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and explore and debate, not only because it is, we believe in America, morally right but because it is the only thing in the end that will actually work to maximize the potential of the people of China. And they deserve a chance, after so much struggle and so much hard work, to live up to their potential and to see their nation live up to its potential.

I also believe it is important to explain to American colleagues and friends back home the importance of our engagement with China. There are some people who actually question whether I ought to have come on this trip and who had, I thought, prescriptive advice, which would have completely undermined the effectiveness of the trip.

It is important for Americans to remember, as we go around the world telling people that no one has a monopoly on the truth, that we don't either. And that we live in a world where the unique position of the United States as the world's remaining military superpower, with all of our economic strength, is such that we can maximize our influence only by reaching out a hand of cooperation as well as standing strong when the moment requires it.

We have to make most of our progress with most people by working with them, and that requires us to seek to understand and communicate and reciprocate and to live by the values we espouse.

So I hope you will do both these things. I hope you will bring energy and commitment to these tasks. I hope you will be immensely successful at what we call your day job as well, because we have a lot to do to help America and China reach their full potential in the 21st century. But a great deal is riding on our success, and I believe we will succeed.

Thank you. Thank you very much.

NOTE: The President spoke at 9:37 a.m. in the Atrium of Portman Ritz Carlton. In his remarks, he referred to Charles Wu, president, American Chamber of Commerce; Premier Zhu Rongji and President Jiang Zemin of China.

Interview With Central China Television in Shanghai

July 1, 1998

President's Visit to China

Q. Mr. President, we are very honored to have this opportunity to talk to you, now that your trip in China is almost halfway. And I guess you have gained a clearer picture of today's China and what it is all about. So we noticed that when you visit China, you chose Xi'an as the first stop. Can you tell us why you decided to visit Xi'an first, in your first trip ever to China?

The President. I wanted to start with a place that embodied the history of China, the culture of China, the permanent character, if you will, for the Chinese people. And I did it for personal reasons, because I think it's always helpful for me to understand where people are and where they're going—if you understand where they come from.

But I also did it because I knew the American people would see this. And one big goal of this trip for me was to have the American people learn more about China and the Chinese people learn more about America. So that's why I went to Xi'an first.

Eastern and Western Philosophies

Q. Now, Mr. President, speaking of Xi'an, I remember at your speech at the Xi'an airport you quoted "Li Shi," which is an ancient Chinese philosophy book. Now, in your opinion, based on the several days of observation you've had in China, do you think there's still a difference between Eastern and Western philosophy? And if so, how can these two philosophies cohabitate with each other in the world today?

The President. Oh, I think there are some differences. Western philosophy is probably somewhat more explicitly individualistic. And much Western philosophy is rooted either in the religious tradition of Judaism and Christianity, or in kind of the materialist tradition. But still, I think at bottom the best of Western and Eastern philosophy attempt to get at the truth of human life and human nature and attempt to find a way for people to live

more fully up to that human truth. And so I think if you strip it away, we have a lot to learn from Eastern philosophy and perhaps China can learn some things from Western philosophy, because they help us to look at the world in a different way and acquire a fuller view of what the truth is.

President's Introduction to China

Q. And you do mention that it's a very good way to learn the history and culture of a nation in order to understand more about the nation. So, Mr. President, in your memory can you recall the first time you ever learned or heard about China? I mean, for instance, is it by a book or a movie or some other means?

The President. Oh, no, no. I remember—it's when I was a young boy, and I was reading—my mother and father, they got me a set of encyclopedias when I was a boy, where you go—it's world topics, A through Z—no computers, you know?

Q. And China is C. [*Laughter*]

The President. And I remember looking at the maps of the world and reading about China. I was probably, I don't know, 8 or 9 years old. And I was fascinated by what I read. I always wanted to come here from that time on.

Q. Now, Mr. President, now that you're in China—this is your 7th day in China, and during the last 7 days you've talked to people from all walks of life; you've discussed issues on a wide range with many various people. Is the China in your impression now different from when your mother first gave you that map when you were 8 or 9 years old?

The President. Oh, yes.

Q. And what's the most impressive difference?

The President. Well, for one thing, at that time I had very little understanding. It's still the most populous country in the world, but I think one is immediately struck by the dramatic economic growth and by the opening of China to the rest of the world, in terms of learning, the quest for information.

You know, I went to that Internet cafe this morning and watching the Chinese young people get on the Internet and go all over the world looking for information, this is, I think a very important development.

I also believe there is a genuine increase in people's control over their own lives. Incomes are going up, people have more choices in education, more choice in jobs, the freedom to travel. The state-run industries are going down in relative importance, and cooperatives and private businesses are coming up. And there's more say at the grassroots level now over who the local leaders are and what their policies are. So I think there's a genuine movement toward openness and freedom in China, which obviously, as an American and as an American President, I hope will continue and increase and which I believe is right—morally right, but I also think it's good for China.

Q. Do you have any surprises? Except for this.

The President. Well, I don't know about surprises. I think I was—I was a little surprised—yes, I have two. First, I did not expect when I came here that my entire press conference with President Jiang would be played live on television, and then my speech at Beijing University. And then, of course, yesterday I had the call-in radio show here in Shanghai. So I did not anticipate being able to have that sort of open, sweeping communication with the Chinese people. And I'm very pleased, and I appreciate President Jiang's decision to let the press conference be aired and all the other decisions that were made. That I think was very good. I think it was also good for the Chinese leaders. I mean, the mayor of Shanghai and I had a wonderful time on the radio yesterday.

So I think bringing the people into the process of making these decisions and having these discussions I think is very, very important, because if you think about a lot of the problems that we face—we could take American issues; we could take Chinese issues—how are you going to guarantee that all these people who work for state-owned industries get good jobs? How are you going to deal with the housing problems if people no longer have a housing guarantee connected to their job, but there are vacant apartments in Shanghai, but you can't seem to put the two together? How do you solve these problems?

Very often there's not any simple answer. And people feel better just to know that their

views are heard, their concerns are heard, and that there can be a discussion where people work together toward the answers. So I think this whole democratic process, in my view, is very, very important to make society work when things are changing as quickly as they are now.

Comparison to President Jiang

Q. Now, Mr. President, you've obviously made very indepth observations of China today. You mentioned a lot of the problems that this society is dealing with today. For instance, state-owned enterprise reforms and so on and so forth. So whose job do you think is tougher, if you have to make a comparison, yours or President Jiang Zemin's?

The President. Oh, I don't know. I think that he faces enormous challenges here at home of a scope that Americans have a hard time imagining. Probably the only element of my job which is more difficult right now is that since the cold war is over and America has this role which is temporary—it won't last forever—as the only superpower in the world, I have a lot of work to do to deal with America's challenges and problems at home and then to try to get the American people to support our Nation doing what we should do as a force for peace and prosperity and stability around the world.

So our people have normally been rather like the Chinese people, you know—we want to attend to our own affairs and not be so involved in the rest of the world unless we just had to be, throughout the last 200 years. But in the last 50 years, we've learned that we can only succeed at home if we have positive relationships around the world—which is the main reason I wanted to come to China.

U.S. Leadership in the World

Q. Now, allow me to follow up on that, Mr. President. You mentioned America is the only superpower left for now in the world. And America's leadership role in the world has often been talked about in domestic politics, if not sometimes in international occasions, too. Now, in your opinion, does the world today need a leader, and, if so, how should the United States assume the responsibility and why?

The President. Well, I think the short answer to your question is, yes, the world needs a leader, but not in the sense of one country telling everyone else what to do. That is, let's take something that didn't happen in Asia.

If you look at the problem, the civil war in Bosnia, the terrible problem in Bosnia, we had the military resources to work with NATO our military allies in Europe, to move in and stop the war. Because we were the largest party to NATO, if we hadn't been willing to take the initiative, it wouldn't have happened. On the other hand, we couldn't have done it alone. We had to have people work with us.

I'll give you another example. We want to do everything we can to end the stalemate between North and South Korea. But if China had not been willing to work with us, I don't think we could have started these four-party talks again or we would be very effective in urging North Korea and South Korea to talk directly. But because we can work with China, we can have more influence.

Here, I come to China, and I say, we want to be your friends; we share the security interest, and we're working together with India and Pakistan on the nuclear tests; we're working to stop the transfer of dangerous weapons; we're working to cooperate in environmental projects; and we know we have differences, and I want to tell you why I believe in religious freedom or political freedom. If you think about it, that's a leadership issue for the United States. But the success of the leadership depends upon having a partnership with China.

So it's a different sort of world leadership than in the past where it's just a question of who has the biggest army gets to send a list of instructions to another country, and you think it will be done. That's not the way the world works now. You have to have—sometimes you have to stand strong for what you believe in, in terms of sending the soldiers into Bosnia or imposing economic sanctions on South Africa, as both China and the U.S. did in the time of apartheid. But most days you get more done by finding a way to engage countries and work with them and persuade them that you're doing the right thing. It's important to have allies in the

world we live in—to be more cooperative, even from a leader's point of view you have to have allies and people that will work with you.

Q. According to my understanding, Mr. President, the role of America in the world, I mean, the United States in the world, in international affairs is not, as some people believe or argue, the role of world cop according to your understanding?

The President. No. We're not the world's policeman. But sometimes we have to be prepared to do things that other countries can't or won't do. For example, I think we did absolutely the right thing these last several years to insist that we keep economic sanction on Iraq until they give up their weapons of mass destruction program. I think we did the right thing to go into Bosnia. I think we did the right thing to restore democracy in Haiti.

But most times the problems cannot be solved by military means. And most times, even if we take initiative, we should be trying to create a world in the 21st century, where there is a structure where peace and prosperity and the ability to solve new problems—like the environmental problems—where that kind of structure works, and where you minimize weapons of mass destruction, drug trafficking, ethnic wars, like we had from Rwanda to the Middle East to Northern Ireland.

And so the United States' role, I think, is to try to create a structure where more likely than not the right things will be done when problems arise—not to just do it all ourselves or tell other people what to do.

Achievements of the China Visit

Q. Okay, Mr. President, let's come back to your trip in China. Now you have already finished, let's say, already you have been in China for almost one week. What do you think are the major achievements through your trip here?

The President. I think there are several. First of all, in the whole area of nonproliferation, the fact that we have agreed not to target nuclear weapons at each other is very important. It's important for, I think, three reasons.

One is, it eliminates the prospect that there will ever be a mistaken launch of a nuclear weapon. Second, it's a great confidence-building measure. It's a symbol, if you will, of the growing friendship of the two countries, and it should make other countries in the Asia-Pacific region relax a little. And, third, since India and Pakistan did these nuclear tests, it reaffirms that we believe that's not the right way to go. We should be moving away from nuclear weapons, not toward them. So that's the first thing.

The second thing is, China has agreed to work with us to stop the transfer of technologies to countries that might misuse it, to not assist unsafeguarded nuclear facilities like Pakistan's, and to consider joining the worldwide system that prevents the exportation of dangerous technologies. So that's important.

We announced more efforts on our energy and environmental initiative. This is very important, you know. You have long-related problems with the number one health problem in China because of air pollution. Your major waterways have pollution; the water table is down. We have to find a way to grow the economy and replenish the environment. So this—I predict to you 10 years from now people will look back and say that's one of the biggest things they did; they agreed to work more there. We agreed to deepen our cooperation in science and technology where we've already achieved a lot together. So I think in all these areas this is important.

There is a huge potential benefit to the Chinese people and, therefore, to the American people in the rule of law project we're doing where we're working with Chinese people to set up the right kind of legal procedures to deal with all the questions that are going to come up as you privatize the economy. For example, my wife met the other day, I think in Beijing——

Q. Beijing University.

The President. ——yes, and she was telling me about a case that was raised where a woman was divorced from her husband because there had been problems in the home. And they had one child, but they couldn't move out of the home, even though they had a divorce, because the house came to the husband through his job.

So as you change the society there will have to be all kinds of legal changes made. And I think if we work together on that, I think we can find a way to enhance freedom and stability. So all these things are important.

But finally, I think that in the end it may be that the biggest achievement was the increased understanding and the sense of a shared future. I mean, I think the press conference that President Jiang and I did will be viewed as historic for a long time to come. And the fact that he wanted to do it, he enjoyed it, and it was on national television, I think was very important.

China-U.S. Relations

Q. And I think Chinese people and American people enjoyed that.

The President. I think so. So I think it's a very productive trip.

Q. Now, Mr. President, you mentioned the achievements in the last several areas, for instance, detargeting of nuclear missiles at each other and cooperation in scientific and environmental areas, and increased understanding. In your joint statements with President Jiang Zemin, you both also acknowledged that China and the United States have areas of disagreement. In one word, you have agreed to agree and you have agreed to disagree.

Now, in your opinion, in the world today, China is now the largest developing nation and the United States is the largest developed nation. For these two nations to have areas of agreements and disagreements, how should they develop their relationship? Is the world too small for two large nations?

The President. No. No. For one thing, in every relationship, in every business partnership, in every family, in every enterprise you have agreements and disagreements. I'll bet you at your station you have agreements and disagreements. So what you have to do is you identify your agreements and then you identify your disagreements, and then you say, here's how we're going to deal with these. And you keep working to try to bridge the gap.

Our major differences are in trade, over some terms of trade issues, and in the human rights area, how we define it, how China defines it, where we should go from here. But if you back up 3 years ago, we've made significant progress in both those areas. And if you back up 5 years ago, we had a lot of difference in the proliferation area, most of which have been eliminated.

So there's been a lot of progress in this relationship in the last 5½ years. And I would say to the people of China and the people of the United States, the world is not too small for two big countries; it is a small world, and we should all act that way. That should make us both more responsible, with a greater sense of responsibility for our own people, for our partnership with each other, and for the rest of the world, as well.

President's Visit to China

Q. Now, Mr. President, you mentioned the areas of differences between China and the United States. However, do you think that this trip to China has helped you understand why China is the way China is?

The President. Oh, absolutely. There's no question about that. And I hope that this trip to China has helped the Chinese people understand why Americans are the way we are.

China's Youth and Chelsea Clinton's Impressions

Q. Mr. President, we have noticed that your daughter, Chelsea, accompanied you to Beijing and to all of the China trip, and also particularly to the Beijing University when you made the speech.

The President. Yes.

Q. And in your speech, high hope was placed on the young generation of both China and the United States. And we wondered whether Chelsea—did Chelsea ever mention to you her impression of the Chinese youth in her interaction with the Chinese college students?

The President. Oh, yes, she very much wanted to come here. She wanted to make this trip, and her university work was concluded in time for her to be able to come. But she has very much enjoyed getting out, meeting young Chinese people, and seeing what's going on. She said to me just yesterday how incredibly exciting she thought Shanghai was and how she wished she could stay here

a while when we leave and go back, just to see more of it.

And I think any young person in the world coming here would be excited by it and would be excited to see how eager the young Chinese people are to build good lives for themselves, to learn more about the rest of the world. The hunger for knowledge and for the improvement of one's capacity to do things among these young people is truly amazing. The energy they generate is astonishing, and it makes me feel very hopeful about the future.

Meetings With President Jiang

Q. One last question, Mr. President. Do you think that your conversation with President Jiang face-to-face in such a summit is easier than the hotline, which has to go over the Pacific?

The President. Oh, yes, always better. I think face-to-face is always better. But I also believe that once you get to know someone and you feel comfortable with them—you know, President Jiang and I have a very friendly relationship, and it permits us to deal with all these issues so that the hotline then becomes very useful.

If we were strangers, for example, the hotline would not be so helpful because it would be awkward. But when there's a problem, as there was with the nuclear tests—and I didn't want to wait until I got to China to talk to President Jiang about how we should respond to the India and Pakistani nuclear tests, so I called him on the hotline. And because we had already met several times and we felt—and he had had this very successful state visit to the United States, the hotline was very, very important, very helpful. So I think the telephone is important. The Internet is important. All communications can be good, but none of it can take the place of face-to-face communications.

Q. Thank you very much for giving us this opportunity to sit together with you face-to-face. Thank you very much.

The President. Thank you.

NOTE: The interview began at approximately 3:30 p.m. at the Shanghai Stock Exchange and was embargoed for release until 7:30 p.m. by the Office of the Press Secretary. In his remarks, the President referred to Mayor Xu Kuangdi of Shanghai. A tape was not available for verification of the content of this interview.

Remarks to the Building Construction and Finance Community in Shanghai

July 1, 1998

Thank you very much, Vice Mayor Zhou; Deputy Magistrate Wang; to developer Gu Cai Xin; to the Tang family, whose home the Members of the U.S. Congress visited; and to Ms. Yu and her family, who were very kind to take me into their home; and to all of you. It's a pleasure to be here today.

I would like to begin by thanking the Folk Music Band for the wonderful music. Thank you very much. And I would like to say to all of you who are moving into new homes, *Gong xi, gong xi*. Congratulations.

More than 20 years ago, I bought my first home. I actually bought it because my girlfriend liked the house. [*Laughter*] We were driving by the house one day—it was a very small house—and she said, ''I like that house very much.'' So I found out the house did not cost too much money, and I bought it. And then I said to my girlfriend, ''I bought that house you like; now you'll have to marry me.'' [*Laughter*] And she did. So I hope that your homes bring you as much joy as mine did 23 years ago.

I came here with your local officials and Ambassador Sasser and Ambassador Li and the Members of Congress to emphasize the importance of homeownership to the future of the people of China and to the prosperity of your country. As you could see from what Ms. Yu said, owning a home is a source of pride to a family and a tribute to its industry and hard work. But all China benefits from more homeowners because that means more jobs, a stronger economy, stronger families. And of course, when people own their own homes, they are free to take new jobs without worrying about losing housing benefits. We also see around the world that homeowners take more responsibility for the communities in which they live.

In America, we have worked hard to expand the dream of homeownership, and today, 65 percent of all Americans—an all-