

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Mona Sutphen to Bathsheba Crocker, Shelia Moretz, Marilyn Scott-Perez et al at 5:56PM. Subject: WTO Package. (6 pages)	10/30/1999	P1/b(1)
002. email	James Keith to Kenneth Lieberthal at 8:50 AM. Subject: Hill Calls on WTO. (2 pages)	11/08/1999	P1/b(1)
003. email	James Keith to Miles Lackey, Christina Burrell, Daniel Shapiro and Mark Tavlarides at 12:51 PM. Subject: FW: Hill Calls on WTO. (3 pages)	11/08/1999	P1/b(1)
004. email	James Keith to Miles Lackey at 6:31 PM. Subject: FW: Hill Calls on WTO. (3 pages)	11/08/1999	P1/b(1)
005. email	James Keith to Miles Lackey and Daniel Shapiro at 7:23 PM. Subject: FW: Hill Calls on WTO. (3 pages)	11/08/1999	P1/b(1)
006. email	James Keith to Marilyn Scott-Perez, Bathsheba Crocker, Mona Sutphen, et al at 8:05 AM. Subject: Sec. Daley's Public Comments (4 pages)	11/10/1999	P1/b(1)
007. email	Kenneth Lieberthal to Mara Rudman at 4:28 PM. Subject: RE: WTO (3 pages)	11/16/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
NSC Emails
Exchange-Record (Sept 97-Jan 01) ([China, WTO, Barshefsky, Kantor])
OA/Box Number: 620000

FOLDER TITLE:

[10/30/1999-12/07/1999]

2010-1024-F

vz1772

RESTRICTION CODES

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P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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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.

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Exchange Mail

DATE-TIME 11/8/99 12:01:04 PM
FROM Keith, James R. (ASIA)
CLASSIFICATION UNCLASSIFIED
SUBJECT RE: WTO [UNCLASSIFIED]
TO Leavy, David C. (PRESS)
Scott-Perez, Marilyn L. (NSA)

CARBON_COPY Crocker, Bathsheba N. (NSA)
Crocker, Bathsheba N. (NSA)
Moretz, Sheila K. (NSA)
Scott-Perez, Marilyn L. (NSA)
Storey, Sharon V. (NSA)
Sutphen, Mona K. (NSA)
Osious, Theodore G. (VP)

TEXT_BODY Marilyn: pls pass to JBS as part of the package of Q&A he is reviewing on Charlene's travel to China for WTO talks. Additional question and answer:

Is the November 30 Seattle ministerial a deadline for conclusion of these talks?

* No deadlines.

* We have said

that substance is more important than timing.

* We believe that

China's accession on strong commercial terms is in both countries' interest and will proceed on that basis.

-----Original Message-----

From: Leavy,

David C. (PRESS)

Sent: Monday, November 08, 1999 11:51 AM

To: Keith,

James R. (ASIA); Osious, Theodore G. (VP)

Subject: RE: WTO [UNCLASSIFIED]

thanks

Jim...one question we need is seattle a deadline?

-----Original
Message-----

From: Keith, James R. (ASIA)
Sent: Monday, November
08, 1999 11:44 AM
To: Osius, Theodore G. (VP)
Cc: Leavy, David
C. (PRESS)
Subject: WTO [UNCLASSIFIED]
Importance: High

Suggest
you be in touch with David Leavy; he is in charge of these points
now.

<< File: Press Guidance for Barshefsky Trip to China1.doc
>>

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Exchange Mail

DATE-TIME 11/15/99 5:30:25 PM
FROM Schaefer, Matthew P. (INTECON)
CLASSIFICATION UNCLASSIFIED
SUBJECT Barshefsky Remarks on Seattle WTO [UNCLASSIFIED]
TO Crocker, Bathsheba N. (NSA)

CARBON_COPY Bartlett, L. June (EXSEC)
Bradtke, Robert A. (EXSEC)
Crocker, Bathsheba N. (NSA)
Gray, Wendy E. (NSA)
Jacobson, Tracey A. (ADMIN)
Joshi, M. Kay (EXSEC)
Millison, Cathy L. (EXSEC)
Moretz, Sheila K. (NSA)
Patterson, Pamela L. (NSA)
Rudman, Mara E. (NSA)
Sargeant, Stephen T. (EXSEC)
Scott-Perez, Marilyn L. (NSA)
Storey, Sharon V. (NSA)
Sutphen, Mona K. (NSA)
Bayley, Douglas C. (WHSR)
Blackburn, John (WHSR)
Bresnahan, Gary E. (WHSR/STP)
Broadwick, Bonnie . (WHSR)
Crowder, Stevan D. (WHSR)
Erdahl, Douglas M. (WHSR)
Fuchs, Joachim D. (WHSR)
Jansen, Christian P. (WHSR)
Laskowski, Gregory J. (WHSR)
McGee, Jenny A. (WHSR)
Porterfield Patrick C. (WHSR)
Rogers, Elizabeth B. (WHSR)
Schrader, Joel M. (WHSR)
Sibley, Matthew W. (WHSR)
Sigler, Ralph H. (WHSR)
Duncan, John D. (INTECON/DOS)
Hammonds, D. Holly (INTECON)
Hendricks, Lori A. (INTECON)
Mitsler, Elaine M. (INTECON)
Schaefer, Matthew P. (INTECON)

TEXT_BODY Sheba:

Per earlier exchange of e-mails, here are Barshefsky remarks she intends to give to National Press Club on Nov. 17th. Please forward to Jim for his comments/information. Thanks.

Matt

TRANSLATED_ATTACHMENT

Barshefsky.doc

THE ROAD FROM SEATTLE

Ambassador Charlene Barshefsky
United States Trade Representative

National Press Club
Washington, DC

November 17, 1999

Good afternoon, and thank you all for coming.

We are now less than two weeks away from the World Trade Organization's Ministerial Conference in Seattle. This event, which the United States will host and Chair, will bring 150 nations together to launch a new Round of international trade negotiations; and this Round in turn will help us create the foundation of the next century's world economy.

In the past month, beginning with President Clinton's address to the Democratic Leadership Council, our Administration has laid out a detailed and ambitious program for the Ministerial and the new Round. My remarks today will recap this negotiating program in general terms; but my purpose today is to look beyond the specific negotiations to the broader challenges we will be addressing and the results we hope to achieve.

THE ACHIEVEMENTS OF THE PAST HALF-CENTURY

Let me begin with some general thoughts about American trade policy and its

record.

For fifty years, Americans have worked to create a more open, fair and free world economy. We have done so to advance our own national economic interests; to promote the values of freedom and the rule of law; and to realize the aspiration, shared with our trading partners, of a more peaceful and prosperous world for each succeeding generation. And on the whole we have succeeded.

Our postwar leaders faced a world fragmented and impoverished by the war; by the communist experiment in Russia and soon China; and by the deep economic divisions among the Allies, dating from the cycle of trade protection and retaliation touched off by the colonial preference schemes of Britain and France, and the American Smoot-Hawley Act. Over the following five decades, we completed eight separate international negotiating Rounds, beginning with the foundation of the General Agreement on Tariffs and Trade under President Truman in 1948, and culminating in President Clinton's conclusion of the Uruguay Round which created the WTO in 1995. And this has helped us to rebuild a freer world.

We expanded the trading system from the original 23 GATT members to today's 135. And we broadened our agenda from tariffs to agriculture, services, sanitary and phytosanitary standards, textiles, subsidies, intellectual property, technical standards; dispute settlement; agreements on Information Technology, Basic Telecommunications, and Financial Services; and a forward work-program on newer issues.

As a result, around the world, prosperity has grown and life improved. Since 1950, as the industrial world's tariffs have dropped by 90%. Global trade has grown fifteen-fold; world economic production has grown six-fold, and per capita income almost tripled. And life has improved nearly everywhere in

the world:
world life expectancy has grown by twenty years; infant mortality has dropped by two-thirds, and famine has receded from all but the most remote or misgoverned corners of the world.

Furthermore, the trading system has served to strengthen our guarantees of economic and political security. We see this clearly in the financial crisis: in an extraordinarily painful and dangerous period, the respect most WTO members showed for their commitments helped guarantee affected countries the markets essential for their recovery; shielded American farmers and manufacturing exporters; and helped avert the political tensions that can arise when economic crisis leads to trade conflicts.

... AND THE CHALLENGES OF THE NEXT

Fifty years on, as we take stock of our progress, we see how much as been accomplished.

The immediate task of 1948 -- the postwar reconstruction, and the reintegration of Germany and Japan -- is far behind us. Much work remains on the industrial tariffs and other formal trade barriers which made up the agenda of the first Rounds. But based (perhaps a bit simplistically, but not unfairly) on the ratio of trade to world economic production, in 1997 the world regained the degree of openness it had at the outbreak of the First World War. And it is possible that -- not in the next Round, but perhaps the one afterwards -- such barriers will be for all practical purposes gone.

And as time has passed, new challenges have arisen, which will join the elimination of conventional trade barriers at the core of our work in Seattle and the new Round:

- The decolonization of Africa, Asia and the Middle East, which

brought nearly 90
new nations and 2.5 billion people into world trade; and

- The end of the Cold War, which has led China, Russia and 28 other
nations to
break with communist planning practices and sought to return to the
market
systems.

- The challenge of the scientific and technological revolution, which is
now
creating new products and even new methods of trade more rapidly
than ever
before.

- And issues related to the quality of life and democratization:
environmental
protection, guarantees of consumer safety and core labor standards,
the broad
questions of transparency and citizen access to the institutions of the
trading
system.

Thus, as President Clinton's first term began with the creation of the
WTO, it
will close with the opening of the next generation of trade policy talks
in a new
Round that meets these challenges. The agenda we have developed for
this Round
is ambitious; it is achievable; and when completed, its results will
meet the
standard set by the past fifty years.

CREATING PROSPERITY AND GROWTH

We begin with a commitment to broad liberalization of the world
economy through
the market access negotiations that will begin in Seattle.

1. Market Access Agenda

Here, we have worked toward an agenda that will create a
qualitatively more open
and fair world economy; which will meet the top priorities of all WTO
members;
and which is focused enough to complete rapidly, offer concrete
benefits in a
reasonable time, and ensure that all WTO members, in particular the
least

developed nations, can participate fully in the talks and win their full benefits.

At the heart of our agenda is aggressive reform of agricultural trade. This is the goods sector in which liberalization is least advanced; and in which opening trade can achieve great social benefits as well as export opportunities. Here, we will seek to eliminate and prohibit agricultural export subsidies -- an especially abusive policy that imposes its greatest burdens on the poorest farmers in developing countries. We will work toward reducing tariffs and other trade barriers, reforming state trading policies, ensuring that farmers and ranchers can use scientifically proven new technologies without fear of trade discrimination - can offer greater rewards to farm and ranch families, and help build prosperity in rural societies at home and abroad. And as we strengthen rural economies, we can also contribute to the fight against hunger and malnutrition, by giving all nations access to diverse, market-priced and speedily available supplies of food.

In services, we take up a vast sector where, as in agriculture, liberalization has only begun. The services industries -- distribution, telecommunications, finance, audiovisual, environmental services, the professions, construction and others -- make up \$5.5 trillion worth of production in the U.S. economy alone. This is nearly one dollar in seven of world economic production. By opening these sectors to trade, we can address some of the weak regulatory practices in law and finance which helped to spark the financial crisis. We can promote technological advance worldwide by ensuring access to new telecommunications technologies. We can raise the quality of life by giving countries greater access to environmental services as well as goods, and help the world's most

advanced hospitals and universities offer health care and education on-line as the information infrastructure improves.

And in industrial goods we will create opportunities for growth and employment in developing and industrial economies, improve price and choice for consumers, and create the economies of scale that support research, development and technological progress.

2. Integrating the Least Developed

A special priority in this work will be the full integration of the least-developed nations - those most deeply afflicted by poverty, hunger and isolation from the world economy - into the trading system.

Our Administration has taken up this challenge in areas well beyond trade. For example, President Clinton has challenged our Congress and the world to forgive 100% of the debts owed by least-developed countries, when relief will help finance basic human needs. But the WTO has a fundamentally important part to play. These nations need access to markets, especially in areas of comparative advantage. They often require significant technical assistance to implement the commitments that help them attract investment and gain exposure to modern technologies; to use dispute settlement; and to reach international markets. And we have developed a comprehensive program to meet their needs:

- We have broadened our own market access programs, first by expanding the duty-free GSP program, and now through more ambitious legislative proposals for Africa and the Caribbean Basin. We will go on to special tariff commitments in the new Round, in which both developed economies and advanced developing nations should take part.

- We have also introduced, together with Bangladesh and four African nations, a proposal to improve and expand the WTO's technical assistance programs, and are

continuing our efforts to build capacity for the least developed countries in telecommunications, Internet capability, and other modern technologies.

Likewise, we are working to improve the WTO's collaboration in relevant areas other international organizations such as the World Bank and IMF, UNCTAD, the UN Environmental Program, and the ILO.

- And we will ensure that while the negotiating agenda for the new Round takes the priorities of all nations, including the least developed, into account, it is also limited and manageable enough so that all WTO members can fully participate.

STRENGTHENING PEACE

Second, as we proceed with the opening of the world economy for the years ahead, we will move toward completion of the core vision of the GATT system in 1948.

That is the creation of a trading system which includes all the world's major trading nations; which gives all the world's people greater hope of prosperity and rising standards of living; and strengthens peace by giving nations stronger interests in prosperity and stability beyond their borders. Here let me mention two specific goals.

1. End of the Cold War

First, the integration of the transition economies - that is, those nations now moving away from communist planning systems toward the market.

Ten years after the fall of the Berlin Wall, these nations are the largest group outside the trading system. To bring them in - on commercially meaningful grounds, addressing agriculture, services, industrial goods and rules - is a task with implications for the world's future economic and political stability comparable to the reintegration of Japan and Germany fifty years ago.

Those nations which have completed the transition - for example, Poland, Hungary and the Czech Republic - have found that the WTO's principles of transparency, open markets and rule of law are also those which make economic reform succeed. That will be true for each new entrant as well. And for our part, as we help these countries integrate themselves into world trade, we strengthen peace by giving their people better economic prospects, and their governments greater interests in stability and prosperity beyond their borders.

This is a complex task; but it is also an achievable task, and that is clear because it is well underway. Since its creation in 1995 the WTO has admitted six transition economies: Slovenia, Bulgaria, Mongolia, Kyrgyzstan, Latvia, and - last Sunday - Estonia. This year, we have completed bilateral negotiations with Albania, Croatia, Georgia. We have made significant progress with Armenia, Lithuania and Moldova; and held fruitful discussions with Russia and Ukraine as well.

Most recently, we completed our talks with the largest transition economy - the People's Republic of China. To give you an example of the type of commitments we have achieved not only with China but all the economies now joining the WTO, the results:

- Are comprehensive. China's market access commitments cover the range of our concerns in agriculture, industrial goods and services: tariffs, quotas, state trading, sanitary and phytosanitary standards, intellectual property, distribution and trading rights, and foreign investment. Its Protocol commitments include technology transfer, subsidies, non-market economy dumping, offsets, safeguards, state enterprises and more.

- Grant no special favors. China, like other new WTO members, will reduce its trade barriers in each area to levels comparable to those of major trade

partners, including some industrial countries.

- Will have rapid results. On accession to the WTO, China will begin opening its market in virtually every area, and will complete the process within five years in almost all cases.

- And are fully enforceable. The commitments China has made in all areas are specific, and enforceable through our trade laws and WTO dispute settlement and other special mechanisms, including some of the Protocol issues.

2. The Middle East

Second, the full integration of the Middle East into the trading system.

This is the region which today participates least in the trading system. Most

Middle Eastern economies remain generally closed to trade with one another and

the world; and political tension both within and among nations remains very high.

And a successful Middle Eastern trade policy can make a fundamental contribution to peace and growth in the decades to come.

As part of such a policy, we have inaugurated a "Qualifying Industrial Zone"

project, which promotes regional integration by offering duty-free treatment to

products made in several industrial projects set up by Israel and other nations

participating in the peace process. At the same time, we are encouraging the

Middle Eastern nations to join the trading system. This began early in the

Clinton Administration, with the accession of Bahrain, Qatar and the United Arab

Emirates to the GATT; and has accelerated this year, with significant progress

towards WTO membership for Jordan and Oman, and fruitful discussions with Saudi

Arabia as well.

BUILDING THE 21ST-CENTURY ECONOMY

Our third task is to respond fully and rapidly to the revolution in science and

technology.

In the past two years, we laid the groundwork for this in three monumental agreements: the Information Technology Agreement, eliminating tariffs on \$600 billion worth of trade in high-tech manufactured goods such as computers, semiconductors and others; the Basic Telecommunications Agreement, opening access to the \$1 trillion-dollar world telecom services market; and the Financial Services Agreement, which covers nearly \$50 trillion worth of financial transactions per year.

The next step is to ensure the unimpeded development of electronic commerce -- a new method of trade which can spur development in isolated regions, make economies more productive, and raise living standards for consumers. This will begin with our work toward consensus on "duty-free cyberspace" -- that is, extending the WTO's moratorium on the imposition of tariffs on electronic transmissions. We will build on this with an ambitious work-program addressing such issues as intellectual property, the proper treatment of digital products under WTO rules, and preventing discrimination against new technologies and methods of trade; balanced with extensive capacity-building, to help developing countries gain the capacity to use the Internet, speeding their growth, technological progress and integration into world trade.

At the same time, we will begin to consider the implications of biotechnology, which has revolutionized medicine and will soon do the same in agriculture. This is a complex issue; agricultural biotechnology at times raises consumer concerns which we must meet squarely. But it also offers potential benefits - more productive farms, which reduce pressure on land and water; reduced use of pesticides; healthier produce, through reduction of fat content, addition of

vitamins, or elimination of allergens - which cannot be overstated. The task here is to develop a consensus for the transparent, timely, and science-based regulatory procedures which will both address public concerns and allow us to enjoy the benefits of these innovations.

A BETTER WORLD

Fourth and finally, we will meet the challenge of the newest set of issues: the intersection between trade, environmental, core labor standards and the broad question of transparency.

Here, trade policy can fully meet its potential to help us protect the environment we hold in trust for future generations, contribute to the advance of core labor standards; and the trading system itself can more fully meet the test of transparency and openness to the public. These are in some cases controversial issues. And that is because they are somewhat new issues.

As trade grows, it becomes a broader public concern; and as new technologies and better education help citizens take part in policymaking, the public is more able to act on its concern. This has greatly improved American domestic policy: as our economy has grown in the last twenty years, we have adopted environmental policies, workplace standards, consumer protections and other measures which mean that a more prosperous nation is also a healthier and safer nation. Over time - step by step, but inevitably - the same trends will transform the world economy. And our trade agenda is designed to recognize this fact, and shape its consequences in a way that helps us create a freer, more open, and also healthier world.

With respect to the environment, we begin with the fundamental principle that our country and others retain the right to the highest standards of environmental, public health and consumer protection, consistent with our commitment to

science-based regulation. We will go on from here to conduct an early environmental review of the Round's negotiating agenda, and work toward increased collaboration between the WTO and the UN Environmental Program. And in the Round, we will seek a series of measures that contribute both to a more open trading world and better environmental practices: the opening of trade in environmental goods and services; the elimination of agricultural export subsidies; and the elimination of fishery subsidies that contribute to overcapacity.

The WTO can also do more to help promote internationally recognized core labor standards. Here, we are seeking closer collaboration between the WTO and the International Labor Organization, and the creation of a focused Working Group on Trade and Labor to review and analyze, in cooperation with institutions like the World Bank and the ILO, questions such as safety nets, the relationship between trade and internationally recognized core labor standards, and the best means of adjustment to heightened competition.

And we are working toward reform and opening to the public at the WTO itself. The case for this is fundamental. At home, our government has succeeded for two hundred years because it is open and accountable; if international institutions are to succeed, people must likewise see them as open and accountable. And the WTO does not yet fully meet this test. That is, ultimately, a challenge to its future.

Thus we are working for greater transparency throughout the system, through the progressive attainment of some practical goals: ensuring rapid release of documents, enhancing the input of citizens and citizen groups; providing the opportunity to file amicus briefs in dispute proceedings, and opening dispute settlement proceedings to public observers. These are the measures

which create
the foundation of public support for the institutions of government at
home; and
they will do the same for the institutions of the trading system,
helping us make
sure the system we build will contribute to the lives and well-being of
generations to come.

CONCLUSION: THE MINISTERIAL AND THE YEARS AHEAD

That is the cause our country has led for fifty years. It has been an era
of
great vision; and of achievement to match that vision. And in Seattle,
as we
close the book on these decades, we can open a new era whose
accomplishments
build upon and transcend those of the past.

An era in which peace strengthens, poverty and hunger fade into the
past, and the
world's people enjoy more security in the present and better hopes for
the
future.

In which nations grow more fully accept the principles of open
markets, the rule
of law, and peaceful settlement of disputes.

In which factories are safer, children are in school rather than at work,
the air
and water are clean and our natural heritage flourishes.

And we build a system of international laws and institutions that are
open,
transparent and accountable; that meet the standards of a more
democratic and
open world; and that will endure.

Thank you very much.

Exchange Mail

DATE-TIME 11/15/99 6:55:44 PM

FROM Wozniak, Natalie S. (PRESS)

CLASSIFICATION UNCLASSIFIED

SUBJECT USTR Barshefsky's Press Remarks Following Negotiations with
China on the WTO,
American Embassy, Beijing, China, November 15, 1999
[UNCLASSIFIED]

TO Fallin, James (PRESS)
Gobush, Matthew N. (PRESS)
Hammer, Michael A. (PRESS)
Huff, Lindsey E. (PRESS)
Leavy, David C. (PRESS)
Williams, Mary C. (ADMIN)
Wozniak, Natalie S. (PRESS)
Halperin, David E. (SPCHW)
Malinowski, Tomasz P. (SPCHW)
Orzulak, Paul K. (SPCHW)
Widmer, Edward L. (Ted) (SPCHW)
Gray, Wendy E. (NSA)
Matthews, Sonyia (ADMIN)
Millison, Cathy L. (EXSEC)
Rudman, Mara E. (NSA)
Barnett, Cheryl E. (RUE)
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Lieberthal, Kenneth G. (ASIA)
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Duncan, John D. (INTECON/DOS)
Hammonds, D. Holly (INTECON)
Hendricks, Lori A. (INTECON)
Lee, Malcolm R. (NEC)
Mitsler, Elaine M. (INTECON)
Samans, Richard (NEC)
Schaefer, Matthew P. (INTECON)
Shah, Sonal R.
Smith, Holly M. (INTECON/INTERN)
Yuan, Sharon (INTECON)

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TEXT_BODY Press Briefing
USTR Barshefsky's Press Remarks Following Negotiations
with China on the WTO, American Embassy, Beijing, China,

November
15, 1999

TRANSLATED_ATTACHMENT USTR Barshefsky on WTO.doc
USTR Barshefsky's Press Remarks
Following Negotiations with China on the WTO

American Embassy, Beijing, China
November 15, 1999

I'd like to start by introducing our team. Gene Sperling whom you all know heads the President's economic policy team, both domestic and international. Bill McCahill, our Charge d'affaires here in China who has done such an extraordinary job for us, truly extraordinary. Bob Cassidy who has been our lead negotiator, and I want to thank him most particularly for his work. Christina Lund, our chief service negotiator who has done an exemplary job. Catherine Field who has been our lawyer on this matter for 13 years at USTR.

She doesn't look it but she has been. Bob Novick my General Counsel who negotiated the protocol issues with the Chinese. Meg Lundsager of the Treasury Department who has taken care of banking securities and many, many other issues. Bernard Carreau of the Commerce Department who has taken care of a number of important issues including dumping. Theresa Howes, who with Ambassador Peter Scher in Washington negotiated with the Chinese on agricultural issues. Of course, Dan Glickman our agriculture Secretary and his fabulous team, and we did that together. Susan Shirk of the State Department, who is one of the Administration's China experts. Ken Lieberthal our other great China expert left yesterday. He is, as you know, with the National Security Council. I think I have covered the waterfront with respect to those people.

Let me just make a couple of general comments: I think this is a profoundly important agreement for a number of reasons. As a trade agreement it obviously

protects American Commercial interests and enhances significantly America's commercial interests. The agreement itself is absolutely comprehensive. It covers all goods, all services, all of agriculture. It covers a variety of rules with respect to import surges, technology transfers, state trading enterprises, and high dumping, investing, subsidies and other issues.

Second, however, this is an agreement that is fully consistent with China's own policy of economic reform and economic development. And in that regard it will exert a positive effect on the very reforms China itself is trying to make, and of course on the very economic process at which China has been quite successful. This will open markets here. It will improve the efficiency of Chinese companies. It will make them ever more competitive. I think that is a critical point.

Third, this agreement will strengthen the Rule of Law in China. And I think actually, this is the most important aspect of this agreement. The WTO is a rules-based trading regime. It encompasses almost 140 nations. And the rules, the base rules on transparency, no discrimination, judicial review, administrative independence are absolutely critical to the functioning of the modern economy.

And the notion that China will become a member of this rules-based regime is of extraordinary long term importance, not only on the commercial side, but with respect to the development of a more full body and robust legal system within China.

And of course, it goes without saying that this agreement will help to strengthen China's relations with its neighbors, will help to further stabilize the economic situation in the region here, and of course will contribute to global prosperity. The ultimate aim of the global trading system. And last, as I said in my remarks at MOFTEC, this agreement is an anchoring

agreement, and in that regard in particular it is of both profound and historical importance.

The United States and China have had a rather tumultuous relationship as you know -- ups and downs and lots of swings. But an agreement of this sort -- with its breadth, with its scope, with its emphasis on Rule of Law, in its consistency with China's own internal reform process -- can help to anchor the relationship between the United States and China in a most fundamental way. And from that anchor, I think other good things will emerge, and greater stability in the overall relationship between the two countries will likewise emerge. I am happy to take questions on the details of the agreement. I would only say that we are grateful to the government of China for having the forthrightness to enter into an agreement of this magnitude and comprehensiveness. Most particularly, most particularly, both Gene and I praise the President of the United States and the President of China who, beginning in 1993 when they met at the met at the first APEC meeting, began discussing the parameters of Chinese entry into what was then the GATT System and is now the WTO. President Clinton has been so intimately involved with this issue -- including the details, including the strategy, the concepts and issues. And that leadership, that knowledge, the brilliance that he has, and his relationship with President Jiang who pursued this agreement with equal vigor, is what made all of the difference in finally achieving it. And with that, I know Gene wants to make a couple of remarks, and then I think we will have a few minutes to take questions.

GENE SPERLING: As Ambassador Barshefsky said this is bigger than a trade agreement; it's about the U.S.-China relationship. It's about the future of the global economy. It's about an increasing trend of countries that have been

outside of the global, rule-based trading system coming within it and becoming part of a truly open, free flowing, international economy that we believe will lead to greater freedom and greater global prosperity. We truly praise the President and leadership in China, President Jiang and Premier Zhu for putting the long-term U.S.-China relationship above short-term political expediency. This will be difficult politically for everyone involved, but it is the right thing for the U.S. economy. It is the right thing for Chinese economic reform, and it's the right thing for the future of the global economy. I want to make clear that this has been one of the highest priorities of both the Presidents' national economic team and his national security team. I want to, in addition to the people who are here, all the people that Charlene mentioned, Malcolm Lee, from my staff, and I also wanted to really thank our national security advisors, Sandy Berger, who has made the relationship with China at the top of his priority list, and the rest of our economic and security team, including Secretary Daley, Secretary Summers, Secretary Albright, Leon Fuerth, the Vice President's top international advisor, Jim Steinberg, Lael Brainard, Ken Lieberthal, Karen Tramantano, and very much John Podesta, our Chief of Staff, who with Sandy and I had to coordinate very much the difficult, but important and positive meetings. We have an excellent strategic and substantive Chief of Staff who has helped enormously. The others in the State Department, Susan Shirk, and I am sure I've forgotten some. Let me just make one more comment before opening up to questions. We know that now we will have to make the case in the United States that this is a strong and good agreement. It resolves many of the unresolved issues from the past in a positive way. We feel that it will be very strong for U.S. export-related jobs and for some of the most important export industries in

the United States, as well as being a win for Chinese economic reform and Chinese consumers. However, we will throughout the Administration put out an all out effort to work with the Congressional leadership of both parties to pass permanent normal trading relations status through the Congress. We don't expect it to be easy but we expect that when people see this deal, see the agreement and understand the importance of this for the US-China relationship and the future of the global economy, they will understand that this is in our nation's interest. Thank you.

Q: It seems that we only have about seven minutes for questions. We are writing the lead stories from here but we haven't received any details and it's very hard to write from the press releases which are extremely vague. I'm wondering if there's some way that you can leave behind or give us tonight more details? My question now is if Ms. Barshefsky could describe what were the main points of negotiation during the last six days and some details about how they were resolved?

BARSHEFSKY: Let me give you just some general detail on the overall agreement and then talk about the resolution of some of the unresolved issues from last Spring. These are just a few quick-hit facts.

All tariffs. Overall tariff levels on average will decline to about seventeen percent. This is an extremely good figure. With respect to agriculture, tariffs will decline sharply to roughly fourteen and-a-half or fifteen percent. In that range, there will be very significant liberalization in the agriculture sector including, most importantly, with respect to the bulk commodities: corn, wheat, cotton, soy beans. What we view as the big-ticket items. China will also not provide export subsidies. This is very important in the fields of cotton, rice,

and some other areas. There will be what's called a tariff rate quota system set up in agriculture. This is a sort of the WTO mode of doing things. This will significantly enhance market access across the board, not only for bulk commodities but all the specialty agricultural products.

On industrial goods, China will grant essentially full trading rights and distribution rights; the right to import and export directly without Chinese middlemen and to market through distribution, wholesale and retail, after sale service, repair, maintenance, transport -- the entire range of distribution related services.

With respect to non-tariff barriers, China will eliminate all quotas and all quantitative restrictions. Everything I'm talking about is generally done well within five years, except in a very few cases, and in many of these areas we complete the phase-outs in two to three years. So this is an extremely strong agreement.

With respect to services. We've covered the full range of services: banking, securities, telecom, as I said, distribution, the professions, tourism, travel, transport and so on and so forth. This is just an extremely comprehensive and a very, very strong agreement.

Let me talk a little bit about the resolution of some of the unresolved issues as well as a couple of changes in the agreement. We have tried to be sensitive to concerns that China had on issues that were very difficult for China last spring in particular, while at the same time maintaining the fundamental interests of the United States. I think we have achieved an overall strengthening of this agreement. I will say in that regard we've always taken the position, very consistently for almost seven years, that the only basis on which we could do an agreement would be a commercially sound one.

We've never departed from that. This agreement will pass any such test that could possibly be applied.

Two of the most important unresolved issues from last Spring had to do with special rules on import surges and on the application of a particular anti-dumping methodology called the "non-market economy" methodology. Last spring, China took the view that there must be a very restrictive phase-out of these provisions. We certainly agreed with China at that time, that these provisions should not exist in perpetuity, but we believed that they did need to exist for a reasonable period of time. With respect to what was called the "special safeguard rule" which is an anti-import surge rule into the United States, that provision will exist for 12 years. With respect to the application of the "special anti-dumping" methodology, that provision will exist for 15 years. With respect to the anti-dumping methodology, our laws and regulations do provide for the graduation of sectors or an economy as a whole, from these rules if it can demonstrate that it has become market-oriented. And as we've indicated to the Chinese of course, to the extent that they request review of individual sectors, or the economy as a whole, we will do that under the bounds of our law.

Additional issues outstanding last Spring included, for example, audio-visual issues, most especially motion pictures, and that issue has been resolved by the agreement by China to allow for the importation of motion pictures on a revenue-sharing basis. This is extremely important, not only to our industry but to the industry in Europe, Canada and elsewhere. This is quite unprecedented.

With respect to telecom, we also clarified distribution issues on audio-visual, which were unclarified last spring, and that is the right to form joint ventures

for distribution for videos and sound recordings and that has now been secured.

With respect to a critical banking issue, and that was the issue of auto finance. China has now agreed to allow non-bank, and it's the non-bank that's most critical. Foreign financial institutions can provide auto-financing from the date of accession.

What we've done here -- because the auto sector is very important, and we have learned from many mistakes in the way which autos have been handled in Japan, over the course of many decades -- is that we have put together a very substantial auto package. To do that we agreed with China to extend to 2006 rather than 2005, the phase-down of auto tariffs in China from 80-100 percent to 25 percent. In exchange for the longer phase-out, which was important to China, we have cut tariffs more rapidly in the earlier years than under our previous understanding, because now that we have auto-finance from the date of accession, we want to insure the maximum market access - which means lower tariffs up front, the auto finance from the date of accession, and of course, we have full distribution rights as well as trade rights in that sector. This is very, very important to the United States with respect to autos.

On the question of securities, our main goal had been to insure that the

Treasury Department in particular would have a forum in which to consult with China on the development of its securities market, which, as you know, is very underdeveloped. While China typically turned to Hong Kong regulators for advice, and of course they are excellent regulators, we and particularly the Treasury Department, were very anxious to be able to participate in this kind of formulation of regulations and the development of capital markets generally in China, including with respect to market access in the future. You know from Larry Summers' trip here that a capital markets dialogue has now been established to

cover the totality of banking issues as well as securities and regulatory issues.

With respect to telecommunications. There was some ambiguity as to coverage of the internet from last spring. This has now been fully covered. This is terribly important for the development of the Chinese economy as well as for basic access for foreign telecommunications suppliers. In addition, we have clarified further commitments on satellites and we're pleased that we now have full coverage for satellites in the context of telecommunications.

Last, textiles. China has agreed to the incorporation in full of our bilateral textiles agreement. This is a nine-year, pre-existing agreement. Textile quotas would expire in 2005, consistent with WTO rules, but there would be an additional four years after that of a special anti-surge safeguard mechanism to insure a more orderly transition to open trade in textiles with respect to China.

Last, with respect to telecom. Originally, our conception on telecom had been quite limited. Inward investment in telecom culminating in 51 percent four or five years down the road. The 51 percent issue was a very significant issue for China. What we have done instead is to allow for 49 percent investment by foreign telecom providers in China from date of accession. This is very significant and unprecedented. Moving to 50 percent in the second year after accession. And as you know under Chinese law, contractual management and operational participation is possible in a 50/50 situation. Here again, we tried to balance a particular sensitivity of China with the absolute commercial interests of the United States, leading to an overall strengthening of the commitments particularly in terms of earlier access at a much greater level than previous contemplated.

In all of these instances, we have, I think, affected very much a win/win for

the United States and China. For example, on autos where a longer phase-in was important to China because somewhat greater earlier access became important to us, in getting auto finance, we balanced our interests, and China was able to secure longer phase-in and we were able to secure tariff cuts much more consistent with the auto financing package. We've done the same in telecom and in a few other areas. We are extremely pleased with the outcome, not just because it favors the United States, but because of the way we were able to balance the interests between the United States and China in a way that strengthened both of us with respect to the overall package. Basically, the rest of the package is as you know it to be. As I said, the test for us has always and consistently been a very strong commercial agreement consistent with China's export capability and its status as one of the world's largest economies and by any measure we have achieved that goal.

Q: I need two quick clarifications. Internet, did you specifically talk about ICP investment, whether internet content providers, whether they can invest in China?

BARSHEFSKY: Yes. Yes. Yes. No longer an issue. We have rights of investment. We clearly considered that internet access issues, considering what will be the dramatic growth not only of the internet worldwide but as you can imagine in China, to be one of the big economic issues for our country. So securing that and making the internet issues clear and secure were a top priority for us.

Q: And retail banking, U.S. or foreign participation and the percentages.

BARSHEFSKY: Yes, and let me give you, let me go through the banking if I can. Hang on. In addition to the auto finance commitments, which would

cover of
course also non-bank institutions, for example Ford Credit. It also
covers the
banking institutions as well.

Let me just go through the general commitments. Foreign banks will
be able to
conduct local currency business with Chinese enterprises two years
after
accession. Foreign banks will be able to conduct local currency
business with
Chinese individuals five years from accession. Foreign banks will
have the same
rights as Chinese banks within the various geographic areas, in other
words
national treatment. This was absolutely critical. Both geographic and
customer
restrictions will be completely removed in five years.

Branching of course will be permitted. I think those are the major
commitments,
along with securing the auto finance. With respect to securities, where
China
has a very underdeveloped market, this is. The capital market dialogue
was
absolutely critical because of the under-developed and under-
regulated nature of
Chinese securities markets. What we have done in securities is to, at
the present
time, have minority, foreign-owned joint ventures able to engage in
fund
management on the same terms as Chinese firms. As the scope of
business expands
for Chinese firms, foreign joint ventures will enjoy the same
expansion in the
scope of business. Again, this national treatment issue is very, very
important.
Minority joint ventures will also be able to underwrite domestic
securities
issues and underwrite trade in foreign currency denominated
securities, both debt
and equity. That, coupled with the Summers' capital markets dialogue
as
necessary regulation as developed and expanded will go hand in hand
within
further expansion and market access both for Chinese securities firms
as well as
US securities firms.

Q: What's the minority stake?

BARSHEFSKY: For the fund management companies it will be initially 33 percent going up to 49 percent in three years. For the securities companies that engage in underwriting it is 33 percent.

Q: (inaudible)

GENE SPERLING: We had two meetings with Premier Zhu Rongji. There was a meeting this morning with him that was very helpful in resolving the final issues. We met with him. He came to MOFTEC and Charlene and I met with him and that was certainly a pivotal meeting resolving the last few issues.

BARSHEFSKY: Thank you.

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007. email	Kenneth Lieberthal to Mara Rudman at 4:28 PM. Subject: RE: WTO (3 pages)	11/16/1999	P1/b(1)
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COLLECTION:

Clinton Presidential Records
NSC Emails
Exchange-Record (Sept 97-Jan 01) ([China, WTO, Barshefsky, Kantor])
OA/Box Number: 620000

FOLDER TITLE:

[10/30/1999-12/07/1999]

2010-1024-F

vz1772

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

P1 National Security Classified Information [(a)(1) of the PRA]
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P3 Release would violate a Federal statute [(a)(3) of the PRA]
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P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
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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]

Exchange Mail

DATE-TIME 11/19/99 3:31:14 PM
FROM Keith, James R. (ASIA)
CLASSIFICATION UNCLASSIFIED
SUBJECT WTO in the press [UNCLASSIFIED]
TO Lieberthal, Kenneth G. (ASIA)

CARBON_COPY Barnett, Cheryl E. (RUE)
Huso, Ravic R. (ASIA)
Keith, James R. (ASIA)
Lieberthal, Kenneth G. (ASIA)
Pritchard, Charles (Jack) L. (ASIA)
Williams, Mary C. (ADMIN)

TEXT_BODY Interesting in a number of ways: see "Administration officials'
quote in bold and note that Daley is quoted out of context--no mention
at all that he made the statement at a Taiwan event!!

^BC-WTO-CHINA-USA-LABOR

^U.S. unions launch campaign to kill China-WTO deal
By Adam
Entous
WASHINGTON, Nov 19 (Reuters) - Saying American jobs
were
at stake, U.S. union leaders on Friday launched an all-out
attack against
a market-opening agreement with China, pledging a
lobbying campaign
to convince Congress to block it.
John Sweeney,
president of the 13-million member AFL-CIO,
said the federation
will "wage a full and vigorous campaign" against
the trade deal,
which paves the way for China to join the World Trade
Organisation.
"We'll spend as much money as necessary," Sweeney said.
Stephen
Yokich, president of the United Auto Workers union,
sent a letter
to President Bill Clinton, vowing to "mobilize our members

and
the general public" against a trade accord that he said was ``contrary
to
the interest of working families."
But labour leaders conceded
they would not be able to match
the business lobby dollar-for-dollar.
Business has a lot riding on the
agreement, which would open the
vast Chinese market, potentially the
world's largest with 1.2 billion
consumers.
Union leaders were worried that low-priced Chinese-made
goods
would flood the U.S. market, costing American workers their
jobs, and
that U.S. companies would take advantage of low-wage Chinese
labourers
under the terms of the WTO agreement.
U.S. union
organisers said their campaign will begin in earnest
with marches
and rallies at WTO meetings in Seattle Nov. 30-Dec. 3,
and intensify
next year before Congress takes up the trade agreement.
Analysts
said labour's opposition to the China deal could
hurt Vice President
Al Gore, who is running for the Democratic presidential
nomination
and counting on union support in next year's election.
The
AFL-CIO and other unions endorsed the Gore campaign,
but organisers
said the administration's position on China could erode
rank-and-file
support.
``It could be an important factor" for Gore, said
Greg Mastel,
a trade expert at the New America Foundation.

The trade agreement, which was announced on Monday in Beijing,
called
for China to slash tariffs and open a wide range of markets,
and
paved the way for Beijing to join the WTO after 13 years of negotiations.

In return for China rolling back its trade barriers, Clinton
must
persuade the Republican-controlled Congress to grant Beijing favourable

access
to U.S. markets, so-called permanent normal trade relations (NTR)
status.

Permanent NTR would guarantee Chinese goods the same low-
tariff
access to U.S. markets as products from nearly every other nation.
Without
it U.S. businesses could not benefit from China's commitment
to
roll back tariffs and other trade barriers.
``We will oppose
the admission of any nation to the WTO until
it is in compliance
with core workers' rights," Sweeney told the National
Press Club
in Washington. ``Supported by the vast majority of Americans,
we
will build a majority in Congress to sustain our position."

Clinton administration officials concede it will be difficult
to
win permanent NTR ahead of the 2000 election.
Many Republicans
want Clinton to address their concerns about
alleged Chinese espionage
at U.S. nuclear labs, and have pressed the
White House to increase
security for Taiwan.
Democrats in Congress want a commitment
from Beijing to improve
human rights and labour standards.

Republicans and Democrats alike are concerned about a growing
trade
deficit with China, the largest on record with any country.

Commerce Secretary William Daley said the burgeoning deficit
could
lead to greater calls for protectionism in the United States.
``America's
record trade deficit is becoming less of an economic concern
and
more of a political concern," Daley told a business conference
in
San Antonio.
Trade Representative Charlene Barshefsky said
the White House
has consulted with U.S. labour groups, and insisted
the agreement should

lead to improved labour standards and human rights in China over time.

``This agreement, which embodies Western economic principles, ... not only is good on the commercial side, but has the potential for very important spillover effects beyond that," Barshefsky said.

RB-- 11/19/99 15:20:14

Exchange Mail

DATE-TIME 12/7/99 11:58:36 AM
FROM Keith, James R. (ASIA)
CLASSIFICATION UNCLASSIFIED
SUBJECT FW: China WTO Quotes [UNCLASSIFIED]
TO Lee, Malcolm R. (NEC)

CARBON_COPY Fallin, James (PRESS)
Gobush, Matthew N. (PRESS)
Hammer, Michael A. (PRESS)
Hoelzer, Jennifer I. (PRESS/INTERN)
Huff, Lindsey E. (PRESS)
Leavy, David C. (PRESS)
Williams, Mary C. (ADMIN)
Wozniak, Natalie S. (PRESS)

TEXT_BODY Malcolm: in case you can help

-----Original Message-----

From: Gobush,
Matthew N. (PRESS)
Sent: Tuesday, December 07, 1999 11:02 AM
To: @ASIA
- Asian Affairs; @MULTILAT - Multilateral and Humanitarian
Affairs;
@NONPRO - Export Controls
Cc: @PRESS - Public Affairs
Subject: China
WTO Quotes [UNCLASSIFIED]

Ken/Jim/Eric/Steve/Gary - Our shop is pulling together quotes from China WTO supporters/validators of the non-corporate variety, e.g. human rights activists, environmentalists, rule of law experts, religious leaders, democracy NGOs, security/nonpro experts, etc. We're doing a LEXIS search now, but ask your help in identifying folks we should zero-in on. Thoughts? Any helpful quotes you may have on hand? A tall order, I know. We hope to have a draft documents by COB today to compliment the ones that NEC did earlier (attached). Thanks.

TRANSLATED_ATTACHMENT

China WTO Business Validators Quotes.doc
Support For The Historic US-China WTO Agreement

BUSINESS ORGANIZATIONS

U.S. Chamber of Commerce President and CEO Thomas Donohue:

"This is really a landmark opportunity to open up China's vast market to American companies of all sizes, while ensuring that China abides by international rules and regulations. We're pleased that U.S. and Chinese negotiators have at long last concluded an agreement and look forward to reviewing its provisions to be sure it's a winner for U.S. business." [Chamber Press Release, 11/15/99]

U.S. Chamber of Commerce-China Chairman Richard Latham:

"Having worked hard for years to convey to the two governments how China's WTO accession could help both countries, the American business community here is delighted it is now at hand and we pledge our full support for the implementation process in coming years." [Agence France Presse, 11/15/99]

Chairman of the Business Roundtable's Task Force on International Trade and

Investment, and Boeing Corp. Chairman and CEO, Philip Condit:

"The agreement to bring China into the World Trade Organization creates an enormous opportunity for American workers and farmers to build a better future for themselves and their families. It opens up vast new markets for U.S. goods and services, and I have supreme confidence that America's highly skilled and productive workforce will win substantial new business in those markets in the years to come. Ambassador Barshefsky and her team deserve high praise for negotiating a tough agreement that gives Americans such a great opportunity to keep our economy growing into the next century." [Boeing Press Release, 11/15/99]

U.S.-China Business Council Chairman, and Honeywell Inc. CEO, Michael R. Bonsignore:

"China's entry into the WTO will serve to solidify and further its recent economic reforms, as well as to increase the openness and transparency of the Chinese commercial environment. Not only do we see this agreement as highly significant in terms of its commercial impact, but we also view it as an important signal of China's commitment and desire to engage in the global community and one of its most important institutions." [Council Press Release, 11/15/99]

U.S.-China Business Council President Robert Kapp: "China's accession to the WTO is a very, very important guarantee to the rest of the world that they can expect certain things from China's economic and commercial behavior." [Los Angeles Times, 11/16/99]

National Association of Manufacturers President Jerry Jasinowski: "This is a major breakthrough for American companies and their workers, offering hundreds of millions of potential new customers." [Agence France Presse, 11/16/99]

Pacific Basin Economic Council Chairman Gary Benanav: "This agreement is the foundation for China's integration into the global trading system, and will open the world's largest emerging market to new and unprecedented opportunities for U.S. companies." [Agence France Presse, 11/16/99]

National Retail Federation President Tracy Mullin: "Conclusion of this agreement is a critical step in the path to Chinese membership in the WTO...U.S. consumers will continue to enjoy access to high-quality, value-priced goods produced in China and American made- products will have better access to the largely untapped Chinese marketplace." [NRF Press Release, 11/15/99]

Emergency Committee on American Trade President Calman Cohen: "This will be the number one trade priority for the members of the business and

agricultural
communities in the second session of the 106th Congress." [National
Journal's
Congress Daily, 11/16/99]

FINANCIAL INDUSTRY

Citibank Corporation Country Risk Manager Thomas Schick: "It's a
positive
development for both China and the United States...in the long term, it
can only
benefit...There's no way this cannot be a good thing." [Agence France
Presse,
11/15/99]

Morgan Stanley Dean Witter & Co. Chief Economist Stephen Roach:
"China is the
only place in the world where you can go and see economic
development right in
front of your eyes. If China comes alive, they are going to really need
advice
and insight from global financial service companies like ours." [New
York Times,
11/16/99]

Merrill Lynch & Co. International Unit Chairman Win Smith: The
accord is
"clearly positive.... The big hope of many Wall Street firms including
ourselves
has been that the market will open up eventually." [Wall Street
Journal,
11/16/99]

Goldman Sachs Group Inc. International Unit Vice Chairman Robert
Hormats:
China's membership in the WTO "will strengthen development
prospects and
investment prospects in China." [Wall Street Journal, 11/16/99]

Chase Manhattan Corp.'s Head of Asia Pacific Operations Robert E.
Fallon: "This
is a good deal for U.S. banks and a good deal for the United States.
This will
give us full market access within five years after China joins the
World Trade
Organization." [The American Banker, 11/17/99]

American International Group Chief Executive Maurice Greenberg:
"The agreement
is clearly a win-win situation for the U.S., China and the global

trading system.

AIG has long supported Chinese membership in the WTO and has been active for many years in efforts to improve the climate for U.S.-China trade relations."

[Reuters, 11/15/99]

Gruntal & Company Stock Market Strategist Joe Battipaglia: "Across the board, whether it's consumer products or telecom, China is the next great frontier. So, to get a pact in place that will allow business to move forward, [is] very exciting." [CNN's Ahead of the Curve, 11/15/99]

HIGH-TECH COMPANIES

Semiconductor Industry Association President George Scalise: "Our industry is encouraged that the U.S. and China have reached this agreement and we are hopeful that this pact will serve as a first step to increase U.S. exports and help

expand China's market for American semiconductor companies.... We highly commend the Administration's efforts and progress and strongly support China's WTO accession on commercially viable terms." [SIA Press Release, 11/15/99]

Yahoo Senior Vice President for International Business Heather Killen: "We regard this latest agreement as an overwhelmingly positive development." [Associated Press, 11/15/99]

Business Software Alliance's Diane Smirolido: "It's important that any kind of trade barriers be eliminated so that there is a broader expansion for the legitimate market for software." [USA Today, 11/17/99]

Motorola Director of Strategic Issues Norman Sandler: "Any expansion in investment opportunities in China translates into opportunities for Motorola. Motorola itself might invest in new wireless ventures, foreign or Chinese, and sell equipment to them." [New York Times, 11/16/99]

Global Telecommunication Corporation Inc. President Terry Wong: "China's imminent entry into WTO will transform its economy into a much more dynamic and transparent one. It will create very exciting opportunities for companies such as GTCL." [Business Wire, 11/17/99]

MANUFACTURING COMPANIES

World Steel Dynamics Inc. Analyst Peter Marcus: "This is a dream come true. It is going to be a very long time before China is going to be a continuous sizable exporter. At least 50% of the steel in China is not cost or quality effective." [Wall Street Journal, 11/16/99]

Caterpillar Inc. Director for Government Affairs Bill Lane: China's participation in the WTO "is going to make it a lot easier to sell American products in China." [Wall Street Journal, 11/16/99]

John Ford of the U.S.-China Business Council: "There are a wide variety of American firms, in both hardware manufacturers or service providers, that will be able to benefit." [Agence France Presse, 11/16/99]

Chemical Manufacturers Association President and CEO Fred Webber: "China's proposed participation in the World Trade Organization represents a significant achievement that will benefit American consumers and Americans businesses. Bringing China into the World Trade Organization will expand choices for American consumers and ensure that China will conform to international trade rules that benefit the American economy." [CMA Press Release, 11/15/99]

Proctor & Gamble Chairman John Pepper: "It seems terribly dysfunctional to have the world's largest country, one growing so fast, outside the WTO." [USA Today, 11/16/99]

AUTOMOBILE MANUFACTURERS

General Motors Corporation Chairman John Smith: "Given the size of

China's economy and its impact on the world trading system, bringing China into the multilateral trade order and the mainstream of the trading community is in everybody's best interest." [Agence France Presse, 11/15/99]

Ford Motor Company: "This represents achievement of commercially viable terms for the development of the auto industry in China and Ford Motor Company's participation.... We encourage the administration and Congress to move forward quickly with all steps necessary to support China's entry." [AFX News, 11/16/99]

AGRICULTURAL INDUSTRY

American Farm Bureau President Dean Kleckner: "With China agreeing to lower tariffs on imports and not subsidize exports, we could see increased sales of virtually all farm products.... I'd be disappointed if we didn't hit \$5 billion [in exports] within five years." [USA Today, 11/17/99]

Farmland Industries Inc. Vice President of Administration Drue Sander: "China is the biggest single growth market for U.S. agriculture in the 21st century." [Wall Street Journal, 11/16/99]

California Association of Wheat Growers Executive Director Anne Chadwick: "We see great potential in the Chinese market. We've been trying to get into their market for years." [The Fresno Bee, 11/16/99]

Port of Oakland's Manager of Strategic Marketing Dan Westerlin: "The deal is a very positive development for Northern California. Fruits, vegetables, and other agricultural products from California are among the primary exports to China from the West Coast. Oakland is a natural gateway for anything that moves by water." [Contra Costa Times, 11/16/99]

Sunkist Vice President Bill Quarles: "We have very conservatively estimated that California and Arizona citrus exports to China will total \$ 500 million over the next five years." [The Fresno Bee, 11/16/99]

INSURANCE INDUSTRY

New York Life Insurance Company Chairman Sy Sternberg: "This is probably the most important economic development for China in the last 50 years." [Washington Post, 11/16/99]

Chubb Corporation Chairman and CEO Dean O'Hare: "I think the degree to which we can play will be greatly expanded." Mr. O'Hare said China's growth and its moves toward capitalism will spur demand "in all the basics" of insurance coverage. "Moving to capitalism, they are owning cars now, owning houses now; businesses are needing to have directors' and officers' liability insurance." [Wall Street Journal, 11/16/99]

MOTION PICTURE INDUSTRY

Metro-Goldwyn-Mayer President of Worldwide Distribution Larry Gleason: "We all see China as a wonderfully expansive market that's going to really explode one of these days. What China doesn't have yet is the modern cinema." [Associated Press, 11/15/99]

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Last updated 11/17/1999 11:58 AM

Note: Draft to build on

Editorial Support For The Historic US-China WTO Agreement

The New York Times: A "Bold" Agreement

"The new terms appear about as bold as the old ones. China promises to cut tariffs below those of many of America's other trade partners. It agrees to end export subsidies, give American exporters the right to distribute goods and open up Chinese markets to American farmers, banks, insurance, telecommunications and internet companies." [11/16/99]

The Chicago Tribune: A "Watershed Agreement"

"The historic pact signed in Beijing Monday by the U.S. and China is basically about tariffs, markets, goods and services. But it signals far more. It marks a coming of age for China and a maturing in how the U.S. relates to China.... The trade pact opens up Chinese markets to U.S. goods and services in unprecedented ways, cutting agricultural and industrial tariffs, allowing foreign investment in financial services and telecommunications--including Internet providers, a provision the U.S. insisted on.... President Clinton vows he will fight hard for this. He should. It is a watershed agreement." [11/17/99]

The Boston Globe: "Opens China's Markets" To U.S. Business

"Yesterday's agreement between US and Chinese negotiators for China's accession to the World Trade Organization should lead to reforms in the Chinese economy, an amelioration of troubled US-China relations, and a fulfillment of the WTO's aspirations to be a world-class trading club. It should be self-evident that a WTO without China as a member cannot truly be a world trade organization....[the agreement] reduces Chinese tariffs on US goods by 23 percent, but it also opens China's markets to American banks, telecommunications and insurance companies, and Hollywood films." [11/16/99]

The San Diego Union-Tribune: "Welcome And Overdue"

"The trade agreement signed yesterday in Beijing between the United States and

China marks a significant advance in the liberalization of China's economy. For U.S. businesses, it is welcome and overdue....The new accord moves China further along the path toward economic modernization begun with President Nixon's meeting with Mao Zedong in 1972. Both free trade and China's modernization serve U.S. interests." [11/16/99]

The Los Angeles Times: China Is "Welcome Addition To The WTO" "Although details of the [US-China] deal are not yet publicly known, U.S. business leaders say it contains broad market-opening measures and binds Beijing to significant reforms. On those terms, China would be a welcome addition to the WTO. China, with 1.3 billion potential customers, has been the land of promise for businesses across the globe. But, despite big strides in domestic reforms, China has not delivered on that promise....All of that will change once a trade agreement takes effect....by signing the deal...China has demonstrated its commitment to the world trading system and should be admitted as a full-fledged member." [11/16/99]

The Pittsburgh Post-Gazette: "A Major Achievement" "The trade deal reached in Beijing Monday between the United States and China is a major achievement for the Clinton administration. The deal, 13 years in the making, will pry open the vast Chinese market to U.S. business in a number of meaningful ways. And by paving the road for China to join the World Trade Organization, this trade agreement also should solidify China's market reforms as a structural reality, rooted in the global economy and in international law. [11/17/99]

The Atlanta Journal and Constitution: "Good News For American Business" "There's also copious good news in the agreement for American business. Tariffs on U.S. goods and services are to be cut by an average of 23 percent, which bodes

well for U.S. agriculture and manufacturing concerns. Markets once essentially off-limits will be open to U.S. banks, insurance companies, Internet and telecommunications firms. U.S. automakers will be able to sell their cars on credit, a big step forward considering that an imported auto's full purchase price is far out of reach for all but a fraction of Chinese.... Of course, it's a gamble to allow a brash and bumptious outsider, and a big one at that, into the company of upstanding, practical-minded nations and hope the experience will be a civilizing one. Surely, though, that's a smarter bet than putting up barriers against China and reinforcing the destructive self-isolation that has prevailed there for far too long." [11/17/99]

The Detroit News: "Victory for U.S. Economy and Consumers"
"After more than a decade of negotiating, the United States and China Monday finalized a historic trade deal to pave the way for China's entry into the World Trade Organization (WTO). By all accounts, China appears to have made significant strides to open its markets to the world.... Congress should not hesitate to normalize ties with China when the issue comes up for a vote early next year. It will be a big victory for the U.S. economy and consumers."
[11/16/99]

The Kansas City Star: A "Breakthrough Agreement"
"The broad terms made public in Monday's breakthrough trade agreement with China are encouraging....As our lawmakers begin the process of examining the fine print, they should keep in mind that a China integrated into the global economy and resigned to the concept of rule of law is in the nation's long-term strategic interest." [11/16/99]

The Ft. Lauderdale Sun-Sentinel: "Wise To Engage Rather Than Isolate"
"China won't become a free society if it's shut off from the democratic world.

Chinese leaders want to transform their nation into an economic power. This won't happen unless China learns to abide by the same rules that guide its major trading partners, including the United States. In other words, the United States is wise to engage rather than isolate China. The trade agreement announced by the Clinton administration will give U.S. companies greater access to the world's largest market, with 1.3 billion consumers." [11/17/99]

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