reassure a single American ally in Asia. It would simply empower the most rigid, anti-democratic elements in the Chinese government. It would leave the Chinese people with less access to information, less contact with the democratic world, more resistance from their government to outside ideas. ~~Our friends and allies would wonder why, after 30 years of pushing China in the right direction, we turned our backs now. It would delay the day of change in China, and leave our friends wondering why we walked away now, right at this moment of great opportunity.~~

It find it encouraging that the people with the greatest interest in seeing China change agree with that. The people of Taiwan agree. Despite all the tensions they have had with Beijing, they are

doing everything they can to cement their economic ties with the mainland, and they strongly support PNTR for China. The people of Hong Kong agree. I recently received a letter from Martin Lee, the leader of Hong Kong's Democratic Party. He has spent his life struggling for free elections and free expression for his people. And he wrote to me that this agreement "represents the best long-term hope for China to become a member of good standing of the international community . . . We fear that should ratification fail . . . any hope for the political and legal reform process would also recede." Martin Lee wants us to vote in favor of PNTR.

Most of the evangelicals I know who have missions in China also want China in the WTO because they know that it will encourage freedom of thought and more contact with the outside world. Many of the people who have paid the greatest price under Chinese repression agree, too. Ren Wending is one of the fathers of the Chinese human rights movement. In the late 1970s, he was thrown in prison for founding the China Human Rights League. In the 1980s, he helped lead the demonstrations at Tiananmen Square. In the 1990s, he was thrown in prison again. Yet, he says of this deal: "before, the sky was black, now it is light. This can be a new beginning." For these people, fighting for freedom in China is not an academic exercise or a legislative debate, it is their life's work. They are telling us that this is the right thing to do.

If you believe in a future of greater openness and freedom for the people of China; you should be for this agreement. If you believe in a future of greater prosperity for the American people, you should be for this agreement. If you believe in a future of peace and security for Asia and the world, you should be for this agreement. This is the right thing to do. It is a historic opportunity. And I am going to work as hard as I can to convince Congress and the American people that America should embrace it, and lead the world to do the same. Thank you.



Irma L. Martinez
03/07/2000 05:04:36 PM

Record Type: Record

To: Christine A. Stanek/WHO/EOP@EOP
cc: marty j. hoffmann/who/eop@eop, Paul K. Orzulak/NSC/EOP@EOP, Jeffrey A. Shesol/WHO/EOP@EOP
bcc:
Subject: Re: SAIS speech

The following members of the Cabinet will attend the speech tomorrow and should be acknowledged in his speech:

Secretary of Treasury, Larry Summers
Secretary of Agriculture, Dan Glickman
Secretary of Commerce, Bill Daley
Ambassador Charlene Barshefsky, US Trade Representative

FYI: I will be at SAIS before POTUS arrival.

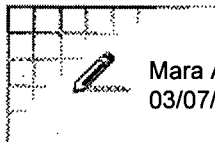


Jeffrey A. Shesol
03/07/2000 02:26:38 PM

Record Type: Record

To: Paul K. Orzulak/NSC/EOP@EOP
cc:
Subject: China Conference Call

----- Forwarded by Jeffrey A. Shesol/WHO/EOP on 03/07/2000 02:26 PM -----

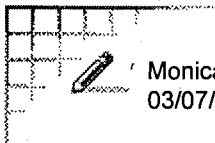


Mara A. Silver
03/07/2000 01:42:08 PM

Record Type: Record

To: Jeffrey A. Shesol/WHO/EOP@EOP
cc:
Subject: China Conference Call

----- Forwarded by Mara A. Silver/WHO/EOP on 03/07/2000 01:41 PM -----



Monica K. Shelton
03/07/2000 01:22:10 PM

Record Type: Record

To: Mara A. Silver/WHO/EOP@EOP
cc:
Subject: China Conference Call

3/7/00 Conference Call re: China Speech

POTUS Arrive at 3:25

John Hopkins Dean Paul Wolfowitz, John Hopkins President William Brody, and Rep Lee Hamilton will accompany the President on stage

Right now the speaking order is Brody, Wolfowitz, Hamilton, then the President with Rep Hamilton introducing the president.

They are still looking for another speaker.

China working group will be there minus Cohen and Albright and will be in front row.

There haven't been many responses to the invitations for audience. They are still unsure on the audience numbers.

They are worried they will end up with too many students.

3/7/00 12:30 p.m.

Orzulak

**PRESIDENT WILLIAM JEFFERSON CLINTON
REMARKS TO JOHNS HOPKINS UNIVERSITY
SCHOOL OF ADVANCED INTERNATIONAL STUDIES
ON CHINA
WASHINGTON, DC
MARCH 8, 2000**

I want to thank Johns Hopkins University and the School of Advanced International Studies for the opportunity to come here today and talk about China. For the past decade or so, this school has shared a unique program with Nanjing University. It trains future leaders in both of our countries who will guide our relationship in the decades to come. So this is a good place to talk about a decision America has to make this year about a development that could change not only our relationship with China, but China itself.

Last fall, as many of you know, America signed an agreement to bring China into the World Trade Organization on terms that will dramatically open its market to American products. When China concludes similar agreements with other countries, it will join the WTO. But for us to benefit from China's entry, we must first grant it Permanent Normal Trade Relations status, which is the same arrangement we have given to 132 of the 134 countries in the WTO. Today, I am submitting legislation to the Congress that will do just that.

Let me be clear: the vote the Congress is going to take this spring is not on whether China will join the WTO; it is only on whether the United States will share in the economic benefits. A vote against PNTR will cost America jobs because our competitors in Canada, Europe, and Asia will capture part of the China market that we otherwise could have served.

At the same time, I understand that members of Congress are much more likely to vote for PNTR if they understand why it is in America's fundamental interest to bring China into the WTO, and why we made the choice we made last fall. So I'm going to work as hard as I can to

encourage Americans to embrace that choice. Because I believe with all my heart that the agreement we reached represents the most significant we have taken to create both jobs in America and positive change in China since President Nixon first went to China nearly three decades ago.

For a long time now, Americans have debated our relationship with China, partly because our perceptions of China keep changing.

In the early 1900s, most Americans saw China either through the eyes of traders seeking to win markets, or missionaries seeking to win hearts. During World War II, China was our ally. During the Korean War, it was our adversary. At the dawn of the Cold War, when I was growing up, it was a question mark – who lost China? Later, it was a counterweight to the Soviet Union. Now, in some people's eyes it's a caricature: either the next great capitalist tiger with the biggest market in the world, or the world's last great communist dragon and a threat to peace and stability in Asia -- the land of a billion customers, or the land of a billion prisoners.

Our changing perceptions of China only superficially reflected the profound changes that have taken place within China itself – the falling dynasties, foreign invasions, civil wars, cruel famines, reigns of terror, a communist revolution, an industrial revolution, and now the beginning of a market revolution.

Through all this upheaval, there has been one constant: America's stake -- our profound national interest -- in the outcome. For the past 30 years, every American President, without regard to party, has worked for a China that contributes to the stability, not the instability, of Asia; that is open to our products; that upholds the rule of law at home and plays by international rules around the world. There is a simple reason. We are a nation that has fought three wars in Asia in the 20th Century. But we are also a nation that cherishes liberty and believes that if people are

free to make their own choices, the world will be a safer and more prosperous place.

If we had a crystal ball, we could see exactly what China will look like in 20 years. But we don't. Every nation defines its greatness in different ways, and every nation makes its own choices. We don't know what choices China will make. But we do control the choices we make. We can work to move China in the right direction; or we can turn our backs and almost certainly send it in the wrong direction. I believe ~~the~~ this WTO agreement will move China in the right direction, and advance the goals America has worked for in China the past 30 years. I believe our associating ourselves with this agreement through a positive vote on PNTR will make it more powerful and effective. I want to talk today about how and why.

This has been called a free trade agreement. But let's understand from the beginning: it is not like most trade agreements. Usually, when we sign trade agreements, we have to weigh the benefits of opening another country's markets against the dislocations that can take place when we open our markets further. But this agreement is the trade equivalent of a one-way street. It requires China to open its markets to our products and services, but all we agree to do is maintain the market access that we already give to China. It does not change our tariffs one bit. This is the kind of agreement every country wishes for or works toward, the kind you get maybe once in a generation.

We are a country with four percent of the world's population. If we're going to continue to prosper in the 21st Century, we had better be selling more and more things to more and more people around the world. And where better than China? With more than a billion people – over one-fifth of the world's population -- China is the biggest potential market in the world, and under China's WTO accession agreement, America will gain unprecedented access to it.

Chinese tariffs in every sector, from telecommunications products to automobiles to agriculture,

will fall by half or more over five years. For the first time, our companies will be able to sell and distribute products in China made by workers here in America, without being forced to relocate manufacturing to China, sell through a government middle-man, or transfer valuable technology or operations to China. We'll be able to export products without exporting jobs. Meanwhile, we'll get new safeguards against any surges of imports from China.

If the Congress passes PNTR, then we reap these rewards. If Congress rejects it, then our competitors do. I will say this again, because we must understand the consequences of saying no: if we don't sell our products to China, some other country will be happy to, and we will spend the next twenty years regretting it. We will spend the next 20 years wondering why we ever handed over all the benefits we negotiated -- and gave up the competitive edge we've earned -- to Europe, Japan, and others.

So on purely economic grounds, this agreement is a win-win. Most of its critics don't even question that. Critics are more likely to say that: China is a growing threat to Taiwan and its neighbors, and we shouldn't strengthen it. Or, China violates labor rights and environmental standards, and we shouldn't enrich it. Or, China is an offender of human rights, and we shouldn't reward it. Or, China is a dangerous proliferator, and we shouldn't empower it.

And ~~most of their concerns are absolutely legitimate~~ these serious concerns warrant serious responses.

Those of us who support the China WTO agreement are under no illusion about the government in Beijing. It is a one-party state that does not tolerate opposition. It denies its citizens the most fundamental rights of free speech and religious expression. It defines its interests in the world in ways that are often at odd with our own. But let me be very clear: the question is not whether we approve or disapprove of conditions in China. The question is, what can we do to improve them?

This is not about economic rights versus human rights, or economic security versus national security. That is a false choice. We're not trying to promote one over the other, we are trying to promote both. Membership in the WTO won't create a free society in China overnight, or guarantee that China will play by global rules. But over time, we believe it's going to move China much further in the right direction.

To understand how, it's important to understand why China is willing to do all of this in the first place. Why they are doing this is just as important as what they are doing.

Over the past 20 years, China has made great progress in building a new economy, lifting more than 200 million people out of absolute poverty. It is linking so many people through its efforts to build a new communications network that is it adding the equivalent of a new Baby Bell every year. Nationwide, China has seen more than one million nonprofit and social organizations emerge, and a 2,500 percent explosion of print and broadcast media.

But its system is still plagued by corruption. Only about one-third of its economy is private enterprise. And nearly 60 percent of its investment and 80 percent of all business lending is directed toward state-owned dinosaurs that are least likely to survive in the global economy.

Despite reforms, mMuch of China's economy today still basically operates under the old theory that if they had just shoveled coal into the furnaces faster, the Titanic would have stayed afloat.

Meanwhile, its workforce is increasing by 12 million each year. At least 100 million people in China are still looking for work unemployed or under employed. And economic growth has slowed just when it needs to be rising to create new jobs. It's ironic: many Americans are legitimately concerned about the danger a strong and successful China could pose to us in the 21st century. But the danger of a weak China, beset by internal chaos and disintegration is also

real, and China's leaders know it. And that kind of China would also pose grave problems for American interests.

So China's leaders face a dilemma: they realize that if they open China's antiquated market to global competition, they risk unleashing forces beyond their control – temporary unemployment, social unrest, and greater demands for freedom. But they have also concluded that without competition, China will not be able to attract investment or build world-class industries that can survive and grow in the global economy.

With this agreement, China has chosen reform, despite the risks. The question for America is: do we want to play a constructive role in encouraging those reforms? Or do we want to reject China's choice, stand aside, and perhaps make failure a self-fulfilling prophecy? I think that would be a mistake of historic proportions. This is a choice we must embrace, for our own good and the good of the world.

When I see this debate about China going on in our country, I try to remind people that the Chinese are engaged in the same kind of debate about us. Not just China's leaders, but many of China's people believe Americans don't want their country to assume its rightful place in the world. If China joins the WTO and we turn our backs by rejecting PNTR, many Chinese will see this as an American vote for failure in China.

Let's not forget: there is a reason China built the Great Wall. It has endured centuries of invasions and occupations; it has tried for most of its history to keep the world out. By joining the WTO, they've made a clear choice -- to overcome a great wall of suspicion and insecurity and engage the rest of the world. Again, I ask: if they're willing to reach out to us, do we really want to slap that hand away?

I am telling you, everything I have ever learned in my life, and everything I have learned about China, convinces me that we have a far greater chance of influencing China's actions if we bring it into the world than if we shut it out.

Under this agreement, some of China's most important decisions, for the first time, will be subject to the review of an international body. China is conceding that governments cannot behave arbitrarily either at home or abroad, that their actions are subject to rules consistently applied. Opponents say that doesn't matter; China will just break its promises. But if it does, we're still better off, because ~~it won't be able to blame U.S. bullying. Its~~ its actions will be subject to rules embraced and judgments passed by 135 nations. It won't be able to blame U.S. bullying.

But the change this agreement can bring from the outside-in is nothing compared to the change it can bring from the inside-out. By joining the WTO, China is not simply agreeing to import more of our products; it is agreeing to import one of democracy's most cherished principles: economic freedom. The more China liberalizes its economy, the more fully it will liberates the potential of its people -- their initiative, their imagination, their spirit of enterprise. And when individuals have the power not just to dream but to realize those dreams, they will demand a greater say in their own destiny.

Already, more and more, China's best and brightest are starting their own companies, or seeking jobs with foreign-owned companies -- where they generally get higher pay, more respect, and a better work environment. In fits and starts, for the first time, China may become a society where people get ahead based on what they know rather than who they know. Surveys show that American businesses in China are leading the market in developing human resources -- by emphasizing teamwork and respect for individual rights. In turn, Chinese firms are realizing that unless they treat employees with respect, they will lose out in the competition for top talent.

This process will only accelerate as China joins the WTO, and we should encourage it, because it will lift standards for Chinese workers -- and their expectations. As Leonard Woodcock, former head of the UAW and our first ambassador to the PRC, recently wrote, "Are Chinese workers better off with or without this agreement? The answer is that this agreement will be enormously beneficial to Chinese workers."

But there is something even more revolutionary at work here. By taking this step, by slashing the tariffs that protect its state-owned industries, China is speeding a process that is removing government from vast areas of its people's lives. This step effectively takes the command and control out of communism.

Let's not forget how communism works. In the past, virtually every Chinese citizen woke up in an apartment or house owned by their government, went to work in a factory or farm run by their government, read newspapers published by their government. State-run workplaces also operated the schools where they sent their children, the clinics where they received health care, and the stores where they bought food.

That system was a big source of the Communist Party's power and control. Now people are leaving those firms, and when China joins the WTO, they will leave them faster. The Chinese government will no longer be everyone's employer, landlord, shopkeeper and nanny rolled into one. It will have fewer instruments to control people's lives, fewer means to win their loyalty. And that may lead to profound change.

A few weeks ago, the Washington Post had a good story about the impact of these changes in the city of Shenyang in China. Since 1949, most of the people of Shenyang have worked in massive state-run industries. But as these old factories and mills shut down, people are losing their jobs - and their benefits. Last September, Beijing announced that it was going to be awarding bonus

checks to Chinese citizens to celebrate China's 50th anniversary under communism. But Shenyang didn't have the money to pay, which sparked a massive protest. So to ease tensions, the local government has given the people a say in how the city is run. On a limited basis, citizens now have the right to vote in local elections. It's not exactly democracy, because the Party still puts up the candidates, and decides who can vote. But it's a first step. And it's not just happening in Shenyang. Local elections are now held in the vast majority of the country's 900,000 villages.

When asked why, one Party official in Shenyang said: "This is the beginning of a process. We realized that in order to improve social control, we have got to let the masses have a say." ~~This is not the first time a communist country has taken this gamble.~~ But experience teaches us that the genie of freedom will not go back in the bottle. As Earl Warren once said: "liberty is the most contagious force in the world."

How will liberty spread, in this new century? The answer is obvious: in the information age, liberty is carried in part by cell phone; it is conducted by cable modem. China's information infrastructure is growing fast, by orders of magnitude that defy measurement. In the past year, the number of Internet addresses in China more than quadrupled from two million to nine million. This year, the number is expected to grow to over 20 million. Now, project that rate of growth onto a country that has 1.2 billion people.

And when China joins the WTO, it will eliminate its tariffs on information technology products. That means the tools of communication will only become cheaper, better, and more widely available. This will allow the citizens of China to communicate with each other -- to share ideas and information -- in ways that no government can control. We know how much the Internet has changed America -- and we are already an open society. Just imagine how much it could change China.

There is no question China has been trying to crack down on the Internet. Well, good luck. In this information age, cracking down on the Internet is like trying to nail Jello to the wall. It just proves how real these changes are and how they threaten the status quo. It's not an argument for slowing down the effort to bring China into the world, but for accelerating it.

I think China is going to learn what every other nation is learning as we embrace this knowledge-based economy: you can't expect people to be innovative economically while being stifled politically. Bringing China into the WTO doesn't guarantee it will choose political reform. But accelerating the process of economic change will force China to confront that choice sooner, and it will make the imperative for the right choice far stronger. And again, if China is willing to take this risk, how could we possibly turn our backs?

This is not to say that the WTO alone will accomplish the goals of our policy toward China. Nobody who supports China's membership, for example, believes that bringing China into the WTO is, by itself, a human rights policy for the United States. Change will only come through a combination of internal pressure and external validation of China's human rights struggle. And we must maintain our leadership in the latter, even as the WTO agreement contributes to the former.

That's why we sanctioned China under the International Religious Freedom Act last year. It is why we are again sponsoring a resolution in the UN Human Rights Commission condemning China's human rights record.

We indeed will not relax our policies in any other area with China. We will continue to press China to respect global norms on non-proliferation. And we will continue to reject the use of force as a means to resolve the Taiwan question, and make absolutely clear that the issues

between Beijing and Taiwan must be resolved peacefully and with the assent of the people of Taiwan. The coming months provide an important opportunity for ~~cross-Strait~~ dialogue. *across Taiwan, we hope.*
Threats risk replacing opportunity with dangerous confrontation, and we will continue to stand firmly in favor of constructive dialogue to resolve cross-Strait issues. *We need to see that oppo-*

In other words, we must and will continue to defend our interests and our ideals with candor and consistency. But we will not and cannot do so by isolating China from the very forces most likely to change it, the very forces already empowering its people to build a better future.

If we ~~did that~~ dissociated ourselves from China's WTO membership by rejecting PNTR, it would be a gift to the hard-liners in China's government who don't want their country to be part of the world. Keep in mind: These are the same people most eager to settle differences with Taiwan by force. The same people most threatened by our alliances with Japan and South Korea. The same people who would like to keep the Chinese military in the business of selling dangerous technologies around the world. The same people whose first instinct in the face of opposition is to throw people in prison camps.

Voting against PNTR won't free a single prisoner in China, or create a single job in America, or reassure a single American ally in Asia. It would simply empower the most rigid, anti-democratic elements in the Chinese government. It would leave the Chinese people with less access to information, less contact with the democratic world, more resistance from their government to outside ideas. Our friends and allies would wonder why, after 30 years of pushing China in the right direction, we turned our backs now.

It find it encouraging that the people with the greatest interest in seeing China change agree with that. The people of Taiwan agree. Despite all the tensions they have had with Beijing, they are doing everything they can to cement their economic ties with the mainland, and they strongly

support PNTR for China. The people of Hong Kong agree. I recently received a letter from Martin Lee, the leader of Hong Kong's Democratic Party. He has spent his life struggling for free elections and free expression for his people. And he wrote to me that this agreement "represents the best long-term hope for China to become a member of good standing of the international community . . . We fear that should ratification fail . . . any hope for the political and legal reform process would also recede." Martin Lee wants us to vote in favor of PNTR.

Most of the evangelicals I know who have missions in China also want China in the WTO because they know that it will encourage freedom of thought and more contact with the outside world. Many of the people who have paid the greatest price under Chinese repression agree, too. Ren Wending is one of the fathers of the Chinese human rights movement. In the late 1970s, he was thrown in prison for founding the China Human Rights League. In the 1980s, he helped lead the demonstrations at Tiananmen Square. In the 1990s, he was thrown in prison again. Yet, he says of this deal: "before, the sky was black, now it is light. This can be a new beginning." For these people, fighting for freedom in China is not an academic exercise or a legislative debate, it is their life's work. They are telling us that this is the right thing to do.

If you believe in a future of greater openness and freedom for the people of China; you should be for this agreement. If you believe in a future of greater prosperity for the American people, you should be for this agreement. If you believe in a future of peace and security for Asia and the world, you should be for this agreement. This is the right thing to do. It is a historic opportunity. And I am going to work as hard as I can to convince Congress and the American people that America should embrace it, and lead the world to do the same. Thank you.

THE WHITE HOUSE

Office of the Press Secretary

**For Immediate Release
February 11, 2000**

As Prepared for Release

**REMARKS BY SAMUEL R. BERGER
ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS
ON CHINA**

**The Business Roundtable
St. Regis Hotel
Washington, DC**

February 8, 2000

It seems hard to believe that it was seven years ago when I first met with The Business Roundtable. Back then, one of the most popular books in the nation was entitled "America: What Went Wrong?" Time Magazine had a story that asked: "is the U.S. in an irreversible decline as the world's premier power." Seven years later, America is in the midst of the longest economic expansion in our nation's history. Our military strength is unchallenged. Our alliances are strong. And our values are ascendant. Today, if you ask the question: "America: What Went Right," a big part of the answer is that we have a private sector willing to take risks and do what it takes to succeed in the global economy. I want to thank you all for the role you have played in creating this unprecedented moment of prosperity for our nation.

Tonight, I want to talk to you about a decision our country will make this year that is critical not only for your companies and industries, but for our nation and the world: China's entry into the World Trade Organization. Last fall, our negotiators completed an historic agreement with the Chinese. But before America can realize the full market-opening benefits of Chinese entry into the WTO, Congress must answer a simple question: will it grant China permanent Normal Trade Relations, the same arrangement we have given to 132 of the 134 countries in the WTO? Or will Congress turn its back on the sweeping changes China has agreed to make and risk losing ground on the issues we all care about?

I don't believe there can be a serious question that this agreement is in America's economic interest. For years, China has had open access to our markets, while its markets have been closed to American products and services. This agreement requires that China open its market

on everything from agriculture to manufacturing – while we agree only to maintain the market access we already offer to China. For the first time, U.S. companies will be able to competitively sell and distribute in China products made by American workers here at home. And it responds to unfair trade practices in China, including the dangers of import surges.

All of you already know that, of course, and I'm not going to regurgitate the considerable economic benefits of this agreement tonight. Because the importance of this agreement goes far beyond its manifest economic benefits. And so does the debate that surrounds it. In our talks with Members of Congress, most do not challenge the agreement on economic grounds. Critics are more likely to say that: China is a growing threat to Taiwan and its neighbors, and we shouldn't strengthen it. China is a drag on labor rights and environmental standards, and we shouldn't engage it. China is an offender of human rights, and we shouldn't reward it. China is a dangerous proliferator, and we shouldn't empower it.

Most of the concerns they raise on these issues are legitimate. We in the Administration share them. But this debate should not be defined as economic rights versus human rights -- or economic security versus national security. That is a trap, a false choice. This agreement is just as vital "if not more vital" to our national security as it is to our economic security. It is far more likely to move China in the right direction -- not the wrong direction -- on all of our other concerns. We can't duck these issues by saying that we're only interested in talking about economics. If we are going to win this debate, we must be persuasive that it promotes both growth and jobs in America and progress toward change in China. I want to talk tonight about how this agreement will advance our overall national interests by encouraging the right kind of change in China.

To understand how, we need to understand the dilemma China finds itself in today. Over the last 20 years, China has made remarkable progress in building a new economy, lifting more than 200 million people out of absolute poverty. But it still faces daunting economic problems. Its system is plagued by corruption. Private enterprise still accounts for less than one-third of China's economy. China's workforce is increasing by 12 million each year. Millions are migrating from the countryside, where they see no future, to the cities, where only some find work. And economic growth has slowed just when it needs to be rising to create new jobs. China clearly cannot maintain stability or ensure prosperity by maintaining the status quo.

Hence the dilemma: China's leaders realize that opening China's antiquated markets to global competition risks unleashing forces beyond its control -- unemployment, social unrest, increasing domestic pressure for political change. Yet, if they don't move forward, China cannot make the next critical leap in development, because without competition from the outside, it will not build world-class industries that can survive in the global economy.

What does this mean for us? As the President said when Premier Zhu Rongji visited Washington last year, "if we've learned anything in the last few years from Japan's long recession and Russia's current economic troubles, it is that the weaknesses of great nations can pose as big a challenge as their strengths." There is a possibility that a strong China will one

day emerge as a threat to peace and stability in Asia, and to our security as well. But as we focus on the potential challenges of a strong China, let us not forget the risks that could be posed by a weak China, beset by internal conflicts, social dislocation, criminal activity, and large-scale emigration -- a vast zone of instability in Asia.

With this agreement, China has chosen to speed the opening of its economy, despite the political risks that entails. Opponents of this agreement need to answer the question: do they really want us to reject that choice? The fact is, our interest lies in encouraging both stability and change in China by encouraging it to meet, not stifle, the growing demands of its people for openness, accountability, freedom, and reform. And bringing China into the WTO will help in three ways.

First, it will obligate China to deepen its market reforms. With lower tariffs, and greater competition, its private sector will expand; its state sector will shrink.

The introduction of competition results in natural pressure for progress. A decade ago, China's best and brightest students sought jobs in the government, in large state-owned firms or state-run research institutions. More and more, the best and brightest either are starting their own companies or working for foreign-invested companies -- where they generally get higher pay, a better work environment, and a chance to get ahead based on merit, not political connections.

U.S. companies are the leaders in China in developing human resources -- by emphasizing teamwork and respect for individual rights. In turn, Chinese firms are increasingly learning -- and if they haven't, they will -- that unless they change their working style and treat employees with respect, they will lose the top talent. This process will only accelerate as China joins the WTO, and we should do all we can to encourage it, because it will lift the standards for Chinese workers -- and their expectations.

Second, by speeding economic change, the agreement we reached has the potential to encourage China to evolve into a more open society.

In the past, the Chinese state was every citizens' employer, landlord, shopkeeper, and news provider all rolled into one. By advancing the flow of information, the pace of privatization, and the forces of competition, this agreement will accelerate a process that is removing government from vast areas of people's lives. And by giving investors and property owners protection against arbitrary government action, it reinforces the idea that individuals have rights.

By opening China's telecommunications market to cutting-edge American technology and international firms, the WTO agreement will help bring the information revolution to cities and towns across China. A year ago, China had two million Internet addresses. Today, it has nine million. Soon, people in some of the most remote villages in interior China will have access to

CNN. And as they become more mobile, more prosperous, and more aware of alternative ways of life, I believe they will seek a stronger voice in shaping their destiny.

Of course, just two weeks ago, Beijing announced that it was cracking down on the Internet. It's outrageous -- but it's also futile. In this information age, cracking down on the Internet is like King Canute trying to still the waters. Indeed, that the Chinese government is pushing back against the increasing flow of information to the Chinese people only proves that the changes China is undergoing are real and threatening to the status quo. This is not an argument for slowing down the effort to bring China into the world; it's an argument for accelerating it.

In the end, as China opens to the information economy, it can succeed only as it liberates the minds of its people and empowers the individual. You know all too well: creativity is indivisible. In this age, you cannot expect people to be innovative economically and stifled politically. Bringing China into the WTO doesn't guarantee it will choose political reform. But by accelerating the process of economic change, it will force China to confront that choice sooner, and make the imperative for the right choice far more powerful.

This agreement will advance our national interests in a third way: it increases the chance that in the new century China will be on the inside of the international system, playing by the rules, instead of on the outside, denying them.

Under this agreement, some of China's most important decisions will be subject, for the first time, to the review of an international body. Why does that matter? Quite simply, it applies to China the basic principle at the heart of the concept of the rule of law: that governments cannot behave arbitrarily at home or abroad, that their actions are subject to rules consistently applied. Remember, China is choosing to embrace these obligations. As China becomes a stakeholder in the WTO and other international regimes, it will be more likely to accept the legitimacy of international norms, and define its future within the global community, not outside of it.

Opponents of this agreement will counter these arguments by saying it doesn't matter what we agree to because China will just break its promises. Of course, we cannot know for sure. But we do have reasons to believe that it will comply, and mechanisms to reinforce that. First, China is pledging to open its economy and its markets not just as a means of getting in the WTO, but because most of China's leaders believe reform is in China's interest. Second, if China violates its commitments, we're still in a better position, because it will confront judgments backed by a 135-member body, rather than being able to chalk it up to supposed U.S. bullying.

Some will argue that granting China permanent normal trade relations status is granting a favor that China hasn't earned. But it's important that the public understand what PNTR means: simply that we will give China the same tariff schedule we apply to almost every other nation in the world, and China will do likewise for us. It would eliminate the annual

vote on China's trade status, which we do not apply to any other WTO member. Some argue we need the annual vote to address the other concerns we have with China, on proliferation or religious freedom. But Congress has the ability to address any part of our trade relationship with any nation, including China. And the annual China trade vote has lost any leverage it was once thought to have. Congress has affirmed our trading relationship with China for 20 years in a row.

Finally, others will argue that we are sacrificing human rights on the altar of trade. In fact, locking China out of the WTO would be a blow to the very cause they and we support. It would leave the Chinese people with less access to information, less contact with the democratic world, and more resistance from their government to outside influence and ideas. And no one could possibly benefit from that except the most rigid, anti-democratic elements in China itself. That's one reason reformers like Martin Lee and dissidents like Ren Wanding support this agreement.

Let me be clear: bringing China into the WTO is not, by itself, a human rights policy for the United States. The reality in China today is that Chinese authorities still tolerate no organized political dissent or opposition. Because the Communist Party's ideology has been discredited in China, and because it lacks the legitimacy that can only come from democratic choice, it seeks to maintain its grip by suppressing other voices. Change will come only through a combination of internal pressures for change and external validation of its human rights struggle. And we must maintain our leadership in the latter, even as the WTO agreement contributes to the former.

That's why we sanctioned China as a "country of particular concern" under the International Religious Freedom Act last year. It is why we are once again sponsoring a resolution in the UN Human Rights Commission condemning China's human rights record. We will continue to press China to respect global norms on non-proliferation; to encourage a peaceful resolution of issues with Taiwan; to urge China to be part of the solution to the problem of global climate change.

We must not and we are not relying on the hidden hand of the market to do all our heavy lifting on the issues we care about in China, and neither should the private sector. That's why it is important for our businesses in China to be agents of change by being good corporate citizens.

But to make the most of that opportunity, first we must get this agreement through the United States Congress. And we can't underestimate for a second how hard that is going to be. This fight involves two issues -- China and trade -- that individually and together have become the third rail of American politics today. The agreement is opposed by an eclectic coalition, from labor to the religious right. It creates real splits in both parties.

I'll promise you this: the President and every key person in the Administration will undertake the most intensive effort possible to succeed. We've already begun. I hope you will also

recognize the stakes involved. For if we fail to obtain PNTR, we will lose the full benefits of the agreement. In a global economy, with global markets, your companies will be shut off from one-fifth of the world -- while your European, Japanese, and other competitors will be the beneficiaries of the very good deal we negotiated.

But failure would be bad for our country in other ways. It would send a penetrating signal to the rest of the world, particularly after the Senate's rejection last year of the Comprehensive Test Ban Treaty, that America truly has turned inward. That would be devastating to our future.

At the moment of America's greatest strength and influence, we must be leading the world, and embracing change, not turning from it. Since President Nixon went to China in 1972, the United States has worked for the emergence of a China that contributes to peace in Asia. A China with an economy that is open to American products, farmers, and businesses. A China whose people have access to ideas and information, that upholds the rule of law at home and adheres to global rules on everything from non-proliferation to human rights to trade. This agreement is an unprecedented opportunity to advance all of those goals. I look forward to working with you in the months to come to turn those worthy and historic goals into a reality.

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Sutphen, Mona K. (NSA)

From: Orzulak, Paul K. (SPCHW)
Sent: Monday, March 06, 2000 1:16 PM
To: @NSA - Natl Security Advisor
Cc: @SPEECH - NSC Speechwriters; @CHINAPNTR - China PNTR
Subject: Draft POTUS China Remarks to SAIS [UNCLASSIFIED]

For SRB:

Draft remarks for Wednesday. A bit long, but we think it responds to Steve Richetti's request last Friday to make the speech "comprehensive."

This draft sticks to the basic structure we established in your previous speeches, but embellishes a great deal. It introduces a new example and new rhetoric about the dismantlement of the "command and control of communism," wraps in some of Sperling's very good rhetoric on the Internet and communication, moves the POTUS "choice" language from the end to the beginning of the speech, places this debate slightly more in a historical context, includes harder language about the consequences of rejection (with emphasis on the empowerment of hard-liners); and couches the words of the dissident supporters in a slightly more stirring way. Plus, it's got a new line on the Titanic.

As directed by you and Ricchetti, we are circulating this draft broadly. Comments to Orzulak. Thanks

china-saip.2x.doc

561-
498-3908 Ken

→ Paul

I think this is quite good,
but needs some work.
see comments

Responds to modification

↳ potted plant

India
Stanley Wolpert

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Main
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. statement	re: Draft President William Jefferson Clinton remarks to Johns Hopkins University School of Advanced International Studies on China (12 pages)	03/06/2000	P5

COLLECTION:

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Speechwriting (Paul Orzulak)
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2008-0702-F

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

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

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. note	DOB's (Partial); SSN's (Partial); Phone No. (Partial) (1 page)	03/01/2000	P6/b(6)

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Margaret M. Suntum
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Chuck Allen

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

March 1, 2000

Scott-cell

REMARKS BY THE PRESIDENT
TO UUNET AND MCI WORLDCOM EMPLOYEES

UUNet Technologies
Ashburn, Virginia

P6(b)(6)

3:15 P.M. EST

THE PRESIDENT: Thank you very much, Melissa. To Bernie and John and Mark, thank you for welcoming me and Ambassador Barshefsky and our whole team here. I leaned over to John when I looked at all of you out here and I said, now, I can't believe all these people are off work now, what terrible thing can happen? (Laughter.) What could I be responsible for doing to the Internet today? (Laughter.)

I am profoundly honored to be here, and I thank all of you for allowing me to come. I came here to talk about your future, but because this is the only opportunity I'll have today to speak, through you and the media to the American people, I have to make a brief comment about one other issue.

Today there was another terrible shooting in the Wilkesburg community in Allegheny County in Western Pennsylvania. We don't know all the facts yet, but it was a bad situation. Yesterday, of course, that tragedy occurred in Michigan, where a very young child was killed by another very young child. I just talked to

the superintendent of schools there, right before I came out.

I want to say two things about it to all of you. First of all, these are personal tragedies that, because of instantaneous media coverage, we all know and feel. And we owe the families of the victims and the communities our prayers and our best wishes.

Secondly, as citizens, these incidents, particularly the one yesterday in Michigan, call on us to recognize the fact that we simply haven't done everything we can do to keep guns away from criminals and children. And so today, I have to say again to Congress: you have had legislation now that would require child safety locks, would close the gun show loophole, would take other steps to keep guns out of the wrong hands for well over six months. You're supposed to take a recess next week. Before you take the recess, please send me this legislation. It will help keep America safer. (Applause.) Thank you.

Now, I want to talk to you today about your future, which is unfolding at a breathtaking rate. We were talking, before we came out, I said, tell me a little about the growth. So John said, well, five years ago we had 40 employees, today we have 8,000. Bernie said, five years ago, we had 2,000 employees, today we have 88,000. You're getting along reasonably well. (Laughter.)

I have been going around the country saying to my fellow Americans everywhere that in a new economy in which we have now in the last seven years 21 million new jobs, the lowest unemployment and welfare rolls in 30 years, the lowest poverty rates in 20 years, the lowest female unemployment rate in 40 years, the lowest African American and Hispanic unemployment rates ever recorded, the highest homeownership on record and the longest economic expansion in our history, the world is changing so fast, if you want to keep doing well, you have to keep trying to do better; that it is very important that all of us understand that we'll never get anywhere by standing still -- although, given the pace at which you're growing, I'm glad I'm giving you the chance to stand still for a little bit today. (Laughter.)

This shift in our economy is changing the landscape of our country, both symbolically and literally. I first saw the landscape of Northern Virginia as a freshman in college, 36 years ago. But it looks different than it did when I became President, seven years ago. Everywhere you look, there's a brand-new facility. This place is truly amazing. And beneath all the booming business parks and green pastures, there are countless miles of cable, conducting more than over half the Internet traffic in the entire world.

There are more high-tech firms in Northern Virginia today than there were farms in 1970, when the region led the state in the production of milk. (Laughter.) Here in Loudoun County,

there are more high-tech workers than there were residents in 1980. It has been an amazing thing. Workers like you and firms like UUNet are the new engines driving our economy. You represent about 8 percent of our employment, but 30 percent of our growth over the last decade, something you can be very proud of.

The new technologies that you use are also finding their ways into every sector of our economy, making companies of all kinds more competitive. UUNet provides a lot more than Internet service. Every day you show us something about the power of ideas, the power of imagination, the power of enterprise; values that are at the core of America's character and at the bottom of this booming new globalized economy, in a marketplace that is much, much wider and fuller of possibility than any of us could have imagined when this company sold its first commercial connection in 1988.

In just 12 years you've extended your reach to 100 countries, expanding your global network by more than 1,000 percent a year. The global network is a big part of your future, and that's what I want to talk about today, and what government's role in that is.

People ask me all the time, well, this is the highest percentage of growth in jobs in the private sector, and the smallest percentage in the government of any recovery we've ever had, since we could measure such things. As a matter of fact, since I've been President, we've reduced the size of government to its smallest point in 40 years, since 1960.

So people say, well, what is your job, Mr. President? What is the Congress's job? I think our job is to create the conditions and provide the tools for you to do your job. What does that mean? That means we ought to invest in education and training and new technologies. There's a lot of research that can't efficiently and economically be done in the private sector.

The Internet originally grew out of government-funded research, which, as I was reminded today by your leaders, is one of the reasons there are so many high-tech firms in Northern Virginia. Second, we've got to give you an overall healthy economy, which is why we had to get rid of the deficits and start running surpluses, and why we ought to pay this country out of debt, keep interest rates down and make capital available for other companies to grow as well.

The third thing we ought to do is to promote genuine competition. That was behind the gentle nudge that Bernie gave me about the Baby Bell comment. (Laughter.) He was -- actually, it was a little inside joke, but he was referring, in a supportive way, to the fact that the Vice President and I fought hard in the Telecommunications Act, when we rewrote the telecommunications bill for a pro-competitive position. And

^{→ who obviously had}
Russia - Poland - Nicaragua - once you open
the door, you can't control these forces

because we fought hard, we got it, and you not only have companies like yours that have swollen in size in the last five years, there are hundreds and hundreds of companies that didn't even exist five years ago that are able to make it today because the United States took a pro-competitive position in the Telecommunications Act. Those are our jobs. That's what we're supposed to do. (Applause.)

But finally, we are a country with 22 percent of the world's income and 4 percent of the world's population. And you don't have to be Einstein or even particularly good with a computer to know that if you've got 22 percent of the world's income and four percent of the world's population and you would like to keep doing better, you have to sell something to somebody somewhere else. (Laughter.)

And that in a world that is increasingly globalized, you're better off when they're better off. Not good for you that African countries which are capable of growing at 7, 8, 10 percent a year are so burdened by debt that they can't educate their children or provide health care to their people. It's not good for you if -- because we refuse to open our markets to some countries in the Caribbean or Latin America, they don't open their markets to ours and they grow more slowly and their people remain poorer. You'd be better off if they get richer and more of them will be on the Internet.

We live in a time when really to doing the morally right thing happens to be good economics. But in order to do it, again I would say, you will do a lot of it -- I've seen enterprising kids in poor African villages logging onto the Internet and finally seeing a map that's up to date and learning geography and doing all kinds of things. People will take care of this if we establish the right conditions and provide the tools.

One of the things that we have worked hard on is to expand trade. Under Ambassador Barshefsky and her predecessor, we completed over 270 trade agreements. But in many ways, perhaps the most important of all is the agreement that -- or the decision Congress will have to make this year and in the next few months on whether to let China come into the World Trade Organization by giving them permanent, normal trading relation status with the United States.

If you've been following this debate at all, you know there is a lot of controversy about this in the Congress. And I won't go through all the arguments now, but let me just tell you, I can say this from my heart, you know, I'm not running for anything this year. (Laughter.) And most days it's okay with me, but I'm not -- most days. (Applause.)

But I care a lot about what this country will be like when the young people here in this audience are my age, when your children are your age. This is a profoundly important issue. It

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Jim Keith 40% of total trade

is, in the short term, the kind of decision that every country would wish for. Once in a generation you get a chance to open a market with over a billion consumers -- the biggest potential market in the world.

Let me explain, first of all, what this agreement does. In return for China's entry as a full partner in the World Trade Organization, the United States would gain unprecedented access to China's markets. Today, with the Chinese, we have our second-biggest trade deficit -- tens of billions of dollars, because our markets are open to their products, and they should be, because we'll be better off if they do better.

But their markets are not very open to our products and services. Under this agreement, Chinese tariffs in every sector, from telecommunications to automobiles to agriculture, will fall by half or more in five years. For the first time, our companies will be able to sell and distribute products in China made by workers here at home without transferring technology in manufacturing -- never happened before. For the first time, China will agree to play by the same open trading rules we do. Never happened before.

Meanwhile, we'll get two tough, new safeguards against surges of imports which would threaten to throw a lot of Americans out of work in a short time under unfair trade practices. So these are the kinds of changes any president, regardless of party, would welcome -- because presidents, regardless of party, have worked to bring about these changes for more than 30 years now.

This is a good deal for American workers, for American farmers, for American business. It's a good deal for America. But the only way we can get this agreement is for Congress to give China permanent, normal trading relations. This is one of the most important votes Congress will pass in this year and for many years to come. Next month, our Commerce Secretary, Bill Daley, and our Agriculture Secretary, Dan Glickman, are going on missions to China with dozens of members of Congress to meet with people in government and business and religious leaders who are interested in change in China.

It's very interesting to me that the more people go to China and spend time there, no matter what they do for a living or what their perspective is, the more likely they are to favor our bringing China into the world system of rule-based trade. Because this is about economics and more than economics -- and I want to say more about that in a minute.

But just think about the economics of high-tech companies. Today, China's tariffs on information technology products average 13 percent. When China joins the WTO, those tariffs will start to fall and be eliminated by 2005. China will open its Internet and its telecom markets to American investment and services for

the first time. That's a huge deal.

Now, the magnitude of all this almost defies measurement. The number of Chinese Internet users -- let's just take that -- quadrupled in the last year alone, from 2 million to 9 million. This year the number will exceed 20 million. And you know what the internal dynamics of this technology are, you know how much your company has grown. Now, project that rate of growth onto a country that has over 1.2 billion people. And keep in mind, the United States is not being asked to do anything to get this agreement, except to treat them like a normal trading partner on a permanent basis and bring them into the WTO.

So what are we going to do? China doesn't have the information infrastructure to support 500 million Internet users yet. But UUNet already has a presence in Hong Kong. You could help them to build it. (Applause.)

Let's look at what happens if we didn't do it. Today we've got a huge advantage in high-tech trade internationally. What would happen if we didn't take advantage of this? China will grow anyway and someone else -- not you -- will reap the benefits of it. So if we turn our backs on this opportunity, we will be unilaterally disarming in perhaps the most vital area of our future economic growth.

And let me say, finally, this is about more than money. I saw a lot of you nodding when I said it was good morally and good economics to help lift the burden of debt from the poorest African countries if they're working to try to do better. I saw a lot of you nodding when I said it was the right thing to do to buy more from the Caribbean and Latin America countries if they were doing the right thing in opening their markets to us.

We have a decision to make here. The people who don't do this by and large think that China should not be taken into the World Trade Organization because we don't agree with all their political decisions. We don't like it when they repress human rights or political rights or religious expression. We don't agree with them that we should take little or no account of environmental impacts of economic decisions; or that we shouldn't take strong steps to eliminate child labor and slave labor and things like that. We have differences.

But think of this. You know how much the Internet has changed America. And we were already an open society. I can look out in this crowd and tell that many of you come from some place else. You know how much the Internet is changing where you came from and how much it could change if it were there. The same thing is true in China.

Everything I have learned about human nature in my life, plus everything I have learned about China as President, convinces me that we're a lot better off bringing them into the

family of nations into this common endeavor than shutting them out. Do we know what China will be like in 20 years? Of course we don't. We can't control what they do; all we can control is what we do. But here again, I think our values will be advanced, along with our economic interests, if we give people a chance to be good partners. If you don't give them a chance, it's almost certain that they will react in a negative way.

So I ask all of you to think about this, because normally, Americans don't think about foreign policy much, but you know that with every passing day in a globalized economy, there is no longer a clear, bright line between an issue which is a domestic political issue and an issue which is a foreign policy issue.

With every passing day, these issues grow closer together. Do I like it when people's religious liberty is oppressed in China? No, I don't. But it's very interesting -- most of the evangelicals I know who have missions in China want China in the WTO because they know that that will make it more likely that there will be more freedom of expression, more contact with the outside world, and a bigger stake in working with other countries.

This is about money, yes; but it's about more than money. It's about whether we can create a world where there's the kind of harmony across race and ethnicity and religion that there must be in this work place that I can see just by looking around the room here. Wouldn't you like it if the world worked the way you do here? (Applause.) How could it be bad if companies like UUNet are able to make the tools of communications cheaper and better and more widely available to more Chinese people? It has to be good.

So I will say to you: I don't agree with everything the Chinese do. I'm sure they don't agree with everything I do. (Laughter.) And far be it for me to equate the two disagreements. (Laughter and applause.) I don't believe -- in all seriousness, I don't believe it's right to crack down on people for their religious views or their political expression or because they want to be in an association like the Falun Gong. I don't think that's right. But I don't believe that we will have more influence on China by giving them the back of our hand instead of giving them a chance to build a different future.

That's what this is about. And I want every one of you to think about this. Look, economically, this is a no-brainer. It's in your interest. It will make this company a lot more jobs. But I don't ask you as citizens to check your values at the door. Every one of us believes in some things that money can't buy.

But I'm telling you -- you just think about what you have learned in your life about human nature. The leaders of China are not foolish people, they're intelligent people. They know if

they open these markets, they know if you go in there and everybody gets connected to the Internet that change is coming more rapidly in ways that you cannot control, and people will be able to define their future independent of the government's ability to control it more than ever before -- whether you're talking about religion or politics or personal life choices or anything else. They know that. And they have made this decision, and we cannot let our disagreements with government policy get in the way of our interest in a long-term partnership with the most populous country on Earth. So, again, I say, what is good economics is also consistent with our values.

The late Chief Justice Earl Warren once said that, "Liberty is the most contagious force in the world." I believe the Internet inevitably is an instrument of human liberty, and it will be in China as well if we continue to reach out to people. (Applause.)

So I'm asking you to do something if you agree with this. I want you to tell the members of Congress without regard to party that represent your state -- if you live here, if you live in Maryland, you live in West Virginia -- I want you to ask them to support this. And I want you to tell them, I want you to tell them that you will stay with them on this decision if they do, because this is very, very important.

You know, I'm grateful that since I've been President, America has done well. I'm grateful for the chance I've had to make a contribution to it. But, frankly, I'm much more interested in whether America continues to do well long after my tenure in office. And, again, I say to you, if you know in your business that if you want to keep doing well, you always have to keep trying to do better; and looking at the future, anticipating the changes, imagining how you want it to be.

I can't imagine a world that I want for my child and my grandchildren that doesn't include partnerships that are constructive with the big countries of the world which promote human liberty, as well as economic progress. That's what this whole thing is about.

So I say to you, I came here today because you are the symbol of 21st century America. You are the embodiment of what I want for the future. (Applause.) And because of what you do for a living every day, because of how you see and feel the way the world is changing and how you see what it can become, you are in a position that most of your fellow Americans are not in to understand the importance of this. So, again, I say to you: you're doing great. I want you to do better. And I think we can do better and do good, but we have to start this year by making sure that we don't turn away from this profoundly important opportunity.

Thank you very much. (Applause.)