

CONGRESSMAN LES AuCOIN  
TESTIMONY BEFORE THE SENATE SUBCOMMITTEE  
ON INTERNATIONAL FINANCE  
JULY 12, 1979

Mr. Chairman. Let me thank you and the Committee for accommodating me this afternoon. As the sponsor of the House companion to S. 339, I very much appreciate this opportunity to offer a few, brief observations about this legislation.

I also want to compliment you, Mr. Chairman, for the leadership you have shown in crafting this bill, but more important, in moving to address--at a critical time--an issue of fundamental importance to America's health as an international trading nation. I am hopeful that your hearings and those later this month to be held by the House Subcommittee on International Trade will allow a thorough discussion of our proposal.

At the outset, I want to allay any concern that this legislation is an effort to repeal the Jackson-Vanik provision of the Trade Act. To the contrary, it is an effort to work within the existing framework of Jackson-Vanik to make it a more positive--and hence, a more effective--policy instrument.

Indeed, the amendments to Jackson-Vanik we are proposing are drawn from existing wording already in the law. They represent a fine-tuning of the law that will maximize American trade opportunities without jeopardizing our human rights stand and will, I believe, enhance the ability of the United States to influence more liberalized emigration policies in other nations. We will gain far greater leverage by replacing the "assurances" now required and substituting a Presidential determination that most favored nation status will lead substantially to the achievement of free emigration.

When I introduced the House version of this bill, I stated that it is essential to maintain a consistent, yet achievable, policy on human rights in our current foreign policy. I support that foreign policy. We can and should exert persuasion to ensure free emigration policies. But we also should exercise caution that we not overplay our hand or apply pressure that will have little effect--or a reverse effect.

On another plane, the country has been basking in the afterglow of our recently normalized relations with the People's Republic of China. The Administration has stated a policy of "even-handedness" in its dealings between the PRC and the Soviet Union. This legislation respects that policy and is consistent with that policy--more so than existing law in which,

for example, some countries are singled out for limits on Eximbank credits.

Some would say that the changes proposed by this legislation have been rendered unnecessary by the recently signed Trade Agreement between the U.S. and the PRC. This is a mistaken idea.

This simple truth is that the signing of this agreement in no way means it has a clear road ahead and that all is well. Those who believe that the Stevenson-AuCoin legislation is unnecessary are kidding themselves.

Many knowledgeable and respected persons believe that neither China nor the Soviet Union can meet the literal test of Jackson-Vanik as presently written. And so, I would caution that an agreement signed is one thing; an agreement approved in compliance with the law is quite another.

I don't want anyone to mistake the fact that I am an ardent supporter of closer commercial ties with the P.R.C. For three years, I have been calling for steps to achieve those ties. Frankly, I will work for passage of the Chinese trade agreement with or without our bill, notwithstanding the very serious trouble I see ahead in the Administration's approach.

But even with an agreement, I firmly believe that there will be no stability to our trading relations until this legislation is passed.

In conclusion, I want to make clear that this legislation does not grant MFN status or special privileges to any nation. It proposes to modify the process by which most favored nation status is achieved--the process by which we frame our trading relations with other countries. Our bill makes this a positive, even-handed process that respects the sovereignty and mutuality of benefits of our trading partners.

Thank you, Mr. Chairman, for the opportunity to share these views with the Committee. Again, I commend you for undertaking these hearings and for your efforts on behalf of a more realistic American trade policy.