



## The Future of U.S.-China Relations

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Mr. Chairman, I thank you and the members of this Sub-Committee for my first opportunity to appear before you as Assistant Secretary of State for East Asian and Pacific Affairs. It is fitting that our topic today is China since the past month's events have drawn the attention of the world to this important relationship.

As I said to this Committee last week, America's national interests in East Asia and the Pacific are long-term and consistent.

We seek a stable, peaceful region where each government is free to pursue its economic development and prosperity in a secure, open environment.

We support internationally accepted standards of behavior that ensure the pursuit of security and development is accomplished transparently, through cooperation with neighbors, not at their expense.

America's presence in Asia and our relationships with our allies are essential to stability in the region. That presence is diplomatic, economic, and military. Let me emphasize that the latter has long been welcomed and long supported by most nations in the region. Our future and our prosperity -- and the future and prosperity of our friends and allies -- are linked to the future of East Asia.

I don't need to tell you just how important the development of China will be to that future. American interests are served by a China that is developing economically and politically.

Recent events have called into question where we stand in our relationship with China and where we want to go. For our part, as the President has said, we do not view China as an enemy. We view China as a partner on some issues and a competitor on others. The Secretary of State was equally clear about our vision of this relationship, stating that "China is a competitor and a potential regional rival, but also a trading partner willing to cooperate in the areas, such as Korea, where our strategic interests overlap. China is all of these things, but China is not an enemy and our challenge is to keep it that way." From promoting peace and stability on the Korean Peninsula to non-proliferation to trade, we share common interests with China that are best served by a productive -- and positive -- relationship.

That said, we must be frank about our differences. Taiwan is one; human rights another, particularly freedom of expression and freedom to express and practice one's faith. Arms sales around the world and the proliferation of weapons of mass destruction are also important issues about which we have expressed concern to China. The spirit of competition that governs some aspects of our relations with China does not necessarily mean distrust and anger. As the President said, we will address our differences in a spirit of mutual respect.

Events of the past few weeks have highlighted the importance of not allowing our relationship to be damaged by miscommunication, mistrust and misunderstanding about our respective intentions and objectives. Some influential Chinese seem to have a flawed understanding of our relationship. We have been clear in word and deed, and China needs to be clear as well. Following the President's policies, we have been firm, but respectful.

We have been straightforward about our interests, including our commitment to Taiwan's self-defense under the Taiwan Relations Act and to freedom of navigation in international waters and airspace. We are not interested in a war of words in response to China's very vocal criticism, but we're not going to conduct business as usual after our servicemen and women were detained for eleven days in China. Beijing needs to understand that. We have worked through diplomatic channels for the return of our crew, and for the early return of our EP-3 airplane. We have been very clear about what needs to be done; we own that airplane and expect the Chinese to return it.

From a broader perspective, our relationship with China is based, first and foremost, on our national security interests and also on the impact and influence on America's friends and allies.

As Secretary Powell told this Committee, Japan, South Korea, Australia and our other allies and friends in the region have a stake in this process of nurturing a constructive relationship. This Administration will consult and work closely with our friends and allies in Asia to formulate an approach to a new and dynamic China that serves our long-term interests. Consulting means listening to what our friends and allies have to say: they want a strong and reliable U.S. role to protect the peace and promote prosperity in the region. They are mindful of China's size, power, and recent economic growth. They do not support gratuitous confrontation or tension with China, either in their own relationships or ours. And neither do we; we need to be firm in our promotion and protection of our national interests and clear about our priorities in Asia and in U.S.-China relations.

We want to work both with the current leaders and with the next generation of leaders in China, as Secretary Powell has said. To do so successfully, we will need to find effective ways to deal with a changing and at times contradictory country -- a country that embraces globalism at times, and at other times encourages intense nationalism; a country that wants to join the world trading system but also keeps in place protectionist barriers.

We will hold China to its bilateral and international commitments. If China chooses to disregard its international obligations in areas as diverse as security issues, human rights, nonproliferation or trade, we will use all available policy tools to persuade it to move in more constructive directions.

I know how interested you are in America's relationship with Taiwan and want to address that subject directly. The President made clear in his discussion of our recent arms sales package that we will continue to provide defensive weapons to permit Taiwan to defend itself. After all, there has been a well-noted intensification of PRC military preparations with Taiwan as its focus. China has expressed unhappiness with our decisions. Yet we could not have been more clear in our discussions with China: our maintenance of unofficial relations with the people on Taiwan is a fundamental part of our "one China" policy.

At the same time, the cross-Strait relationship is also complicated and, to some eyes, contradictory. The growth of two-way trade has been four-fold in ten years and Taiwan investment in the mainland has burgeoned. People in Taiwan see tremendous opportunity on the mainland. We favor and encourage dialogue across the Strait, but do not have a role as mediator.

We will have to see how China responds to us. It would be unfortunate if it were to renege on commitments to international standards that most of the world supports and adheres to. China's own interests -- and its responsibility for the promotion of global peace, security, and prosperity -- should guide the leadership in Beijing to uphold international standards in policy areas ranging from human rights to nonproliferation. China must live up to its global obligations as would any other country in the world.

Our productive relationship with China can only be based on a true reflection of our values. This is our greatest strength. We will be forthright in telling Beijing that its

human rights violations are anathema to the American people. Every American Administration has been clear about this: U.S.-China relations cannot reach their full potential so long as Americans are persuaded that the Chinese government systematically violates its people's most basic rights of worship, peaceful assembly and open discourse.

In that regard, I want to assure this Committee that we have forcefully raised the recent detentions of U.S. citizens and legal permanent residents, and will continue to do so. As part of our duty to Americans, we made a public announcement about this worrying trend to ensure that those Americans planning travel to China had a full picture of the situation.

Religious freedom is an issue that is at the center of our concerns about how China treats its people. The President has made this point both publicly and in his meetings with Chinese. Abuses of freedom of conscience and religion of numerous groups have been growing in recent times. We have decried, for example, the demolition in recent months of home churches in China, and the abuses committed against followers of the Falun Gong, and have raised these issues with the Beijing government. After we saw reports of China's arrest of a 79-year old Catholic bishop on April 13, Good Friday, we immediately engaged to try to confirm the reports and to urge the immediate release of the bishop if reports prove true.

We will continue to focus on Tibet. We are pressing the Chinese government at all levels to end abuses including use of torture, arbitrary arrest, detention without public trial or detention for peaceful expression of political or religious views. In particular, we will press for an end to religious restrictions against Tibetan Buddhists. Taking the longer view, we will also work to preserve Tibetans' unique cultural, religious, and linguistic heritage. We continue to urge China to open a dialogue with the Dalai Lama or his representatives.

The cutting edge of reform and positive social development in China is our trade relationship. We do have a significant trade deficit with China, and our imports far exceed our exports. But let us not forget that our exports totaled \$16 billion in 2000, up 18% from the previous year. Our trade with China is in our interest. That is not changed by the fact that trade also happens to be good for China. As the President said to the American Society of Newspaper Editors on April 5, the marketplace promotes American values; trade encourages more freedom and individual liberties. You can see that happening today in China, where trade has led to greater openness and fewer government controls on day-to-day life, particularly in the coastal region most affected by international trade. We do not claim that trade will remake China, but it helps. For these reasons, as well as our economic interests, and to help foster China's greater integration in the international community of nations, we support China's WTO entry as soon as China is ready to meet WTO standards. Taiwan is ready for entry now, and we expect both to enter the WTO in close proximity.

For the same reasons, we look forward to China's hosting of this year's APEC summit. The President has said that he plans to go to Shanghai in the fall. His presence at the APEC Leaders' Meeting will speak volumes about our commitment to market-oriented economic reform in China.

We will continue to watch closely developments in Hong Kong, which remains a vibrant, international city even as a Special Administrative Region of China. It is still different. It is a free and open society, buttressed by the rule of law. Its markets are free. Our interests there remain strong -- more than 50,000 Americans live and do business there; and our cooperation with the Hong Kong government in a number of areas, including law enforcement, is excellent. My judgment is that the PRC has generally lived up to its commitments in the Basic Law and Joint Declaration, which provide for Hong Kong to manage its own affairs, except in the areas of foreign affairs and defense. There have been a few exceptions since 1997, but these have served to highlight the fact that for the vast majority of Hong Kong residents, autonomy is a real fact of life. There are areas where vigilance is needed: according to reports we have seen, Falun Gong practitioners in Hong Kong remain able to practice freely, consistent with Hong Kong's special status and the principles of universal human rights. It is important that Hong Kong uphold its constitutional principles and rule of law, and maintain all the rights and freedoms traditionally enjoyed by the people of Hong Kong.

There are additional areas where we share interests with China and would like to see it continue or expand constructive policies. We want to build on cooperation against narcotics trafficking; China realizes that drugs are a threat to the Chinese people. We want to work with China to combat the spread of HIV/AIDS. And we will continue to work together where possible to protect the environment.

Secretary Powell stated that we have a strong interest in supporting the development of the rule of law in China. We are prepared to offer an American perspective to China as it attempts to develop a more transparent and accountable legal system; we have, after all, the most open, transparent, democratic legal system in the world.

In conclusion, let me stress that we have enunciated a clear way ahead. China is in a position to chart a mutually beneficial course for our future relationship. This Administration wants a productive relationship with Beijing that promotes our interests and those of the entire Asia-Pacific region. We are willing to work with China to address areas of common concern that I have mentioned. These are items on a bilateral agenda with China that are in our national interest and we believe China's leaders will also see these as common interests.

But we will be firm in advocating our views:

--We will not shy away from supporting our friends and defending our common interests in the region.

--We will address differences with China forthrightly and with a spirit of mutual respect.

--We will be guided by our values and ensure Beijing understands it cannot have a stable relationship with the American people if it continues to oppress its own citizens.

--Above all, we will insist that China respect its bilateral and international obligations.

China's behavior, particularly in the next few months, will determine whether we develop the kind of productive relationship the President wants. We encourage China to make responsible choices that reflect its stature in and obligations to the community of nations.

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