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The President's radio address. (US-Hong Kong relations)(Transcript)

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Good morning. In just 17 days, after 150 years, Hong Kong returns to Chinese sovereignty. Today I want to talk to you about America's role in that and America's stake in the transition.

More than 1,100 American companies operate in Hong Kong today, making it the heart of American business in the fastest growing part of the world. Our naval ships put in dozens of port calls to Hong Kong every year. And it matters to us that the people of Hong Kong retain their distinct system with its political freedoms and its open economy, not only because we hold these principles in common with them and with a growing number of people around the world but because we are involved with them.

China has made important commitments to maintain Hong Kong's freedom and autonomy, and our Nation has a strong interest in seeing that these commitments are kept. The United States is doing its part to keep faith with the people of Hong Kong. We've negotiated agreements that will safeguard our presence and continue our cooperation. We will work with the new Hong Kong Government to maintain a productive relationship that takes into account both its changed relationship with China and its promised autonomy. We'll keep a close watch on the transition process and the preservation of freedoms that the people of Hong Kong have relied on to build a prosperous, dynamic society.

The transition process did not begin and will not end on July 1st. It will unfold over the months and years ahead. One thing we must not do is take any measures that would weaken Hong Kong just when it most needs to be strong and free.

No step would more clearly harm Hong Kong than reversing the course we have followed for years by denying normal trading status to China. That's one important reason why, a month ago, I decided to extend to China the same most-favored-nation treatment we give to every country on Earth, as every President has done since 1980. I want to just take a minute to say that even though we call it "most-favored-nation" treatment, that's really misnaming it. It really means normal trading status.

Why do we do this? Well, Hong Kong handles more than half of the trade between the United States and China, which makes it acutely sensitive to any disruption in our relations. The Hong Kong Government estimates that our revocation of normal trade status would cut Hong

Kong's growth in half, double unemployment by eliminating up to 85,000 jobs, and reduce its trade by as much as $32 billion.

The full spectrum of Hong Kong's leaders, even those most critical of Beijing, have strongly supported normal trading status for China. As Hong Kong Governor Chris Patten, who has done so much for democracy and freedom in Hong Kong, said in a letter I received just this week, "Unconditional renewal of China's MFN status for a full year is the most valuable single gift the United States can present to Hong Kong during the handover period."

Those who oppose normal trading relations with China have legitimate concerns. I share their goals of advancing human rights and religious freedom, of promoting fair trade, and strengthening regional and global security. But reversing our course and revoking normal trade status will set back those goals, not achieve them. It will cut off our contact with the Chinese people and undermine those dedicated to openness and freedom. It will derail our cooperation on fighting the spread of dangerous weapons, drug trafficking, and terrorism. It will close one of the world's emerging markets to American exports and jeopardize more than 170,000 high-paying American jobs. And it will make China more isolationist and less likely to abide by the norms of international conduct.

I am convinced the best way to promote our interests and our values is not to shut China out but to draw China in, to help it to become a strong and stable partner in shaping security and prosperity for the future. Our strategic dialog with China has led to cooperation on nuclear nonproliferation issues, on promoting stability on the Korean Peninsula, on protecting American intellectual property rights, which is so important to our high-tech industry.

If we maintain our steady engagement with China, building areas of agreement while dealing candidly and openly with our differences on issues like human rights and religious freedom, we can help China to choose the path of integration, cooperation, and international recognition of human rights and freedoms. But if we treat China as our enemy, we may create the very outcome we're trying to guard against.

In the days ahead, the Congress will face this test as they take up the debate on China's trading status. I urge the Congress and all Americans to remember: Extending normal trading status is not a referendum on China's policies, it's a vote for America's interests. Hong Kong's leaders, present and future, understand the stakes involved. They want to maintain their freedom and their autonomy. They know they need normal trading status to do it. We need to continue to stand with the people of Hong Kong and maintain our course of pragmatic cooperation with China. That is the best guarantee of a secure, stable, and prosperous 21st century for the United States.

Thanks for listening.

NOTE: The address was recorded at 6:26 p.m. on June 13 in the Roosevelt Room at the White House for broadcast at 10:06 a.m. on June 14.