

LES AUCOIN  
1ST DISTRICT, OREGON



CONGRESS OF THE UNITED STATES  
HOUSE OF REPRESENTATIVES  
WASHINGTON, D.C. 20515

Dear Colleague:

Since the days of Marco Polo, Westerners have thirsted to know more about the great expanse of China. That thirst has persisted down through the ages, until even today as Americans have a great fascination with the Chinese, and things Chinese.

However, our hope for more normal relations with a government that rules over one-fourth of all mankind, buoyed in 1972 by the Shanghai Communique, is now diminishing. Major problems stand in the way of achieving full normalization with Mainland China. Paralysis has set in on our quest to improve our ties.

HR 12157, which comes to the House floor Wednesday, contains a modest provision aimed at maintaining the momentum toward normalization by helping stimulate trade with China. The provision merely opens up credit to China. It's an admittedly small step, but it is an important practical and symbolic step that confirms to the Chinese our continuing interest and good faith in moving toward more normal relations. It is a step in concert with our national interest.

This provision will come under attack on the House floor by those who say it isn't needed.

I want to assure you that every scrap of testimony on this provision heard by the House Banking Subcommittee on International Trade spoke to the critical need for credit lines to make U.S. exports competitive in massive, just-emerging Chinese markets. The stakes are high. The Chinese are embarked on an unprecedented program of modernization and industrialization. The Japanese and the Common Market already have made inroads, while U.W. businesses and workers have largely watched from the sidelines. U.S. exports to China can be significant because we are talking about so-called "big ticket" items that can have an appreciable impact on holding down our staggering trade deficit.

Others will say passage of this measure places the U.S. stamp of approval on the behavior of the Chinese government.

Trading with China in no way confers our "approval" on China's form of government or its behavior. But that is not the issue here. Trade is the issue, and trade is not a gift. From trade, both partners in the transaction benefit. And, it is through this mutual benefit that will build greater ties and, not surprisingly, strengthen our standing to influence another government to modify its policies.

Moreover, this provision does not amend the Trade Act, nor remove any human rights considerations now in place.

Some will question the wisdom of making policy on a country-by-country basis.

In my opinion, there is an unmistakable need to undertake this course at this time. We are not in a position to achieve broader changes in our trading policy. But we can achieve some positive steps through demonstrating by example how we believe we should proceed. This provision to open up trading potentialities with China is forward-looking and points the way our trading and export policy should go.

Finally, some will say HR 12157 contains inconsistencies. Unquestionably it does. However, we are not playing on an even playing field around the world. The state of our relations varies country to country, in both the Communist and non-Communist blocs.

Despite that, the provision to expand trade with China is consistent with the central thrust of HR 12157: To establish a vigorous, aggressive U.S. export policy.

If you have any questions, please call Gary Conkling of my staff at 5-0855.

Sincerely,

A handwritten signature in blue ink that reads "Les Aucoin".

LES AUCOIN  
Member of Congress