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"Debate on MFN (Most Favored Nation) Conditions in China", National Press Club Newsmaker Luncheon (2)

Max S. Baucus

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Remarks of Senator Max Baucus  
Debate on MFN Conditions for China  
April 19, 1994

This is the fourth year of the debate over MFN status for China. It began really not with Tiananmen Square, but when Congress became convinced the Bush Administration would make no adequate response -- not only to China's human rights abuses, but to its protectionism and its sales of dangerous weapons.

Many people felt MFN conditions were the only alternative to the Bush policy. But I disagreed. I wrote Mr. Bush, suggesting some ways to improve policy and find more targeted ways to get what we need. And the policies we then adopted have worked. In trade we used the Section 301 law. China is now cutting tariffs and abolishing quotas. The same is true on weapons sales. We need a similar targeted, effective approach to human rights.

HOW TO PROMOTE HUMAN RIGHTS

The human rights problems in China are real. Torture and slave labor goes on in Chinese jails today. China's government continues to arrest Chinese people for peaceful expression of opinion. I have spoken with the families of political prisoners, and met a man who was tortured with needles in prison. It makes me angry, like it makes any other American angry. But frankly, it is not enough to be angry. We need to get results.

Pressure on the Chinese government is important. I've used it myself, last year to help free a Tibetan political prisoner, this year to help an imprisoned leader of the Tiananmen Square protests get his first family visit in six months. But pressure also has its limits.

Whatever our threats, the regime will never make concessions it thinks will weaken its hold on power. Pressure will not get fundamental change. Fundamental change will begin when ordinary Chinese people have the power to secure rights and freedom for themselves. The way we can help is to make them more prosperous and more informed about the world -- in other words, to promote trade rather than limiting or conditioning it.

REVOKING MFN STATUS HARM U.S. INTERESTS

Today I will release a White Paper that offers a new human rights policy. But first, let me review the effect of revoking MFN, because some still think it is no more than a swipe at the Chinese government. They are wrong. It is the trade equivalent of a nuclear bomb. It will vaporize not only commerce but our interest in the Chinese environment, international security and human rights themselves.
Last year we exported $9 billion worth of goods to China. Two hundred thousand American jobs depend on that, and more every day. If we revoke MFN, China retaliates immediately. Trade disappears; jobs vanish; and so does our future in aircraft, telecommunications, services, environmental technology and other critical industries.

We also harm the global environment. China is entering an environmental crisis, and we can do nothing to help if we revoke MFN. If we do that, we lose a chance to slow global warming; protect our oceans and fisheries; and help China’s people prevent millions of cases of cancer, birth defects and other tragedies.

Look at international peace and security. We have problems with Chinese missile sales today. They will get much worse if we revoke MFN. We lose China’s cooperation on North Korea, not to mention Cambodia, Iraq, the Middle East and all the issues the UN Security Council takes up. Worst of all, we turn ordinary Chinese and a new generation of Chinese leaders against us as China begins the political succession to Deng Xiaoping.

Finally, revoking MFN devastates China’s prospects for human rights and democracy. Over ten million Chinese would lose their jobs. Proportionally, that is like eliminating two million American jobs -- every job in Montana, Idaho, Wyoming, North Dakota and South Dakota, with Alaska thrown in for good measure.

That in itself means incredible human suffering. And as plants close, the government, fearing riots all along the coast, will clamp down harder. It would go to the people and blame the dissidents for wrecking the lives of millions of workers and their families. A lot of angry people would be ready to listen. No wonder Wang Dan, the student protest leader most wanted after Tiananmen Square, has already called on us to renew MFN status.

THIS YEAR’S MFN DECISION

This year, it is really up to China. If China does not meet the conditions in the President’s Executive Order of last May, MFN will be lost. And no "half-way" or "selective" revocation can make things any better. Even if you could possibly administer such an policy, China would retaliate all the same.

But I do not think it will come to that. The fact is, China is now close to complying with the Order. We are in good shape on its two mandatory conditions, and on many of the five "overall, significant progress" conditions -- for example, talks with the Red Cross, accounting for political prisoners and ending radio jamming. More from China, especially on releases of prisoners with medical problems, is important. But I am
optimistic that MFN will be renewed.

And if we can renew MFN, we should renew it for good. The risk a conditional, year-by-year process poses is just too great. Instead, we should move on to a new and sounder long-term policy.

A NEW POLICY NEXT YEAR

The "White Paper" I brought here today offers such a policy, focusing in four main areas.

First, diplomacy. It begins with manpower. We make human rights a top priority, but we simply do not provide the diplomatic personnel we need to back that up. Our Shanghai consulate has only one half-time human rights officer. Our Chengdu consulate, which covers an area almost as big as Europe, can give the issue even less time. We need much more.

We should be meeting democratic critics of the Chinese government in China and Tibet, and talking at high-levels with the Taiwanese leaders who have brought democracy to the island. And we ought to give this issue a permanent, top-level focus by creating new bilateral and regional Human Rights Commissions -- as we have already done in trade and in science and technology.

Second, economic leverage. For example, on prison labor. If China will not fulfill our agreement, we should impose trade sanctions on products we have good reason to believe come from jails. Another is tourism. The travel advisories we give tourists in China should inform them about which provinces have the worst human rights records, and which have the best.

We should also condition support for loans from the World Bank. China is the largest World Bank borrower, and we are the second largest lender. It is only good, responsible use of taxpayer funds to make sure our the Bank conditions its support for loans on human rights. This can be an incentive as well as a sanction -- we can concentrate our opposition on loans sought by the most abusive provinces, and support loans to the better ones.

Third, nonconfrontational ways to promote human rights. What gets headlines is confrontation, angry speeches and so on. But that's not all that gets results. Working at local levels -- teaching individual Chinese about modern law, modern concepts of freedom and democracy, foreign languages, understanding more about the world -- does much more.

One example is the Peace Corps, which just opened its first program in Sichuan Province last year. Other examples include exchanges of legal experts to help promote the rule of law; Labor Department seminars on workplace health and safety; scientific,
environmental and medical exchanges; religious missions; a whole range of ways citizens can get involved and make a difference.

And fourth, voluntary measures from American business. It could be traditional human rights advocacy. It could be helping address growing problems like industrial accidents, which killed more Chinese people last year than died at Tiananmen Square. And it could be "codes of conduct," or formal statements of policy that make sure American firms are not complicit in practices like child labor, slave labor or political surveillance.

CONCLUSION

Altogether, it is a policy of constant, broad-based engagement. We can accomplish some things by pressure and threats. But in the long run, comprehensive engagement through diplomacy, citizen exchange, trade, and all the other tools in the box -- will accomplish more. And cutting off contact, as we would do by revoking MFN, is the last thing we should consider.

Frederick Douglass once wrote that "to make a contented slave, it is necessary to make a thoughtless slave." He meant that to control people, you must prevent them from thinking. You must keep them illiterate, isolated and ignorant.

That is exactly what Mao Zedong did. He shut China away from the world. He closed the borders, burned the books and closed down trade. And that let him control the people. But today, because of trade and economic reform, his system is beginning to crack.

Every day, more Chinese leave government work units to find their own jobs and decide their own futures. Every day, more buy a satellite dish, tune in CNN and find out what's happening in America, Taiwan, and in China itself. The longer MFN is in place, the faster the cracks will widen. The longer MFN is in place, the sooner China will become the great, respected, democratic nation we all hope to see.