Case Number: 2010-1024-F

FOIA MARKER

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Folder Title:				
China (April 1999, Zhu Bilateral) [9]				
Staff Office-Individual:				
National Economic Council-Lee, Malcolm				
Original OA/ID Number:				
CF 1176				
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23	5	5	3	V

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. draft	Economic Aspects of Zhu Visit (4 pages)	04/1999	P1/b(1)
002. memo	For the President from Robert Rubin. Subject: Your Meeting with Premier Zhu Rongji. (3 pages)	04/07/1999	P1/b(1)
003. memo	For the President from William Dale. Subject: My Visit to China, March 28- April 1. (4 pages)	04/06/1999	P1/b(1)
004. talking points	U/S Eizenstat Talking Points. (4 pages)	04/06/1999	P1/b(1)
005. memo	For the President from Madeleine Albright. Subject: Official Visit of Chinese Premier Zhu Rongji. (3 pages)	04/05/1999	P1/b(1)
006. memo	For Madeleine Albright from Stuart Eizenstat. Subject: Engaging Zhu Rongji (6 pages)	04/07/1999	P1/b(1)
007. draft	Talking Points -- Calls re: China WTO Negotiations (2 pages)	04/07/1999	P1/b(1)
008. draft	Duplicate of 007. (2 pages)	04/07/1999	P1/b(1)
009. draft	Duplicate of 007. (2 pages)	04/07/1999	P1/b(1)
010. draft	Duplicate of 007. [with different marginalia] (2 pages)	04/07/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Economic Council
Malcolm Lee
OA/Box Number: CF 1176

FOLDER TITLE:

China (April 1999, Zhu Bilateral) [9]

2010-1024-F
vz1829

The commitment China has made to the far-reaching and significant initiatives certified in Attachments 1 and 2 are further complemented by the resolution of bilateral issues dealing with U.S. access to the Chinese market for citrus, meat products, and Pacific Northwest wheat, as set out in attachment 3.

President Clinton and Premier Zhu instructed their trade representatives to resume negotiations over the next thirty days on all remaining issues needing resolution for China's accession to membership in the WTO by the end of this year.

~~President Clinton and Premier Zhu welcome this progress, agree the important issues set forth in Attachment 3 must be satisfactorily resolved for the United States to support China's admission to the World Trade Organization, and commit to resume negotiations to resolve such issues within the next 30 days in support of our common goal of admission of the People's Republic of China to the World Trade Organization on strong commercial terms before the new century.~~

~~appropriate rules to address the unique nature of China's economy, including (x,y,z).~~

~~significant reductions in tariffs, tariff-rate quotas and quotas for agricultural imports, procedures that will allow USG certification of exports of wheat, citrus and beef from the United States to China;~~

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RESTRICTION CODES

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

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

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

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b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

UNCLASSIFIED FAX
FROM THE NATIONAL SECURITY COUNCIL
AND THE NATIONAL ECONOMIC COUNCIL
OF THE WHITE HOUSE

SENDER: MALCOLM LEE, **INTERNATIONAL GROUP**

WH PHONE: 202-456-9299
WH FAX: 202-456-9290

3 PAGES INCLUDING COVER SHEET

SUBJECT: China WTO

TO:	**FAX:**	**PHONE:**
Lundsager for Larry Summers	622 0168	

FOR CLEARANCE AS SOON AS POSSIBLE, PER OUR DISCUSSION.

UNCLASSIFIED FAX

Joint U.S. - China Statement
Status of Negotiations on China's Accession to the World Trade Organization
April 8, 1999

Draft 4

On the occasion of the official visit to the United States of Zhu Rongji, Premier of the Government of the People's Republic of China, President of the United States William Jefferson Clinton and Premier Zhu Rongji jointly affirm that:

- China's admission to the World Trade Organization (WTO) on strong commercial terms is in the interests of the United States, the People's Republic of China, and the global trading system;

- the United States and the People's Republic of China have made important progress on a variety of specific issues toward a strong agreement; and

- building on this progress, we commit to working to resolve all remaining issues through further bilateral negotiations in order to conclude a strong agreement as the basis for the admission of the People's Republic of China to the World Trade Organization.

President Clinton welcomes agreement by the Government of the People's Republic of China to a number of significant and far-reaching measures, set forth in Attachment 1, relating to the opening of its markets for goods, services and agriculture. These include, among other things:

- significant reductions in tariffs on industrial goods and the elimination of all non-tariff barriers in a set time frame;

- significant reductions in tariffs and tariff-rate quotas for imports of U.S. agricultural products;

- broad trading and distribution rights for foreign businesses operating in China; and

- general market opening principles that will govern trade in services including (x, y, z);

President Clinton welcomes agreement by the Government of the People's Republic of China to certain rules set forth in Attachment 2, governing China's economic relations as a member of the WTO, and addressing the unique nature of China's economy. These include (x, y, z).

President Clinton and Premier Zhu welcome the resolution of bilateral issues dealing with U.S. access to the Chinese market for citrus, meat products, and Pacific Northwest wheat, as set out in Attachment 3.

President Clinton and Premier Zhu welcome this progress, agree there are important remaining issues that need to be satisfactorily resolved, and instruct their trade representatives to resume negotiations in the next thirty days on these remaining issues in support of the common goal of admission of the People's Republic of China to the World Trade Organization on strong commercial terms before the new century.

Withdrawal/Redaction Marker
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. memo	For the President from Robert Rubin. Subject: Your Meeting with Premier Zhu Rongji. (3 pages)	04/07/1999	P1/b(1)

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On October 1, 1998 President Clinton issued an Executive Order directing all U.S. government agencies to ensure that legitimate software is used and that it be used only as authorized. In announcing issuance of the new Executive Order, Vice President Gore called on Ambassador Barshefsky to encourage foreign governments to enact similar protections for computer software used within their governments. USTR has been joined by the Department of Commerce in urging the Chinese Government to do likewise. Ambassador Barshefsky applauds Secretary Daly's personal efforts in pressing this issue with the Chinese.

In addition to China, Paraguay, Thailand, Turkey, Philippines, Korea and Jordan have issued similar decrees in recent months. USTR continues to work with other governments to increase the protection of intellectual property.

PAPOVICH_JOSEPH @ ustr.gov
03/04/99 05:29:00 PM

Record Type: Record

To: Malcolm R. Lee

cc:
Subject: Proposed Sec. 201 Amendments -Reply

it all looks fine. I really like the idea of the ITC not weighing causes. They just need to determine if the increased imports is an important ingredient, shall we say, in causing serious injury. Still, reading the last sentence of the leg history---I suspect that the ITC may still end up needing to weigh causes, as they try to decide if the increased imports is "important," as I assume the "important" analysis will mean important relative to what?....presumably other causes. But lets leave this alone now.

>>> Ken Freiberg 03/04/99 04:47pm >>>
Reflecting interagency comments. For clearance.

DRAFT 3

~~Joint U.S. - China Statement~~

~~Negotiations on China's Accession to the World Trade Organization~~

On this day April 8, 1999, on the occasion of the official visit of Zhu Rongji, Premier of -the Government of the People's Republic of China to the United States of America, President of the United States William Jefferson Clinton and Premier Zhu Rongji affirm that:-

- China's admission to the World Trade Organization on strong commercial terms is in the interests of the United States, the People's Republic of China, and the global trading system;

- the United States and the People's Republic of China have made important progress on a variety of specific issues toward a strong agreement for the United States to support the admission of the People's Republic of China to the World Trade Organization;

- building on this progress, we commit to working to resolve all remaining issues through further bilateral negotiations~~so that the United States can support the admission of the People's Republic of China to the World Trade Organization;~~ .

President Clinton applauds the Government of the People's Republic of China's agreement to implement significant and far-reaching measures, set forth in Attachment 1, relating to the opening of its markets for goods, services and agriculture. These include, among other things:

- ~~to this end, negotiations will resume in the next 30 days to resolve~~a significant reduction in tariffs on industrial goods and elimination of all ~~remaining issues.~~non-tariff barriers in a set time frame;-

~~President Clinton and Premier Zhu Rongji further agree that as a condition for China's entry into the World Trade Organization, the Government of the People's Republic of China has agreed to implement significant and far reaching measures, set forth in Attachment 1, relating to the opening of its markets for goods, services and agriculture and has agreed to certain rules, set forth in Attachment 2, that would apply to China as a member of the World Trade Organization. These include, among other things:~~

- ~~a~~ significant ~~reduction~~reductions in tariffs ~~on industrial goods~~ and ~~elimination~~tariff-rate quotas for imports of ~~all non-tariff barriers in a set time-frame~~U.S. agricultural products;-

- broad trading and distribution rights for foreign businesses operating in China;

- general market opening principles that will govern trade in services~~,~~ including (x, y, z);

President Clinton welcomes Premier Zhu's agreement on certain rules set forth in Attachment 2, that would apply to China as a member of the World Trade Organization, in order to address the unique nature of China's economy. These include (x, y, z).

The commitment China has made to the far-reaching and significant initiatives certified in Attachments 1 and 2 are further complemented by the resolution of bilateral issues dealing with U.S. access to the Chinese market for citrus, meat products, and Pacific Northwest wheat, as set out in attachment 3.

President Clinton and Premier Zhu instructed their trade representatives to resume negotiations over the next thirty days on all remaining issues needing resolution for China's accession to membership in the WTO by the end of this year.
~~President Clinton and Premier Zhu welcome this progress, agree the important issues set forth in Attachment 3 must be satisfactorily resolved for the United States to support China's admission to the World Trade Organization, and commit to resume negotiations to resolve such issues within the next 30 days in support of our common goal of admission of the People's Republic of China to the World Trade Organization on strong commercial terms before the new century. appropriate rules to address the unique nature of China's economy, including (x,y,z). significant reductions in tariffs, tariff-rate quotas and quotas for agricultural imports, procedures that will allow USG certification of exports of wheat, citrus and beef from the United States to China;~~

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
Executive Office of the President
600 17TH STREET, NW
WASHINGTON, D.C. 20508

Office of Congressional Affairs

April 7 , 1999

To:	**Larry Stein**	**456-6220**
	Chuck Brain	**456-2604**
	Al Maldon	"
	Malcolm Lee	**456-9290**
	Jake Siewert	**456-2223**
	Rick Sinkfield	**622-0534**
	Debbie Kilmer	**482-0512**
	Hannah Richert	**720-9251**
	Dean Pittman	**647-2504**

Number of Pages: 10

SUBJECT: **China Talking Points & President's Speech**

From: **Liz Arky**
Assistant U.S. Trade Representative for Congressional Affairs

Phone: (202) 395-6951 FAX: (202) 395-4656

COMMENTS:

AT&T
China - Pudong Network Project

Status Report (as of 2/1999)
Project Report Previously Submitted

The Pudong Network Project is a proposed joint venture involving AT&T, China Telecom and the Shanghai Municipal Government to provide advanced broadband services to financial and other multinational customers. If approved, this project would represent China's first limited step in opening telecom services to foreign participation. This project is often described as an "experimental" network, as it would allow China to test the benefits of cooperation with foreign telecommunications operators in domestic services. Over the past five years, AT&T has emerged as the only foreign partner selected for this project.

Despite strong support from the Shanghai Municipal Government, the project has yet to receive approval from China's central government. Despite United States Government advocacy efforts during the Heads of State summits in 1997-1998, the project is yet to be approved. Several factors combined to thwart approval last year, including China's preoccupation with restructuring, stalled negotiations on China's accession to the WTO, and persistent monopolistic mentality within the MII. As a result, the project is still before the State Council for consideration and approval.

Simultaneously, with the restructuring of China's telecommunications industry gaining momentum, other non-MPT players will likely enter the market, and ultimately change the structure and regulatory environment. Should the Pudong Network Project be approved, and as these market changes progress, the project ultimately could be redefined and expanded to offer broadband the Pudong area to include the whole of Shanghai.

The proposed upcoming visit by Premier Zhu Rongji to Washington this spring offers another opportunity to leverage the China-U.S. bilateral commercial relationship and raise again USG support for the project with senior levels of the Chinese Government.

AT&T understands that key Chinese agencies remain supportive of the project, but there is still resistence within the MII. For project approval, USG advocacy support is essential for the following key reasons:

- The project would require China to moderate its existing regulatory policies concerning domestic telecommunications services. Therefore, its approval requires support by senior leadership within the Chinese Government. Senior USG officials' advocacy is necessary to raise it to the necessary levels.
- If the project were approved, it would represent significant initial market access for American telecommunications services operators in China.
- As a first telecommunications service joint venture with a foreign operator, approval would reflect China's willingness to commit to specific, time-bound WTO obligations to liberalize the telecommunications services sector, ultimately advancing China's WTO accession process.
- AT&T is the only foreign partner selected for this project.

AT&T seeks the USG's support of the Pudong Network Project by raising the issue of approval to the senior levels of the Chinese Government during appropriate bilateral meetings, including the upcoming visit by Premier Zhu Rongji to Washington.

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release April 7, 1999

REMARKS BY THE PRESIDENT
IN FOREIGN POLICY SPEECH

Mayflower Hotel
Washington. D.C.

10:33 A.M. EDT

THE PRESIDENT: Thank you, Richard. Max Kampelman, thank you for being with me today. And I thank the U.S. Institute for Peace for arranging this presentation on this, as I'm sure all of you know, relatively short notice.

I'd also like to acknowledge the presence here with me today of Secretary Albright and Ambassador Barshefsky, National Security Advisor Berger, and two important former members of my national security team, Tony Lake and Tara Sonenshine, who is a senior advisor here the to Institute for Peace.

I would like to begin just by thanking this body for what you do every day to help our administration and the Congress and the American people think through the most challenging foreign policy issues of our time. And I thank you in particular for your determination to reach out to a younger generation of Americans to talk to them about the importance of these issues and the world they will live in.

In February, I gave a speech in San Francisco about America's role in the century to come. We all know it's an extraordinary moment when there is no overriding threat to our security; when no great power need feel that any other is a military threat; when freedom is expanding and open markets and technology are raising living standards on every continent, bringing the world closer together in countless ways.

But I also argued that globalization is not an unmixed blessing. In fact, the benefits of globalization -- openness and opportunity -- depend on the very things globalization alone cannot guarantee -- peace, democracy, the stability of markets, social justice, the protection of health and the environment.

Globalization can bring repression and human rights violations and suffering into the open, but it cannot prevent them. It can promote integration among nations, but also lead to disintegration within them. It can bring prosperity on every continent, but still leave many, many people behind. It can give people the modern tools of the 21st century, but it cannot purge their hearts of the primitive hatreds that may lead to the misuse of those tools. Only national governments, working together, can reap the full promise and reduce the problems of the 21st century.

The United States, as the largest and strongest country in the world at this moment -- largest in economic terms and military terms -- has the unavoidable responsibility to lead in this increasingly interdependent world, to try to help meet the challenges of this new era.

Clearly, our first challenge is to build a more peaceful world, one that will apparently be dominated by ethnic and religious conflicts we once thought of primitive, but which Senator Moynihan, for example, has referred to now as post-modern. We know that we cannot stop all such conflicts. But when the harm is great and when our values and interests are at stake, and when we have the means to make a difference, we should try.

That is what we and our NATO allies are doing in Kosovo -- trying to end the horrible war there, trying to aid the struggling democracies of Southeastern Europe, all of whom are threatened by the violence, the hatred, the human exodus President Milosevic's brutal campaign has unleashed. We are determined to stay united and to persist until we prevail.

It is not enough now for Mr. Milosevic to say that his forces will cease fire in Kosovo, denied its freedom and devoid of its people. He must withdraw his forces, let the refugees return, permit the deployment of an international security force. Nothing less will bring peace with security to the people of Kosovo.

The second challenge I discussed in San Francisco in February is that of bringing our former adversaries, Russia and China, into the international system as open, prosperous and stable nations. Today, I want to speak especially about our relationship with China, one that is being tested and hotly debated today as China's Premier, Zhu Rongji, travels to Washington.

Of course, we all know that perceptions affect policies. And American perceptions about China have often changed in this century. In the early 1900s, most Americans saw China through the eyes of missionaries seeking open hearts, or traders seeking open markets. During World War II, China was our ally; during the Korean War, our adversary. During the Cold War, we debated whether China was a solid stone in the monolith of world communism, or a country with interests and traditions that could make it a counterweight to Soviet power.

More recently, many Americans have looked to China to see either the world's next great capitalist tiger and an enormous motherlode of economic opportunity for American companies and American workers, or the world's last great communist dragon and next great threat to freedom and security.

For a long time, it seems to me, we have argued about China with competing caricatures. Is this a country to be engaged, or isolated? Is this a country beyond our power to influence, or a country that is ours to gain and ours to lose? Now we hear that China is a country to be feared. A growing number of people say that it is the next great threat to our security and our well-being.

What about this argument? Well, those who say it point out, factually, that if China's economy continues to grow on its present trajectory, it will be the world's largest in the next century. They argue, correctly, that the Chinese government often defines its interests in ways sharply divergent from ours. They are concerned, rightly, by Chinese missiles aimed at Taiwan and at others. From this they conclude that China is, or will be, our enemy.

They claim it is building up its military machine for aggression, and using the profits of our trade to pay for it. They urge us, therefore, to contain China -- to deny it access to our markets, our technology, our investment, and to bolster the strength of our allies in Asia to counter the threat a strong China will pose in the 21st century.

What about that scenario? Clearly, if it chooses to do so, China could pursue such a course, pouring much more of its wealth into military might and into traditional great power geopolitics. Of course, this would rob it of much of its future prosperity, and it is far from inevitable that China will choose this path. Therefore, I would argue that we should not make it more likely that China will choose this path by acting as if that decision has already been made.

I say this over and over again, but when I see this China debate in America, with people talking about how we've got to contain China and they present a terrible threat to us in the future and its inevitable and how awful it is, I remind people who work with us that the same kind of debate is going on in China -- people saying the Americans do not want us to emerge, they do not want us to have our rightful position in the world, their whole strategy is designed to keep us down on the farm.

And we have to follow a different course. We cannot afford caricatures. I believe we have to work for the better future that we want, even as we remain prepared for any outcome. This approach will clearly put us at odds with those who believe America must always have a great enemy. How can you be the great force for good in the world and justify all the things you do if you don't have a great enemy.

I don't believe that. I believe we have to work for the best, but do it in a way that will never leave us unprepared in the event that our efforts do not succeed.

Among the first decisions I made in 1993 was to preserve the alliances that kept the peace during the Cold War. That meant in Asia, we kept 100,000 troops there, and maintained robust alliances with Japan, Korea, Thailand, Australia and the Philippines. We did this, and have done it, not to contain China or anyone else, but to give confidence to all that the potential threats to Asia's security will remain just that -- potential -- and that America remains committed to being involved with Asia and to Asia's stability.

We've maintain our strong, unofficial ties to a democratic Taiwan, while upholding our one-China policy. We've encouraged both sides to resolve their differences peacefully and to have increased contact. We've made clear that neither can count on our acceptance if it violates these principles.

We know that in the past decade China has increased its deployment of missiles near Taiwan. When China tested some of those missiles in 1996, tensions grew in the Taiwan Strait. We demonstrated then with the deployment of our carriers that America will act to prevent a miscalculation there. Our interests lie in peace and stability in Taiwan and in China, in the Strait and in the region, and in a peaceful resolution of the differences. We will do what is necessary to maintain our interest.

Now, we have known since the early 1980s that China has nuclear armed missiles capable of reaching the United States. Our defense posture has and will continue to take account of that reality. In part, because of our engagement, China has, at best, only marginally increased its deployed nuclear threat in the last 15 years. By signing the Comprehensive Test Ban Treaty, China has accepted constraints on its ability to modernize its arsenal at a time when the nuclear balance remains overwhelmingly in our favor. China has fewer than two dozen long-range nuclear weapons today; we have over 6,000.

We are determined to prevent the diversion of technology and sensitive information to China. The restrictions we place on our exports to China are tougher than those applied to any other major exporting country in the world.

When we first learned, in 1995, that a compromise had occurred at our weapons labs, our first priority was to find the leak, to stop it, and to prevent further damage. When the Energy Department and the FBI discovered wider vulnerabilities, we launched a comprehensive effort to address them. Last year, I issued a directive to dramatically strengthen security at the energy labs. We have increased the Department's counterintelligence budget by 15-fold since 1995.

But we need to be sure we're getting the job done. Last month, I asked the President's

Foreign Intelligence Advisory Board, an independent, bipartisan body chaired by former Senator Warren Rudman, to review the security threat and the adequacy of the measures we have taken to address it. It is vital that we meet this challenge with firmness and openness, but without fear.

The issue is how to respond to this. I believe we should not look at China through rose-colored glasses, nor should we look through a glass darkly to see an image that distorts China's strength and ignores its complexities. We need to see China clearly -- its progress and it's problems, its system and its strains, its policies and its perceptions of us, of itself, of the world. Indeed, we should apply a bit of universal wisdom that China's late leader, Deng Xiaoping, used to preach, we should seek the truth from facts.

In the last 20 years, China has made incredible progress, in building a new economy, lifting more than 200 million people out of absolute poverty. But consider this: Its working age population is increasing by more than 10 million people, the equivalent of the state of Illinois, every year. Tens of millions of Chinese families are migrating from the countryside, where they see no future, to the city where only some find work. Due in part to the Asian economic crisis, China's economic growth is slowing just when it needs to be rising to create jobs for the unemployed and to maintain support for economic reform.

For all the progress of China's reforms, private enterprise still accounts for less than 20 percent of the non-farm economy. Much of China's landscape is still dominated by unprofitable polluting state industries. China state banks are still making massive loans to struggling state firms, the sector of the economy least likely to succeed.

Now, I'm met with Premier Zhu before. I know, and I think all of you know, that he is committed to making necessary, far-reaching changes. He and President Ziang are working to reform banks and state enterprises and to fight corruption. Indeed, one of China's highest public security officials was arrested several weeks ago on corruption charges.

They also know that in the short run, reform will cause more unemployment, and that can cause unrest. But so far, they've been unwilling to open up China's political system because they see that as contributing to instability when, in fact, giving people a say in their decisions actually provides a peaceful outlet for venting frustration.

China's biggest challenge in the coming years will be to maintain stability and growth at home by meeting, not stifling, the growing demands of its people for openness and accountability. It is easy for us to say; for them, it is a daunting task.

What does all this mean for us? Well, 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 challenge that a strong China could present to the United States in the future, let us not forget the risk of a weak China, beset by internal conflicts, social dislocation and criminal activity, becoming a vast zone of instability in Asia.

Despite Beijing's best efforts to rein in these problems, we have seen the first danger signs -- free-wheeling Chinese enterprises selling weapons abroad, the rise in China of organized crime, stirrings of ethnic tensions and rural unrest, the use of Chinese territory for heroin trafficking, and even piracy of ships at sea. In short, we're seeing in China the kinds of problems a society can face when it is moving away from the rule of fear, but is not yet firmly rooted in the rule of law.

The solutions fundamentally lie in the choices China makes. But I think we would all agree, we have an interest in seeking to make a difference and in not pretending that the outcome is foreordained. We can't do that simply by confronting China or trying to contain her. We can only deal with the challenge if we continue a policy of principled, purposeful engagement with China's leaders and China's people.

Our long-term strategy must be to encourage the right kind of development in China -- to help China grow at home into a strong, prosperous and open society, coming together, not falling apart; to integrate China into the institutions that promote global norms on proliferation, trade, the environment, and human rights. We must build on opportunities for cooperation with China where we agree, even as we strongly defend our interests and values where we disagree. That is the purpose of engagement. Not to insulate our relationship from the consequences of Chinese actions, but to use our relationship to influence China's actions in a way that advances our values and our interests.

That is what we have done for the last six years, with the following tangible results. In no small measure as a result of our engagement, China helped us to convince North Korea to freeze the production of plutonium, and, for now, to refrain from more new missile tests. It has been our partner in averting a nuclear confrontation in South Asia. Not long ago, China was selling dangerous weapons and technologies with impunity. Since the 1980s, it has joined the Nuclear Non-Proliferation Treaty, the Chemical Weapons Convention, the Biological Weapons Convention, and the Comprehensive Test Ban Treaty -- and accepted the safeguards, reporting requirements, and inspection systems that go with each.

We have also convinced China not to provide new assistance to Iran's nuclear program, to stop selling Iran anti-ship cruise missiles, and to halt assistance to unsafeguarded nuclear facilities in Pakistan. Now it's important that China join the Missile Technology Control Regime, a step President Jiang agreed to consider at least year's summit in Beijing.

We also have an interest in integrating China into the world trading system and in seeing it join the World Trade Organization on clearly acceptable, commercial terms. This is a goal America has been working toward in a bipartisan fashion for 13 years now. Getting this done and getting it done right is profoundly in our national interests. It is not a favor to China; it is the best way to level the playing field.

China already has broad access to our markets, as you can see from any perusal of recent trade figures. If China accepts the responsibilities that come with WTO membership, that will give us broad access to China's markets, while accelerating its internal reforms and propelling it toward acceptance of the rule of law.

The bottom line is this: If China is willing to play by the global rules of trade, it would be an inexplicable mistake for the United States to say no.

We have an interest as well in working with China to preserve the global environment. Toward the middle of the next century, China will surpass the United States as the world's largest emitter of greenhouse gases. At last year's summit in China, I made it clear there can be no meaningful solution to this problem unless China is a part of it. But I also emphasized, as I do over and over again -- with sometimes mixed effect -- that rapidly developing technologies now make it possible for China -- indeed, for India, for any other developing economy -- to be environmentally responsible without sacrificing economic growth.

That challenge is at the top of Vice President Gore's agenda on the forum on environment and development he shares with Premier Zhu. It will be meeting this week.

We have been encouraging the development of clean natural gas in China and cleaner technologies for burning coal. We've been working with China on a study of emissions trading, a tool that has cut pollution at low cost in the United States and which could do the same for China. In the Information Age, China need not, indeed, China will not be able, to grow its economy by clinging to Industrial Age energy practices.

Finally, let me say we have an interest in encouraging China to respect the human rights of its people and to give them a chance to shape the political destiny of their country. This is an interest that cuts to the heart of our concerns about China's future.

Because wealth is generated by ideas today, China will be less likely to succeed if its people cannot exchange information freely. China also will be less likely to succeed if it does not build the legal and political foundation to compete for global capital; less likely to succeed if its political system does not gain the legitimacy that comes from democratic choice.

China's leaders believe that significant political reform carries enormous risk of instability at this moment in their history. We owe it to any country to give a respectful listen to their stated policy about such matters. But the experience of the rest of Asia during this present economic crisis shows that the risks of delaying reform are greater than the risks of embracing it.

As Indonesia learned, you cannot deal with social resentment by denying people the right to voice it. As Korea and Thailand have shown the world, expressed dissent is far less dangerous than repressed dissent. Both countries are doing better now because their elected governments have the legitimacy to pursue reform.

In fact, almost every goal to which China's leaders are dedicated, from maintaining stability to rooting out corruption, to reuniting peacefully with Taiwan, would actually be advanced if they embraced greater openness and accountability.

We have promoted that goal by airing differences candidly and directly with China's leaders, by encouraging closer ties between American and Chinese people. Those ties have followed in the wake of official contacts, and have the potential to bring change.

The people-to-people ties have made it possible for over 100,000 Chinese students and scholars to study in America, and thousands of American teachers and scholars -- students -- to go to China. They have enabled American non-governmental organizations to help people in China set up NGOs of their own. They have allowed Americans to work with local governments, universities and citizens' groups in China -- to save wetlands and forests, to manage urban growth, to support China's first private schools, to hook up schools to the Internet, to train journalists, to promote literacy for poor women, to make loans for Tibetan entrepreneurs, to begin countless projects that are sparking the growth of China's civil society. They have permitted Chinese lawyers, judges and legal scholars to come to America to study our system.

Now, we don't assume for a moment that this kind of engagement alone can give rise to political reform in China, but despite the obstacles they face, the Chinese people clearly enjoy more freedom -- in where they work, and where they live, and where they go -- than they did a decade ago.

China has seen the emergence of political associations, consumer groups, tenant organizations, newspapers that expose corruption and experiments in village democracy. It has seen workers demanding representation and a growing number of people seeking the right to form political parties, despite the persecution they face. I met with many such agents of change when I visited China last year.

Of course, it is precisely because these changes are meaningful that the Chinese government is pushing back. Its actions may be aimed at individuals, but they are clearly designed to send a message to all Chinese that they should not test the limits of political freedom. The message they send the world, however, is quite different. It is one of insecurity, not strength. We often see that a tight grip is actually a sign of a weak hand.

Now, we have made it clear to China's leaders that we think it's simply wrong to arrest people whose only offense has been to engage in organized and peaceful political expression. That right is universally recognized and democratic nations have a duty to defend it. That is why we are seeking support at the U.N. Human Rights Commission in Geneva for a resolution on human rights in China.

We will also urge China to embrace the International Covenant on Civil and Political Rights -- in word and in deed. We will keep pressing the Congress to fund programs that promote the rule of law in China. We will keep working to promote a dialogue between China and the Dalai Lama, and respect for Tibet's cultural and religious heritage.

But there is one thing that we will not do. We will not change our policy in a way that isolates China from the global forces that have begun to empower the Chinese people to change their society and build a better future. For that would leave the people of China with less access to information, less contact with the democratic world, and more resistance from their government to outside influence and ideas.

In all these areas, the debate China's policy has sparked in our country can be constructive by reminding us that we still face challenges in the world that require our vigilance. It can also remind the Chinese government that the relationship between our two countries depends in large measure not only on the actions of the President and the Executive Branch, but on the support of the American people and our Congress, which cannot be taken for granted.

But as the next presidential election approaches, we cannot allow a healthy argument to lead us toward a campaign-driven Cold War with China; for that would have tragic consequences: an America riven by mistrust and bitter accusations; an end to diplomatic contact that has produced tangible gains for our people; a climate of mistrust that hurts Chinese Americans and undermines the exchanges that are opening China to the world.

No one could possibly gain from that except for the most rigid, backward-looking elements in China itself. Remember what I said at the outset: The debate we're having about China today in the United States is mirrored by a debate going on in China about the United States. And we must be sensitive to how we handle this, and responsible.

I know the vast majority of Americans and members of Congress don't want this to happen. I will do everything in our power to see that it does not, so that we stay focused on our vital interests and the real challenges ahead.

We have much to be concerned about. There is North Korea, South Asia, the potential for tensions in the Taiwan Strait and the South China Sea. There is the tragic plight of political prisoners; the possibility, also, that China will not realize its growth potential, that it will become unstable because of the distressed economy and angry people.

But we have every reason to approach our challenges with confidence and with patience. Our country, after all, now, is at the height of its power and the peak of its prosperity. Democratic values are ascendant throughout much of the world. And while we cannot know where China is heading for sure, the forces pulling China toward integration and openness are more powerful today than ever before. And these are the only forces that can make China a truly successful power, meeting the demands of its people and exercising appropriate and positive influence in the larger world in the 21st century.

Such a China would indeed be stronger, but it also would be more at peace with itself and at ease with its neighbors. It would be a good thing for the Chinese people, and for the American people.

This has been the lodestar of our policy for the last six years -- a goal that is consistent with our interests and that keeps faith with our values; an objective that we will continue to pursue, with your help and understanding, in the months and years ahead.

This visit by Premier Zhu is very important. The issues that are raised from time to time which cause tensions in our relationship, they are also very important. But I ask you, at this Institute, not to let the American people, or American policy-makers -- or American politicians in a political season -- lose sight of the larger interests we have in seeing that this very great country has the maximum possible chance to emerge a more stable, freer, more prosperous, more constructive partner with the United States in the new century.

Thank you very much. (Applause.)

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INTERNATIONAL TRADE ADMINISTRATION
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THE ADVOCACY CENTER
HCHB, 14th & Constitution Avenue, NW, Room 3814A
Washington, DC 20230
Fax: 202-482-3508 & 202-501-2895
Phone: 202-482-3896

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FROM: D Forest FAX: 456 - 9290

PAGES (Including Cover Sheet) DATE:

SUBJECT:

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003. memo	For the President from William Dale. Subject: My Visit to China, March 28- April 1. (4 pages)	04/06/1999	P1/b(1)

COLLECTION:
Clinton Presidential Records
National Economic Council
Malcolm Lee
OA/Box Number: CF 1176

FOLDER TITLE:
China (April 1999, Zhu Bilateral) [9]

2010-1024-F
vz1829

RESTRICTION CODES

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

P1 National Security Classified Information [(a)(1) of the PRA]
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United States Department of State

Washington, D.C. 20520

Office for Japanese Affairs

April 6, 1999

To: **NEC: Malcolm Lee/Mr. Baretta**
Fax No: **(202) 456-9290/2223**

From: Allen Greenberg
Tel. 647-3154
Fax 647-4402

Subject: U/S Eizenstat Talking Points for Japanese PM Office: Noboru

Total number of pages including this cover sheet: 5

Gentlemen: As discussed.

AG

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
004. talking points	U/S Eizenstat Talking Points. (4 pages)	04/06/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Economic Council
Malcolm Lee
OA/Box Number: CF 1176

FOLDER TITLE:

China (April 1999, Zhu Bilateral) [9]

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
005. memo	For the President from Madeleine Albright. Subject: Official Visit of Chinese Premier Zhu Rongji. (3 pages)	04/05/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Economic Council
Malcolm Lee
OA/Box Number: CF 1176

FOLDER TITLE:

China (April 1999, Zhu Bilateral) [9]

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United States Department of State

Washington, D.C. 20520

April 7, 1999

FAX TO LAEL BRAINARD
456-2878

FROM: STATE - AL LARSON

This is the paper we talked about. Please note especially the talking points on the last page and the two page non-paper.

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
006. memo	For Madeleine Albright from Stuart Eizenstat. Subject: Engaging Zhu Rongji (6 pages)	04/07/1999	P1/b(1)

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Malcolm Lee
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OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

EXECUTIVE OFFICE OF THE PRESIDENT

WASHINGTON, D.C. 20508

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TO: Lael Brainard

FAX NUMBER: 456-2878

FROM:

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PHONE: (202) 395-6850

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
007. draft	Talking Points -- Calls re: China WTO Negotiations (2 pages)	04/07/1999	P1/b(1)

COLLECTION:

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OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President
600 17TH STREET, NW
WASHINGTON, D.C. 20508

Office of Deputy United State Trade Representative Richard Fisher

April 7, 1999

Number of Pages including cover: 2

To:	**Malcolm**
Office/Agency:	**NEC**
Fax Number:	**69290**

SUBJECT: **Zhu points**

From: **Erin Ennis**
Confidential Assistant to the Deputy
Phone: 395-9595 FAX: 395-3390

Malcolm: this is the most current draft, but as the negotiations are still going on, check with him or Bob Novick tomorrow.

DRAFT 3

On this day April 8, 1999, on the occasion of the official visit of Zhu Rongji, Premier of the Government of the People's Republic of China to the United States of America, President of the United States William Jefferson Clinton and Premier Zhu Rongji affirm that:

- China's admission to the World Trade Organization on strong commercial terms is in the interests of the United States, the People's Republic of China, and the global trading system;

- the United States and the People's Republic of China have made important progress on a variety of specific issues toward a strong agreement for the United States to support the admission of the People's Republic of China to the World Trade Organization;

- building on this progress, we commit to working to resolve all remaining issues through further bilateral negotiations.

President Clinton applauds the Government of the People's Republic of China's agreement to implement significant and far-reaching measures, set forth in Attachment 1, relating to the opening of its markets for goods, services and agriculture. These include, among other things:

- a significant reduction in tariffs on industrial goods and elimination of all non-tariff barriers in a set time frame;

- significant reductions in tariffs and tariff-rate quotas for imports of U.S. agricultural products;

- broad trading and distribution rights for foreign businesses operating in China;

- general market opening principles that will govern trade in services including (x, y, z);

President Clinton welcomes Premier Zhu's agreement on certain rules set forth in Attachment 2, that would apply to China as a member of the World Trade Organization, in order to address the unique nature of China's economy. These include (x, y, z).

The commitment China has made to the far-reaching and significant initiatives certified in Attachments 1 and 2 are further complemented by the resolution of bilateral issues dealing with U.S. access to the Chinese market for citrus, meat products, and Pacific Northwest wheat, as set out in attachment 3.

President Clinton and Premier Zhu instructed their trade representatives to resume negotiations over the next thirty days on all remaining issues needing resolution for China's accession to membership in the WTO by the end of this year.

CHIEF OF STAFF
OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C. 20508

Nancy

DATE: 4/7/99

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FAX NUMBER: 456-2878

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008. draft	Duplicate of 007. (2 pages)	04/07/1999	P1/b(1)

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Malcolm Lee
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CHIEF OF STAFF
OF THE UNITED STATES TRADE REPRESENTATIVE
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WASHINGTON, D.C. 20508

EXECUTIVE OFFICE OF THE PRESIDENT OF THE UNITED STATES
THE UNITED STATES TRADE REPRESENTATIVE

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'rainard

FAX NUMBER: 456-2878

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)5-6850

[redacted]
395-4549

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The Honorable
Chief Judge
United States D
Northern Distri
San Francisco,

Dear Chief Judg

Thank y

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Please d
assistance.

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WASHINGTON, D.C. 20508

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010. draft	Duplicate of 007. [with different marginalia] (2 pages)	04/07/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Economic Council
Malcolm Lee
OA/Box Number: CF 1176

FOLDER TITLE:

China (April 1999, Zhu Bilateral) [9]

2010-1024-F
vz1829

RESTRICTION CODES

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

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

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

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

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