

In memory of all of Guam's political pioneers, I humbly restate the undying commitment of the people of Guam for political recognition, equality, and greater self-government. In celebrating 25 years of elective governorship, I am proud to acknowledge the pioneering work of Guam's first elected Governor, the Honorable Carlos G. Camacho, who also had the distinction of being Guam's last appointed chief executive, having been appointed by President Richard M. Nixon on July 1, 1969. Governor Camacho piloted the territory through the devastating economic effects of the oil crisis of the 1970's and launched a campaign to encourage outside investment and development in Guam, paving the way for the tourism industry thriving on the island today. He worked to upgrade and improve the island's infrastructure and challenged Guamanian professionals to return home to revitalize and help rebuild Guam's economy. Governor Camacho, who passed away on December 6, 1979, is most affectionately remembered for his trips to the frontlines of Vietnam to visit Guam's men and women in uniform and bring them a touch of home.

DISAPPROVAL OF MOST-FAVORED-NATION-TREATMENT FOR CHINA

SPEECH OF

HON. JACK REED

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. REED. Mr. Speaker, the issue of most-favored-nation [MFN] status for China comes at a time when we are seeking to define the future of our relationship. While we are searching for ways to further a mutually beneficial relationship to inspire a more open China, we are also becoming increasingly more anxious. Like many of my colleagues and constituents, I have become increasingly disturbed with China's contentious conduct. Nuclear proliferation, expropriation of our intellectual property, smuggling of assault weapons, and China's huge trade surplus with the United States are reasons for serious concern and contemplation about our future relations with this nation. However, revoking MFN

would not directly address these issues. Rather, it would result in the exclusion of American companies and workers from this rapidly growing market, sour our economic relationship with China, and severely diminish our ability to work for reform in other areas. Thus, I rise in opposition to House Joint Resolution 182, which express disapproval of MFN status for China.

We must initially recognize that MFN is a misnomer. MFN status is not a gift we bestow upon our most illustrious friends and neighbors. It is the normal trading status that is accorded to most other nations. So when we talk about extending MFN to China, it is the same status that we extend to a host of other regimes including Iran and Iraq. Thus, MFN is not a great favor from the United States that we reserve for only our traditional allies. Consequently, revocation is not a truly effective tool when trying to balance United States interests against those of China.

And make no mistake about it, substantial U.S. interests are at stake. In order to make the trade balance with China more equitable, we need to break down barriers and start producing and selling in China, and renewal of MFN is the best way to achieve this goal. United States exports to China have grown from \$2 billion in 1978 to nearly \$60 billion in 1995.

This is not to say that we can tolerate the illicit trade and commercial activity that China perpetrates. There is no excuse for ripping off our businesses' copyrights, and we need to take proper retaliatory action. I supported the President's proposal to increase tariffs on 2 billion dollars' worth of goods, as well as the recent accord that was reached with China. China must play by the rules of our other trading partners.

The United States also needs to counter proliferation issues with the procedures that are readily available. I wrote to the President months ago urging him to invoke sanctions under the nonproliferation treaty. I was sadly disappointed the administration chose to accept the excuse that China's actions were not sanctioned by the state, and, therefore the United States could not invoke these sanctions. The administration should press much harder and put the burden of proof on the Chinese Government.

I am no apologist for China's abysmal human rights record—it must be improved. Yet, experience has shown that this issue is a tricky point of leverage. Revoking MFN status for China is not an effective way of persuading the Chinese Government to improve its record in this area. A better way is to unleash free markets in China. We need to stay engaged with China and not only make it more open to our markets but also our ideas and principles. The power of ideals and symbols should never be underestimated. That is what happened in Eastern Europe and the former Soviet Union: people reached a point where they could communicate their common desire for freedom, and the old, authoritative regime had no more legitimacy.

We must recognize that remaining engaged in China will help us address issues of mutual concern, such as fighting proliferation. We have found that a policy of engagement with other nations works. Indeed, the collapse of the Soviet Union was not a result of disengagement. I believe that we must refocus our efforts in addressing the above issues with China, not by taking the pressure off but by picking our shots.

We should move beyond the debate of MFN status. There may be more potential leverage in the issue of China's admittance into the World Trade Organization [WTO]. China is pressing hard to get into the WTO and they are trying to agitate for special exceptions as a developing country. This would be unacceptable. While China might argue that it is a Third World country and it has a lower standard of living, there are not many Third World countries that have a \$30 billion trade surplus with us, persistently rip off United States products, and threaten our friends in the area with nuclear weapons.

The United States must continue to pressure China to meet the standards that the international community expects of a mature, regional power of the first order. We must draw a line with China, but MFN is not that line. Revocation of MFN would only hinder our ability to influence China on issues of concern, and possibly undermine the progress we have made with China. Mr. Speaker, I urge my colleagues to oppose House Joint Resolution 182.