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economic growth while protecting the environment, embracing the universal principles of political freedom and human dignity.

Mr. Premier, under your leadership, China has pursued wise economic policies, striving to maintain growth, low inflation, a stable currency. You have fought hard against corruption, reinvented your government to make it more efficient, and reformed state-owned enterprises.

China's stability during the Asian economic crisis has been crucial to Asia's hopes for a recovery. That has been good for millions of Asians who depend upon China's economic health and for millions of Americans, from small investors to farmers to people who work for the many companies doing business in China. America has a stake in China's success, in a China that has overcome the challenges it faces at home, a China that is integrated into the institutions that promote global norms on proliferation, trade, and the environment, a China that respects human rights and promotes peace.

I am grateful for the Premier's visit, following up on President Jiang's visit here and my visit to China. I am very grateful for the opportunity it gives to both of us to address our potential and our differences in an honest, open, realistic manner.

Mr. Premier, I hope you and the American people learn a lot from each other as you travel across our Nation and speak in your candid, forthright way. I look forward to our discussion this morning. And again I say, welcome, you are very welcome to the United States.

NOTE: The President spoke at 9:50 a.m. on the South Lawn at the White House, where Premier Zhu was accorded a formal welcome with full military honors. In his remarks, he referred to Premier Zhu's wife, Lao An, and President Jiang Zemin of China. The transcript made available by the Office of the Press Secretary also included the remarks of Premier Zhu.

The President's News Conference With Premier Zhu

April 8, 1999

President Clinton. Good afternoon. Please be seated. Premier Zhu and members of the Chinese delegation, I want to thank you again for coming to the United States. It is important for the leaders of America and China to meet regularly.

Today we were able to make progress in areas that benefit both the American and Chinese people. We had the chance to speak directly and openly on matters where we have disagreements. We reviewed our ongoing efforts to enhance the security of both our nations and to build world peace and stability in our efforts to seek peace on the Korean Peninsula, to work with India and Pakistan to curb their nuclear competition, to join in adherence to international agreements limiting the spread of weapons of mass destruction.

In that regard, let me say I hope that both our nations soon will ratify the Comprehensive Test Ban Treaty to end all nuclear testing.

We also discussed our common efforts to increase prosperity for both our nations. Economics is Premier Zhu's primary portfolio. With his leadership, China's economy has withstood Asia's financial turmoil and helped to mitigate its impact on other nations in the region. Now, with Asia's recovery underway but regional growth still fragile, Premier Zhu has been squarely addressing China's toughest economic challenges: reforming state-owned industries and financial institutions, rooting out corruption, bringing China into the information age, and expanding international trade. These efforts will benefit China and its trading partners, including America's businesses, workers, and farmers.

Our nations also will benefit from new cooperative initiatives we have agreed upon in recent days to develop a private housing market in China, to create a U.S.-China dialog on job training and labor rights, to support clean energy projects in China. Today we will sign a civil aviation agreement that will double passenger and cargo flights between our countries, bringing jobs and economic activity to both.

And after extensive efforts by our negotiators, China has agreed to direct all its government agencies to use only licensed computer software, which will greatly assist our software industry in China, now the world's

fifth-largest personal computer market. Additionally, we have reached an important agreement that will open China's markets for U.S. exports of citrus, meat products, and Pacific Northwest wheat, all highly important for our farmers.

I am also pleased we have made significant progress toward bringing China into the World Trade Organization on fair commercial terms, although we are not quite there yet. A fair WTO agreement will go far toward leveling the playing field for our companies and our workers in China's markets, will commit China to play by the rules of the international trading system, and bring China fully into that system in a way that will bring greater opportunity for its citizens and its industries as well.

Today we are issuing a joint statement recording the significant progress we have made on WTO and committing to work to resolve all remaining issues this year.

Ultimately, to succeed in the market-based, information-driven world economy, China must continue its efforts toward reform. Premier Zhu has worked very hard on them. There is still work to be done, and we want to support China in its efforts to strengthen its legal system, impose stronger labor and environmental protections, improve accountability, give citizens greater freedom, and increase their access to information.

We disagree, of course, on the meaning and reach of human rights, because I am convinced that greater freedom, debate, and openness are vital to improving China's citizens' lives as well as China's economy over the long run. It is troubling that in the past year, China has taken some steps backwards on human rights in arresting people basically for seeking to express their political views. I also regret that more progress has not been made to open a dialog with the Dalai Lama.

We honor China's remarkable achievements, its greater prosperity, and the greater range of personal choices available to its citizens, as well as the movement toward local democracy. We appreciate the magnitude of its struggles, far greater than those faced by any other country in the world. But the American people and, indeed, people all around the world, believe that all persons are entitled to fundamental freedoms that include freedom of speech, religion, and association.

I hope that China's leaders will conclude that in these areas, too, benefits of change outweigh the risks. I hope and believe we can make the kind of progress together that will enable both of us to have the kind of strong partnership that would be very much in the world's interest in the 21st century, a partnership against war and terrorism, against dangerous weapons and crime, far better health care and education, for a cleaner environment, achievements in the arts and the sciences, a deepening of democratic values and prosperity for all our citizens and indeed, for all the world.

I have no illusions that cooperation with China can resolve all of our differences. Our countries are too large. Our backgrounds are too different. Where our interests diverge, we will continue to stand for our values and to protect our national security. But a policy of confrontation for confrontation's sake, as I said yesterday, will accomplish nothing but the fulfillment of the bleakest prophesies held by people in both the United States and China.

Yesterday I said we should not see this relationship through rose-colored glasses, nor should we see it through a glass darkly. We should see it with clear eyes. It is in the interest of the American people and the Chinese people that whenever we can cooperate, we should. This relationship, complex though it may be, is profoundly important to the future of every American and every Chinese citizen and, indeed, to all the world.

Premier Zhu.

Premier Zhu. Thank you.

Ladies and gentlemen, I'd like to thank President Clinton for his invitation, and now the delegation of the People's Republic of China is visiting the United States. And today I'm very honored to join President Clinton, to meet all the friends coming from the press. And I am ready to convey through the friends from the media my most sincere greetings and best regards to the American people.

From the moment since I set foot on the American soil, which started from Los Angeles, when maybe God did not welcome me

very much, for it rained very hard, but it appears to me that the American people like me. And today we received a very grand welcome from the President, and we had a very good talk with the President and his colleagues. And at noon I also attended a very grand luncheon hosted by Secretary Albright, which was an opportunity for me to meet many old friends.

I believe that our talks were frank and candid, and they were constructive and fruitful. Naturally, the result has not been measured by how many agreements we may have reached; I believe we've already reached quite a number of agreements. What is the key that the PRC delegation is able to have the opportunity of meeting people from different walks of life in the United States and that we can have an opportunity to talk directly to the American people to explain to them what is our views.

As I said in the morning, it is not that only friends who say yes to you are good friends. We believe that maybe the friends who are able to say no to you are the best friends for you.

And from Washington, I will also travel to Denver, to Chicago, to New York, and to Boston, where I will meet quite a lot of friends from the United States. I'm ready to talk to them, and I'm also prepared to argue, to debate with them. I believe by doing so, we will be able to promote the communication and mutual understanding between our two peoples, thus promoting the relationship between us, or rather, the objective of working to build a constructive strategic partnership between the two sides as opened up by the two Presidents, and also to continue to develop the friendship between us.

As the President said earlier this morning, we also reached certain agreement on the WTO question, and we shall issue a joint statement on this question. And also on these areas we've already agreed upon, such as on the agricultural questions, we will sign certain agreements. In my view, all these will further promote the development of friendship and cooperation between China and the United States.

And today I am ready to answer your questions in a very candid manner. But as the Premier of China, I took my office only on the 17th of March last year, and today is my first time to experience such press conference—so my heart is now beating. [*Laughter*] I'm not as experienced as the President, because the President is very experienced in dealing with you. [*Laughter*] I'm not that experienced, so should I say something which is not appropriate very much, I do hope that you will exercise certain leniency and try to promote what is good and try as much as you can to cover what may not be that appropriate. [*Laughter*]

Thank you.

Premier Zhu's Visit

Q. Thank you, Mr. Premier. As a matter of fact, before your visit to the United States, and also since you set your foot on the American soil, many of our leaders have such a question—that is, given such difficulties that the China-U.S. relations encountered, why did you still decide to visit the United States as scheduled? What are your real thoughts? And how do you think China-U.S. relations should develop at the turn of the century?

Premier Zhu. Are you asking me to tell you the truth? To tell you the truth, I was really reluctant to come. [*Laughter*] Two days before my departure from China for the United States, I received two congressional delegations from the United States, one headed by Mr. Thomas, the other by Mr. Roth. All together, more than 20 Senators and Congressmen were at the meetings. I said to them, ''As the current political atmosphere in the United States is so anti-China, I really lack the guts to pay the visit to the United States at present.'' And they told me that ''You should go. We welcome you, because we Americans like your new face.''

I said, my old friend, Ambassador Sasser told me he was going to go back to the United States before me, and he was going to each and every place that I was going to visit to introduce me to the local people and also to promote my trip. And he also told me that he was fully prepared to be even beaten black and blue, and maybe with a bandage wrapped around his face when he saw me in the United States. Then I said, ''Even your Ambassador Sasser, an American, had such a risk of being beaten black and blue, then what would my fate be as a

Chinese? Will my new face be turned into a bloody face?'' [*Laughter*]

The Senators and the Congressmen didn't give me any guarantee. But President Jiang Zemin decided that I should come according to a schedule, and he is number one in China, so I had to obey him. [*Laughter*] Now, I can tell you that I am now in a much better mood than when I was just about to make the trip, because since I came to the United States I've seen so many friendly faces, and I've been accorded very warm welcome and reception.

I believe that through my current visit to the United States I will be able to contribute some of my part to the continued growth of the friendly relations and the cooperation between China and the United States. And more than that, I will also be able to get more understanding from the American people and maybe develop more consensus with the American side on the issues over which we still argue.

And we'll also be able to conclude several agreements in the economic field, for instance on SPS. And actually, our negotiations in the field of WTO have been going on for 13 years. And on the part of the Chinese side, we have already made a lot of concessions. For instance, in the area of TCK wheat, now we have already agreed to lift the ban on the exports of wheat from seven American U.S. States to China. And now we have also decided to lift the restriction on the export of citrus from four States of the United States, including California, to China.

On the question of China's accession into the WTO, in my view, the gap between the two sides is really not very significant. Maybe Mr. President does not quite agree with me on that; their side still believes that the gap is significant. So that's why at present we are only in a position to sign a joint statement instead of a full package agreement.

If you want to hear some honest words, then I should say that now the problem does not lie with this big difference or big gap, but lies with the political atmosphere. But we are very optimistic about the prospect of the development of friendly relations and the cooperation between China and the United States.

As I said this morning, I don't think there's any problem or question between our two countries that cannot be resolved satisfactorily through friendly consultations.

As for some other issues, such as human rights and the Dalai Lama, President Clinton mentioned all these issues in his opening remarks. I think we have enough time to argue over these questions, so I don't want to dwell on these questions long here.

President Clinton. Helen [Helen Thomas, United Press International].

Situation in the Balkans

Q. Mr. President, I have a three-part question on—[*laughter*]——

President Clinton. You learned from her, right?

Q. ——on Kosovo. Solana says that there are ongoing discussions on ground troops. Has the U.S. position changed? Two, has the Cypriot intervention helped to pave the way for the release of the American servicemen? And three, is Milosevic a war criminal by Nuremburg standards?

President Clinton. The answer to the first question is, no. I believe our present strategy will work if we can keep the allies with it.

The answer to the second question is, I don't know. I hope so. We would like to see the servicemen released because they never should have been detained in the first place. They were in Macedonia. They had nothing to do with the operations against Serbia. And I would be for anything honorable that would secure their release, obviously.

The answer to the third question is that that is, strictly speaking, a legal decision that has to be made, but I certainly think it should be looked into.

Q. Why are nine commanders named by the State Department to be possibly indicted, and you don't mention Milosevic?

President Clinton. The answer to that is, I'm not sure. The question I want to emphasize to you is, when you start talking about indicting people, there are laws, there are standards of proof, there are coverages, there are all those issues. We have asked that this be looked at.

What we do know is this. Let's look at what we know. What we know is that by a deliberate policy he has caused hundreds of thousands of people to be refugees. We know that thousands of innocent people have been killed—defenseless, completely defenseless people. We know that people were herded up and pushed to the borders and pushed over the borders. And today you all have stories saying that the same borders that people were herded up and pushed over or pushed up next to are now being mined, so if they try to get across them to save their lives they can be blown up.

We know that he supported, strongly, the Serbian actions in the Bosnian war, which led to the deaths of over a quarter of a million people and over 2½ million people being made refugees.

Now, the important thing to me is to stop the killing, to stop the exodus, to see the refugees return, to see them safe, to see a political solution that gives them the autonomy that they were promised, to have an international peacekeeping force that will prevent this from happening again.

But I have been very clear, Helen—I think quite unambiguous that, on the war crimes issue, that is something—we have a tribunal set up for that. We have people whose job it is to make that determination. They should examine it and make that determination.

And I think that's all that is appropriate for me to say, because it's not my job, and I'm not a legal expert on that question. But I do think that the facts are clear. The humanitarian suffering and loss here is staggering, and it is a repeat of what we saw in Bosnia. And it is his direct political strategy for first getting and then maintaining power. And the human loss has been breathtaking.

Taiwan

Q. Seven hours before you landed in Andrews Air Force Base yesterday, President Clinton made a foreign policy speech in which he mentioned the sending of carriers to the waters in the Taiwan Straits in March 1996. And he said that that move had helped maintain the security in the Taiwan Straits. So in your view, how do you see the effect of the military capabilities of the United States on the situation across the Taiwan Straits? And do you think there should be a timetable for the reunification of the mainland and Taiwan of China? And do you wish to pay a visit to Taiwan?

Premier Zhu. The policy of China and the reunification of the mainland and Taiwan of China is a very clear-cut one and the President, Jiang Zemin, has already expounded on China's policy in this regard. So I don't see the need for me to reiterate here.

Since the return of Hong Kong to the motherland, the policy of one country, two systems, Hong Kong people administering Hong Kong, Hong Kong enduring a high degree of autonomy, have been fully implemented, which is a fact there for the people in the entire world to see. And our policy for the reunification of China with Taiwan is more generous than our policy towards Hong Kong. That is to say, Taiwan will be allowed to maintain its army, and we're also prepared to let the head of Taiwan come to the central government to serve as the deputy head.

But as for whether he or she is able to be the head, then I'm not sure. But I'm afraid it would not get enough votes. Nobody would vote for him.

On the question of the reunification, the Chinese Government has repeatedly stated that we strive for a peaceful reunification of the motherland, but we have never undertaken to renounce the use of force in this regard, because if we were to make such a pledge, make such an undertaking, then I'm afraid that Taiwan would be in the perpetual state of separation from the motherland.

Just now, in the Oval Office of President Clinton, I saw the portrait of President Abraham Lincoln. Abraham Lincoln, in order to maintain the unity of the United States and oppose independence of the southern part, he had resorted to the use of force and fought a war for that, for maintaining the unity of the United States. So I think Abraham Lincoln, President, is a model, is an example.

As for whether I'm going to visit Taiwan, since none of them have issued an invitation to me, so how can I go there and in what capacity should I go there? I hope you will also help me to think of this. [*Laughter*]

Thank you.

President Clinton. I think I have to say just one thing, if I might, since I got zapped by Abraham Lincoln. [*Laughter*] First of all, the United States has a "one China" policy, and I have reaffirmed that at every opportunity. I do so again today.

Secondly, we believe that this matter should be resolved peacefully. The facts of the relationship between Taiwan and China over the last 50 years are somewhat different than the facts leading up to the American Civil War, as I'm sure that you would all agree.

It does seem to me that China and Taiwan, apart from the blood ties of being Chinese—even the native Taiwanese—that you have a lot to offer each other, including economic power but beyond that as well.

And so I hope that we will see a resolution of this. And I think if the Premier is as humorous and clever in Taiwan as he is here, I think it would be a good thing for him to go. [*Laughter*]

Terry [Terence Hunt, Associated Press].

Premier Zhu. President Clinton's black and blue. [*Laughter*]

Weapons Lab Espionage and 1996 Campaign Contributions

Q. A question to the Premier. Sir, how do you respond to charges that China stole nuclear warhead designs and perhaps neutron bomb technology from the United States, and also funneled hundreds of thousands of dollars to President Clinton's reelection campaign? [*Laughter*]

And Mr. Clinton, do you find any of these charges credible? And what do you say to criticism that your policy of engaging China has benefited China and not penalized them at all for human rights abuses, trade problems, and espionage?

Premier Zhu. In the capacity of the Premier of the State Council of the People's Republic of China, I'd like to make a very solemn statement here that I have no knowledge whatsoever of any allegation of espionage or the theft of nuclear technology. And I don't believe such a story.

I've also asked President Jiang, and he does not have any knowledge of that at all. It is not the policy of China to steal so-called military secrets from the United States. And I don't think there can be such a problem, given the tight security measures in the United States and advanced technology. Although, it seems that to the technology, with regard to this microphone, is not that advanced. [*Laughter*]

I think it's entirely impossible for China to have any effective—or to steal any nuclear technology or military secrets from the United States effectively under such conditions, such tight security measures.

In the scientific exchanges between scholars of our two countries, they may have some exchanges concerning defense technologies. But I don't believe that such exchanges will involve any substantive or key technologies.

As a senior engineer, I've been in charge of the industry in China for more than 40 years, and I have never known any of our most advanced technology came from the United States. But the technology development, or technologies, are the common heritage or common property of mankind. And in scientific inventions, actually, all roads lead to Rome. And in terms of the missile and the nuclear technologies, indeed, we have learned that from foreign countries.

While in the area of missile technology, the pioneer in China is Mr. Tsien Hsuehsen, who returned from the United States. And in terms of the nuclear technology the pioneer in China is Qian Sanqiang, who returned from the lab of Madam Curie of France. But I can assure you that when they returned back, they didn't bring back even a piece of paper; they just brought back with them their brains.

That's why I said at the press conference last March that I hope you don't underestimate your own ability, your own security ability, or your own ability to keep secrets, and don't underestimate the capability of the Chinese people to develop their own technology.

At a luncheon hosted by the mayor of Los Angeles, the wife of the mayor asked me, "How are you going to celebrate the 50th anniversary of the founding of the People's Republic?" I told her that we planned to hold a very grand military review and also the latest weaponry will be on display. And I also told her that all the weaponry are developed by China itself, not stolen from the United

States. The wife of the mayor gave me advice, and she said, ''Maybe you should put a sign on the weaponry, the missiles, that they are 'Made in China, not from the United States.' '' I appreciated her sense of humor very much, and I said, ''That's a good idea.'' [*Laughter*]

Mr. Clinton stated in the speech that the United States has more than 6,000 nuclear missiles, while China only has less than two dozen. I think he knows better than I do. I, to tell you the truth, don't know the exact number of missiles that we have. [*Laughter*] Although I do not know the exact number of our missiles, I agree with you in your conclusion. That is, we have a very small number of missiles, and you have a very large number. So China does not constitute a threat whatsoever to the United States.

On the allegation of political contributions or campaign financing, I can also state in a very responsible manner here that neither I, nor President Jiang Zemin, know anything about that. And we, too, also once asked the senior military leaders in China, and they told us they didn't have any knowledge of that.

I think this shows that some Americans really had underestimated us. If the political contribution were to be really that effective, then now I have $146 billion U.S. of foreign exchange reserve, so I should have put out at least $10 billion U.S. for that purpose. Why just $300,000? That would be too foolish. [*Laughter*] I've learned that some people have spent a lot in lobbying here, but I never believed such rumors.

I think through such mutual discussions and even debates, we can develop consensus and reach agreement on many issues that will serve the interests of both the Chinese and American peoples. And we also trust the American people, and we, actually, we have never and we would not do such kind of thing. Thank you.

President Clinton. Let me respond to the question you asked me. First of all, with regard to the two issues, the campaign finance issue and the espionage allegations, I raised both these issues with Premier Zhu last night. He gave me the same answer he just gave you today. And my response was that I hope that he and his Government would cooperate with these two investigations.

You know, China is a big country with a big Government. And I can only say that America is a big country with a big Government, and occasionally, things happen in this Government that I don't know about. And so I think it's important that we continue the investigation and do our best to find out what happened, and I asked for his cooperation.

Now as to the second part of your question, which is, what do we get out of this—the sort of anti-China crowd in America says—first of all, the implication is that if someone wants to have a relationship with us, they should agree with us about everything. That's just not going to happen.

But I would like to point out the following things: Because of our cooperation with China, we have lessened the tensions on the Korean Peninsula for several years; China has participated with us in any number of arms control initiatives, including an agreement to restrain its transfers of dangerous weapons and technology to other countries; China is a signatory to the Comprehensive Test Ban Treaty; and China has worked very hard, as I already said, to stabilize the Asian economy at a time when it was not only hurting people in Asia, but it was beginning to affect the American economy. So we get quite a lot out of our cooperation with China.

Last point. When you say, what do we get out of it? He could have people asking him that in China. They could say, ''It is the United States, not the European Union, that sponsors the human rights resolution. The United States has stricter controls on technology transfer to China than any other country with which it deals.'' Both of which are true.

But let me just give you one final example—take the WTO. How could it possibly serve America's interests not to open more Chinese markets to America's workers and businesses and farmers? They have a much bigger share of our market, in terms of exports, than we have of theirs. How could it possibly be against our interest to bring more Chinese into contact with more Americans and to give more opportunities for America to honestly compete in the Chinese market?

I think it is clear that the more we work together and talk together, and the more China is involved with the rest of the world,

the more likely we are to reach positive outcomes. That is the logic of the policy and the logic of what we are doing in particular on WTO.

Premier Zhu. I agree to cooperate with your side in investigation, so long as you can provide some clues. And no matter who it may involve, we will investigate into it.

I'd like here to respond to what President Clinton said on WTO. He said that to allow China in the WTO will be in the best interest of the American people. And I want to say that, although China has made the biggest concessions, that will also be in the interest of the Chinese people. Many Hong Kong newspapers say that I've come to the United States to present a very big gift. I don't think such a suggestion is right. I'm sorry; I'm afraid I've offended the press. [*Laughter*]

Because if China wants to join the WTO, wants to be integrated in the international community, then China must play by the rules of the game. China cannot do that without making concessions. Of course, such concessions might bring about a very huge impact on China's national economy on some state-owned enterprises and also on China's market.

But I have every assurance to say here, thanks to the achievements made in our reform and opening up process, we will be able to stand such impact. And the competition arising from such impact will also promote a more rapid and more healthy development of China's national economy.

Here I'd like to call the attention of the Hong Kong press people. In your future reports, don't ever write things like ''present a big gift,'' because that would be interpreted—equivalent to a political contribution or campaign financing. That would be very much detrimental to President Clinton. [*Laughter*]

China and the Asian Economies

Q. I'm a correspondent with CCTV China. Recently, there has been much talk within and out of China about China's economic development, reform and opening up policy. So, Mr. Premier, would you please make some observations on the current state of China's economy and the prospect of economic development in China. And what impact do you think China's economic development will have on the stability and the development of the economy in Asia and the world at large?

Premier Zhu. Last year, China's economy experienced extreme difficulties due to the Asian financial crisis and the devastating floods hitting some areas in China. But we have tided over these difficulties and managed to achieve a 7.8 percent growth of our GDP. And we have maintained a policy of not to devaluate the RMB currency. And the prices in China have been maintained basically stable and some have somewhat declined or have dropped.

As for the economic development in China this year, many foreigners are predicting that China will be the next to be hit by an economic crisis. But I don't think that will be the case. This year the projected GDP growth is 7 percent; but in the first quarter of the year the growth rate was 8.3 percent. So I expect China's economic development this year to be better than that of last year, not in terms of the speed, simply in terms of speed, but in terms of the economic efficiency, economic results.

Secondly, some foreigners are saying that China's economic reform has come to a stop. I wish to state here in very explicit terms that last year, instead of coming to a standstill, China's reforms made greater progress than originally planned.

Firstly, in terms of the reform of the Government institutions, last year we set the objective of cutting the size of the central Government by half in 3 years time; that is, from 33,000 people to 16,000 people. And this objective had been realized last year, just in one year. Apart from 4,000 Government functionaries who have now gone to universities or colleges for further study, all the rest have been reemployed by other sectors, by enterprises. And so I think that represents a very major achievement.

And this year, we plan to press forward the reform of the local governments. We also plan to cut the size of the local governments by half in 3 years time; that is, to cut from 5 million people to 2.5.

Third, some foreigners are saying that there is a very serious problem of unemployment in China, a lot of people have been

laid off from state-owned enterprises, and this has caused a social instability in China. I think anybody who has been to China will know that this is not true.

In the beginning of last year, indeed, there were 10 million laid-off workers or unemployed workers. Thanks to our efforts over the past year we have put in place a social security system. Now all those laid-off workers or unemployed workers can get basic living allowances. And many of them have been reemployed. Now there are 6 million unemployed or laid-off workers who are in those reemployment service centers waiting for being reemployed, while the establishment of such a social security system is very helpful to our efforts to revitalize, rejuvenate the state-owned enterprises by introducing shareholding system into the large state-owned enterprises and also to reform the small and the medium-sized enterprises in various ways, including to privatize some of the small ones.

Lastly, China now is introducing an unprecedented reform in its banking system. We are drawing on the experience of the RTC in the United States to form the assets management companies in China to handle the nonperforming loans of the state-owned banks. I believe that such reform is conducive to turning the state-owned commercial banks into genuine commercial banks, and is also conductive to helping enhance the ability of the central bank to supervise and to regulate according to international practice.

So here, I'd like to say that China's RMB will not be depreciated, and it will remain stable. So here, I'd like to call on the American business people to go to China for investment. You will not face the risk of devaluation of RMB. If you don't believe me, then I would take the advice from Professor Milton Miller of Chicago University. He advised me to offer a put option to those who don't believe me.

Thank you very much.

President Clinton. Larry [Larry McQuillan, Reuters]?

[*At this point, while the microphone was being passed to Mr. McQuillan, Sam Donaldson, ABC News, feigned asking a question.*]

Q. That was tough.

President Clinton. That was real statesmanship. [*Laughter*]

Human Rights/Weapons Lab Espionage

Q. I think it was more of a ham, but I have questions for both you gentlemen. Mr. Premier, as you know the U.S. State Department issued a rather scathing report on human rights abuses in your country, and the United States is in the process of sponsoring a resolution before a U.N. group to criticize human rights in your country. Do you consider these assessments totally unfair, or do you think it's possible that there are problems within your country that need to be corrected?

And President Clinton, at your last formal news conference, you spoke about the problems, or at least allegations, of Chinese spying, and you said that it mainly dealt in the 1980's, that there were no indications that it involved your Presidency. In the wake of today's New York Times report, can you still make that statement? Or are you concerned that perhaps you were misled or had information withheld from you about the extent of the allegations?

Premier Zhu. Me first? [*Laughter*]

President Clinton. You're the guest. [*Laughter*]

Premier Zhu. Thank you. Firstly, I wish to say I'm firmly opposed to the U.S. tabling of a draft resolution directed at China at the Human Rights Commission session. I not only regard that as unfair but also take it as an interference in China's internal affairs.

I wish to make three points here. Firstly, China has made very big progress in the human rights area over the past several decades since the founding of new China. And the Chinese people today enjoy unprecedented extensive democratic and political rights. Through certain legal procedures, through certain procedures, the Chinese people can voice their criticisms of the Government, and they can also exercise supervision over the Government. And they can express fully their opinions. And in my view, in terms of the freedom of speech and freedom of press, China indeed has made very great progress.

Secondly, I also think that we should put the question of human rights in a historical perspective. And I think different countries may have a different understanding of this question. In terms of the human rights concept, Mencius, who lived in a period more than 2,000 years ago in China, he stated that people are the most important and the most precious, while the state is next to that, and the emperor or the kings are the least important. So that kind of thought was much earlier than Rousseau of France and then the Human Rights Declaration of France.

And also, different countries have different conditions, and human rights, actually, is also a concept that has evolved in history. In terms of per capita income, the per capita income of the United States is 20 times that of China. And also, in terms of education, the ratio of university graduates in the United States, in its total population, is higher than the ratio of the illiterate people, plus the primary school graduates to the total population in China. So given such different levels of education and also income, it's natural that people may have different concepts of human rights.

For instance, if you want to talk about human rights to a very poor person, maybe what he is more interested in is—if you want to just talk to him about direct election. But maybe that is not what he is most interested in. What he is interested in most is the other aspects of human rights, such as the right to education, the right to subsistence, the right to development, the right to a cultural life, and the right to medical care, health care. So I think human rights actually include so many aspects.

So I think every country has its own approach in improving its human rights. One should not be too impatient, but to tell the truth, I'm more impatient than you are in how to further, constantly improve the human rights in China.

Thirdly, I concede that there is room for improvement in human rights conditions in China. As you may know, China has a history of several thousand years of a feudal system, fuedal society, so people have very deep-rooted concepts influenced by this historical background. It's quite difficult to change such mentality or concept overnight.

And also in China, the legal workers, the people working in the legal and the judicial field, some of them are not that qualified, are not that competent, so sometimes in dealing with certain cases they need to improve their work. So under such conditions it's really not realistic to demand a very perfect practice in the human rights field.

So we are willing to listen to you, and we are willing to have channels of dialog on human rights questions. We don't want to stage a confrontation in this regard.

Actually, in China, when I received some foreign visitors, they tend to put forward a list of so-called dissidents and ask me to release these people. Well actually, we took this matter very seriously, and we have looked into all these cases, and if we found that the person on the list has not committed any criminal offenses, then we will just release him.

Well, before I came to the United States, many of my friends mailed me a lot of materials in which they contained a lot of information about the problems of human rights in the United States. And they urged me to bring such materials to President Clinton, but I haven't brought them with me. I don't want to hand that over to President Clinton because I trust you are able to resolve your own problems.

President Clinton. Actually, sometimes we could use a little outside help, too. [*Laughter*]

Let me say, first of all, in response to the question you raise, I read the New York Times article today, and while I can't comment on specific intelligence reports as a matter of policy, I noted that even the article acknowledged that the alleged espionage might not have been connected to the national labs, which is the question I was asked in the press conference.

But let me say, I've looked into it and we're doing our best to resolve all outstanding questions. And I've asked the law enforcement agencies to try to accelerate their inquiries insofar as they can.

The real issue is, and one that we made perfectly clear last week, is that for quite a long while, from the eighties coming right up through the time I became President, the security at the labs was inadequate. And I

think it grew out of, partly, the kind of dual culture of the labs—part of their great centers of science and learning, and they've done a lot of pathbreaking work in energy and alternative sources of energy and computer processing and the use of software for all kinds of very important nondefense matters, while maintaining their responsibilities in the nuclear area.

And to me, the most important thing of all now, besides finishing the investigations in an appropriate way, is making sure we get the security right. You know that I signed that Executive order in early 1998. You know what Secretary Richardson has done recently. And I have also asked the President's Foreign Intelligence Advisory Board Chairman, Senator Rudman, to head a bipartisan panel to look into what we have done and to tell us if we haven't done enough and what else we ought to do.

So I think the most important thing now is to recognize that for quite a long while, the security at the labs was not adequate, that we have been moving to do a lot of things in the last year-plus, that we have much more to do, perhaps, and we asked somebody to look into it, and then to do these investigations and do them right and do them as quickly as possible.

NOTE: The President's 172d news conference began at 3:51 p.m. in Presidential Hall (formerly Room 450) in the Old Executive Office Building. In his remarks, the President referred to President Slobodan Milosevic of the Federal Republic of Yugoslavia (Serbia and Montenegro). He also referred to Presidential Decision Directive 61 (PDD–61). Premier Zhu spoke in Chinese, and his remarks were translated by an interpreter. In his remarks, Premier Zhu referred to Mayor Richard Riordan of Los Angeles, CA, and his wife, Nancy.

Joint United States-China Statement: Status of Negotiations on China's Accession to the World Trade Organization

April 8, 1999

On the occasion of the official visit of the Premier of the Government of the People's Republic of China Premier Zhu Rongji, to the United States, President of the United States William Jefferson Clinton and Premier Zhu Rongji jointly affirm that China's admission to the World Trade Organization (WTO) is in the interest of the United States, the People's Republic of China, and the global trading system. To that end, they welcome the significant progress made by the United States and the People's Republic of China toward a strong agreement based on a balance of rights and obligations. Noting that agreement has not been reached on some important issues, they commit to work to resolve these remaining issues through further bilateral negotiations in order to conclude a strong agreement as the basis for the accession of the People's Republic of China to the WTO.

President Clinton and Premier Zhu recognize the complexity of WTO accession negotiations. In this regard, they note that agreement has been reached on market access for agricultural and industrial goods as well as a wide range of services sectors, as set out in Attachment 1, but that certain matters remain to be resolved in banking, including consumer auto finance, as well as securities and audio visual services. They further welcome the conclusion of the Sino-U.S. Agricultural Cooperation Agreement, especially the resolution of bilateral issues concerning imports by the People's Republic of China of U.S. citrus, meat products, and Pacific Northwest wheat, as set out in Attachment 2. President Clinton and Premier Zhu note agreement has been reached on a variety of important rules to be applicable to the WTO, concerning trading rights, technology transfer and offsets, state enterprises, and subsidies, as set out in Attachment 3. However, they recognize that certain differences remain to be resolved on a mechanism to ensure implementation, the duration of provisions governing dumping and product safeguards, and rules governing textiles trade.

President Clinton and Premier Zhu welcome this significant progress and instruct their trade ministers to resume bilateral negotiations in order to satisfactorily resolve the important remaining issues as soon as possible in support of the common goal of admission of the People's Republic of China to the WTO on strong commercial terms in 1999.