America and China Today
Prepared Remarks of
The Honorable Joseph I. Lieberman (D-CT)
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This is a conference in commemoration of the 50th anniversary of the General Agreement on Tariffs and Trade, and that serves as a preface for what I would like to say about our relations with China.

The creation of GATT was an exercise in very constructive leadership by the statespeople of the world, who saw a problem, had just come through a time of enormous crisis, and fashioned an international institution and process that was aimed at not only providing for better business but better relations among nations.

History tells us over and over again that disagreements based on trade often lead to open conflict. GATT was a way to create an international system to reconcile those disagreements before they broke into conflict. It has worked remarkably well both economically and diplomatically. So there is much to celebrate as well as commemorate in this 50th anniversary year. And I think this does lead to the discussion of current relations with China, and the opportunities and challenges that are involved in them.

We’re at a time that might be described as a time of posts. We’re in a post preoccupation with deficit reduction in domestic politics. We’re at a time of post-Cold War. We dealt with that on the Senate floor last week as we ratified the accession of three new members to NATO. But obviously, history did not end with the end of the Cold War. We’ve simply reached a new chapter.

The question is whether we will use the power and the influence the United States has built to try to shape those events as those before us did in the formation of NATO and GATT, rather than having the events written simply by happenstance of by others who may not share our values, or by benign neglect.

I’ve spent a lot of time in the last couple of years visiting China, talking to people who are experts on China from a whole range of different perspectives.

It seems to me that we in America, the world’s most powerful nation, have an
extraordinary moment of opportunity here -- 50 years after the Communist
takeover of the mainland and 10 years after Tiennamen Square -- to redefine
our relations with the world’s most populous nation.

For their part, the Chinese certainly seem to want such a redefinition, certainly a
dialogue, because it is in their self-interest to engage with us if they are to
modernize their society, feed their people, and prevent a domestic political
implosion.

A decade after the massacre in Tiennamen Square and the seizure of the
democracy movement, China is in a transition unlike any the world has known,
which causes understandable concern, understandable confusion, and
understandable excitement and hopefulness here in the United States.

It is said that in the Sichuan province, a very misty place, dogs bark at the sun
because it is a rare sight. The moral I take from this is that an ignorant person --
a foolish person -- who makes a fuss about something which he alone finds
strange without understanding why it is different. The same of course could be
said of nations.

In other words, China and the United States must learn to understand each
other, to find common ground without ignoring our uncommon differences, to
build and sustain a strategic partnership -- even when we disagree.

China’s transformation, in the short-term, will be more about commerce and
less about politics. We have been and will continue to be impressed by the scale
of the transformation. But just as we’re impressed we also have to be vigilant
and true to our own principles and not cover up, in pursuit of better relations,
abuses of human and labor rights, environmental protections, military sales to
rogue nations, or trade restrictions.

This persistence and focus by us has not been and will not be easy for the
Chinese to understand. But that is what they must learn about us, just as we
have so much to learn about them.

Over American history, our relations with China have been transformed several
times by cataclysmic world events. But now, the end of the Cold War, the
explosion of information technologies, the growth of the global economy, and
the transition to a more pragmatic and less ideological Chinese leadership have
combined to give us an opportunity to reinvent our relations based on mutual
respect and shared strategic and economic interests.

In the last two years, we have seen greater U.S.-China cooperation in matters
of nuclear proliferation, commercial relations, and intellectual property protection. We continue to have significant other differences, but we have made progress.

The Clinton Administration has put together an admirable record in conducting our bilateral relationship with the People’s Republic of China. The same can not always be said of the proud institution of which I am a member.

Congressional debate is lagged behind, and that is consequential. Congress must ratify, fund, or otherwise enable policies that express our bilateral relationship. Too often, the debate in Congress has ranged from disdainful disinterest to narrowly combative. Instead, we should aspire to raise the debate up to a level of engagement that is honest, principled, and practical.

Last November, I offered a legislative proposal that was aimed at moving us towards such a transformation in Congress’s policies towards China. I was privileged to be joined in this by a bipartisan group of my colleagues -- Senator Chuck Hagel, Republican of Nebraska; Senator Bob Kerrey, Democrat of Nebraska; and Senator Frank Murkowski, Republican of Alaska -- when we introduced the bipartisan U.S.-China Relations Act, known as S. 1303.

Our aim in this legislation is to remove unnecessary hyperbole and unproductive confrontation in Sino-American relations, to rechannel those energies into constructive and honest engagement, and hopefully help move China in the direction we would desire at a speed China can accept in its own self-interest and we can accept without abandoning our interests and principles.

This legislation expresses a policy goal, which is engagement and good, productive, peaceful relations with China. It offers a blueprint for bilateral relations in security, human rights, and in trade. We aim to promote and assist China’s integration into the world community.

Let me mention a few aspects of the bill briefly.

We stated as a goal that the United States should aim to achieve bilateral investment and tax treaties with the People’s Republic of China.

We called for the granting of permanent Most Favored Nation trading status for China once China has acceded to the World Trade Organization, expressing our hope and policy that this would not just be a cosmetic accession but one based on solid commercial terms. In other words, permanent MFN would be far more than politically or economically conceptual. It would be clearly understood to be contractual.
We developed a new approach to applying some of the American values and standards to our investment relations with the People’s Republic of China in a way that might be more acceptable and more productive than congressional rhetorical outcries or confrontation or heavy-handed sanctions for a whole variety of apparent infractions.

We created a bilateral commission to evaluate and review progress in China province-by-province, judging each province according to a set of standards that are outlined in the Overseas Private Investment Corporation legislation relating to human rights, worker rights, and environmental standards.

Then, in an attempt to create some province-by-province competition that might mirror the competition among our 50 states, and in pursuit of a policy of carrots as much as sticks, we’d open access to OPIC’s programs to those provinces that achieving progress in these three areas.

We would also provide to those provinces a legislative accession to Export-Import Bank financing, to make more permanent the waiver the President has already offered.

Overall, this legislation is premised on a fundamental observation, and has a fundamental goal, which is engagement with China as compared to confrontation or isolation. This is based on a factual observation. China has already made the hard decision to move from a state-controlled economy to a market economy.

In politics, it has taken smaller steps, but ones that are beginning to be visible towards a more open and, in our terms, lawful society.

Were we now to try to isolate China, were the congressional conversation to remain narrow and confrontational, were our vision to focus on short-term disputes or disappointments as occasions for putting the relationship on hold or even breaking it, we -- my cosponsors and I -- believe we would be missing our best opportunity to influence this great country’s economic and political future, and therefore to affect our own future.

President Clinton will be the first American president to visit China since the Tienamen tragedy when he goes this June. It is a journey that holds enormous symbolic and substantive significance for both nations.

Early indications are that the Beijing summit will probably produce more progress in the areas of strategic and nuclear cooperation, and that trade and investment agreements may also be announced that support WTO accession.
That, and the mere fact of the President being in Beijing, will receive the headlines.

But I want to draw your attention to a less visible aspect of our bilateral relations, and what I hope the Beijing summit may do about it.

The rule of law exchanges and projects which aim at creating at a civil society should rank high in our estimation as a sign that China is indeed turning a corner to a different phase of its history.

The establishment of the rule of law and the development of the aspects of a civil society are also two of the goals of the legislation my colleagues and I have introduced. They’re a focus of one of the bilateral commissions we create, and can and should be the basis on which China will be able implement its WTO obligations and provide protections for individuals from arbitrary government treatment, as well as providing a predictable atmosphere for foreign investment and activity.

This rule of law and civil society have become standards by which a nation’s maturity towards the international community as well as towards its own citizens are measured in the 20th century. It will be an absolutely essential standard if 21st century China is to be fully accepted by the developed world as a nation of reciprocity and not reprisals.

Last year, at the Washington summit between President Clinton and President Jiang, they concluded with an important agreement that said "promoting cooperation in the field of law serves the interests and needs of both countries." They called for cooperation in legal assistance, legal information systems, and training of judges and lawyers. State Department officials have since met regularly with Chinese officials to begin to work on implementation, and the Asia Foundation has been developing a broad array of programs that would touch most aspects of the Chinese legal system.

Acceptance of the rule of law by China is a significant advance. Programs to improve the quality of law schools, improve access to legal information, strengthen commercial law and arbitration, and enhance the predictability and transparency of those administrative processes are among those aspects which most directly will be of importance to international business as well as, ultimately, provide a broad new array of civil protections for ordinary Chinese citizens.

We should actively encourage the Chinese in this direction. That will help in what I believe will be the next great battle about China in Congress, and that is the effort to make the MFN for China permanent after accession by the PRC to the WTO, which most presume will occur before the end of this year.
The annual debate on MFN always seems to end with that status being extended for another year, but not after considerable venting or concern, of anger, of opposition, of confrontation by Members of Congress. It is as if the annual debate provides a chain that Members can pull to try to get China’s attention on human rights, on proliferation, on trade concerns.

Ultimately, except for providing that therapeutic value of allowing expression, it tends not to provide and result in anything constructive.

Because nonetheless it has this appealing quality for many of my colleagues in Congress who have understandable concerns about one or another aspect of behavior within the PRC, this is a chain, a cord, that will be hard for Congress to let go.

In its place, we have to find more constructive ways for Members of Congress, and for the general public in our country, to express their concerns about developments within the PRC. My colleagues and I offer S. 1303 as one possible institutionalization -- through a series of goals, standards, bilateral commissions, reports, and the opportunities for governmental reactions to the less fruitful and ultimately harmful annual MFN exercises.

My hope is that a successful summit in Beijing in June, that steady and positive actions by the Chinese government thereafter, and a comprehensive dialogue in Congress on U.S.-China relations can and will eliminate the need for the MFN cord-pulling.

The question is whether we can accept the wisdom of the Chinese proverb, so often quoted, first in American parlance by President John Kennedy 35 years ago. It is a quote that has been used so often for so much else in so many different places that perhaps it is time we brought it home, where it began, in China.

"A journey of a thousand miles must begin with a single step."

The first judgement that I believe we have made, although not without reluctance and anxiety in Congress, is that this a journey worth making.

China and the United States are each military powers in the Pacific region, and economic powers throughout the world. We have a clear choice here, either to make overtures to a PRC clearly willing to explore a new enlightened partnership that will benefit both nations and global prosperity and security.

Or, we can resign ourselves to a return to a period of seclusion and conflict, in which we will not only aim to isolate but, in some senses, we will isolate
ourselves.

For China to be at peace with us, it must be at peace and prosperous within itself. That recognition, which I certainly feel when I speak to people in China, in government and out, is real. It is where there is great opportunity or the United States today.

The journey to better Sino-American relations may sometimes truly seem a thousand miles long, but I am convinced -- and I am also convinced that a majority of colleagues agree -- that this is a journey clearly worth making.

Sen. Joseph I. Lieberman has served as a United States Senator from the state of Connecticut since 1988. In this position, he is a member of the Senate Armed Services Committee, as well as the Environment and Public Works, Governmental Affairs, and Small Business Committees. He has been named a deputy whip by the Senate minority leader, and, since 1995, has been the Chairman of the Democratic Leadership Council. Prior to joining the Senate, Senator Lieberman was a Connecticut State Senator from 1970 to 1980, the last six as majority leader, and the Connecticut attorney general from 1982 to 1988. He is the author of four books: The Power Broker (1966), The Scorpion and the Tarantula (1970), The Legacy (1981), and Child Support in America (1986). He received his bachelor’s degree from Yale College in 1964 and his law degree from Yale Law School in 1967.