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

**Acknowledgments: former Representative Lee
Hamilton; President William Brody; Dean Paul
Wolfowitz; National Security Advisor Sandy Berger;
Secretary Bill Daley; Secretary Larry Summers;
Secretary Dan Glickman; Ambassador Charlene
Barshefsky; National Economic Advisor Gene
Sperling; distinguished guests; ladies and gentlemen.**

**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.**

Last fall, as many of you know, America signed an agreement to bring China into the World Trade Organization on terms that will 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 other countries in the WTO Today, I am submitting legislation to the Congress that will do just that. I urge the Congress to act as soon as possible.

Let me be clear: the Congress will not be voting on whether China will join the WTO; the Congress can only decide whether the United States will share in the economic benefits. A vote against PNTR will cost America jobs; it will also cost America opportunity as our competitors in Europe, Asia, and elsewhere capture Chinese markets that we would otherwise have served.

At the same time, Members of Congress want to know why our underlying decision to let China into the WTO is not only in America's economic interest, but in our overall national interest.

I believe with all my heart that this represents the most significant step we have taken to create positive change in China since President Nixon first went to China nearly three decades ago. This is our choice to make, and I'm going to work as hard as I can to encourage Americans to embrace that choice.

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 political 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 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 – the fallen dynasties, foreign invasions, civil wars, cruel famines, a communist revolution, an industrial revolution, and now the beginning of a market revolution.

But through all this upheaval, there has been one constant: America's stake -- our profound national interest -- in the outcome. For 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 the world; that upholds the rule of law at home and abroad. There is a simple reason. We are a nation that has fought three wars in Asia in the 20th Century. We have a strong stake in Asian peace and stability. 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.

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 pull China in the right direction; or we can turn our backs and almost certainly push it in the wrong direction. 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.

Let's understand one thing from the beginning: This agreement is the trade equivalent of a one-way street. It requires China to open its markets to our products and services in unprecedented new ways; we simply agree to maintain the market access that we already give to China. It does not change our tariffs one bit.

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, 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 the Chinese government, or transfer valuable technology.

We'll be able to export products without exporting jobs. Meanwhile, we'll get valuable new safeguards against any surges of imports from China. We are already preparing for the largest enforcement effort ever given to a trade agreement.

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, and we will spend the next twenty years wondering why we handed over the benefits we negotiated to our competitors.

Of course, we are going to continue our efforts not just to expand trade, but to expand it in a way that reinforces our fundamental values. Trade must not be a race to the bottom – whether we're talking about child labor, basic working conditions, or environmental protection.

The more we hunker down and refuse to devote time to these issues, the more we are going to fuel the fires of protectionism, not put them out. That's why we will continue our efforts to make the WTO itself more open, transparent, and participatory, and to elevate the consideration of labor and environmental issues in trade.

On purely economic grounds, the China WTO agreement is a win-win. Most of its critics don't seriously question that. They are more likely to say: China is a growing threat to Taiwan and its neighbors, and we shouldn't strengthen it.

Or, China violates labor rights and 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 fully aware of Beijing's actions. China is a one-party state that does not tolerate opposition. It denies its citizens fundamental rights of free speech and religious expression. It defines its interests in the world in ways sometimes at odds with our own.

But the question is not simply whether we approve or disapprove of China's practices. The question is, what can we do to improve them?

This is not a trade-off between economic rights and human rights, or economic security and national security. These are false choices. 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 faster and further in the right direction.

To understand how, it's important to understand why China is willing to do what it has undertaken in this agreement. Why they are doing this is 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 the emergence of more than one million nonprofit and social organizations, and a 2,500 percent explosion of print and broadcast media.

But its system is still plagued by corruption. Its economy is not creating jobs fast enough to meet the needs of its people. 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 operates under the old theory that if they had just shoveled coal into the furnaces faster, the Titanic would have stayed afloat.

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

With this agreement, China has chosen reform, despite the risks. It has chosen to overcome a great wall of suspicion and insecurity and engage the rest of the world.

The question for America is: do we want to play a constructive role in encouraging that? Or do we want to reject China's choice, and become bystanders as the rest of the world rushes in? I think that would be a mistake of historic proportions.

When I see this debate about China going on in our country, I remind people that the Chinese are engaged a debate about us. Not just China's leaders, but many of China's people believe we don't want their country to assume a respected 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.

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 its actions are subject to international rules and binding dispute settlement by an international body. Opponents say that doesn't matter; China will just break its promises.

But if it does, we're still better off, because its actions will be subject to rules embraced, judgments passed and enforced 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 liberate 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.

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.

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 lowering the barriers that protect its state-owned industries, China is speeding a process that is removing government from vast areas of its people lives. In important ways, this step will take the command and control out of communism.

In the past, virtually every Chinese citizen woke up in an apartment or house owned by the government, went to work in a factory or farm run by the government, read newspapers published by the 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. 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. 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 year, 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." But 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."

And how will liberty spread, in this new century? 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. 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.

When China joins the WTO, by 2005, it will eliminate its tariffs on information technology products – making the tools of communication even cheaper, better, and more widely available. 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?

Let's be clear: this is not, 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 will continue to press China to respect global norms on non-proliferation.

And we must continue to reject the use of force as a means to resolve the Taiwan question, making absolutely clear that the issues between Beijing and Taiwan must be resolved peacefully and with the assent of the people of Taiwan. There must be a shift from threats to dialogue across the Taiwan Strait.

We will continue to encourage both sides to seize this opportunity after the Taiwan election and avoid the risk of direct confrontation.

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. 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.

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.

I 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 want to see China in the WTO.

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 Wanding 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.