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2/23/00 Final
Orzulak

① keep economy growing
Pop. debt down
New Markets initiative

**PRESIDENT WILLIAM JEFFERSON CLINTON
REMARKS TO THE BUSINESS COUNCIL
ON CHINA
WASHINGTON, DC
FEBRUARY 24, 2000**

practicing to choir

Acknowledgments: Ralph Larsen; Phil Cassidy; Cindy Cassidy; ladies and gentlemen: earlier today, you heard from Secretary Summers and Ambassador Barshefsky about the upcoming debate over China's entry into the WTO. I want to spend a few minutes telling you why I think this is one of the most important votes this Congress or any Congress will cast. *in first half of this year*
essential thing to do President - regardless of party

For the past 30 years, every ~~one of my predecessors~~ *we have a go* has worked for the emergence of a China that contributes to peace in Asia; that is open to American products, farmers, and businesses; that allows its people access to ideas and information; that upholds the rule of law at home and adheres to global rules abroad. ~~The reason is simple. America has a tremendous stake in how China evolves. We are a Pacific nation that has fought three wars in Asia in the 20th Century. As China develops, the path it illuminates or the shadow it casts will be felt very far from its own borders. The more we can promote peace and stability in Asia, the more we promote our own peace and stability.~~ *America's interests + values will be served*

This WTO agreement with China helps to advance all of those goals in unprecedented new ways. It is the kind of opportunity that emerges only once in a generation, and we should seize it. If we turn our backs, we will regret it for a generation.

I don't believe there can be any serious question that this agreement is in America's economic interest. This agreement requires China to open its markets on everything from agriculture to manufacturing to high-tech products -- ~~while we agree simply to maintain the market access that we already give China.~~ *all we do* For the first time, ~~U.S.~~ *our* companies will be able to competitively sell and distribute in China products made by American workers here at home. ~~And it strengthens our response to unfair and market-distorting trade from China, from import surges to forced technology transfer to protection of intellectual property.~~

one of things many members don't know: bilateral

Think about what this agreement could mean ~~for our farmers.~~ *to our economy, starts with ag* It cuts tariffs on everything from corn to wheat to barley by two-thirds, and gives our farmers new access to one-fifth of the world's population. Little wonder that paystubs at the Farmland Institute read: "China will account for nearly 40 percent of the future growth of U.S. agricultural exports."

every with regard to

~~Think about what it could mean~~ to our telecommunications industry. China today already has the largest potential telecommunications market in the world -- only five percent of it has been tapped. This agreement will allow American firms -- who already are leading the world -- to compete in developing the other 95 percent.

With regard

~~And think about what this agreement could mean~~ to our auto industry. Tariffs will fall by nearly 75 percent. The requirement that we rely on Chinese distribution is eliminated, as is the requirement that we have to transfer our technology. American manufacturers will now, for the first time, be able to sell American-made cars in China, to set up their own distribution centers, to run their own service shops, and to provide their own financing to consumers. ~~It means that we're going to sell more American cars and auto parts in China, which means more jobs here at home.~~ *that* *they*

Now, most Members of Congress don't even question those benefits. Critics are more likely to say: China is a growing threat to Taiwan and its neighbors, and we shouldn't strengthen it. Or, China is a drag on labor and environmental rights, and we shouldn't engage 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 all those concerns will be absolutely legitimate.

They will be advanced or undermined by letting China into WTO. - Question is whether
But this debate should not be defined as economic rights versus human rights – or economic security versus national security. That is a trap, it's 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 promotes both jobs in America and progress toward change in China. *- Every single concern we have will grow greater & get worse if we don't let China into the WTO.*

Over the past 20 years, China has made a lot of progress in building a new economy, lifting more than 200 million people out of absolute poverty. It is linking so many people through its wireless communications network that it is adding the equivalent of a new Baby Bell every year. But its system is still plagued by corruption. Less than one-third of its economy is private enterprise. 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.

going to WTO! *This is a big decision for them*
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 – namely, unemployment, social unrest, and demands for political freedom. But they have also concluded 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.

They're highly intelligent. They know what they're doing.
With this agreement, China has chosen to embrace change, despite the risks it entails. The real question for America is: do we really want to reject that choice? That would be a disastrous mistake. We need to embrace it, and that is what the WTO agreement does. It advances our interests by encouraging China to meet, not muzzle, the growing demands of its people for openness. Rather than working from the outside-in, it will work from the inside-out to move China in the right direction, in at least three ways.

make a few points
Number one, having China in a rules-based system increases the likelihood that China will follow the rules of the road in terms of the international economy.

Under this agreement, some of China's most important decisions, for the first time, will be

*No 4 everyone agrees w/ WTO
I don't agree w/ Fisk decision,
Know you don't either. have to work w/ Congress.*

subject to the review of an international body. It means that China is conceding that governments cannot behave arbitrarily at home or abroad, that their actions are subject to international rules. Opponents say that doesn't matter because China will just break its promises. But if China does, we're still in a better position, because it won't be able to ascribe differences to U.S. bullying - its actions will be subject to judgments backed by 135 nations.

135 nations make a collective decision

Number two, this agreement will obligate China to deepen its market reforms, intensifying the process of change.

A decade ago, China's best and brightest college graduates sought jobs in the government, in large state-owned firms or universities. More and more, the best and brightest are either starting their own companies or choosing to work 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. That process will only accelerate as China joins the WTO, and we should do all we can to encourage it.

Third

Number three, I believe that this agreement has the potential to help open China's society. *in non-economic ways.*

Think about it: in the past, virtually every Chinese citizen woke up in the morning in an apartment or house owned by their government, went to work in a factory or farm run by their government, read newspapers written by their government. Their state-run workplaces also operated the schools where they sent their ~~kids~~ *children*, the clinics where they got health care, the stores where they bought their food. That system was a big source of the Communist Party's power; the meager benefits ~~provided~~ *provided* were a big source of the loyalty it commanded. But now, with lower tariffs and greater competition, China's state sector ~~is going to~~ *will* shrivel; ~~its~~ *the* private sector will expand. In that way, this WTO agreement will speed a process that is removing government from vast areas of people lives.

It will also dramatically increase access to communications. A year ago, China had two million Internet addresses. ~~Today~~ *Now* it has nine million. This agreement ~~is going to~~ *will help* bring the information revolution to cities and towns across China. As the Chinese people see how ~~people across the~~ *the* world lives, I believe they will seek a greater voice in shaping their own lives.

In the end, China is going to learn ~~what every other nation is learning as we go through this~~ *people all over the world are learning* knowledge-based, information age: 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. By accelerating the process of economic change, it will force China to confront that choice sooner, and make the imperative for that change much more powerful.

of course, - in ways that are more powerful -

~~But let's be clear~~ bringing China into the WTO is not, by itself, a human rights policy for the United States. The reality is that China continues today to suppress the voices of those who challenge the rule of the Communist Party. It will change only by a combination of internal pressures for change and external validation of ~~its~~ *the* human rights struggle. And we must maintain our leadership in the latter, even as the WTO agreement contributes to the former.

* There will be a vote, as quickly. GOP leaders - religious groups overwhelmingly in favor - religious freedom, - choice between fear & hope - CBTD - we bear a particular responsibility -

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

We must not and we ~~will not~~ ^{cannot} rely on the invisible hand of the market to do our heavy lifting with China, and neither should the private sector. For all of us -- including the business community - permanent NTR must mean a permanent commitment to change in China.

But to even get that opportunity, we must first ^{sell} ^{positive} get this agreement through the United States Congress. And we can't underestimate for a second how hard this is going to be. There are real differences.

^{want you to know} ^{will} I'll promise you this: I ~~am going to~~ push this as hard as I can to pass this agreement. I know you heard me talk about this in my State of the Union Address, and in my press conference last week. I also talked about it in Davos. Last week, I started meetings with members of Congress, and those meetings will continue this week. You can expect to see a full-court press from my entire Administration. Those efforts are already underway.

I know you realize the stakes ^{here} ^(China) involved. If Congress doesn't approve PNTR, we risk losing the full benefits of China's WTO membership. In a global economy, with global markets, your companies will be shut off from ~~one~~ ^{one} fifth of the world - while your European, Japanese, and other competitors will take advantage of the benefits we negotiated. But failure would also send a signal to the rest of the world that America has turned inward. That would be a devastating setback to our vision of the future.

We don't know what choices China will make - but we can control the choices we make. And today, we have a clear choice: between a Chinese market that is open to American products and American services, or closed to us and only us. Between speeding the opening of China's economy and society, or turning our backs. Between a China that is on the inside of the international system looking out, or on the outside looking in. Between a China that is moving in the right direction, or in the wrong direction. Above all, we have a choice - at a moment of America's greatest strength and influence - to either lead the world, or turn away from it. I am confident that we will make the right choice, because it is good for America, good for China, good for Asia, and good for the world. I look forward to working with you to turn those worthy goals into reality. Thank you.

It's imp to be honest. ^{w/ Congress & Am people} We don't know what choices China will

One other comment: in labor community. Labor + environment...

- Labor + env. already a hard sell in WTO - China won't make any different.

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As Prepared for Delivery

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

**The Woodrow Wilson International Center for Scholars
Washington, D.C.**

February 2, 2000

Speaking to the Wilson Center is always a challenging prospect. It brings to mind the story of the man who lived through the famous Johnstown flood. All his life, this man would tell everybody he met the story of how he survived. When he died and went to heaven, he asked St. Peter to convene a crowd so he could tell them about the great flood. St. Peter said, "I'd be happy to. But you have to remember one thing -- Noah will be in the audience."

There's more than one foreign policy Noah in this distinguished audience. Indeed, Lee Hamilton himself comes with an entire Ark. For more than 30 years, Lee brought a steady hand to foreign policy in Congress, with the emphasis always on patriotism, not partisanship. I thank him for that.

Last week in his State of the Union Address, the President gave a compelling summary of the challenges America will face in the 21st Century. Looking ahead, there's good reason for optimism. This month, America marks the longest economic expansion in our history. Our military strength is unchallenged. Our alliances are strong. Our values are ascendant in the world. Eighty years after Woodrow Wilson hoped American leadership would help make the world safe for democracy, for the first time ever, more than half the world's people now live under governments of their own choosing.

But as the President said, this is not a world without dangers to us. Our security can be threatened by regional conflicts that pose the risk of a wider war. The march of technology can give terrorists and hostile nations the means to undermine our defenses, and force us to once again live in fear. The stability of the 21st Century can be threatened by an ever-widening gap between rich and poor. And of course, there is the possibility that our former adversaries Russia and China will fail to emerge in this century stable, prosperous, and democratic.

(Clinton)

Today, I want to talk about China. Since President Nixon went to China in 1972, the United States has sought to develop a constructive relationship with Beijing, initially as a counterweight to the Soviet Union and later in recognition of China's growing importance in its own right. We have 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 ~~nuclear~~ non-proliferation to human rights to trade.

This year, we have an unprecedented opportunity to advance those goals. The opportunity is China's entry into the World Trade Organization.

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 ~~status, which is~~ the same arrangement we have given to 132 of the other 134 countries in the WTO. Doing so is necessary to guarantee ^{what we realize} the full market-opening benefits of the agreement we negotiated with China. 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?

Now, Every debate on trade must first answer the threshold question: will our economy and our workforce benefit from the terms we've negotiated, or will ~~they~~ suffer? From an economic perspective, there is no denying that this agreement ~~strongly~~ ^{benefits} the United States.

For years, China has had open access to our markets, while its markets have been in many ways closed to American products and services. This agreement requires China to make wide-ranging new concessions to open its market, while we have agreed only to maintain the market access ^{that} ~~policies~~ we already apply to China. Denying China PNTR ^{sales} simply would deprive American companies and workers of the full benefits of China's concessions – the favorable market access and dispute settlement that our European, Japanese, and other competitors will ~~have~~ ^{be advantage of}.

This agreement will dramatically reduce China's tariffs on everything from agricultural and industrial products to computers and semiconductors. It directly responds to concerns about unfair trade practices in China and allows our businesses to export to China from here at home, and ^{to} have their own distribution network in China, rather than being forced to set up factories there to sell products through Chinese partners.

Now, That is what this agreement means in principle. Here is what it means in practice.

Consider the auto industry. Right now, a car made in Dearborn faces an 80 to 100 percent tariff before it can be sold in China --which prices us out of the market. If you want to sell cars in China, you need to base your operations in China. To do that, you must ^{that} form a joint venture with a Chinese state-run enterprise and give it at least a 51% stake. You also must agree to transfer a significant amount of your technology to China, and teach the Chinese how to use it -- which means you are transferring both your product and expertise to ~~your~~ eventual competitors. And because of local content requirements, most parts have to be made in China, too.

In addition, Americans cannot now directly run parts distribution centers in China, so once your parts are made, Chinese partners have to sell them for you. Americans are not allowed to directly own service centers, either. And all this assumes that Chinese consumers can buy the cars in the first place, because the only financing that is allowed in China is through state-run banks -- and they don't make loans for cars. Little wonder that there are many times more bicycles in China than automobiles.

Under the new agreement, it's completely different. Tariffs on American cars will fall by nearly 75 percent, so we can compete in Chinese markets. The requirement that we have to link up with Chinese enterprises is eliminated. So is the requirement that we have to transfer our technology. And, American manufacturers will now be free to use parts made in America for assembly in China, to set up their own distribution centers, to run their own service shops, ~~and~~ to provide their own financing to consumers.

From our perspective, it means that ^{here} we're going to sell a lot more American cars and auto parts in China, which means more jobs ⁱⁿ America. In return, the Chinese people end up with much better products at lower prices. ^{by} Take that example and multiply it across our other industries -- from manufacturing to agriculture -- and you begin to get an idea of what this agreement ~~could~~ ^{would} mean to both our economies.

For our part, we must grant China permanent normal trade relations ~~status~~. It's important to understand what that means: it simply means that we ~~will~~ ^{almost} give China the same tariff schedule we apply to ~~most~~ ^{almost} every other nation in the world, and China will do likewise. It would eliminate the annual vote on China's trade status, which we do not apply to any other WTO member. Some have said we need the annual vote to address other concerns we have with China, ~~on~~ human rights, proliferation, or religious freedom. But Congress always has the authority to address any part of our relationship with any nation, including China. The annual China trade vote has not been an effective instrument. It simply has affirmed our trading relationship with China for 20 years in a row. What permanent normal trade relations status for China will do is get us out of the cycle we are now in, where the future of ~~Chinese~~ ^{China's} trade comes up every single year for a divisive and not very effective vote.

The economic benefits of this deal to America are clear. If Congress votes no, we risk losing the full, ~~enforceable~~ market access benefits of the agreement, ~~as well as the special protections we negotiated~~. In a global economy, where global markets are essential, American businesses and workers would be put at an enormous disadvantage, essentially shut off from one fifth of the world. It would be a self-inflicted wound for the economic health of America.

But I believe the economic benefits are only the beginning of the argument. ^{of serious magnitude} For I am convinced that this agreement is as vital to our national security as it is to our economic security. ^{for this agreement + PNTR}

Our nation has a tremendous stake in how China evolves. We are a Pacific nation which ^{has} fought three wars in Asia in the 20th Century. Our future is tied to Asia. And the stability of Asia -- economically, politically ~~and~~ ^{and} militarily -- is inextricably entwined with the stability and direction of China. As China develops, the path it illuminates or the shadow it casts will be felt far from its own borders.

Yuan -

China will write that future as it answers some fundamental questions: It has extended some freedoms -- but will it gain the stability that can only come from respecting human rights and permitting opposing political voices to be heard and felt? It is reforming its economy -- but will it unleash the necessary ingredient of sustained growth in the information age -- namely access by its people to knowledge and unfettered thought? It has become deeply engaged in the international community -- but will it make a broad commitment to play by global rules and do its part to address global challenges like the spread of weapons of mass destruction and climate change? It is growing stronger -- but will it use that strength to build a more secure Asia, or to threaten the freedom and security of its neighbors? Ultimately, the answers will come from China. But we have a enormous stake in encouraging it to choose the path of integration and reform, not confrontation and decline. Bringing China into the WTO will make a big difference.

To understand why, we need to have a clear-eyed view of China, neither looking through rose-colored glasses or through ~~the~~ ^a glass darkly. We need to look at its progress and its problems, its system and its strains, its policies and its perceptions of the world. ^{itself}

In the last 20 years, China has made remarkable progress in building a new economy, lifting more than 200 million people out of absolute poverty. One incredible result is that China now has the largest wireless communications network in the entire world, and is linking so many people to one another that it is adding the equivalent of a ~~new~~ Baby Bell every year.

But China faces ^{a lot} daunting problems ~~as well~~. Its working age population is increasing by more than 12 million people -- equal to the population of New England -- every year. Tens of millions of peasants are migrating from the countryside, where they see no future, to the city, where only some find work. China's political system is plagued by corruption. Its air is so dirty that 25 percent of all deaths in China over the age of five come from chronic respiratory disease, four times the U.S. rate. And China's economic growth has slowed just when it needs to be ~~rising to~~ ^{to} create jobs for the unemployed and maintain support for economic reform.

For all the progress of China's reforms, private enterprise still accounts for less than one-third of its GDP. China's state banks still are making massive loans to struggling state firms, the sector of the economy least likely to succeed. In other words, China cannot maintain stability or ensure prosperity by maintaining the status quo.

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 to America as their strengths." So as we focus on the potential challenges that a strong China could present to the United States in the future, 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 illegal emigration -- a vast zone of instability in Asia.

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. Bringing China into the WTO will help in three ways.

First, this is not just an agreement to expand trade between our two countries. It will obligate China to deepen its market reforms and open its economy to the world. It will increase the pace of change in China.

China's top leaders understand that economic change is both essential and risky. It is risky because opening China's antiquated economy to global competition is likely to cause more short-term unemployment and the specter of social unrest. But, interestingly, they also understand that this change is essential because China cannot make the next leap in development without world-class industries and products that can compete in the global economy. And the only way to produce competitive industries is to open the country to outside competition. With this WTO agreement, they have chosen to continue opening their economy, despite the risks that path entails. Do we really want to reject that choice?

The introduction of competition results in natural pressure for progress. A decade ago, China's best and brightest college graduates sought jobs in the government, in large state-owned firms or state-run research institutions or universities. More and more, the best and brightest either are starting their own companies or choosing to work 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 the Chinese market in developing human resources -- by emphasizing teamwork and respect for individual rights. In turn, more and more, Chinese firms are learning that unless they change their working style and 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 do ~~all~~ we can to encourage it, because it will lift ~~the~~ standards of Chinese workers -- and their expectations.

Second, by accelerating ^{everything} economic change, the agreement we reached also has the potential to encourage China to evolve into a more open society.

In ways that are ^{uncomplete} ~~incomplete~~, but nonetheless real for millions of ordinary Chinese citizens, China's economic opening already has given its people greater scope to live their lives. Take Shanghai, for example, the city that has been most open to international influence. Ten years ago, people in China did not own their own homes. Today, 25 percent of Shanghai residents are homeowners. When reforms began, there were no supermarkets, and citizens had to buy food from state-run outlets using coupons. Today, there are more than 1,000 supermarkets and no more rationing of food. A decade ago, Chinese citizens could rarely travel in or out of their own ^{society} ~~country~~. Last year, on New Year's Day, airlines added more than 250 flights to international destinations from Shanghai alone. Nationwide, China has seen the emergence of more than ~~one~~ ^a million nonprofit and social organizations -- professional associations, consumer groups, tenant organizations, environmental groups; a 2,500 percent explosion of print and broadcast media; and local elections in the vast majority of the country's 900,000 villages.

Let us understand: these changes do not mean that the people of China enjoy political freedom. Chinese authorities still tolerate no organized political dissent or opposition, and no challenge to the Communist Party. Over the past year, we have seen an increase in its crackdown on political activities and dissent; stepped-up controls on unregistered churches; the suppression of ethnic

2:30 ethnic minority groups, especially Tibetans; and the imprisonment of even more dissidents whose only crime is free speech. Because the Communist Party's ideology has largely 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.

So let me make very clear: This agreement is not, by itself, a human rights policy for the United States. We must and we will continue to speak out on behalf of people in China who are persecuted for their political and religious beliefs. That is why we pushed for the release of Dickinson College librarian Song Yongyi, who was released just last week. That's why we sanctioned China as a "country of particular concern" under the International Religious Freedom Act last year. That's why we sponsored a resolution last year in the UN Human Rights Commission condemning China's human rights record and why we're doing it again this year. 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 ^{global} ~~the problem~~ of global climate change.

Such With or without this WTO agreement, we will need to continue to work in all these areas. At the same time, I believe this agreement will reinforce and complement these efforts, and help move China in the right direction in fundamental ways.

For example, in the past, the Chinese state was every citizens' employer, landlord, shopkeeper, and news provider all rolled into one. By advancing privatization, this agreement will accelerate a process that is removing government from vast areas of people's lives.

By giving investors and property owners ~~predictability and~~ protection against arbitrary government action, it reinforces the idea that individuals have rights. This will give added impetus to those trying to strengthen the Chinese legal system in a way that allows citizens to hold their government truly accountable.

Finally, 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 last week, 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, the fact 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 kind of repression 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 ^{information} can succeed only as it liberates the minds of its people and empowers the individual. In this age, you cannot expect people to be creative economically and frozen politically. At the same time, China may discover that people are far more willing to tolerate wrenching economic change when they have a say in the

over the last 2 yrs.
 decisions that affect their lives. Compare the fates of the governments of an autocratic Indonesia and a democratic South Korea as they faced the Asian financial crisis ~~over the past two years~~. Bringing China into the WTO ~~doesn't~~ ^{will not} guarantee it will make the right choice for political reform. But by accelerating the process of economic change, it will force China to confront that choice sooner, and make the imperative for that choice far more powerful.

How will China change? I believe it will be a combination of internal pressures for a greater voice and external validation of the human rights struggle by the international community. The WTO agreement will bolster the former while we maintain our leadership role in the latter. Our policy should no more be measured week to week or year to year than you could have measured ~~our~~ ^{American} policy toward the Soviet Union -- with which we continued to engage, even though it posed a much greater threat to us than China does today.

This agreement will advance our national security interests in a third way ~~as well~~: 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 the terms of this agreement, the Chinese government is ^{obligated} to publish laws and regulations. It subjects some of its most important decisions, 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~~ ^{is} more likely to accept the legitimacy of international norms, and define its future within the international community, not outside of it.

^{skipped} I know some say that if China is allowed to join the WTO, it actually will undermine our effort to strengthen global norms in two very important areas: labor rights and the environment. But the fact is, most of the members of the WTO already are developing countries, with the same concerns that trading rules not become an instrument to restrict their growth. China's membership won't change that equation. And considering the fact that China is home to one-fifth of the world's people and the source of a rising share of greenhouse gas emissions, it is hard to imagine an effective global effort to meet those environmental challenges without China. ^{helpless}

It's fair to ask: how do we know China will do what it promised to do in the agreement we signed? Of course, we cannot know for sure. But we do have reasons to believe that it will, 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 its leaders believe reform is in China's interest.

Second, as a member of the WTO, non-compliance by China is subject to dispute resolution under the WTO; like any other country, China will confront judgments backed by a 135-member body, rather than being able to ~~chalk up~~ ^{dismiss} friction to supposed U.S. bullying. ~~Right now, if China treats our products unfairly, we have no recourse, short of pulling the plug on trade.~~

This agreement increases our leverage with China in the event of a future trade dispute. If China does not comply with adverse rulings by the WTO, we are entitled to take equivalent action against China.

In the end, we must and will continue to protect our interests with firmness and candor. But we must do so without isolating China from the global forces that can empower its people to build a better future. That would leave the Chinese people with less access to information, less contact with the democratic world, ~~and more resistance from their government to outside influence and ideas.~~ No one could possibly benefit from that except for the most rigid, anti-democratic elements in China itself. Let's not give them a victory by locking China out of the WTO.

The question is not whether or not this trade agreement by itself will cure serious and disturbing issues of economic and political freedom in China; the issue is whether it will push things in the right direction. President Clinton believes it will. Some of the most courageous proponents of change in China agree. Martin Lee, leader of Hong Kong's Democratic Party, says that without entry to the WTO, "any hope for the political and reform process would also recede." And Chinese dissident Ren Wanding said upon the deal's completion: "Before, the sky was black. now it is light. This can be a new beginning."

It is our shared conviction that supporting this agreement is a new beginning. It is the right thing for America, for China, for Asia, and for the world. It will increase the chance that China will define its future within the international community, and move toward a more open society that ~~upholds the rule of law.~~ That is what is at stake in this debate. Let us have the wisdom to choose wisely. Thank you.

2:40

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THE WHITE HOUSE

Office of the Press Secretary

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PRESS CONFERENCE BY THE PRESIDENT

The East Room

2:25 P.M. EST

THE PRESIDENT: Good afternoon. I would like to cover a couple of topics in an opening statement, and then I will take your questions.

First, let me say that we all know that we're in the midst of the longest and strongest economic expansion in our history, with nearly 21 million new jobs, unemployment at 4 percent, and solid income growth across all income groups.

Americans in public service and in the private sector must remember that our success in promoting peace and prosperity is not the result of complacency, but of our common commitment to dynamic action rooted in enduring values. If we want to continue to enjoy success, we must continue our commitment to dynamic action.

There is important work to be done in America this year, and in Washington, D.C. this year. First, we must stay on the path of fiscal discipline that got us to this point. If we stay on that path, we can make America, in just 13 years, debt free for the first time since 1835. Then we can use the benefits of debt reduction to preserve two of the most important guarantees we have made to the American people -- Social Security and Medicare -- something that will be a challenge as we see the number of people over 65 double in the next 30 years with the retirement of the baby boom generation.

Specifically, we can make a bipartisan down payment on Social Security reform by crediting the interest savings from debt reduction to the Social Security trust fund, to keep it strong and sound for 50 years, beyond the life span of all but the most fortunate of the baby boom generation. As a first step toward a comprehensive solution, I believe we should do something I called for in my 1999 State of the Union address, to end the earnings limit for Social Security retirees between the ages of 65 and 69.

To strengthen and modernize Medicare, I propose to implement important reforms and to dedicate more than half the non-Social Security surplus to Medicare, over \$400 billion, to keep it solvent for another decade, past 2025, and to add a voluntary prescription drug benefit. I'm pleased Congress is beginning to take up this issue, and I ask them to move quickly, and to resist the temptation to spend large portions of the surplus before we have lived up to our commitment to prepare for the undeniable health and financing challenges that Medicare will bring.

We should also move to complete the unfinished business of the last Congress -- passing a real patients' bill of rights, campaign finance reform, hate crimes legislation, an increase in the minimum wage, and especially common-sense gun safety legislation.

Guns in the wrong hands continue to claim too many young lives -- lives like those of Andre Wallace and Natasha Marsh, the fine young D.C. residents who were gunned down in front of Natasha's home last week, and were buried just yesterday. We saw it also in Littleton just a few days ago, with the shooting deaths of two teenage students from Columbine High School.

Today, the Secretary of Housing and Urban Development, Andrew Cuomo, who is with us today, released the first-ever comprehensive analysis of gun-related violence in public housing in America. The report shows that while crime in public housing is declining, as it is in the rest of the country, gun-related crime remains a serious problem there, with residents of public housing more than twice as likely to be victims of gun violence as other members of our society. More than a million children and 360,000 seniors live in public housing in the United States. They deserve to be as safe as the rest of us. Ten months after the tragedy at Columbine, it is long past time for Congress to pass this common-sense gun safety legislation.

I would also like to address the impact of rising oil prices on American families. In the Northeast, the impact has been particularly harsh because, from the Mid-Atlantic states to New England, many families still rely on home heating oil, a source of heating no longer used in the rest of the country. These families have been especially hard-hit. That is a serious concern, especially because the winter months have been colder this year than in the past few years.

Since January, we have released \$175 million to help lower-income families pay their heating bills. We have also asked refiners to keep producing at full throttle until the crisis is past. And we directed the Coast Guard to expedite deliveries of home heating oil to affected areas. These actions have helped to ease the burden on the citizens who are most vulnerable. Still, there are too many families with moderate

incomes who have no option other than heating their homes with oil, and they need help, too. There is more to do.

Secretary Richardson is in New England today, holding a summit with refiners, distributors and major users of home heating oil to determine how government and industry can work together to better meet the needs of consumers in the Mid-Atlantic and the New England states. Today, I'm announcing additional steps to help families struggling to pay their heating bills. I directed my budget office and the Department of Health and Human Services to release right now the remainder of this year's funding for emergency heating assistance, about \$125 million more. This money will be targeted toward the hardest-hit states, those with the highest usage of home heating oil. I will be meeting with governors and members of Congress in those states to ask them to use all their authority to expand the pool of people who receive those funds, making sure that as many people who need the help can get it.

And let me explain what I mean by that. Under the present law, states can pay LIHEAP assistance, low income heating assistance to people up to 150 percent of the poverty line, the national poverty line, or up to 60 percent of the median income in their states. In the states that are most severely affected, where you have a lot of people who live on middle incomes, but particularly if they have children, are really hurt by an increase of \$200 or \$300 a month in their home heating bill -- are eligible for this assistance but don't presently receive it. So if we provide more money -- if the states really want to see the maximum number of people helped, they have the ability to raise the income limits of people eligible for that help, and to structure the help accordingly.

We will also be requesting \$600 million in emergency supplemental funding for the LIHEAP program to help more hard-hit families through the current crisis, as well as to have some money for others who may be hard hit later in the year when the hot weather sets in.

We will send legislation to Congress in the next 10 days, and I hope there will be fast action on it. Meanwhile, we will continue to work toward a longer-term solution. I've asked Secretary Richardson to conduct a 60-day study on converting factories and major users from oil to other fuels, which will help to free up future oil supplies for use in heating homes.

Americans have always pulled together to help their fellow citizens in times of need. Over the last seven years, we've stood to help the victims of earthquakes in California, of the farm crisis and a 500-year flood in the Middle West, and again and again, and recently again this week, the violent storms in the South. Now the families in the Northeast need our help, too, and we must act.

Again I say, the United States did not get to this fortunate moment by inaction and complacency. We got here by a commitment to giving the American people the tools and conditions to solve their own problems and continuing to act aggressively and dynamically. This must be a year of that kind of action. Thank you, very much.

Now, Helen, would you like to begin?

Q Mr. President, you don't seem to have any good news on the Northern Ireland and Middle Eastern front, so I thought I'd ask you a homefront question. How do you like being targeted in the Republican presidential campaign? Texas Governor -- I have to quote this -- Texas Governor Bush told Senator McCain, "Whatever you do, don't equate my integrity and trustworthiness with Bill Clinton. That's about as low as you can get in the Republican primary." And McCain said that he resented being called "Clinton" or "Clinton-like," and a few other things. What do you say?

THE PRESIDENT: Well -- (laughter) -- I have a couple of observations. One is, you know, they're playing to an electorate, most of whom did not vote for me. And secondly, I have a lot of sympathy with Governor Bush and Senator McCain. I mean, it's hard for them to figure out what to run on. They can't run against the longest economic expansion in history; or the lowest crime rate in 30 years; or the lowest welfare rolls in 30 years; or the progress America has made in promoting peace around the world; or the fact that our party overrode theirs and passed the family leave, and it's benefited 20 million people and it hasn't hurt the economy.

So they've got a tough job, and I have a lot of sympathy with them. And I don't want to complicate their problems by saying any more about them. (Laughter.)

Terry?

Q Mr. President, there are growing calls for a national moratorium on capital punishment, from the American Bar Association to members of Congress. Governor Ryan has halted executions in Illinois, as you know, because the convictions of 13 people on death row were overturned. On the other hand, Governor Bush said last night that he's confident that the 100 people who were put to death in Texas under his watch were all guilty. You've had some experience with this. You signed four death warrants -- or execution warrants while you were governor. What's your feeling about a moratorium on executions?

THE PRESIDENT: Well, first, I think Governor Ryan did the right thing, and it was probably a courageous thing to do, because a majority of the American people support capital punishment, as do I. But I think that in Illinois, you had a situation where the exonerations and the executions were about

equal in number over the last several years. So he had a difficult situation, and I think he did the right thing.

And I think that if I were a governor still, I would look very closely at the situation in my state and decide what the facts were. There are, I think, not those grounds for that kind of moratorium under the federal law because of the circumstances under which people are convicted. Now, we have a different review going on here, a Justice Department review on the racial impact, or whether there was one in the death penalty decisions under the federal law. There are 27 people who have been sentenced to death under federal law, 20 in the civilian courts and seven through the military system.

We also are in the process of developing guidelines for clemency applications when any individual's claims of innocence or questioning of the sentence, even though guilt is not a question, can be pressed. And, I think, in an attempt to address the problem you mentioned, I think Senator Leahy has introduced some legislation to try to give convicted criminal defendants access to DNA testing and other things, which might tend to disprove their guilt.

So I think all these things need to be looked at. The people who support the death penalty, it seems to me, have an especially heavy obligation to see that in cases where it is applied, there is no question of whether the guilt was there. So the only issue that is left is whether philosophically you think it is the right or wrong thing to do.

Q So you would not support a ban -- you would not support suspending it or a moratorium now?

THE PRESIDENT: In the federal cases, I don't believe it is called for. But, as I say, we do have the review going on in terms of the racial implications of the way it's been applied and we're also in the process of drawing up guidelines for clemency requests, which, obviously, would give people an opportunity to raise the question of whether there was some doubt about their guilt or innocence.

But I do think Governor Ryan did the right thing. I think it was a great thing to do.

Q Mr. President, next month you're going on a trip to India and Bangladesh, but not Pakistan. What can Pakistan's military rulers do to get you to reconsider?

THE PRESIDENT: Well, first of all, I haven't decided whether I'm going to Pakistan, or not. I have decided that I am going to India and Bangladesh, and I will make a decision about whether to go based on what I think will best serve our long-term interests in non-proliferation, in trying to stop, particularly, the arms race, and trying to help to promote stability,

democracy and a resolution of the conflict between India and Pakistan.

I hope that my trip will serve to highlight to Americans the importance of that region to us, and the very real danger that a conflict between India and Pakistan not contained is one of the most significant security threats to the interests of the United States in this new century -- and, I might say, a tragic situation.

You know, we -- I think one of the reasons we've been able to play a meaningful role in Northern Ireland is we have so many Irish Americans here. I think one of the reasons we've been able to play a meaningful role in the Middle East is we have a lot of Jewish Americans and a lot of Arab Americans. I think we forget that among all the some-200 ethnic groups that we have in our country, Indian Americans and Pakistani Americans have been among the most successful in terms of education level and income level. They have worked and succeeded stunningly well in the United States and, astonishingly maybe, had good contacts with one another.

And I think the United States should be more involved there, even though I think that they'll have to work out this business of Kashmir between themselves. Unless we were asked by both parties to help, we can't get involved. We've been -- in every other case we're involved, it's because both parties have asked us to be involved.

But I will make a decision about where to go and what to do based on what I think will further our long-term goals. And I have not reached a final decision.

Q Mr. President, as you're well aware, the Arkansas Supreme Court Committee on Professional Conduct has initiated an investigation into a complaint regarding statements that you made in testimony before Judge Susan Webber Wright -- action that could include disciplinary action, up to and including disbarment. My question, sir, is, would you be willing to surrender your law license to avoid such a hearing? Or will you fight it, up to and including availing yourself of a public hearing, as you are entitled to under the regulations?

THE PRESIDENT: Well, let me say to you, the reason -- and the only reason -- I even settled the lawsuit in the first place was because I thought that it was wrong for the President to take an hour, much less a day, much less weeks, away from the job of the American people to deal with anything that could be a distraction. And I did it only after there was a court ruling that the case had absolutely no merit, which was obvious to everybody who looked at the facts.

Now, I haven't changed my position on that. As a result, in all the things that have happened subsequently, I have

left a lot of things unsaid which I might have otherwise said. And I hope I can continue to do that, and that's what I'm going to do today. I don't think I should be spending my time on this. I think I'm working for the American people. And I'm going to do my best to adhere to that. And as a result, I have refrained from saying a lot of things I would otherwise have said, as an American citizen and as a lawyer.

Yes, go ahead, in the back.

Q Mr. President, along the lines of the heating oil situation or whatever, would you at any point consider -- because, perhaps as the prices continue to spike up -- would you at any point consider that it could have some detrimental effect on the economy? Would you consider tapping into the Strategic Petroleum Reserves? And conversely, I'd like to ask if we as Americans have some kind of divine right to cheap gasoline and cheap heating oil?

THE PRESIDENT: Well, you've asked two questions, and let me try to answer them. And I'd like to make, if I might, three points.

Number one, the statute for using the Strategic Petroleum Reserve sets forward the conditions under which it might be used. And I have not ruled out any action which I think is in the interest of the American people.

Number two, I think what is in our interest are stable prices that are not too high, but don't drop real low, encourage over-consumption, and then jump way up again. That is, what we need is stable prices that are not too high, but that are also stable.

I also think that is in the interest of the producing countries. Why? Because if prices got so high they weakened -- disregard America's economy -- other people's economies, that would shrink the markets for the producers. If the economy goes down, that would lower the price and they'd wind up with the worst of both worlds. If the price stayed up for any period of time, it would make non-OPEC members who could produce oil more likely to do it, which would further drive the price down.

So I think the OPEC members understand that and I think there is an interest in stable prices at an acceptable level. And we have these conversations all along and I think that is clear. And we will see what happens on that. But I wouldn't rule out using the Petroleum Reserve.

Now, the third point I want to make is this. You said, do Americans have a right to cheap gas and cheap heating oil. What I want to do, because I think it's important for our long-term security, is get America in a position where the fuel efficiency of our vehicles is so great -- or our ability to use

alternative-fuel vehicles, or dual-use vehicles, biofuels, mixed electric and gasoline-fuel vehicles that have automatically regenerating batteries -- that our capacity to do that is so great that we will not be reliant on the ups and downs of supplies, and the increases that might come in the future would have a much more limited impact on us.

I would remind you that these increases have had a much, much more limited impact on the United States than the oil price increases of the '70s, for example, because we're so much more energy efficient.

The final point I would like to make is, there are all kinds of problems and historical explanations for why the Mid-Atlantic and New England states are so dependent on home heating oil, and no place else is, but it's not a good situation. It's just not. We need to examine it. That's one of the things I asked Secretary Richardson to look at, is look at what are the institutional barriers for businesses and individuals converting away from heating oil to heating sources that are more commonly used in other places? What are the costs? Are there any federal actions that might be undertaken in concert with the states or with the private sector to help minimize those costs and facilitate a conversion.

The people on home heating oil are the most vulnerable people in American by a good long ways to these radical swings in oil prices. And it's also because they're delivered essentially by individual businesses who come to your home and send you a bill, consumers don't have the option that many of you who live in D.C. have, for example -- you can average your electric bills. You can average your utility bills over a period of months. So if you have a couple of bad months, you can average them out. Those options are not available to them either.

So I think we have to look long-term, in my judgement, at whether there's a conversion strategy there that would enable a whole different energy future to open up in terms of home and business energy usage.

Q Mr. President, on the topic of gun control, as you're well aware, the central sticking point in the Congress is over this division between the Senate and the House over a waiting period for gun sales at gun shows. The Senate has endorsed 72 hours. The House and a goodly number of Democrats endorsed 24 hours. Would you accept a compromise in between, sir, or is that 72-hour waiting period so important, you prefer no bill to a compromise?

THE PRESIDENT: Well, first, I think, to me, this is a fact question. There are two benefits to the waiting period. One is, does it really give you an adequate amount of time to check the records? And two is, should there be a cooling-off

period of somebody who is really hot buys a gun with a bad intent and might cool down and refrain?

If you move away from 72 hours to a shorter period, then the question is, since so many of these gun shows occur on the weekend, will there be access to the records to do the check? Will you be able -- I mean, to me, in terms of all compromises -- at least, I can only tell you what I believe -- this is not theology. This is, what does it take as a practical matter to have a bill that works to keep people alive. I mean, there's no question that the Brady Bill has kept a lot of people alive. And there is, furthermore, no question that there has not been a huge amount of inconvenience in the waiting period.

Now, I know what the argument is. The argument is, well, the gun show people are mobile. So it's not like you can wait five days, go back to the same store where you placed the order for the gun and it's going to be there five days from now. And the gun shows are mobile. I understand what the problem is. But there has got to be a solution here that deals with that. Maybe they could park the guns at the local police department or something else. There's got to be some way to deal with this that allows us to have a practical law that works. The one thing I will not do is I will not sign a law which promises the American people that this is going to make them safer, and it won't do it.

But I am not hung up -- I don't think we should be hung up on any of the facts. The facts should be, what is necessary to make us a safer people? What is necessary to save more lives? That should be the only driving concern.

Q Mr. President, is a candidate's past record on abortion fair game in a campaign? The First Lady seems to think it is; the Vice President seems to think it isn't.

THE PRESIDENT: Oooh -- (laughter.) Now, if I get into that, then you'll have me handicapping that debate last night. (Laughter.)

Let me just say this. I'll make a generic comment about that because I think all of you are going to be writing about this. I see, you know, one candidate says this about the other's record; then one complains about how the other one interprets his record and all that kind of stuff. I have never seen a hard-fought political race where candidates did not disagree with their opponent's characterization of their record and their positions. I mean, that's part of the debate and it's always going to happen.

And, again, I think anything I say to get in the middle of that is not -- I'm not running for office and, by and large, I think I shouldn't comment under -- there may be a few exceptions, but I think, basically, the American people are in the driver's

seat, they're making this decision. I get to vote like everybody else, but I'm not a candidate, and I don't think I ought to get in the way unless there's some specific issue related to something I've done as President.

Q Mr. President, may I return to Northern Ireland, sir? In light of what's happened this week, wasn't it a mistake not to ask for specific assurances to disarm from the IRA -- not Sinn Fein, but the IRA -- in advance of going down the political road and starting a new government?

THE PRESIDENT: I think Senator Mitchell believes, who, you know, negotiated the Good Friday Accords, that, like any accords of that kind, there were compromises involved that both sides had to accept about the other. And I believe he thought he got the strongest agreement he could. It was ratified overwhelmingly by the Irish people -- by both communities in the North, and overwhelmingly by the Republic of Ireland.

It has been honored, to date, in all of its specifics, including standing up the governmental institutions -- although there was a delay of several months in doing that. And then the De Chastelain report came out, and then after the British government passed through the Parliament the bill, in effect, suspending the institutions and reasserting control over Northern Ireland, the IRA made certain representations which General De Chastelain considered quite hopeful. And now they're in a rough spot.

But I don't think you can Monday-morning-quarterback that. I think Senator Mitchell and all the people who were negotiating it got the best deal they could from both sides. And I think what we have to recognize now is, while this is a very unfortunate development, a year ago at this time, the Irish had had no taste of what self-government was like. They now have had it, and they like it -- positive point number one.

Positive point number two: The IRA has given no indication whatever that they will revert to violence. And so that means that they still think, no matter what the rhetoric says, that all the parties really believe that they ought to find a way to work this out. And I can assure you, virtually every day since I've been here we've worked on this. And in the last several days, we've been involved on a daily basis, and we're working very hard to work this out. I can't tell you what the end will be. I can only tell you that I think we're way ahead of where we would have been and I still think there's a good chance we'll get there.

Q Maybe this will be one of the exceptions that you'll be willing to make. Senator Bradley has made it a point of late to challenge Vice President Gore's voracity -- essentially, to cast him as a politician not to be trusted. He's been your Vice President for the last seven years. Are you

offended by those remarks? Certainly there's nobody in a better position than you to speak to his character.

THE PRESIDENT: Well, my feelings are not relevant, but I can say this: He has always -- one of the great strengths that he had as Vice President is that he was always brutally honest with me. I mean, he was never afraid to disagree with me. And when we had very tough decisions, very often we'd be in these big meetings, and very -- you see these -- when these tough decisions come down -- and I mean this, no offense to any of you, this is actually a compliment to you -- but when you've got seven people in a meeting and some huge decision is on the line, and you realize that if you make the wrong call, it can not only be bad for the country, it could be very bad for the health of the administration -- it's amazing to see how some people guard their words, because they're so afraid that what they say, even though the meeting is in confidence, will be public. In all those tough times, he took a -- he decided what he thought was right, and he took a clear and unambiguous stand. And I think the country is better for it. And I could give you lots of examples.

I mean, he -- when it was an unpopular thing to go into Kosovo, he wanted to do it. When it was unpopular to go into Bosnia, he wanted to do it. When it was unpopular to stand up for freedom in Haiti, he wanted to do it. When only 15 percent of the people thought we ought to help Mexico, but I knew it could hurt our economy, he was right there. And I could go on and on. So all I can tell you is that in all my dealings with him, he has been candid in the extreme, and all anyone could ever ask.

Now, I'll say again what I said before: I have never seen a tough race where people fought with each other, where they didn't have different interpretations of each other's record and each other's positions. And then once you disagree with someone's position or someone's record, then the person will say, I just think you're mischaracterizing it. Now, depending on the level of heat and intensity of the campaign, how they say that and how they feel about it will go up or down.

But this happens in every election. And I think the important thing to remember is, you've basically got four people running for president now who are people of accomplishment, people who have certain convictions, people who have, I think, pretty clear philosophies and records. And I know that everybody will get hot and mad at everybody else, but, I mean, this is not a bad thing for America, this choice they've got. And they're very different.

So America has a good choice. And I think that it's tough to be in these races, and when you're not running anymore you can look back -- everybody can look back on a life in public life and say, there's one thing I said I kind of wish I hadn't said, or, I said that and I believe what I said, but I wish I

said it in a slightly different way. But, by and large, what's happening here is just perfectly normal, and we shouldn't get too exercised by it.

Q You don't think Bill Bradley's charges have been below the belt?

THE PRESIDENT: Well, I don't agree -- I'm not going to get into characterizing his charges. You asked me if the Vice President -- I don't have to fight this campaign for anybody. You asked me if the Vice President had been perfectly honest and candid with me; and I said, yes, in the extreme; and that's true and America's been well served by it. That's all I can say.

My experience is that he is exceedingly honest and exceedingly straightforward, and has taken a lot of tough positions which, since he always, presumably, knew he wanted to run for president, could have cost him dearly, and he did it anyway. And I was proud of him for doing it.

Susan.

Q Mr. President, I would like to follow up on Steve Holland's question. You said that it's up to India and Pakistan to settle the issue of Kashmir and that they have not asked the U.S. to help mediate that dispute. If India and Pakistan both ask the United States to get involved to try to help mediate the issue of Kashmir, would the United States be willing to do that?

THE PRESIDENT: Absolutely. I would. Why? For the same reason we've been involved in Northern Ireland and the Middle East. Because, number one and most importantly, it is a hugely important area of the world. If the tensions between India and Pakistan on the Indian subcontinent could be resolved, it is my opinion, based on my personal experience with people from India, people from Pakistan and people from Bangladesh, that the Indian subcontinent might very well be the great success story of the next 50 years.

You're talking about people who are basically immensely talented, have a strong work ethic, a deep devotion to their faith and to their families. There is nothing they couldn't do. And it is heartbreaking to me to see how much they hold each other back by being trapped in yesterday's conflicts -- number one.

Number two, like Northern Ireland and the Middle East, this country has been deeply enriched by people from the Indian subcontinent, and I think we might be, because of our population, in a position to make a constructive contribution. But if they don't want us, it won't be doing any good; we'd just be out there talking into the air. And I'm not in for that.

Yes, Mark.

Q Mr. President, by your answer earlier to John Roberts, did you mean to say that you or your lawyers would not offer a defense to the Committee on Professional Conduct?

THE PRESIDENT: No, I meant to say I'm not going to discuss it any more than I absolutely have to because I don't think I should be dealing with it. I should be dealing with my job.

Yes, Mara.

Q You say you're not running this year, but you are casting a shadow over the debate on the campaign trail. And all of the candidates --

THE PRESIDENT: I'd like to think I'm casting a little sunshine over it. (Laughter.) I keep trying to build these fellows up, you know. I'm being nice and generous and all that. (Laughter.)

Q All of the candidates are running against your behavior and conduct -- not just the Republicans, as Helen mentioned, but all of the candidates.

THE PRESIDENT: Well, if I were running, I'd do that. (Laughter.)

Q But on the other hand, also all of the candidates, Republicans and Democrats, do sound a lot like you when they talk about policy. Even the Republicans say they want prescription drug coverage for Medicare --

THE PRESIDENT: Yes.

Q -- and they support a patients' bill of rights with the right to sue. And I am wondering if you could comment on both aspects of your influence -- both the negative, the fact that everybody seems to be running against your behavior, and also, on the other side, why everyone seems to sound like you when they discuss policy.

THE PRESIDENT: First of all, I think, for the Republicans, it's probably good politics to do that, because they spent years and years trying to tell everybody how bad I am --

Q But it's not just --

THE PRESIDENT: So, so -- but for everybody -- the public, however -- people are really smart, you know, and it's pretty hard to convince them that they should hold anyone responsible for someone else's mistake, particularly a personal mistake. I mean, I can't imagine any voter ever doing that. That's like shooting yourself in the foot.

I even caution people, (for example, if somebody says something -- one of you says something or prints something, or has a story that we don't agree with -- I tell people all the time, don't ever talk about the press, there is no such thing as "the press." You can't blame -- if you think somebody made a mistake, you can't blame everybody else for a mistake somebody made. But that's in a professional context. In a personal context, it's even more true.

So my view is that the voters are going to -- this is, as I have said repeatedly, the presidential election is the world's greatest job interview. And the voters are going to hire someone that they believe, of course, is a good person, a strong person, a person who will be a credit to the office. But they want to know what in the world are they going to do? How are we going to keep this expansion going? How are we going to meet the big challenges facing the country?

And it is, to me, a source of reassurance -- not personal, but for my country's future -- that so many of the candidates have adopted at least some of the policies that we have tried to put in place over the last seven years, that moved the country away from this big, deep partisan division that dominated Washington politics for so long.

So all I can tell you is, I think -- my instinct is that the voters are going to take the measure of these people. They're going to think: Who will be a good President; who will make good decisions; and do I agree with this person, in terms of priorities and positions? That's what I think. I think the implication that anybody would be held responsible for somebody else's mistake or misconduct is just -- it's a real insult to the American people. And they're not going to do that. That's not in their interest, and it's not in their nature. They're too smart and too good for that.

Q Mr. President, would you rule out the one-year automatic renewal of China's normal trading status, unless Congress disagrees? And do you think that would be a formula Democrats would find easier to accept?

THE PRESIDENT: That would be a -- I would not support that because, in order to get China into the WTO, and in order for us to benefit from the terms of the agreement that Ambassador Barshefsky and Gene Sperling and others made with China, they have to get permanent normal trading status.

And since you asked the question, let me tell you why I feel so strongly about it. This is not a political issue for me; this is a huge national security issue -- for three reasons. Number one, our biggest trade deficit is with China, because China has access to our markets and our access to theirs is highly restricted. This trade agreement offers no increased

access to the American markets by China, but gives us dramatically increased access to their markets.

Moreover, it means that we can get access to their markets without having to transfer technology or agree to do manufacturing in their country, and we retain specific rights, even once China is in the WTO, on a bilateral basis to take action if there is a big surge of imports in some sector into our economy that would throw a lot of people out of work in a short time.

So, economically, from agriculture to high-tech products to automobiles and all things in between, I think this agreement is a clear 100-or-nothing deal for us. The price of admission to the WTO is modernizing and opening the economy.

Number two, having China in a rule-based system increases the likelihood not only that China will follow the rules of the road in terms of the international economy, but that China will cooperate more in other forums -- the United Nations and many other areas -- to try to help reduce, rather than increase, the proliferation of dangerous weapons or technology, for example. That's what I believe with all my heart.

Number three, I believe this agreement will change China from within more than all the other economic opening of the last 20 years combined, fairly rapidly, because of the dramatic increase in access to communications and contact with the outside world that this agreement portends.

Now, as I said in the State of the Union address, and I tried to say it again when I went over to Switzerland to talk, the truth is, I don't know what choice China will make, I don't know what path China will take, and neither does anyone else. So I don't want oversell this to the American people in that sense. But what I believe I do know, based on all my experience not only as President, but just with human nature, is that they are far more likely to be constructive members of the international community if they get into the WTO and they make these changes than if they don't.

And I think it's quite interesting -- one of the things that has really moved me on this, since one of the big issues with which we have differences with China is in the repression of political and religious expression, is how many of the religious groups that actually have missions operating in China agree with this. People that have actually worked there, lived there, and been subject to some of the repression there agree that what we're doing is the right thing to do. I think that a substantial -- a majority of opinion in Taiwan agrees that this is the right thing to do.

So I'm going to push this as hard as I can. I want to get the earliest possible vote I can. And I cannot tell you how

important I think it is. I think that if we didn't do this, we would be regretting it for 20 years. And I think 10 years from now, we'll look back, and no matter what decisions China makes, we'll say, the only thing we could control is what we did, and what we did was the right, the honorable and the smart thing to do for America over the long run.

Q Both Senator Bradley and Vice President Gore have condemned your nomination of Bradley Smith to the FEC. Would you care to take this opportunity to explain exactly why you've nominated this man, and to say what exactly this says about your own commitment to the campaign finance reform that you said you would support?

THE PRESIDENT: Well, it doesn't say anything about my commitment, although I think they were right to condemn it, except that -- look at what the law says. The law says, A, this is a Republican appointment; and, B, as a practical matter, the way the appointments process works in the Senate, if you want anybody to be confirmed for anything, you have to take -- and the Republicans in this case happen to be in the majority -- the Majority Leader always makes that recommendation.

Now, I have -- I argued with him, as he will tell you, for months about this. And there is a reason they wanted Bradley Smith on the FEC. You know, he hates campaign finance, Bradley Smith does. He's written about it. And he'll get a three-year appointment now, where it will be one person on the FEC. And I don't like it, but I decided that I should not shut down the whole appointments process and depart from the plain intent of the law, which requires that it be bipartisan and by all tradition that the Majority Leader make the nomination.

And I think it ought to be instructive for the American people, and you ought not to change the subject and confuse them. We have a bill, the McCain-Feingold bill before the Congress. The administration is for it; both the Democratic candidates for president are for it; and 100 percent of our caucus in the Senate and the House are for it. Every last person down to the last man and woman. There is only one reason this is not the law. The Republicans are not for it.

And ever since I've been here -- we didn't have unanimous support in '93, but ever since '94, '95, somewhere in there, we always had a big majority of the Democratic Party for campaign finance reform and a big majority of the Republicans against it, even though some Republicans are for it. But, basically, the big majority of the Republican Party, particularly in the House and the Senate -- I don't mean out in the country, I mean in the House and the Senate -- are against this. That's why it is not the law of the land.

That is the ultimate truth. This appointment demonstrates that. It's the poster child -- this should be --

this is like a big neon sign, "hello, America needs" -- if you care about this issue, you need to know what the real issue is here. Ever since I've been here, there's been an attempt to say, oh, a pox on both their houses; the Democrats don't really care; if they really cared, if the President really cared, somehow we would have this. It is just not true.

What else can we do? Both our presidential candidates, the White House, and 100 percent of our members of Congress are for it. Why hasn't there been a signing ceremony? Because they are against it. Now, this man, his writings and his honest convictions demonstrate that. And I hope there will be no further doubt about this. The American people can make their own decision.

Q Mr. President, current polls show that your wife is virtually tied with her likely challenger, Mayor Rudy Giuliani, when it comes to women voters in New York, and that she is trailing when it comes to white voters. And by most accounts, women will play a decisive role in this race. Can you address why you think your wife is having some trouble connecting with women voters, in particular; what advice, if any, you're offering her to help her better connect; and are you playing the role of a senior strategist in her campaign?

THE PRESIDENT: Well, I'm basically doing for her what she's always done for me. You know, I'm talking to her about whatever she wants to talk about. I'm giving her my best ideas. I thought she had a wonderful announcement. I was really proud of her. She got up there and said that she understood she was new to the neighborhood, but she wasn't new to the concerns of the people of New York. And then she said in exact detail -- she did what I believe all candidates should do -- she said, look, if you vote for me, here's what you get. Here's what I'll fight for. Here's what I'll do. Here's what I'll fight against. Here's what I won't do.

And now the campaign is underway. And I think she's doing remarkably well, given the unusual nature of the campaign and the formidable obstacles out there. And I think now the people will begin to listen and debate, and I think she'll do real well. But I'm very proud of her, and I think she's doing fine.

But you should not -- all I'm doing for her is what she did for me. So when she says something, it's what she believes. And she's made up her mind what she wants to run on, what she wants to be for, and why she wants to do it. And I was ecstatically happy with the way her announcement came out, because I just knew it was her. And I just think if -- you know, you just go out there and make your best shot and hope that it works. But my instinct is, she'll do right well.

Sarah, go ahead.

Q Sir, do you see any way to make the presidency a position that is closer to the people? It's sort of aloof, now. And you're a friendly type of man. You must see some means whereby you can bring the presidency down to the people more.

THE PRESIDENT: Well, I think part of what makes the presidency aloof is that if you show up for work every day you don't have as much time to spend with people as you'd like. I think that -- I think technology will help some. I think this web chat I did earlier this week with Wolf Blitzer, where he asked me questions, but he also let a lot of other people ask questions -- I thought that was a good way to do it.

I think that -- in my first term, I did a lot of these town hall meetings, and I think they're good, although I think they tend to get turned in a certain way around whatever's breaking in the news at any given time.

I've tried to not get too aloof from the people. I went down to the Rio Grande Valley the other day. I was the first President since President Eisenhower to go down there and I've been there three times. And a lot of people came out and I stopped along the street and talked to them and visited with them. I think that you have to have -- I think doing these press conferences helps. I think using the Internet and finding other ways that ordinary citizens can ask you questions in the course of your work helps. And I think that you have to find the proper balance of work in Washington and getting out with the folks to do that.

It's a constant struggle, but my instinct is that technology will help. I think a lot of you, for example -- I think your jobs are changing because of the way technology works. And there will be ways that you also can help make people in public life less aloof and bring more people into it. It's going to be very interesting.

Yes, go ahead.

Q Mr. President, to follow up on what you said before -- you said that no one should be held accountable for somebody else's actions. But if you examine the suspension of the powers in Northern Ireland last week, the British government was holding Sinn Fein responsible for the IRA not disarming. According to the Good Friday Accord, they encouraged both sides to encourage disarmament. Is there any protest on your part to the British government for bringing down a democratically-elected government -- and similar to the way you pointed your finger at the IRA in a statement saying that you hoped that there wouldn't be any backsliding after they retracted their previous statements.

THE PRESIDENT: Well, let me say, first of all, I was in constant contact with the Irish and the British governments and I think we all know what is going on here. The question is, how can we keep the peace process going; how can we get the institutions back up; and how can we keep the Unionist Party involved and under the leadership of David Trimble -- an objective I believe that Sinn Fein strongly supports. That is, I believe that they believe that they have to have people they can work with in order to make this thing last.

I have found that my influence is greater when I say what I think about most of these things to the parties themselves, but when I don't try to make their jobs any harder by what I say, particularly after the fact. Now, our big job now is to get these people back on track. In order to do it, we have to honor the votes of the people of Northern Ireland; we've got to stand these institutions back up; and then all the parties that said they supported the Good Friday Accords and the people they represent who voted in record numbers for it, they've got to comply. And we've got to find a way to get this done.

And I think that -- I know it's not satisfying to a lot of people, they want me to be judgmental about everything. And all I can tell you is, in private I've tried to be straightforward and clear with them. But I don't want to say anything that would make it even harder to put this thing back together. We've got to keep going forward. The most important thing now is to look about how to go forward and how to get -- how to keep the Unionists in harness, and how to find a way to comply with all the requirements, including putting those institutions back up.

Q Mr. President, back on the rising oil prices, Secretary Richardson is beginning a series of consultations with oil companies. Do you think that this will have some moderating effect on oil prices?

THE PRESIDENT: I think that oil prices may well moderate. We'll have to see about that. But what I think that he wants to do is to make sure that we've gotten rid of some of the bottlenecks. There are plainly some reasons that are only indirectly related to the general rise in oil prices -- that home heating oil prices, for example, have gone up so explosively. That's why he went up to Boston first, and why the Coast Guard is trying to assure rapid delivery of the oil.

So I think that he believes that in his talks with the oil companies -- not necessarily he can talk the oil prices in the aggregate down, but that they may be able to take certain specific steps which would alleviate some of the biggest burdens on them.

Q -- the oil-producing countries, I believe he's going to make some consultations around the world.

THE PRESIDENT: Yes, I think we're in regular touch with them and they know what our views are. I think that's all I should say about that.

Q Back on an earlier question, the death penalty, you mentioned that supporters of the death penalty, like yourself, have a special burden to make sure that innocent people are not executed. And you mentioned the Leahy bill, but you didn't state a position on that. That would make DNA testing available to death row inmates. Is it a good idea? Is it workable? Would you sleep better at night if it were law?

THE PRESIDENT: Well, first of all, the reason I didn't take a position on it -- I tried to make it clear that I am quite favorably disposed toward it, but I just learned about in the last couple of days, and I've asked our people to review it, to answer the questions that you ask.

Would I sleep better at night, if it were law? If it would really work, I would. In other words, I am favorably disposed toward it. I just want -- and we just have a review underway to analyze the law, how it would work, whether it will work, what, if any, practical problems are there. And I am trying to come to grips with it and as soon as I do, I'll be glad to state a position. But I want to make it clear -- I thought I had made it clear before -- I am favorably disposed.

Q On the issue of Vieques and Puerto Rico, currently, there is major resistance by religious groups, civic groups, opposition parties to the agreement reached on Vieques. There's continued civil disobedience on Navy lands. This might entail a Waco-style operation to get these protestors out. Are you willing to go all the way with federal authority to clear these federal lands? And as a follow-up, do you believe in your heart that Puerto Rico's colonial status is the root of this problem, or is related to Puerto Ricans' ambivalence to issues of national security?

THE PRESIDENT: I think the root of the problem -- I think the root of the problem is twofold. One is, as the Pentagon has acknowledged -- and they should get credit in Puerto Rico for doing this. It's hard to get people in Washington to admit they're wrong, including me. We all hate to do it, you know -- including you. We all hate to do it. The Pentagon has acknowledged that the 1983 agreement was not followed, in letter and spirit. They have acknowledged that. That left a bad taste in the mouths of the people of Vieques, and of all Puerto Rico.

Problem two is the unwillingness of the Congress to give a legislatively-sanctioned vote to the people to let them determine the status of Puerto Rico. Now, I think those are the roots of the problem.

Now, there may be some people there who, on any given day, would be, I don't know, against the military, or would think the military shouldn't train, or whatever. But it's clear that if you look at the offer we made -- to begin now to give the western part of the island to Puerto Rico; to facilitate transit back and forth between Vieques and the main island; to do a lot of the other environmental and economic things on the island of Vieques; to have no live fire in the short run here while we're going through this transition period; to cut the training days in half; and then to let the people decide for themselves what the future of the island is, but to give us a transition period when we don't have any other place to train -- it is a perfectly reasonable compromise, unless either those first two things are eating at you, so you don't trust anything America or the Pentagon does, or unless you're just philosophically opposed to America having a military which has to train.

So I still believe it's a good agreement. I will continue to work with the Governor, with the Mayor in Vieques, with the authorities, with a view toward trying to work this out. I want the people of Puerto Rico to decide this. You know, I did a message to them. I wish they could decide their status. If it were just up to me, if I could sign an executive order and let them have a sanctioned election, I would do it today. And I view this compromise as an empowerment of the people of Puerto Rico, and, to that extent, a ratification of their longstanding grievances.

But the people of Vieques should be able to decide this. And I don't think that -- just as I don't think the Pentagon should impose it on them, I don't think the demonstrators should stop them from having a vote either. I think they ought to be able to make a judgment.

Thank you very much. Thank you.

END

3:25 P.M. EST

2/23/00 Final
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PRESIDENT WILLIAM JEFFERSON CLINTON
REMARKS TO THE BUSINESS COUNCIL
ON CHINA
WASHINGTON, DC
FEBRUARY 24, 2000

Acknowledgments: Ralph Larsen; Phil Cassidy;

Cindy Cassidy; ladies and gentlemen: earlier today,

you heard from Secretary Summers and ~~Ambassador~~

~~Baron~~sky about the upcoming debate over China's

entry into the WTO. I want to spend a few minutes

telling you why I think this is one of the most

important votes this Congress or any Congress will

cast.

For the past 30 years, every one of my predecessors has worked for the emergence of a China that contributes to peace in Asia; that is open to American products, farmers, and businesses; that allows its people access to ideas and information; that upholds the rule of law at home and adheres to global rules abroad. The reason is simple: America has a tremendous stake in how China evolves. We are a Pacific nation that has fought three wars in Asia in the 20th Century. As China develops, the path it illuminates or the shadow it casts will be felt very far from its own borders.

**The more we can promote peace and stability in Asia,
the more we promote our own peace and stability.**

**This WTO agreement with China helps to advance all
of those goals in unprecedented new ways. It is the
kind of opportunity that emerges only once in a
generation, and we should seize it. If we turn our
backs, we will regret it for a generation.**

**I don't believe there can be any serious question that
this agreement is in America's economic interest.**

This agreement requires China to open its markets on everything from agriculture to manufacturing to high-tech products -- while we agree simply to maintain the market access that we already give 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 strengthens our response to unfair and market-distorting trade from China, from import surges to forced technology transfer to protection of intellectual property.

Think about what this agreement could mean for our farmers.

It cuts tariffs on everything from corn to wheat to barley by two-thirds, and gives our farmers new access to one-fifth of the world's population. Little wonder that paystubs at the Farmland Institute read: "China will account for nearly 40 percent of the future growth of U.S. agricultural exports."

Think about what it could mean to our telecommunications industry. China today already has the largest potential telecommunications market in the world -- only five percent of it has been tapped.

This agreement will allow American firms – who already are leading the world -- to compete in developing the other 95 percent.

And think about what this agreement could mean to our auto industry. Tariffs will fall by nearly 75 percent. The requirement that we rely on Chinese distribution is eliminated, as is the requirement that we have to transfer our technology. American manufacturers will now, for the first time, be able to sell American-made cars in China, to set up their own distribution centers, to run their own service shops, and to provide their own financing to consumers.

It means that we're going to sell more American cars and auto parts in China, which means more jobs here at home.

Now, most Members of Congress don't even question those benefits. Critics are more likely to say: China is a growing threat to Taiwan and its neighbors, and we shouldn't strengthen it. Or, China is a drag on labor and environmental rights, and we shouldn't engage 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 all those concerns will be absolutely legitimate.

But this debate should not be defined as economic rights versus human rights – or economic security versus national security. That is a trap, it's 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 promotes both jobs in America and progress toward change in China.

Over the past 20 years, China has made a lot of progress in building a new economy, lifting more than 200 million people out of absolute poverty.

It is linking so many people through its wireless communications network that it is adding the equivalent of a new Baby Bell every year. But its system is still plagued by corruption. Less than one-third of its economy is private enterprise. 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.

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 – namely, unemployment, social unrest, and demands for political freedom. But they have also concluded 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 to embrace change, despite the risks it entails.

The real question for America is: do we really want to reject that choice? That would be a disastrous mistake. We need to embrace it, and that is what the WTO agreement does. It advances our interests by encouraging China to meet, not muzzle, the growing demands of its people for openness. Rather than working from the outside-in, it will work from the inside-out to move China in the right direction, in at least three ways.

Number one, having China in a rules-based system increases the likelihood that China will follow the rules of the road in terms of the international economy.

Under this agreement, some of China's most important decisions, for the first time, will be subject to the review of an international body. It means that China is conceding that governments cannot behave arbitrarily at home or abroad, that their actions are subject to international rules. Opponents say that doesn't matter because China will just break its promises. But if China does, we're still in a better position, because it won't be able to ascribe differences to U.S. bullying – its actions will be subject to judgments backed by 135 nations.

Number two, this agreement will obligate China to deepen its market reforms, intensifying the process of change.

A decade ago, China's best and brightest college graduates sought jobs in the government, in large state-owned firms or universities. More and more, the best and brightest are either starting their own companies or choosing to work 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.

That process will only accelerate as China joins the WTO, and we should do all we can to encourage it.

Number three, I believe that this agreement has the potential to help open China's society.

Think about it: in the past, virtually every Chinese citizen woke up in the morning in an apartment or house owned by their government, went to work in a factory or farm run by their government, read newspapers written by their government.

Their state-run workplaces also operated the schools where they sent their kids, the clinics where they got health care, the stores where they bought their food.

That system was a big source of the Communist Party's power; the meager benefits it provided were a big source of the loyalty it commanded. But now, with lower tariffs and greater competition, China's state sector is going to shrivel; its private sector will expand. In that way, this WTO agreement will speed a process that is removing government from vast areas of people lives.

It will also dramatically increase access to communications. A year ago, China had two million Internet addresses. Today, it has nine million. This agreement is going to bring the information revolution to cities and towns across China. As the Chinese people see how people across the world live, I believe they will seek a greater voice in shaping their own lives.

In the end, China is going to learn what every other nation is learning as we go through this knowledge-based, information age: 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. By accelerating the process of economic change, it will force China to confront that choice sooner, and make the imperative for that change much more powerful.

But let's be clear: bringing China into the WTO is not, by itself, a human rights policy for the United States. The reality is that China continues today to suppress the voices of those who challenge the rule of the Communist Party. It will change only by 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. And we reject the use of force as a means to resolve the Taiwan question.

We will continue to make absolutely clear that the issues between Beijing and Taiwan must be resolved peacefully and with the assent of the people of Taiwan.

We must not and we will not rely on the invisible hand of the market to do our heavy lifting with China, and neither should the private sector. For all of us -- including the business community -- permanent NTR must mean a permanent commitment to change in China.

But to even get that opportunity, we must first get this agreement through the United States Congress.

And we can't underestimate for a second how hard this is going to be. There are real differences.

I'll promise you this: I am going to push this as hard as I can to pass this agreement. I know you heard me talk about this in my State of the Union Address, and in my press conference last week. I also talked about it in Davos. Last week, I started meetings with members of Congress, and those meetings will continue this week. You can expect to see a full-court press from my entire Administration. Those efforts are already underway.

I know you realize the stakes involved. If Congress doesn't approve PNTR, we risk losing the full benefits of China's WTO membership. 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 take advantage of the benefits we negotiated. But failure would also send a signal to the rest of the world that America has turned inward. That would be a devastating setback to our vision of the future.

We don't know what choices China will make – but we can control the choices we make.

And today, we have a clear choice: between a Chinese market that is open to American products and American services, or closed to us and only us.

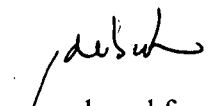
Between speeding the opening of China's economy and society, or turning our backs. Between a China that is on the inside of the international system looking out, or on the outside looking in. Between a China that is moving in the right direction, or in the wrong direction. Above all, we have a choice – at a moment of America's greatest strength and influence – to either lead the world, or turn away from it.

**I am confident that we will make the right choice,
because it is good for America, good for China, good
for Asia, and good for the world. I look forward to
working with you to turn those worthy goals into
reality. Thank you.**

2/20/00 6:30 p.m.

Orzulak

**PRESIDENT WILLIAM JEFFERSON CLINTON
REMARKS TO THE BUSINESS COUNCIL
ON CHINA
WASHINGTON, DC
FEBRUARY 24, 2000**

 Earlier today, you heard from Secretary Summers and Ambassador Barshefsky about the upcoming battle in Congress over China's entry into the WTO. I want to spend a few minutes this morning telling you why I think this is one of the most important votes this Congress or any Congress will ever cast.

For more than five centuries, people have been searching for a way into China. At the White House last night, I had the pleasure of hosting the King and Queen of Spain. We got to talking about the long history between our two nations, and the trip Christopher Columbus took more than 500 years ago. If Columbus had known that he discovered North America, he would have been bitterly disappointed, because he was looking for what later become known as China and Japan. It was his wish to bring back the spices and riches that legend had foretold, and link the Far East to the Western World.

For the past 30 years, every one of my predecessors has sought virtually the same thing. We have worked for the emergence of a China that contributes to peace in Asia; that is open to American products, farmers, and businesses; that allows its people 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 year, we have an opportunity to advance all of those goals in unprecedented new ways. I think if we turn our backs on this historic chance, and say no to this WTO agreement with China, we will be regretting it for the next 30 years. Let me tell you why.

I don't believe there can be any serious question that this agreement is in America's economic interest. Growing up, we used to say that if you see a turtle on a fence post, it didn't get there by itself. I look at our trade deficit with China -- the biggest we have with any nation -- and I know it didn't just happen. It got that way because for years, China has had open access to our markets, while our access to theirs has been highly restricted.

This agreement changes ~~all of that overnight. It does so in the most beneficial way possible to the United States.~~ This trade agreement requires that China open its markets on everything from agriculture to manufacturing to high tech -- while we agree only to maintain the market access that we already give China. If there is trade equivalent of a one-way street, this agreement is it.

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, from import surges to technology transfer to intellectual property.

Think about what this agreement could mean for ^{our farmers example} a wheat farmer in Kansas. Our farmers have had a rough time lately, in part because they are competing in a world with too much supply and not enough demand. Yet, the China market has largely been closed. This agreement gives our farmers direct access to one-fifth of the world's population that they could never sell to before. Little wonder that paystubs at the Farmland Institute read: "China will account for nearly 40 percent of the future growth of U.S. agricultural exports."

China today already has the largest telecommunication market in the world -- yet only five percent of their market has been tapped. This agreement opens the other 95 percent up to American firms, who are already leading the world.

Just think about what it could mean for the auto industry. Right now, a car made in Dearborn faces an 80 to 100 percent tariff before it can be sold in China -- which prices us out of the market. If you want to sell cars in China, you need to base your operations in China. ~~To do that, you must form~~ a joint venture with a Chinese state-run enterprise and give it at least a 50 percent stake. You also must agree to transfer a significant amount of your technology to China, and teach the Chinese how to use it -- which means you are transferring both your product and your expertise to eventual competitors. And because of local content requirements, most parts have to be made in China, too.

In addition, Americans cannot directly run parts distribution centers in China, so once your parts are made, Chinese partners have to sell them for you. Americans are not allowed to directly own service centers, either. And all this assumes that Chinese consumers can buy the cars in the first place, because the only financing allowed in China is through state-run banks -- and they don't make loans for cars. Little wonder that there are many more times bicycles in China than automobiles.

Under the new agreement, it's completely different. Tariffs on American cars will fall by nearly 75 percent, so we can compete in Chinese markets. The requirement that we have to link up with Chinese enterprises is eliminated. So is the requirement that we have to transfer our technology. And, American manufacturers will now be free to use parts made in America for assembly in China, to set up their own distribution centers, to run their own service shops, and to provide their own financing.

It means that we're going to sell a lot more American cars and auto parts in China, which means more jobs here in America. In return, the Chinese people end up with much better products at lower prices. Now, take ~~that~~ ^{that} example and multiply it across our other industries, and you begin to get an idea of what this agreement could mean to both of our economies.

There's no question that this agreement has huge economic benefits. But that's not where the debate is going to ~~happen~~ ^{center}. When we talk to Members of Congress, most don't challenge the

economic benefits of the agreement. Critics are more likely to say: China is a growing threat to Taiwan and its neighbors, and we shouldn't strengthen it. Or, China is a drag on labor and environmental rights, and we shouldn't engage 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.

The truth is, none of us know what choices China will make, and neither does anyone else. But this debate shouldn't come down to a question of economic rights versus human rights – or economic security versus national security. That is a trap, it's a straw man. 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 prompt China to do the right thing rather than the wrong thing.~~ If we are going to win this debate, we've got to convince people that it promotes both jobs in America and progress toward change in China.

We've got a lot riding on this agreement, but China has a huge amount riding on ^{it as well} ~~this agreement~~. There's a reason why China didn't just walk away from the table when we demanded openings ⁱⁿ ~~to~~ their market big enough ~~that you could~~ drive a truck through. Over the past 20 years, China has made a lot of progress in building a new economy. It's lifted more than 200 million people out of absolute poverty. But its system is still plagued by corruption. Less than one-third of its economy is private enterprise. ~~Its banks are still making massive loans to state enterprises that are the least likely to survive in the new economy.~~ ^{Yes, its workforce} is increasing by 12 million each year. ~~Millions are migrating from the countryside to the city, and many are still unemployed.~~ And economic growth has slowed just when it needs to be rising to create new jobs. They're in a lose-lose situation right now. They can't maintain stability or ensure prosperity by maintaining the status quo.

Think about the dilemma China's leaders face today. They realize that if they open China's antiquated market to global competition, they risk unleashing forces beyond their control – namely, unemployment, social unrest, and demands for political freedom. But if they don't move forward, China's economy may wither on the vine, because without competition from the outside, it will not build ~~a~~ world-class industries that can survive in the global economy.

If we've learned anything from Russia and Japan, it is that the weakness of great nations can be just as big a challenge as their strengths. A strong China may one day emerge as a threat. But a weak China may emerge as an even bigger threat, setting off a downward spiral of internal conflict, social dislocation, large-scale emigration, and criminal activity that could rock the stability of Asia. With this agreement, China has chosen the first path, toward change, despite the risks it entails. I don't think we as a nation really want to reject that choice.

~~That's what~~ ^{This is what the WTO agreement is all about. It advances our interest} ~~Our interest lies in promoting the right kind of change in China by encouraging it to meet, not muzzle, the growing demands of its people for openness, accountability, and freedom. This WTO Agreement is like the Trojan Horse. Rather than working from the outside-in, it's going to work from the inside-out to move China in the right direction, in at least three ways.~~

Number one, it's going to obligate China to deepen its market reforms. With lower tariffs and

greater competition, China is going to see its state sector shrink as its private sector grows.

A decade ago, China's best and brightest college graduates would seek jobs in the government, in large state-owned firms or state-run research institutions or universities. More and more, the best and brightest are either starting their own companies or choosing to work 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.

Industry surveys show that U.S. companies are the leaders in the Chinese market in developing human resources -- by emphasizing teamwork and respect for individual rights. More and more Chinese firms are learning that unless they change their working style and treat employees with respect, they will lose out in the critical war for top talent. That 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.

Number two, having China in a rules-based system increases the likelihood not only that China will follow the rules of the road in terms of the international economy, ~~but that it will cooperate more in other forums~~ like the United Nations -- to address issues like proliferation and global warming.

Under this agreement, some of China's most important decisions, for the first time, will be subject to the review of an international body. Why does that matter? It means that China, for the first time, is conceding that governments cannot behave arbitrarily at home or abroad, that their actions are subject to an international set of rules. Opponents say it doesn't matter because China will just break its promises. ~~That may be true, but we have reason to believe otherwise.~~ First, ~~China is pledging to open its economy not just as a means of getting into the WTO, but because most of China's leaders believe reform is in China's interest.~~ Second, ~~even if China does violate its commitments, we're still in a better position, because they won't be able to~~ blame U.S. bullying -- their actions will be subject to judgements backed by a 135-member body. *But if they do*

Number three, I believe that this agreement will change China from within more than all the other economic openings of the last 20 years combined, because of the dramatic increase in access to communications and contact with the outside world that this agreement promotes.

A year ago, China had two million Internet addresses. Today, it has nine million. This agreement is going to bring the information revolution to the most remote corners of China. As the Chinese people see how people across the world live, and become more aware of the freedoms that they enjoy, I believe they will seek a greater voice in shaping their own lives.

It seemed like a setback a few weeks ago when Beijing announced that it was going to restrict the flow of information on the Internet. Well, good luck. In the information age, cracking down on the Internet is like trying to nail jello to the wall. It's futile. But it's also a sign at how real this change is and how threatening it is to the status quo. That's not an argument for slowing down the effort to bring China into the world; it's an argument for accelerating it.

if China's gov't is worried about the Internet,

getting out of people's lives

In the end, China is going to learn what every other nation is learning as we go through this knowledge-based, information age: you can't expect people to be innovative economically and stifled politically. You can only succeed if you liberate the minds of your people and empower the individual. Bringing China into the WTO doesn't guarantee it will choose political reform. By accelerating the process of economic change, it will force China to confront that choice sooner, and make the imperative for that change much more powerful.

Of course, there are some who will disagree with that. They will say that by passing this agreement, we are looking the other way on human rights. Actually, I believe the opposite is true -- 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.

One of the things that has really moved me on this agreement is how many religious groups that actually have mission operating in China agree that this is the right approach. People that have actually worked there, lived there, and been subject to some of the repression there agree that what we're doing is the right thing to do. A leading Chinese dissident, Ren Wending, said upon the deal's completion: "Before, the sky was black. Now it is light. This can be a new beginning." [NOTE: ANY OTHER EXAMPLES FROM NAPLAN OR SCHWARTZ?]

But let's not fool anyone: bringing China into the WTO is not, by itself, a human rights policy for the United States. The reality is that China continues today to suppress the voices of those who challenge the rule of the Communist Party. It will change only by 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. [NOTE: NEED UPDATED LIST OF HUMAN RIGHTS ACTIVITIES] 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.

In other words, we must not and we are not relying on the invisible hand of the market to do all our heavy lifting with China, and neither should the private sector. ~~What does that mean for American companies doing business in China? It means we can't read any more stories about Chinese workers being forced to run laps around American factories. [THIS IS A NIKE EXAMPLE FROM A FEW YEARS AGO. COMPLETE LIST OF BAD CORPORATE BEHAVIOR COMING FROM NAPLAN.]~~

~~It's not enough for you to lobby us on bringing change to China -- you also share a responsibility to work for change within China yourselves. It means recommitting yourselves to the upholding the environmental standards and labor rights in China to which you adhere in this country. It~~

That

for all IFU, Permanent NTR
with ~~permanent~~ ^{permanent} commitment
to change
in China

means pressing Chinese authorities to move further and faster toward the rule of law and respect for human rights. It also means working with some of the one million nonprofit and social organizations that have emerged in China and that are working to reform the system from within [NEED GOOD EXAMPLE FROM JIM OR KEN]. We have argued that American business can be a force for change in China. Part of your job is to prove us right.

But to even get that opportunity, first, we must get this agreement through the United States Congress. And we can't underestimate for a second how hard this is going to be. This fight involves two issues – China and trade – that individually and together have become the new third rail of American politics today. Just last week, the AFL-CIO announced that it was mounting an all-out effort to defeat it. It has created real splits among honest people in both parties.

fearing

To me, this is the one of the most important votes of this Congress, and probably one of the most important votes any of these Members will ever cast. I'll promise you this: I am going to push this as hard as I can. I know you heard me talk about this in my State of the Union Address, and in my press conference last week. I also talked about it in Davos, and two weeks ago, I ~~even~~ talked about it at the Democratic Caucus Retreat. Last week, I started meetings with members of Congress, and those meetings will continue this week. [NOTE: NEED SPECIFICS F/MILES]

turn

~~You're also going to see a full-court press from members of my Administration. I've asked Secretary Daley and Steve Richetti, my deputy chief of staff, to lead an all-out effort. Two weeks ago, we had a good event with representatives from the agriculture community. Next week, I'll be speaking to workers at a high-tech company to focus on the benefits of this agreement to that community. On March 9th, I'll be giving a major address on the strategic and economic benefits to the American people if we grant PNTR status to China. Finally, we're also organizing a Congressional Delegation visit to China, possibly in April. I encourage you to think about how we can use this to best effect.~~

a full court press

I know you realize the stakes involved. If we don't get PNTR, we will lose the benefits of ~~this 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 take advantage of the ~~very good~~ benefits we negotiated. But failure would also send a signal to the rest of the world, particularly after the Senate's rejection of the Comprehensive Test Ban Treaty, that America has turned inward. That would be devastating to our future.

China's WTO membership

That's why I say that if we don't do this, we'll be regretting it for the next 30 years. If we are successful, 10 years from now, no matter what decisions China makes, we'll be able to look back and say that that only thing we could control is what we did, and it was right for America. And we'll be able to say that at the moment of America's greatest strength and influence, we did not turn away from the world, we led it. And someday, when the people of China have access to ideas and information, when their rights are respected and their voices are allowed to be heard, we will be able to look back on this agreement and say: we did the right thing. That's what's at stake. I look forward to working with you to turn those worthy goals into reality. Thank you

To: Paul Orzolak

REMARKS BY
COMMERCE SECRETARY WILLIAM M. DALEY
U.S.-CHINA BUSINESS COUNCIL
WASHINGTON, DC
JANUARY 26, 2000

[Text as prepared for delivery.]

I know a number of you represent companies that worked with us a few years ago on NAFTA. So for me this effort on China feels like deja vu.

Frankly, I see a lot of irony in all this. I have met with officials and business people in 45 nations in my three years as Commerce Secretary. I've been to China several times. I plan to be there again this spring. And time and time again, they tell you how America's economy -- and our democracy -- has served as their model.

So here we are, with a booming economy that is about to become the longest expansion in U.S. history, and we are battling over a trade opening agreement with China. This is a deal with the largest nation on earth -- more than a billion people.

It is a win-win for both countries because it is good for the American people and good for the Chinese people, in terms of long term economic benefits. And to be honest, it is one-sided -- in our favor. All China really wants in exchange is to have normal trade relations with us -- on a permanent basis, and to become a member of the World Trade Organization.

Obviously, that would be good for the global economy, also, because China -- for the first time -- would have to abide by WTO rules for doing business. Another irony I see, is that in all these trade fights, usually the same thing happens.

There are two camps -- and they are miles apart. On one extreme, there are the free traders who want absolutely no controls. They probably never spent a day on a shop floor. They never worked in a mill, worrying that steel imports will put them out of a job.

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Then there are protectionists. They want to throw up a fortress around America. They would have America go back 70 years, when we had tariffs of more than 50 percent. President Clinton believes it is time we found common ground -- a place somewhere in between the two.

You will hear the President talk about this tomorrow night in his State of the Union. You will hear him make the case for why America needs to get behind this deal with China.

The fact is, in this global economy, you can't be an absolute free trader. And you can't be an absolute protectionist -- not when jobs can go anywhere, whether you have a trade deal or not. By the way, if you were planning on getting to bed early tomorrow night, forget it. This is the President's last State of the Union, and it may be his longest!

I don't have to tell you what a good deal this is -- but a few points are worth underscoring. First, this is a one-way deal. We don't give anything up. In fact, we gain tremendous access to a market with vast potential for our farmers and many of our most competitive industries. These include autos, telecommunications, computers, the Internet, and financial services.

Average tariffs on farm products over the next three years will drop to 14 percent -- from 31 percent. In four years, industrial tariffs will fall to nearly 9 percent -- from 25 percent. And tariffs on Internet technology will fall to zero in 2005.

We get all this by simply granting China normal trade relations. Giving them the same access they have had to our markets since 1980, but on a permanent basis instead of renewing it every year.

I know Congress wants to have some continued say over our relations with China. Obviously this is because of its track record on human rights, and for national security reasons. This Administration is committed to protecting our national security and to promoting human rights. And we think denying China permanent trade relations will do nothing for either of these issues.

I say the fastest way to advance democracy in China is by bringing them into the WTO. The reforms they will undertake will move them dramatically toward a market economy. Let me give you one example. Can you imagine a better way to allow for the

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free flow of ideas than for a billion people to be connected to the Internet?

The second point I want to make is this. We have the strongest economy in our history, and people want to keep our prosperity going. One way to do that is to engage China so we can sell goods made by American workers there.

This is a deal that is good for our economy, but also includes strong protection for our workers. No agreement on allowing a nation to join WTO has ever included stronger measures against unfair trade. There are safeguards to stop import surges in particular industries. This is a key issue raised by Democrats and Republicans on Capitol Hill.

And we keep our powers, to stop cheap imports from being dumped on our shores. And for the first time, we will be able to use WTO rules to combat unfair trade and investment practices, such as local content requirements. WTO rules -- even with permanent trade relations -- allow for social justice and national security concerns. They permit us to block imports of goods made with prison labor, and keep our export control policies intact.

This is a good deal, no doubt, but let me be realistic. This will be a tough battle. And it will be tough for a lot of reasons. We have this huge -- \$60 billion-plus -- trade deficit with China, second only to Japan. We did not have red ink like that with Mexico or Canada when we did NAFTA.

And we did not have the kind of overall trade deficit back then, that we have now, which members of Congress don't like. Let me say, people may want to use the trade deficit as an excuse. But the fact is, it's an example of how open our economy is. This deal opens their economy.

It will be tough, because, we don't know how well the opposition will be organized -- but Seattle is a strong indication of how tough it could be. We have some timing issues that make it tough.

We have to wait and see the deals that China closes with the Europeans, and a critical mass of other countries. We welcome the progress made by Brazil and China. Until that happens, which optimistically will be in mid-April, Congress probably won't want to take a look at these things. I see the window on this as mid-April until July.

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Of course, we're ready to go tomorrow, if Congress is willing!

The [November] election is another obstacle. The fact of the matter is, the longer we wait, the politics gets harder. I think there is a consensus in both parties to get this done early on. And the election is an obstacle in that the American public is focused on that, rather than this -- although maybe that's good!

But in spite of the obstacles, President Clinton is extremely committed to do this. The first question I always get asked is, is he really extremely committed. Is this really important to him? We can sit here all day and go back and forth, but the answer is: Yes. Absolutely. The President will be aggressively involved. And it's very important to me personally, that I help the President on this.

The next question I get is: Is this winnable? Yes. I believe we can answer any questions that members of Congress, or the public have.

Our strategy to pass this is very straight-forward. The President has asked Steve Ricchetti, his deputy chief of staff, and me to lead the effort. Secretaries Albright, Summers, and Glickman ... Amb. Barshefsky ... Gene Sperling, and Sandy Berger are the other members of the team. We're meeting regularly. We're good friends now, and we'll be best friends before this is over.

Obviously, we're reaching out to Congress. We're going to meet with every lawmaker, look them in the eye, tell them why we need their support, until I hope they will be all sick of seeing us. To kick it off, two days ago, the President sent a letter to every member of Congress to outline his position and urge Congress to move ahead quickly.

Secretary Bentsen, when he helped the President pass NAFTA, would spend so much time on the Hill, he called himself the lowest paid lobbyist in town. We have the lowest paid lobbying firm in town. We'll be speaking loudly, and often, about how important this deal is to America's economic future.

But -- and this is important -- the key to our strategy is taking the story outside of Washington. And we don't have the luxury of time on our side. This is not going to get done if we make it an inside-the-beltway, Uncle Sam.com kind of effort.

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I don't care if Wall Street loves this deal -- what matters is that Main Street loves it. This must be a grass roots campaign. This is what I've been telling business. Workers and local officials need to know why this deal with China is so critical to their pocketbooks. They need to see paystubs like Farmland Industries puts out that says: (and I quote) "China will account for nearly 40 percent of the future growth of U.S. agricultural exports."

Last year, I went on a trade education tour around the country. And the problem is, that so many people in Washington paint this rosy picture. That's what elitists do. We need to paint the full picture. We need to talk about the positives of trade -- but we can't ignore the negatives.

And I won't let the critics get away without answering the question: what would they do instead? This is a public referendum on two different futures: One, do we bring China into the world; Or, two, do we keep them as a global outcast?

And let me say, I believe winning this fight is more than just about getting 10 more votes, or counting votes. It's about Americans understanding where the economy is going in the new century. And how important it will be to the workers of Coke, and Motorola, and General Motors, and Aetna, and thousands of small companies that make up a third of our exports to China.

My mother is 92 years old. She knows more about the old century than anyone I know. She often talks about the depression, and the war, and the great challenges they faced. The new century is the digital century, where trade is done electronically across borders. I hope that the great challenges we face, aren't how to fight countries, but how to compete, so workers around the world have opportunities to benefit.

I will end on this: I have a famous quote of Teddy Roosevelt framed in my office. It's the quote, where he says "it's not the critic who counts, not the man who points out how the strong man stumbled, or where the doer of deeds could have done better. The credit belong to the man who is actually in the arena."

We may take our hits. We may stumble. But we will be in the arena. This thing is winnable. It is absolutely doable. And I am very confident that with your help, we'll get this thing through Congress, and America will be better for it.

Thank you very much.

For more than five centuries, people have been searching for a way into China. At the White House last night, I had the pleasure of hosting the King and Queen of Spain. We got to talking about the long history between our two nations, and the trip Christopher Columbus took more than 500 years ago. If Columbus had known that he discovered North America, he would have been bitterly disappointed, because he was looking for China -- to bring back the spices and riches that legend had foretold, and link the Far East to the Western World.

For the past 30 years, every one of my predecessors has sought virtually the same thing. We have worked for the emergence of a China that contributes to peace in Asia; that is open to American products, farmers, and businesses; that allows its people 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 year, we have an opportunity to advance all of those goals in unprecedented new ways. I think if we turn our backs on this historic chance, and say no to this WTO agreement with China, we will be regretting it for the next 30 years. Let me tell you why.

I don't believe there can be any serious question that this agreement is in America's economic interest. Growing up, we used to say that if you see a turtle on a fencepost, it didn't get there by itself. I look at our trade deficit with China -- the biggest we have with any nation -- and I know it didn't just happen. It got that way because for years, China has had open access to our markets, while our access to theirs has been highly restricted.

This agreement changes all of that overnight. It does so in the most beneficial way possible to the United States. This trade agreement requires that China open its markets on everything from agriculture to manufacturing to high tech -- while we agree only to maintain the market access that we already give China. If there is trade equivalent of a one-way street, this agreement is it.

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, from import surges to technology transfer to intellectual property.

Think about what this agreement could mean for a wheat farmer in Kansas. Our farmers have had a rough time lately, in part because they are competing in a world with too much supply and not enough demand. Yet, the China market has largely been closed. This agreement gives our farmers direct access to one-fifth of the world's population that they could never sell to before. Little wonder that paystubs at the Farmland Institute read: "China will account for nearly 40 percent of the future growth of U.S. agricultural exports."

China today already has the largest telecommunication market in the world -- yet only five percent of their market has been tapped. This agreement opens the other 95 percent up to American firms, who are already leading the world.

Just think about what it could mean for the auto industry. Right now, a car made in Dearborn faces an 80 to 100 percent tariff before it can be sold in China -- which prices us out of the

market. If you want to sell cars in China, you need to base your operations in China. To do that, you must form a joint venture with a Chinese state-run enterprise and give it at least a 50 percent stake. You also must agree to transfer a significant amount of your technology to China, and teach the Chinese how to use it -- which means you are transferring both your product and your expertise to eventual competitors. And because of local content requirements, most parts have to be made in China, too.

In addition, Americans cannot directly run parts distribution centers in China, so once your parts are made, Chinese partners have to sell them for you. Americans are not allowed to directly own service centers, either. And all this assumes that Chinese consumers can buy the cars in the first place, because the only financing allowed in China is through state-run banks -- and they don't make loans for cars. Little wonder that there are many more bicycles in China than automobiles.

Under the new agreement, it's completely different. Tariffs on American cars will fall by nearly 75 percent, so we can compete in Chinese markets. The requirement that we have to link up with Chinese enterprises is eliminated. So is the requirement that we have to transfer our technology. And, American manufacturers will now be free to use parts made in America for assembly in China, to set up their own distribution centers, to run their own service shops, and to provide their own financing.

From our perspective, it means that we're going to sell a lot more American cars and auto parts in China, which means more jobs here in America. In return, the Chinese people end up with much better products at lower prices. Now, take that example and multiply it across our other industries, and you begin to get an idea of what this agreement could mean to both of our economies.

By Samuel R. Berger

When Congress holds its first hearing today on the agreement we reached last fall to bring China into the World Trade Organization, our critics will say that U.S. jobs could be at risk and that we'll lose our leverage in our fight to hold China to high standards on labor, human rights and the environment. I believe the opposite is true – membership in the WTO will broaden and deepen our dialogue with China. In short,

~~While these concerns should not be casually dismissed, the benefits of this agreement far outweigh its drawbacks.~~

Today's House hearing likely will focus on the economic benefits, which are substantial. The agreement will expand dramatically our access to one-fifth of the world's population. It requires China to open all its markets, while we agree only to maintain the market access we already give China. And it will create jobs and exports for Americans by allowing our companies, for the first time, to competitively sell products in China without having to open factories in China itself.

But bringing China into the WTO is about far more than trade. It also will advance U.S. national security by encouraging change within China.

To understand why, consider the dilemma China finds itself in today. Over the past 20 years, China has lifted more than 200 million people out of absolute poverty. But its workforce increases by 12 million annually.

Millions are migrating from rural areas to cities, where only some find work. Economic growth has slowed just when it needs to rise to create jobs. China's leaders know that opening the country's antiquated markets to global competition risks unleashing forces beyond their control: unemployment, social unrest, more domestic pressure for political change. But if its markets aren't opened, China won't build world-class industries that can survive in the global economy.

With this WTO agreement, China has chosen to speed the opening of its economy, despite the political risks. Our interests lie in embracing that choice. Bringing China into the WTO will promote the change we seek in three ways:

1 It will obligate China to deepen its market reforms.

2 With lower tariffs and greater competition, China's private sector will expand and its state sector shrink. Chinese firms will learn that, unless they treat employees with greater respect, they will lose their top talent to foreign companies, which offer better pay and merit-based chances to advance. This will lift standards for Chinese workers - and their expectations.

3 By speeding economic change, the agreement can encourage China to evolve into a more open society.

The Chinese state was once every citizens' employer, landlord, shopkeeper and news provider rolled into one. This agreement will accelerate a process government's removal from vast areas of people's lives. By opening China's

we need to understand

Do we really want to reject that choice?

telecommunications market, for example, the WTO agreement will spread the information revolution across China. The government's futile effort to control Internet content simply proves how threatening these changes are to the status quo.

Bringing China into the WTO will not guarantee it will choose political reform. But by hastening economic change, it will force China to confront that choice sooner, and make the imperative for the right choice more powerful.

8 This agreement increases the chance that China will be on the inside of the international system, playing by the rules, instead of on the outside, denying them.

By joining the WTO, China has agreed to subject some key economic decisions to an international body's review for the first time. If China violates its commitments, it will confront judgments backed by all 135 members of the WTO, rather than being able to chalk up friction to supposed U.S. bullying.

By itself, this agreement is not a panacea. Human rights changes in China require a combination of internal pressure and external validation of those who struggle for a political voice. And we will continue to press China to respect global nonproliferation norms, find a peaceful resolution of its issues with Taiwan and help solve problems of global climate change.

We will continue to protect our interests, but we must do so without isolating the Chinese people from the global forces empowering them to build a better future. For that would leave them with less access to information, less contact with the democratic world and more resistance from their government to outside influence and ideas. No one could possibly benefit from that except the most rigid, anti-democratic elements in China itself. We must not give them a victory by locking China out of the global trading system.

Samuel R. Berger is assistant to the president for national security affairs.

a human rights policy for the US

CLC in China will only come in

That's why

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