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"American Interests and the U.S.-China Relationship"

Address by
Secretary of State Warren Christopher
to the Asia Society, the Council on Foreign Relations
and the National Committee on U.S. - China Relations
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McGraw Hill Building
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Thank you for that very kind introduction. It's a great pleasure to see Les Gelb and Barber Conable again. I want to thank the Council on Foreign Relations, the National Committee on United States-China Relations, the Asia Society and Business Week for hosting me. I am very pleased to have the chance to speak with you today about the United States and China.

There can be no doubt that the stakes in our relationship with China are tremendous. China's future will have a profound impact on the security and prosperity of the Asia-Pacific region and the world. As Secretary of State, I have an important responsibility to develop our relationship in ways that will benefit the United States, as well as China and our allies and friends.

To reach this goal, we strongly support China's development as a secure, open, and successful nation that is taking its place as a world leader. China has an important and constructive role to play in the coming century -- and we welcome it. The United States and China share many interests that can only be served when our two countries deal constructively and openly with each other. By deepening China's integration into the international system, we can best ensure that China's development as a strong and responsible member of the international community promotes our interests as well as its own.

We do not have any illusions about the difficulty of managing our relations during this period of dramatic change and transition in China. On some critical issues, we have deep differences. Our focus must be on the long term and we must seek to resolve our differences through engagement, not confrontation. We will do our part -- but China, too, must do its part. Here at home, we must mend the consensus, frayed since Tiananmen, that has supported a constructive approach to China for almost a quarter-century -- an approach that has profoundly served our national interest.

I have had the privilege of witnessing many of the remarkable changes that have shaped America's role as a Pacific power. As a young officer in the U.S. Navy, I was present in Tokyo Bay at the time of Japan's surrender in 1945. As a trade negotiator with Japan during the 1960s, I saw the beginnings of that nation's dramatic rise. As Deputy Secretary of State during the 1970s, I helped achieve the normalization of ties with China. And as Secretary of State, I joined President Clinton in uniting the leaders of the Asia-Pacific region

behind a bold vision of economic growth and integration.

The roots of that vision reach back almost two centuries. From the days of the China Clippers carrying merchants and missionaries, to Admiral Nimitz's armadas, the United States has had enduring interests across the Pacific. Over the past half-century, our military presence -- and our generous assistance -- have promoted stability and given Asian nations the chance to build thriving economies and strong democracies.

President Clinton recognizes that Asia is more important to our interests than ever before. During the last three years, we have pursued a comprehensive strategy in Asia that has produced concrete benefits for each and every American. Today, Americans are more secure because we have invigorated our core alliances in Asia and maintained 100,000 troops in a region where we have fought three wars in the past half-century. We are more prosperous because we have opened markets among the fastest-growing economies in the world. Our trade with Asia has almost doubled since 1990. And we face a brighter future because we are cooperating with former enemies to build new ties across the Pacific.

China's evolution will play a central role in shaping that future. From North Korea to the Spratly Islands, China can tip the balance in Asia between stability and conflict. Its booming economy holds a key to Asia's continued prosperity and, increasingly, to our own. Its cooperation is essential to combating threats ranging from the spread of nuclear weapons to alien smuggling and global environmental damage.

China's people have made dramatic progress in building a market economy and a more vibrant society. In roughly two decades, China has managed to quadruple its economic output -- a monumental achievement by any measure. Millions of Chinese consumers have moved well beyond the Four Musts -- a bicycle, a radio, a watch and a sewing machine -- and now often own cellular phones and personal computers. The most revolutionary slogan of the last decade has been Deng Xiaoping's injunction that to get rich is glorious. Party propagandists and the People's Daily compete for attention with radio call-in shows, satellite dishes, and the Internet.

But these changes have also generated what historian Jonathan Spence calls internal pressures that the rest of us can only guess at. Rising incomes and an easing of social controls have raised expectations. Economic advances have brought improved living standards for many, but left millions behind. Farmers flock to cities in search of better jobs -- a restive floating population that numbers as many as 100 million. Population growth and pollution strain China's natural resources.

China's leaders face these complex challenges at a time of political transition. Confronted with the worldwide collapse of communism and the passing of the Deng Xiaoping era, they are turning to nationalism to rally their country and legitimate their hold on power. This, in turn, has prompted fears that an increasingly nationalistic China might exert its growing power and influence in ways that challenge the security and prosperity of its Pacific neighbors.

These changes have opened important new opportunities for U.S.-China cooperation on a broad range of shared interests -- including non-proliferation, peace on the Korean peninsula, and the fight against narcotics trafficking. But the changes in China have also created serious strains in our relationship. In the wake of China's crackdown following the Tiananmen Square demonstrations, some Americans see China's growing power, and our differences on issues such as trade and human rights, as proof that China represents a fundamental threat to our interests. Some Chinese contend that despite our public assurances, the United States really seeks to contain and weaken China.

Both views are fundamentally flawed. We reject the counsel of those who seek to contain or isolate China. That course would harm our national interests, not protect them. Demonizing China is as dangerously misleading as romanticizing it. American policy toward China has been most successful when we have acknowledged that country's great complexity, recognized that change requires patience as well as persistence, and respected China's sovereignty while standing up for our own values and interests.

Since 1972, the foundation for deepening engagement between our nations has been the "one China" policy that is embodied in the three joint communiqués between the United States and the People's Republic of China. This policy is good for the United States, the PRC, Taiwan and the entire region. It has helped keep the peace on both sides of the Taiwan Strait -- and under its umbrella, Taiwan's democracy and prosperity have flourished.

The United States strongly believes that resolution of the issues between the PRC and Taiwan must be peaceful. We were gravely concerned when China's military exercises two months ago raised tensions in the Taiwan Strait. Our deployment of naval forces to the region was meant to avert any dangerous miscalculations. We are encouraged that both sides have now taken steps to reduce tensions.

On the eve of the inauguration next Monday of Taiwan's first democratically elected President, it is timely to reflect on the enduring value of our "one China" policy for both the PRC and Taiwan -- and on our common interest and responsibility to uphold it. I want to tell you publicly today what we have been saying privately to the leaders in Beijing and Taipei in recent weeks.

To the leadership in Beijing, we have reiterated our consistent position that the future relationship between Taiwan and the PRC must be resolved directly between them. But we have reaffirmed that we have a strong interest in the region's continued peace and stability -- and that our "one China" policy is predicated on the PRC's pursuit of a peaceful resolution of issues between Taipei and Beijing.

To the leadership in Taiwan, we have reiterated our commitment to robust unofficial relations, including helping Taiwan maintain a sufficient self-defense capacity under the terms of the Taiwan Relations Act. We have stressed that Taiwan has prospered under the "one China" policy. And we have made clear our view that as Taiwan seeks an international role, it should pursue that objective in a way that is consistent with a "one China" policy.

We have emphasized to both sides the importance of avoiding provocative actions or unilateral measures that would alter the status quo or pose a threat to peaceful resolution of outstanding issues. And we have strongly urged both sides to resume the cross-Strait dialogue that was interrupted last summer.

The United States also has an important interest in ensuring a smooth and successful transition of Hong Kong on July 1, 1997. We support the 1984 Sino-British Joint Declaration and its "one country, two systems" framework. Beijing's commitment to maintain Hong Kong's open economy, democratic government, distinct legal system, and civil liberties is crucial to Hong Kong's future prosperity -- and to China's.

Building on our enduring "one China" policy, the Clinton Administration's approach to China is guided by three tenets: First, as I said at the outset, we believe that China's development as a secure, open and successful nation is profoundly in the interest of the United States. Second, we support China's full integration and its active participation in the international community. Third, while we seek dialogue and engagement to manage our differences with China, we will not hesitate to take the action necessary to protect our interests.

Let me briefly explain each of these three elements:

First, the wisdom of encouraging a stable and thriving China is best shown by considering the dangerous consequences of its opposite. History demonstrates that an isolated China can produce harmful, even disastrous, results for the Chinese people, the region and the world. The reforms that China has undertaken since the late 1970's have produced great benefits. As China meets the needs of its people, it will be more secure. And a more secure China is likely to be more open to reform and to be a better neighbor.

Our participation in China's internal economic development, for example, has helped to expand our commercial ties, with U.S. exports to China doubling in the first half of this decade. Our exchanges on the rule of law are contributing to legal reforms in China that strengthen accountable government and make it easier for American companies to do business.

The second element of our strategy is to support a China that not only abides by international rules, but that plays an active and responsible role in setting them. As China gains the benefits of this participation, it must assume commensurate obligations. China's full participation in the international community is essential to our ability to address the critical global and regional challenges of the next century.

No area better illustrates the benefits of gaining China's deeper involvement in the international community than the fight against the spread of weapons of mass destruction. A little over a decade ago, China stood outside the world's major non-proliferation regimes. Today, China is a member of the International Atomic Energy Agency, and a signatory to the Nuclear Nonproliferation Treaty and the Chemical Weapons Convention -- a dramatic turnabout that our engagement helped to produce. The United States and China have worked together to achieve NPT extension, controls on ballistic missile exports, and the shutdown of North Korea's nuclear weapons program. With China's help, we hope to complete a Comprehensive Test Ban Treaty for signature at the UN General Assembly this September.

We still face serious proliferation challenges with China. But the significance of the steps already taken should be recognized.

China's smooth integration into the global trading system is also in our interest. That is why the United States strongly supports China's accession to the World Trade Organization on commercially acceptable terms. We have worked with China to develop a roadmap of concrete steps to widen access to its markets and bring its trade practices in line with WTO rules.

Both our nations' interests are also served by China's full participation in new structures for regional security and economic cooperation. China's membership in the ASEAN Regional Forum is an important example. It encouraged China's statement last year that it would abide by international law to settle its claims in the Spratly Islands. And as a result of its membership in APEC, China is lowering its tariffs as part of its down payment toward achieving open and fair trade in the region by 2020.

But the process of integration is incomplete and there remain important areas of difference. To manage these differences, we seek engagement. For engagement to be successful, we must be prepared to take the actions necessary to protect our interests -- the third element of our approach. Where we have differences, we will press our views and interests candidly and forcefully, with all the appropriate means at our disposal.

Our willingness to enforce U.S. law, for example, was critical to reaching an understanding last week with China on nonproliferation and

nuclear-related exports. Following intensive discussions that I held last month with Vice Premier Qian, China has made a public commitment not to provide assistance to unsafeguarded nuclear facilities. And it has agreed to important consultations on export control policies and related issues. At the same time, we have serious concerns about China's nuclear and military cooperation with Iran -- and we will continue to press this issue with Chinese leaders.

We have also stressed to China the importance of fully implementing the agreement on protecting intellectual property rights that we reached in February 1995. The piracy of compact disks, videos, and software is growing, causing billions of dollars in losses to American companies. The President has made it clear that if the Chinese authorities do not act to curtail sharply this piracy, we will have no choice but to go ahead with carefully targeted sanctions.

We do not want a trade war with China. That would serve no one's interests. The sanctions lists issued this week should not be seen as the end of the process -- but as a step that could lead to a successful outcome. That said, like any other nation, China must fulfill its agreements and meet its responsibilities as a leading trading nation. No one should doubt that we will protect our interests.

Trade and investment are helping to create a more open China. But we will not rely solely on the beneficial impact of increasing economic development to bring about progress on human rights. Recent economic and legal reforms have somewhat diminished the arbitrary power of the Chinese government over the daily lives of its citizens. But grave human rights abuses continue, including the arrest of those who peacefully voice their opinions, restrictions on religious freedom, and repression in Tibet.

The American people have a deep and abiding interest in the promotion of human rights in China and around the world. We will continue to speak out on behalf of those in China who defend universally recognized rights, as we did together with the European Union at the UN Human Rights Commission last month. We will continue to work with China to strengthen its judiciary. We know that change in China will take time, and that the most repressive periods in recent Chinese history have occurred when China was isolated from the world. That is why we pursue engagement.

Our support for continuing Most Favored Nation trading status for China should be seen in the context of the three elements of our policy. The MFN debate should not be a referendum on China's current political system, or on whether we approve of the policies of the Chinese leadership. The issue at stake is whether renewing MFN unconditionally is the best way to advance American interests. The President and I are convinced that the answer is a resounding yes -- a conclusion reached by every American president since 1979.

Revoking or conditioning MFN would not advance human rights in China. But it would damage our economy and jeopardize more than 200,000 American jobs. It would harm Hong Kong, which is why legislative leader Martin Lee and Governor Chris Patten support MFN's unconditional renewal. It would hurt Taiwan, whose economy depends heavily on its commercial ties with the PRC and U.S.-China trade. It could undermine our ability to work with China on regional security issues such as North Korea, and on any of the other important interests we share, from nonproliferation to the global environment. And it would weaken our influence throughout a region that still looks to America as a force for stability and security.

The issues that I have discussed today only begin to reflect the breadth of our relationship with China. We have an extraordinarily diverse and demanding agenda.

Given the range of our interests, and the importance of China to our future security and well-being, I believe the time has come to

develop a more regular dialogue between our two countries. Holding periodic cabinet-level consultations in our capitals would facilitate a candid exchange of views, provide a more effective means for managing specific problems, and allow us to approach individual issues within the broader strategic framework of our overall relationship.

I also believe that our nations' two leaders should hold regular summit meetings. I intend to discuss these ideas with Vice Premier Qian when we meet in Jakarta this July.

In the United States, we also face an immediate priority. If we are to sustain the advances that we have made with China since the historic opening in 1972, we must rebuild the bipartisan consensus that has guided our relations with China since then. Our interests demand it -- and our allies and friends expect it. We must continue to have the full support of the American people to meet the difficult challenges that lie ahead.

Thank you very much.

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