



PRESS RELEASE

For Immediate Release: June 16, 2004

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OPENING STATEMENT OF CHAIRMAN DUNCAN HUNTER

Full Committee Hearing on U.S.-China Economic and Security Review Commission

This afternoon the committee is pleased to take testimony from the United States-China Economic and Security Review Commission which was established by Congress to provide an in-depth and independent review of the many critical issues facing the relationship between the United States and the People's Republic of China.

The purpose of the permanent commission is to monitor, investigate and submit to Congress an annual report on the national security implications of the trade and economic relationship between the United States and the People's Republic of China. The commission is also charged with providing recommendations to Congress for legislative and administrative action.

It is important to note that this congressionally-mandated commission was designed to be and is completely bipartisan. There are 12 commissioners, evenly selected by the House and Senate leaderships, both majority and minority. The chairmanship, now held by Mr. Robinson, alternates between Democrat and Republican-appointed commissioners every year.

Another important feature of the commission is its broad scope. The commissioners assessed U.S.-China economic and security issues together, not separately.

This comprehensive approach is important because it underscores the interrelationship between trade and security. Trade can help advance U.S. national security interests; but it can also endanger them if it proliferates dangerous technology or undermines our strategic independence.

Yesterday, the commission released its 2004 report. Its findings, unanimously supported by the commissioners, are a wake-up call for United States policymakers concerned with both trade and national security issues.

The commission found, quote, "that a number of the current trends in U.S.-China relations have negative implications for our long-term economic and national security interests, and therefore that U.S. policies in these areas are in need of urgent attention and course corrections."

Some of the trade and security issues the commission studied include:

- China's military modernization efforts and the affect on the cross-Strait military balance;
- Its high-technology development and U.S.-China science and technology cooperation;

- Beijing's proliferation practices, especially its role in the North Korean nuclear crisis;
and
- China's use of forced technology transfers in trade negotiations.

Thankfully, the commission reminds us, the United States-China relationship is still in the relatively early stages of its development. So there is still time for the Congress to work with the President and U.S. industry to correct outdated or misinformed U.S. economic and security policies.

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