



Remarks at U.S. Embassy Beijing

Robert Zoellick, Deputy Secretary of State

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DEPUTY SECRETARY ZOELLICK: Well, thank you all for joining us. As I think all of you know by now the primary purpose of my visit was to initiate the dialogue that President Hu suggested to President Bush last November at an APEC meeting. And the purpose of the dialogue is to discuss the strategic and conceptual framework for our relations. And in doing so, to move beyond the operational day-to-day work that we – both countries - are regularly engaged in and to try to integrate across issues so that we can better understand one another's respective interests, but also domestic considerations.

I also had a chance to meet with the National Development and Reform Commission today, where we've had a dialogue in the past with some of my predecessors at the State Department. But in a similar fashion to the dialogue that we had with the Foreign Ministry, I wanted to try to approach the economic relationship in a strategic context and consider the relationship across issues. And I also had a chance just to meet -- Foreign Minister Li was kindly able to provide some time to review a series of topics. So, I found the meetings to be very useful. I thought discussions were very open. We talked for numbers of hours, had a chance to ask one another questions. So this was not set-piece discussions, but rather a more free flowing set of exchanges.

In the process, I was certainly able to listen and to learn, which is an important part of working closely together. And we also had chance to identify possible points of mutual interest. But, also, where we do not see eye to eye, to better understand one another's position and to help manage those differences. We talked about issues across the Asia-Pacific, but also other regions as well. Had discussions about energy security, terrorism, economic development and trade, issues of democracy and freedom and human rights. And a general point that I made is that across some seven American administrations, the goal of U.S. policy has been to integrate China into the world's security, economic and political systems. And that has been accomplished, if you consider China as a member of the UN Security Council, a member of the WTO, a member of ozone depletion treaties, non-proliferation arrangements, and a host of others. And so the focus now is to consider how the United States and China, as common stakeholders in these systems, need to work together to try to pursue common interests and maintain and strengthen these systems for cooperation of issues of today and those in the years ahead.

I emphasized that the United States had a strong interest in building deeper cooperation with China, and one way of asking that question is if you consider the challenges that our countries and others face in the years ahead and ask yourself how much easier it will be to face those challenges if the United States and China are working together, as opposed to being in opposition with one another.

We also had a chance to talk a little bit about President Hu's upcoming visit to the United States, and Executive Vice-Minister Dai Bingguo and I found the discussions so useful that we agreed we would have another round of them in Washington later this year. And we have also tried to think about other ways that we can expand the network of ties between our ministries.

I also want to say that one of the benefits of me having the chance to come to Beijing again is to thank our mission here. We've got a tremendous workload of topics, as evidenced by all of you being here. And we've got a great group of people that are doing tremendous work, and I just wanted to thank them too.

So, happy to take a few questions...

QUESTION: Two quick questions. One is how the Six Party Talks are going on and I know you didn't come here for this, but we have to ask you—how do you think... how is the progress going and where are the difficulties and what needs to be done for the breakthrough? And, another second quick question is from in, in—for Bloomberg it's very important. The U.S congress is looking at imposing tariffs on Chinese goods if China does not further revalue the RMB. Would you give us your view on that? Thank you so much.

DEPUTY SECRETARY ZOELLICK: Well as for the first question, I've been in touch with Ambassador Hill every day. And I know that he's provided press briefings every day, which I think -- I've read the transcripts -- I think they've done a good job of trying to give you a sense of the overall direction. So, I'm not going to wade too much into that area because he's the one who's on point with the subject. I will just say that he's come here to try to address a problem that we think is very important, not only for the United States, but for the region and the world. He's in regular contact with Secretary Rice and has the flexibility to try to address the issues that we think North Korea has put on the table that it wants addressed.

But, it's a difficult process, and we appreciate the role that China has played as a chair. You've had reports about the focus on trying to draft some core guiding principles. And fundamentally, the sense that I get is that there are five parties that are in pretty close agreement on those principles and the key question is whether North Korea is willing to make the strategic decision it needs to make to go forward. So, I know that there are discussions going on again this afternoon, and I'm sure that Ambassador Hill will keep you well briefed and informed about those as he does so. I will say that in my sessions, I had a chance to talk with the Foreign Minister as well as the Executive Vice-Minister about the importance of these discussions to the United States and how we appreciated the role that China was seeking to play.

As for your second question, which is about the tariffs I guess? Well, as Secretary Snow has stated, we think that the action that China took on its exchange is an important first step. Obviously, people will monitor closely the process to follow. And, in general, while we will continue to, obviously, present our view on why it's important to have currency adjustment to be able to deal with international imbalances, that the idea of increasing tariffs to block and in the process violate your WTO commitments would not be a constructive way to address that.

QUESTION: You've been here several times before and I know that you have a strong historical sense and I was wondering if you could tell us, what kind of partnership the United States is trying to create with China. Does the United States still see China in a period of tutelage in its return to greatness? And can you describe some of the areas in the strategic dialogue that you've had where it's not an equal partnership between China and the United States?

DEPUTY SECRETARY ZOELLICK: Well, I guess the way that I'd try to deal with the combination of those issues is that—a theme that has informed all of our discussions over the past couple of days is that China has accomplished an enormous amount over the past 25 years, in terms of its economic development. As I've said to a number of my interlocutors, I first had a chance to visit China when I lived in Hong Kong in 1980. So I have a very personal perspective on the changes that have been achieved in this country. And I have great respect for the accomplishments of the Chinese people and I know that the Chinese leaders have moved the country enormously in the direction of markets and improving the livelihood for China's people.

At the same time, that makes China more influential in the world and you can see the effects of this integration, whether you look at commodities prices, whether you look at exchange rates, whether you look at issues of IPR and counterfeiting, whether you look at manufacturing markets. China is a significant influence on the world economy. And so, part of our challenge going forward is to see how to try to cooperate in terms of strengthening those systems, whether they be the international trade systems, whether they be—sort of—capital and currency flows. And I also tried to explain in the process some of the concerns that develop in the United States about whether China's role will be one that tries to focus on overall market development or whether there will be mercantilist aspects.

Now part of this is a process of transition in China. It's gone from a command economy to a mixed economy with increasing use of the market. But the government presence is still very ample in many different sectors. And so, part of my purpose was to better understand the sense of direction, the planning, but also to lay the groundwork for further discussions that I would have and my colleagues will have so that we can try to get a better understanding of China's sense of the mutual obligations in the international environment. Now, you closed with a phrase about tutelage of others. In a sense, the United States and China are both very influential players. The United States represents 25 to 30 percent of the world's GDP, depending on exchange rates. China's share is much smaller, but its growth is very rapid. So the United States is a developed economy. China's is a developing economy, but they're both large players in the international system.

I just recently came from Laos with a meeting of Southeast Asian countries. And again it is clear, in the region, that countries recognize the common role of the United States and China. And so we talked about multilateral cooperation, for example in issues of Southeast Asia. And the common interests -- whether it be dealing with avian influenza, whether it be dealing with issues of terrorism, whether it be dealing with nuclear nonproliferation, whether it be issues of responses to national disasters like the tsunami, whether it be maritime security. And one that we talked about extensively in both days was common interest in dealing with energy security questions by multiplying sources of supply. We had an announcement when I was in Laos about an effort of a number of countries to try to combine the issues of poverty alleviation, development, but also questions of greenhouse gasses and the role of technology. Well, clean coal is a very important aspect that sort of development process.

So what I would say is that you have two very important countries in the global system, and I think that the importance of trying to work together cooperatively will become even greater in the time ahead. But, you can't take these things for granted. And, one of the points that I mentioned is that as China grows in influence, it raises questions with people about its future course. This is not to be negative. It's just to say that it raises uncertainty. And so, we talked about ways in which more transparent issues -- whether it be for military defense spending, whether it be for foreign policy cooperation -- could help improve the ability of China and the United States to deal with common challenges. But as a general sense, I felt that the overture was a two-way overture. There was strong interest in being open and honest with one another. It's not surprising that there are differences and disagreements, as there are with a number of our partners. But the question is, how can we find areas to work together more effectively? But also, where we have differences, how to manage those differences.

QUESTION: China now is talking clearly and openly about asking for a timetable for the American troops to withdraw from Central Asia, and you have been requested officially by some of the countries to do so. Did you have the opportunity to talk about this issue and what is your view on it? May I ask another quick question? When Mr. Hill is showing a lot of patience here during the six party talks on the North Korea nuclear issue. Yesterday the United States threatened Iran to take the issue to the Security Council. How can we understand these different standards for a similar issue?

DEPUTY SECRETARY ZOELLICK: Well, as for your second question, each circumstance in the world has to be taken on its own terms. There is no one size that fits all. But the issue with Iran was spoken by our spokesperson and by the British representing the EU-3 about Iran needing to follow through on its commitments in terms of keeping its nuclear program suspended. So there is a common position by a number of countries where the EU-3 has offered a serious negotiation which we have been supportive, of and we hope Iran will take it seriously and not take preemptive action.

As for your first question, we deal with those issues, as we have stated, separately with each of those individual countries. And Secretary Rumsfeld has been visiting some of those countries. We have explained in the past why those relationships have been important for us in dealing with the war on terrorism. And one of the points that we did discuss was the importance of that war on terrorism. How it has changed in form and how it remains very important to both the United States and China and how I hope we can find closer means of cooperation in the future.

QUESTION: I have two questions: My first question, is China a big country in your eyes? For what reason do you think so? My second question is, in your talk with China, on what issue do you hope most to get help from China?

DEPUTY SECRETARY ZOELLICK: It is certainly a big country. It has 1.3 billion people and a lot of landmass. But more than that, it is a country of increasing influence. And one of the core strategic points that I was emphasizing was that the United States' relationship with China has been based on the logic of trying to integrate its influence into the international systems, systems that the United States has been a part of creating and developing and evolving over the course of some fifty years. And so, that will continue to guide our strategic perspective on China. But as China's influence grows, it will be important for China to also try to work with us as a stakeholder in that system. At the same time, I recognize that China is still a developing country and China's leaders, understandably, are focused on the ongoing challenges of development which remain very considerable. Life in Beijing and Shanghai is not as it is throughout all of China. So I appreciate that this involves a balance that China's leaders need to take into account. But I think it is a reality, simply because it is a sign of China's success that it is influential on topics. I have seen it obviously in the economic area, but it is true as we see in dealing with issues of North Korea, the case in Southeast Asia.

We talked about issues related to energy development, including in Africa, and I gave the example that I have spent a lot of time in Sudan recently. And I can see the Chinese presence in terms of energy development. And I explained how it was important for the United States and China to work together on the bigger issues facing Sudan: the implementation of a North South accord, dealing with the genocide in Darfur. And that I hope that while China, I understood, was focused on the energy topic - that, I hope, would still create a basis for working with China on common issues. And this is true in other countries around the globe as well. As China expands its presence, I hope there will be opportunity for cooperation. Your second question?

QUESTION: On what issues do you hope most to get help from China?

DEPUTY SECRETARY ZOELLICK: Really, the purpose of this was to try to cover the landscape. And so, some of the issues relate to economic development; some of them relate to trade; some of them, obviously I mentioned North Korea, cooperation in dealing with terrorism, nonproliferation issues, a whole host of topics. So, the difference of this dialogue with some other meetings was that rather than just focus on a couple items, we tried to review the landscape and get a better sense of perspective. And again, I don't see it so much as seeking help from China as pursuing mutual interests together and interests with other countries, as well.

QUESTION: On Sunday evening you had a chance to talk with Wen Jiabao, and I was wondering if you could tell us a little bit about those discussions and also your view on his take on Sino-U.S. relations. And the second question is, did you have a chance to talk about the textile issue and did you bring any proposals with you with regards to solving the textile issue?

DEPUTY SECRETARY ZOELLICK: Let me take the second question first because it is an easier one. I did not get into a discussion of textiles in detail other than its reference in the broader set of trade items. I am no longer the U.S. Trade Representative, but the United States has announced recently that it is consulting with various stakeholders in the Congress about the possibilities of negotiations in terms of some of the safeguards issues. But that, I think, was just released in the past day or so.

As for your first point about Wen Jiabao. I first had a chance to meet the Premier when he was the Vice Premier. I have always appreciated him. He has been very generous with me. We met for well over an hour. We discussed a wide range of topics. And some of them were of an economic nature; some of them were foreign policy. I tried to outline some of the themes that I was going to be pursuing over the course of the next two days, this notion of the type of relationship we hope to build with China. And he shared with me some of China's perspectives, in some detail, about how it perceived its development and how it perceived its role in the global system. So I was very appreciative that we not only took considerable time but went into considerable detail to try to get a better understanding. And again, I want to emphasize: what makes these discussions most effective is if it is a two way street. So I find it useful to try to listen to my Chinese colleagues to understand their points of emphasis, their points of concern, their points of sensitivity. And similarly, I relay ours, including, as I mentioned, those that are significant ones in our domestic constraints and environment that could inhibit our ability to work together. Because it is important we both know these so that we can try to overcome them and strengthen the relationship for the months and years ahead. Thanks.

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