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NEWS

U. S. SENATOR FOR KANSAS

FROM:

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## CHINA MFN

### DEMOCRAT BILL ENDANGERS AMERICAN JOBS, INVITES CHINA TO TAKE BUSINESS ELSEWHERE

Washington -- Senate Republican Leader Bob Dole (R-Kansas) today issued the following statement regarding legislation offered by Senate Majority Leader George Mitchell to impose conditions on the renewal of Most Favored Nation or MFN status on China in June 1994:

American exports to China went from \$4.8 billion in 1990 to \$6.3 billion in 1991 to more than \$8 billion last year according to Commerce Department statistics. Press reports say the most recent Chinese buying delegation purchased more than \$1 billion of American products in a single trip.

China buys the widest possible range of goods from American manufacturers and farmers -- aircraft, telecommunications equipment, autos and auto parts, industrial machinery, computers, power generation equipment and medical products. In about two weeks, we expect a Chinese grain buying delegation to visit. China has always been a good market for the American farmer.

#### Democrat Bill Sends Bad Signal to American Workers

This bill is a signal to American workers and farmers that they better get ready for bad news because the Chinese have made it clear that imposing conditions on their MFN status means they will go elsewhere to buy their products.

That's why this bill will be good news for workers and farmers in Japan and France and elsewhere. If the U.S. Congress is foolish enough to shoot itself in the foot and send an important customer someplace else, they'll be more than happy to take our place.

#### Endangering American Jobs

We just had an extensive debate over the so-called economic stimulus package which was supposed to provide more jobs and benefit the economy. The distinguished Majority Leader argued long and hard for that bill.

But the jobs endangered by this China MFN bill aren't part-time or temporary summer jobs, they're full-time, high paying jobs in our most basic industries -- no doubt about it, there are hundreds of thousands of American jobs at stake.

And for what? To promote human rights and political reform. There isn't anyone here in this body who doesn't want to promote political reform and advance human rights in China and who doesn't think Beijing has much to do in those areas.

But we're just kidding ourselves if we think this annual exercise in frustration is going to do anything but complicate that goal -- maybe even set it back -- while export jobs are lost, American investors in China are badly damaged and our European and Asian competitors get all the benefits. Make no mistake about it, the French and Japanese parliaments aren't sitting around every year looking for ways to put their farmers and manufacturers at a competitive disadvantage.

You can bet that the European governments won't mind at all if we put Boeing and McDonnell Douglas in a bind and give Airbus a helping hand -- just when the American aircraft industry has to cut thousands of jobs.

#### Impact on Hong Kong

There will be another extremely harmful result if this type of legislation passes, and that is the damage to Hong Kong. In the short term it will put at risk the some 150,000 jobs and \$7.5 billion in exports that the American Chamber of Commerce in Hong

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Kong says now exists. In the long term, it will cause severe damage to our ability to influence democracy and free market enterprise when Hong Kong moves to Chinese control in 1997.

I understand the Majority Leader's concern for democracy and human rights in China. He has spoken often and eloquently on the Senate floor to that end and he knows that I share his concern. But I simply can not agree that this bill would have anything but the opposite effect.

#### Complex Relationship with China

The United States relationship with China is wide and complex. We've got to stop funnelling every aspect of that relationship into what is a very narrow and very specialized part of our trade policy. MFN is not and can not be a tool to remake the world in our image.

If we are sincerely interested in strengthening our own economy -- in promoting jobs in our own states -- if we are seriously interested in promoting human rights and democracy in China and elsewhere in Asia, we'll reject these kinds of bills. If the Administration is serious as well about those goals, it will do the same.

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