Thank you very much, President Xing. It is a pleasure to return to China, my last visit having occurred two and a half years ago, in January 1998. On that trip, I had occasion to address the Academy of Military Science here in Beijing and meet with President Jiang and Minister of National Defense Chi. Since my last visit, we have witnessed a time of swiftly moving global events—much of it with direct consequence for the ties between China and the United States. Indeed, the past two years have been a time of both strain and success for the relationship between our two nations. As we get back on course, we need to understand each other better and improve communication.

I want to take this opportunity to discuss U.S. policy and goals in the world and in Asia. The United States seeks to be actively engaged in the world, working with nations in every region, to promote peace and stability, and to advance the cause of personal and economic freedom and security. Indeed, we are active in the world—politically, economically, militarily—because our interests and ideals are dependent on the success, the security, and the prosperity of other nations.

For the United States, we see this course of engagement as not only in our national interest, but in the interest of other countries as well. Our strategy for achieving peace and stability is reflected in our national security strategy. We want to shape a stable and secure international environment. We need to be able to respond to threats and crises—whether they be destabilizing local conflicts such as in East Timor, or humanitarian support such as in Central America. We want to prepare for the future by investing in our forces and the technologies they require.

The United States is deeply involved in the Asia-Pacific region because we recognize its strategic significance and its growing promise and prosperity in the new century. A tremendous amount of U.S. trade is conducted with the nations of this region. Our future is linked with Asia across the Pacific as surely as it is bound with Europe across the Atlantic.

Our strategy of engagement in the Asia-Pacific region remains grounded in our alliances with Japan, the Republic of Korea, Australia, Thailand and the Philippines; our engagement in multilateral institutions like ASEAN Regional Forum; our forward military presence; and, our active engagement with China. Both our nations have an interest in an Asia that is strategically secure and stable and where trade, investment, and economic development can flourish. Both our nations have an interest in a peaceful and nuclear-free Korean peninsula. Both our nations have an interest in peaceful resolution of regional disputes. Both our nations have an interest in confronting transnational threats such as the proliferation of weapons of mass destruction, terrorism, drug trafficking and environmental degradation.

Today, the United States and China can point to many areas where we have recognized our common interests and successfully work together to the benefit of this region and the world. Economically, we have worked together to help calm the turbulent economic seas that still churned through this region during my last visit. And, we have worked together to further strengthen our trade relations through Permanent Normal Trade Relations and Chinese membership in the World Trade Organization. Most recently, in Washington, the U.S. House of Representatives embraced closer economic ties between the United States and China, calling for freer, fairer trade and greater openness.
between our two nations. I am confident the Senate will also approve this major step forward in our relations. By the way, I met with more than a dozen members of Congress to ask them to support Permanent Normal Trade Relations, and I will be giving a speech tomorrow at the Shanghai Stock Exchange discussing the importance of PNTR.

Diplomatically — in addition to our efforts with regard to Korea -- we have worked together to control the spread of dangerous weapons of mass destruction, notably with regard to forging an international consensus and a common strategy for pulling India and Pakistan back from nuclear confrontation. As our overall relations develop, our two nations can point to many areas where our military relations can develop as well. When I last visited Beijing, our military to military relationship was starting to grow. We had initiated a strategic dialogue between our ministries. Military commanders were consulting directly, both here and in the United States. Our navies had conducted reciprocal ship visits. We had agreed to share information on humanitarian exercises. American forces were proud to offer humanitarian assistance during the tragic earthquake that occurred in Hebei province before my visit. During my visit here, I became, I am told, the first western leader to visit your Air Defense Command Center for the Beijing region. We also signed a Military Maritime Consultative Agreement to help avoid incidents at sea and create a venue for dialogue between our respective navies.

This past January, I am pleased to say, we reestablished our military to military cooperation at our talks in Washington. I have returned to China as part of our mutual effort to continue that process: a deliberate, paced, and balanced program that builds confidence and understanding. As a result, we can look forward to Defense Consultative Talks here in December, and reciprocal ship visits, including a U.S. Navy ship in Dalian, and Chinese Navy ships in Hawaii and Seattle. Finally, I have just invited the Director of the Peoples' Liberation Army General Political Department, General Yu Yongbo, to the United States this year and extended an invitation for Minister Chi to visit my successor next year.

As I said during my 1998 visit, we see a threefold approach to our military cooperation: deepening our current joint efforts; modestly broadening them into new areas; and, advancing from confidence building to real-world cooperation--a relationship not of distrust, but of dialogue. But above all, one that not endangers but enhances the security of our citizens, our allies and our friends in this region. This, in turn, illustrates a fundamental fact about our relationship with China: the United States cooperates with China not only because China is a great and growing nation. We cooperate with China because we have a great interest in doing so. Indeed, President Clinton and I have both stated to those few in America who would seek to somehow “contain” China, that they advocate a policy of both folly and futility. We do not seek to contain the most populous nation on earth. In fact, it is in our interest to cooperate with you. China has a strongly growing economy and is increasingly a part of the open global market; it is a permanent member of the United Nations Security Council, and is a member of more than 1,000 international organizations. It would not be in our interest to try to contain a nation that has the potential to offer so much to this region and the world.

Across the Asia-Pacific region, our alliances focus on preserving stability in Asia. The US-Japan security alliance has been -- and remains -- a foundation for the peace and stability of the region. Under our new Guidelines for Defense Cooperation, the United States and Japan are actively improving our ability to provide peacekeeping support and humanitarian relief, respond to regional crises, and integrating our security structures. As I noted two years ago, it is a defensive alliance that does not isolate or threaten any nation in the region. On the contrary, it -- like all of our regional alliances and partnerships -- is designed to expand stability for the benefit of all nations.
America's alliance with the Republic of Korea remains a key factor on the Korean peninsula and, hence, for peace throughout the region. Both the United States and China can be justifiably proud of our role in supporting the efforts of leaders of both North and South to take the first steps to bring their nations together. Our cooperation in helping to bridge the bitter divide of the last half century was an indispensable element in the success of the recent Summit in Pyongyang. The summit demonstrated not only the desire of the Korean people for peace but the value of US-China cooperation to the peace and stability of the Asian-Pacific Region. The path to permanent peace on the peninsula will be a long one and, we must keep up our guard, even as we are open to change. But there are grounds for hope that the 50-year confrontation in Korea may be ended if the promise of the summit is realized. Our alliance with Australia continues to be the critical southern anchor of our Pacific presence. Our alliance with Thailand continues to enable us to confront transnational threats such as drug trafficking. Our security ties with the Philippines are dramatically improving with resumed combined exercises, training, and ship visits. All of which ensures stability and peace for all nations of this region, including China.

Of course, as great—but very different—nations, the United States and China also have differences of opinion and philosophy. Some of them are very important differences—these we must address with dialogue. But that effort to deal with differences can build on a foundation of important common interests. One of the areas in which we have a difference of view is that of National Missile Defense. Let me take a moment to explain our perspective. The global spread of dangerous technologies—chemical, nuclear, and biological agents and the missiles to deliver them—constitutes a great and growing threat to all the nations of the world.

Neither the United States nor China can know with certainty what terrorist groups or rogue nations may threaten us with these weapons in the future. But as long as these weapons of mass destruction spread to ever-widening circles, that threat will exist. That is why we must also work vigorously to stop the spread of weapons technology—to deter its use and to work to develop a system to defend against a limited ballistic missile attack from an irresponsible nation.

Let me be clear, as I have been clear with our Russian friends. The Administration is strongly committed to maintaining the ABM Treaty as a cornerstone of strategic stability—doing so is entirely consistent with updating the treaty to permit limited defenses, while ensuring continued stable deterrence. Such a system would not be designed to address China's missile capability. Rather, its purpose—if the United States decides to deploy it—would be to stop a limited number of missiles from isolated and dangerous nations and terrorists. It is designed to enhance peace and stability, not to threaten the security of any nation.

Another cornerstone of strategic stability that I would also ask you to consider is an active American presence in Asia. Consider for a moment how many conflicts have been averted, how many potentially dangerous differences have been settled peacefully, how much prosperity has been built upon the foundation of stability—because of the stabilizing presence and involvement of the United States these past five decades? The truth is that this region is safer, more secure, and more stable because of the United States. And that peace and stability has benefited every nation, including China.

A central element of future stability and prosperity in Asia is avoiding conflict over the issue of Taiwan. The United States recognizes the importance of the Taiwan issue, and we support dialogue toward peaceful resolution of this issue. Let there be no mistake: the United States remains committed
to our One China policy, to the Three Communiqués, and to the Taiwan Relations Act. The premise of our One China policy, as we have said all along, is that we “consider any effort to determine the future of Taiwan by other than peaceful means a threat to the peace and security of the Western Pacific area and of grave concern to the United States.”

This issue is a matter for the Chinese people on both sides of the Taiwan Straits to resolve peacefully. Chen Shui-bian’s election creates a window of opportunity for renewed dialogue and new ideas. China’s path of restraint as you “watch and listen” is permitting Taiwan’s new leaders the opportunity to find a way forward. The path of dialogue, not the path of threats and provocations, is the one that will serve the interests of all Chinese people...and the world as a whole. Such dialogue and care in our rhetoric are important because our differing perceptions of events and of each other can lead to misunderstanding between our nations. Indeed, we are often left to interpret televised statements in our effort to understand one another. Other times we speak across such a great distance, through newspapers and diplomatic code, that clarity is lost, and we risk the danger that simple misunderstandings will lead to serious miscalculations.

In all honesty, I fear that very often what you hear about the United States in your media does not fairly represent our plans or our purposes. To watch many Chinese newscasts or read Chinese newspapers is to see a picture of the United States as a hegemonic nation, engaged in a campaign against the interests and aspirations of other nations, including China. These misperceptions that I have described are not only unhelpful—they are untrue. They undermine support in both of our nations for closer cooperation between the two greatest Pacific Powers—cooperation that is a necessary bedrock for building future stability and prosperity in Asia.

Indeed, President Clinton and many other leaders in America in both parties are working to build support in the United States for more cooperative, normal, and stable relations between our two nations—confrontational rhetoric in this country that attributes to the United States hostile motives we do not have can only damage that effort—just as those in the United States who insist on portraying China as an enemy of America can also damage the effort toward more stable relations between our nations. That is why I welcome this opportunity to speak directly to you, as well as to meet with your leaders.

In closing, let me say that one of my personal heroes was a member of our Supreme Court and a soldier in the U.S. Civil War, Oliver Wendell Homes, Jr. Holmes once said, “Behind every plan to change the world, lies the question “What kind of a world do we want?” Today, I would ask you, and the people of China, as we remake the world for the 21st Century, what kind of world do we want? What kind of Pacific community do we want to leave to the next generation? The United States seeks an Asia-Pacific region in which confrontation is replaced by cooperation—where great nations focus not solely on their competing ideologies, but on their mutual interests; where our energies are not spent preparing for conflict, but on promoting our prosperity; and where freedom and democracy and the rule of law are the fully recognized birthright of all people. We believe that all of these are goals shared by the people of China. By working together, our nations can create this future for all the people of this region, for as Lao Tsu once noted: “What is firmly established cannot be uprooted. What is firmly grasped cannot slip away. It will be honored from generation to generation.”

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1 Taiwan Relations Act
The United States believes—and we hope China believes—that working together, we too can firmly establish bonds that will not slip away—bonds that can be honored from generation to generation to the benefit of both our nations and, indeed, the entire Asian-Pacific region. Thank you.