

Remarks by Congressman Les AuCoin
U. S. - China Peoples Friendship Association
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Dewitt, thank you very much for your kind introduction. And I extend greetings to all of you, the members of the U.S.-China Peoples Friendship Association. It's a pleasure for me to return to Atlanta and to meet with this organization.

Given my background, and given the formidable subject of China, I must tell you that I do join you tonight with a certain degree of trepidation.

In fact, I'm given all the assembled expertise I see here on the question of China, I'm reminded of a story.

It concerns a guy named Charlie who narrowly escaped one of the worst disasters in Oregon history -- the Great Vanport Flood of 1940.

Charlie's harrowing experience made an indelible impression on him the rest of his life. In fact, he became an absolute bore because everywhere he went for the rest of his natural days, he tried to retell his moment of high drama in the Great Vanport Flood...at civic clubs, PTA meetings, at dinner parties -- almost anywhere he could find a group of at least two people assembled. It got to be such a bore, that people just turned him off -- and poor Charlie went to his grave with his story of the Great Vanport Flood untold.

But then, when he got to the pearly gates, he was met by St. Peter, who told him, "Charlie, for passing through these gates, you need to know that each person is granted one request -- something that he has always wanted in his life on earth, but hasn't been able to do."

Charlie was elated. He said, "I want only to tell my story about the Vanport Flood. Would you guarantee an audience?"

"You got it," St. Peter said. And the next day, in the town square, he arranged not just an audience, but a throng.

Charlie was beside himself and he turned to thank St. Peter before bounding up to the platform to address the crowd.

But on his way up, St. Peter grabbed his arm and said. "Charlie, I'm happy you're finally able to tell your story of the Great Vanport Flood -- but before you go on, you need to know one thing."

"What's that?" Charlie asked.

St. Peter said, "Noah is here!"

Ladies and gentlemen, given this audience, the story of Charlie gives you some appreciation for how I feel up here tonight. But undaunted, I'm still pleased to share some perspectives about China with you.

Some of you may remember that in our childhood, we fancied about digging down through the earth until we popped out in China, a strange land at the other end.

It's the kind of fancy you expect of a child.

Regrettably, few people in America grow up with much more mature visions of that vast country. As a Nation, our picture of China remains in infancy.

We see little necessity to change. And there lies one of the great tragedies of our country today.

As people, we know pathetically little of value about China -- her people, her byways, her goals and aspirations, her past, her future. To be sure, we have a certain curiosity about these matters. But it amounts to little more than curiosity. What is lacking is the drive to get the answers to our questions, and to get them with the urgency they deserve. Present instead are the age-old attitudes -- attitudes which, on the new global stage, have begun to remove us in the eyes of the world as being the wave of the future.

Examples of those attitudes were evident in the wake of Secretary of State Cyrus Vance's recently completed trip to China. Let me share them with you.

First there was columnist James J. Kilpatrick who said: "What is this talk about normalization? It is little more than the chatter of a few intellectuals who tend to put form ahead of substance." He then added: "The masters of Peking need us far more than we need them."

In a catalogue of intellectually sharp statements, that one will go down as one of the real marshmallows of the year.

Columnist William F. Buckley, Jr. sees Sino-U.S. relations as a street fight and says that demands by the People's Republic of China give the impression to the rest of the world that the United States is being "pushed around."

But Mr. Buckley provides us with a more subtle point when he argues for putting aside this business of improved relations with China because it endangers the prospects of ratification of the Panama Canal treaty.

In other words, "Put first things first."

Well, putting first things first has cost this nation dearly, first in Korea, then in Vietnam. In between, we nearly averted stumbling into war with China itself, a war we apparently were willing to wage with strategic nuclear weapons.

I don't believe I exaggerate when I say that our childhood

fantasies and notions about China and the entire Far East must be put aside, for our own safety.

Our neglect must be reversed. We are dangerously exposed in this part of the world, and the pity is we don't completely know why or how.

We live in a time of redefinition. The time is right for a redefinition of our relations in the Far East, particularly with China. We must break with our past perceptions, judgments, mistakes and analyze them dispassionately. Then we must develop new rationale, new expertise and new contact. In short, we must try to start anew before it is too late.

The Taiwan Question

Polls demonstrate that the majority of Americans favor normalized relations with the People's Republic of China. Recently, The Oregonian newspaper, published in Portland, Oregon asked for reader comment on the question of normalizing relations with the P.R.C. The replies were surprisingly sophisticated, and encouraging.

One person wrote: "It is hypocrisy to extend full diplomatic recognition to the Soviet Union and deny it to Cuba, Vietnam and China" one person wrote. He continued, "The United States should have diplomatic relations with all nations that will have us. Communist or non-Communist." A third said, "Denying that something exists doesn't make it disappear."

It might surprise you, but even some of the hardliners favored normalization. As one woman from a rural, coastal town in Oregon said: "Yes, let's establish diplomatic recognition to Communist countries, ...so we can keep an eye on what the buggers are up to!"

But perhaps the ultimate in realism came from a suburban housewife who said, "Traditionally the United States stands on the side of oppressed people...Our theory is that withholding diplomatic recognition aids oppressed people. I just wished that theory proved out in practice."

It can be asked then, if all these people support normalized relations with the People's Republic of China, why haven't we established them? The answer, as you know, is the Taiwan question.

Of course, it isn't really the question of Taiwan that's the problem. The problem is the fact that the U.S. has made a commitment to what amounts to a government in exile which lost a civil war, fled, seized territory claimed by the entire Chinese people, and has occupied it ever since.

I marvel that this relationship has been magnified to the point of where Taiwan is referred to commonly as our "longstanding friend and ally." Mr. Kilpatrick declares that the U.S. has no firmer friend in the world than Taiwan. Our commitment to Taiwan frequently is elevated to the realm of morality. And Taiwan, to

hear some say it, is nothing less than the cradle of democracy.

Most of you know far better than I about the history of this ally called Taiwan. It's the product of a Cold War that turned hot in Korea.

The Korean conflict gave rise to a short-term strategic need to contain what was then seen as Chinese "expansionism." It served over the long haul, however, to divert our attention from warnings by the State Department indicating that it would be a mistake for the United States to involve itself in an attempt to help set up a government on Taiwan, thus dismembering the territorial integrity of China.

Our failure collectively as a nation to recall this warning -- or President Harry Truman's earlier statement that the issue of Taiwan was an internal affair to be left to China and the Chinese people -- that failure is no doubt attributable to the interrupted stream of information we received about China during the McCarthy-era purges in the State Department and the country. We compounded our ignorance of China and the Far East by rewarding those who said what we wanted to hear with policy jobs in government. Then we sprayed the whole thing with the perfume of ideological rhetoric.

Realism Versus Idealism

While I believe Americans today lack the historical perspective to make judgments on the Taiwan issue, I must say that the plain, hard facts are that the nation is locked into its position of supporting Taiwan nonetheless. The substantial financial and military aid Taiwan has received attests to the firmness of that commitment.

Edward Friedman, in a recent column in The Asia Mail, said in regard to U.S. China policy that: "Historians have established that the interests which have really mattered to American presidents had little to do with China itself. Rather what was at stake were a combination of political support at home in the USA and fear of alienating backing for supposedly more important policies in other parts of the world."

I think he is absolutely correct. As he was right when he added, "The major thing to be won by a change, by a policy of genuine normalization with the government of China is an opportunity to come to grips with this real, and dangerous world of Asia."

I favor normalization of relations with the People's Republic of China. And, Inevitably, normalization will come. It must come, in the sake of world peace.

But I do not believe normalization will -- or can -- come with the wave of a magic wand.

The reality is that Congress and the American people are not ready to accede to the principle of one China and to stand back and let

the Chinese determine the design of that one China. The reality is that a sharp conservative swing is welling up in the land when it comes to foreign affairs -- and you need look no further than the Panama Canal issue to see it in its fullest bloom.

These are things you may wish were not so. But they are so. And the reality must be understood.

I recently read John Service's article in your association's winter edition of New China. In the article, Mr. Service hypothesizes what would have happened if Chiang Kai-shek had been the president of the Confederacy at the end of the U.S. Civil War and fled to the Florida Keys to hold out until the very last, aided by a great power from across the sea, Great Britain. He named the island not Taiwan but "Floriwan."

It was an amusing analogy, and it punctured some of the myths and pomposity that surround the Taiwan question.

But, unfortunately, it skirts the central issue -- and that is that we can only do what is possible at the moment and lay the groundwork for the future. That's the challenge for today. And the challenge comes in steps.

How Do We Begin?

Luckily we have already taken the first important steps. The ice is broken. The territorial integrity of China has been reaffirmed in the Shanghai Communique. The debate has been joined.

The immediate task that lies ahead is building a base of support for the future.

For some, this means trying to probe for soft spots behind Peking's public demands that the U.S. withdraw its troops from Taiwan, drop diplomatic recognition of the Republic of China and break its mutual defense treaty with Taiwan. The goal here is to achieve normalization with Peking at "the least cost." The cynic would say we want our cake and eat it, too. The staunch defender of the faith would say we are just clinging to our commitments and to our national pride.

I don't claim to be an expert on foreign policy, but I do have an idea of what foreign policy is fundamentally all about -- and that's the protection of one's own self-interest. There is no self-interest more dear than sustaining an economy so people have jobs and a better life. It doesn't seem to matter whether the economy is a market economy or a non-market economy, the same impulse is there. Few impulses contain the tonic to overcome ideological pangs between nations as well as international trade. It is the tie that binds when most everything else snaps.

For that reason, I firmly believe the best way to maintain the momentum toward normalization with the People's Republic of China is to foster our trading relationships with Peking.

The contacts that are established, the ties forged, the mutual benefits derived will coax the closer relationship between our two great nations that both nations want.

In the end, the base rock reason for clinging to Taiwan -- our financial investment there and sizable trade -- will be seen in the context of an equal, prospering commercial relationship with Peking. And when the full force of business support is felt, things have a habit of happening in this country of ours.

Every ton of wheat we send to China and every load of cotton Peking sends to America binds us closer, incrementally, step by step. Incremental rapprochement is superior to no rapprochement. It is not the ultimate, but it is vastly better than no movement at all.

My Personal Involvement

For those of you who perhaps are wondering why a second term Congressman from Oregon is standing here talking at you at some length, let me explain my small area of involvement in the area of China.

I am the ranking majority member of the House Banking Committee's International Trade Subcommittee. I suppose I reached that rank when most of the senior members of the Banking Committee felt it was too dull to belong to.

I don't think it is dull at all, particularly its oversight role over the U.S. Export-Import Bank, a key instrument in facilitating U.S. exports abroad if used aggressively to keep U.S. goods competitive in world markets.

Within this context, I have introduced a set of companion bills aimed at removing unnecessary barriers that prevent U.S. exports to the People's Republic of China from taking advantage of Eximbank credits.

Some skeptics of my bills point to the historic Chinese aversion to accumulating national debt and their steadfastly held principle of self-reliance. Of course, these are facts, but they should be seen in context.

In this decade, although leaders have continually invoked the importance of self-reliance, Peking has embarked on increased trade rising from \$4.5 billion in 1970 to \$9.5 billion in 1973. A major factor has been the importation of large foreign capital goods. In 1973 the P.R.C. imported \$855 million in machinery and equipment and signed contracts for the purchase of whole plants, machinery and equipment worth about \$2.5 billion. In 1974, the Chinese signed contracts for an additional \$800 million for plants.

More recently, there is increased evidence of Chinese willingness and interest in penetrating sophisticated Western markets with their

products which involves special designing, packaging and labelling of products. Moreover, Chinese officials repeatedly have told Americans they want to trade with us, that they want our technology, our machines, our tools. Despite the lack of normalization, U.S.-Sino trade has been developing.

As to whether the Chinese are interested in credit from the U.S. Eximbank, I think a distinction must be drawn between the terms "debt" and "credit". The Chinese shun debt, but have no problem with short or medium-term credit. The Chinese staunchly refuse to regard credit as debt, even though repayment of principal and interest ate up 23 per cent of China's hard-currency earnings from exports of \$5.75 billion last year.

Chinese trading practices, which stress typically small down payments and short-term financing, are compatible with the credit financing available through the Eximbank. Indeed, China has made use of similar credit of scale from Japan and West Germany in several of its large purchases.

Admittedly, my home state of Oregon stands to benefit from improved trade with Peking. For example, Oregon now accounts for more than \$ 3/4 billion worth of exports to Japan, while consuming only \$ 280 million in imports from the Japanese. These exports range from wood products, wheat, grass seed and logs to tele-communications and other sophisticated electronic equipment and technology. It also includes heavy machinery.

The capacity exists to export entire plants.

Certainly, Oregon and the entire Pacific Northwest represent a fertile ground from which to harvest exportable goods. Today, Pacific Rim trade -- much of it originating from the Pacific Northwest -- accounts for 19 per cent of America's total exports.

The vast markets of China easily could increase that percentage.

Given the natural disasters that have occurred within China, the renewed emphasis on industrialization and technological buildup, the desire to fully exploit oil in the South China Sea and the relatively low level amount of debt repayment just now, the prospects for increased trade are promising. Credit financing could be an important ingredient in keeping U.S. exports viable and competitive in this burgeoning market.

More than that, tearing down barriers that harken back to the exploitive days by Western powers over China would symbolize U.S. dedication to meaningful and equitable relations with the Chinese.

Another symbol of good faith is embodied in a third bill which I have introduced. It would reduce the Column II tariff duties on imported silk fabric from nonmarket countries. The major beneficiary of this reduction would be the People's Republic of China which now suffers under the highest tariff duties under existing U.S. law.

In many cases -- including silk fabric -- the differential between Column I and Column II rates is so great it totally inhibits imports from the P.R.C. In the case of silk fabric, the U.S. in 1975 imported \$79,000 worth from China while importing almost \$13 million worth from European countries with Most Favored Nation status. The Column II tariff duty on Chinese silk fabric was at least four times that of its trading rivals. That's punitive, unnecessary and counter-productive.

Here is a chance to demonstrate graphically to the Chinese our best intentions, using a commodity that touches the Chinese people closely, since the weaving of silk fabric is a cottage industry undertaken in every village of the nation.

It may represent only a little tap in terms of dollars of trade. But in the currency of symbolic significance it could carry a wallop.

What Else Beside Trade?

You can see that I place a great stress on the importance of trade in strengthening our ties with Peking and thus propelling us gradually steadily and naturally toward normalcy. I am absolutely convinced that to win the support of the American people, the man on the street must be able to see what's in it for him. But there are other important challenges today needed to lay the important framework for normalization to occur.

Chief among these challenges is the need to expand contact with the Chinese to increase our understanding and knowledge of them, and they of us. The history of trade between China and Western powers is a stark reminder of what happens when people of sharply different cultures and social systems attempt to work together without knowing enough about each other. Your association can proudly say it has taken a leadership role in meeting this challenge.

But can your association also boast that it has done enough?

Have you done enough to spread the word in the country at large?

Have you done enough to tear down the shrouded mysteries that cloud the American public's perception of modern China? Have you done enough to explain the Chinese experiment in terms that are at least understandable to the average American? Have you sought to portray the new spirit and energy and mass activism of the Chinese as something Americans might be proud of themselves?

The truth is, none of us has done enough.

The word still isn't out. If it were, there would be a louder outcry for a firm, detailed, aggressive U.S. policy on China.

There would be action on Capitol Hill.

A second-term Congressmen from Oregon such as myself wouldn't be your guest speaker. Politicians would begin rushing to do what the public demands to be done.

Where Does That Leave Us?

Where does that leave us? Secretary Vance's trip to China cannot be termed a success or a failure. It was exploratory only, and properly so for a new Administration. So what is the outlook?

State Department hands who were with Dr. Kissinger when he went to China tell me there are some encouraging signs from the Vance trip. They say the Chinese were willing to go into much more detail on bilateral issues with Vance -- namely, Taiwan. Nothing was resolved, but the depth of the talks was seen as a willingness on the part of the Chinese to help the United States work through its dilemma with respect to Taiwan.

Not so encouraging were pronouncements after Vance left by the Chinese who said they were disturbed at U.S. procrastination in coming to grips with the Taiwan issue, although some of this could be directed toward internal consumption in a domestic political climate that's still fragile.

In terms of global significance, the Far East is no less significant than any other region of the world. In the long run, it may be the most important of all. It demands our attention as a nation, and we must respond by giving it our full concentration.

Moreover, U.S. political leaders must come of age. We must stop trying to paint foreign policy in simplistic terms. Taiwan is not the paragon of virtue some would have us to believe. And, we must stop playing musical chairs with our diplomacy, leaving the Far East out of the game in the belief we can always invite it back in whenever we're ready.

Most important, we are a nation born of revolution and forged by civil war. In that, we share a commonality with the Chinese. We shouldn't forget it.

When outside powers attempted to influence the outcome of our Civil War, we justifiably protested and warned that we would not countenance such interference, fearing it could lead to foreign occupation of what previously had been exclusive U.S. territory.

We did not apply that same lesson to our actions toward the Chinese.

The Chinese, who have centuries of practice, have waited patiently for the United States to learn this history lesson. They may be willing to wait even longer, despite lingering and probably justified suspicions about the U.S.

The real question today is whether the world can afford to wait while we grope along toward a China policy. My prayer is that it won't take us another war or threat of war in the Pacific to find out.

The day may be soon at hand when U.S. leaders -- myself included -- are required to make a decision regarding China that isn't popular. I hope to God we are up to the conviction and steadfastness of the

late Senator Wayne Morse, of my own dear State of Oregon. His words were in reference to his early stand against the Vietnam War, but they apply in this case as well.

Morse simply said, "I don't care if it's popular, I care if it's right."

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