

**Statement of
Senator Bob Smith
February 7, 2002**

I am pleased at the leadership exhibited by the China Commission Co-Chairmen, Senator Baucus and Congressman Bereuter, as they have organized this commission through turbulent times in the last several months. Furthermore, it is also an honor and a distinct privilege for myself to be a part of the China Commission and I look forward to my work on this commission.

As we meet this afternoon to hear testimony from the experts before us on the issue of human rights in the context of the rule of law, I would like to take this opportunity to express my vision and desires for this commission. I did not support the China PNTR legislation which granted China the privilege of trading with the United States on preferential terms. I feel now as I did in October of 2000, that enriching a communist regime and furthering its ability to repress its people and threaten the citizens of this nation as well as the democratic island of Taiwan was not in the best interests of America or the Chinese people.

However, I did support the creation of this commission to monitor China's transition and adoption of the principles of rule of law and human rights in that nation. It is my hope that this commission will diligently work towards advancing these universally sacred principles. It is also my hope that the China Commission will not act in the expediency of promoting corporate business interests nor give unbalanced reports that will allow us or the American people a false sense of China's movement towards and commitment of conducting itself along recognized international norms.

I strongly feel that it is imperative the China Commission use its leverage to keep China accountable for the ideals which proponents of PNTR have stated trade will nurture in China. Moreover, I am hopeful that the China Commission will actively pursue and document reports of religious persecution, forced abortion, slave labor and other egregious human rights violations which are still sanctioned by the Chinese Government.

I am disheartened to read reports by the press and human and religious rights groups who find no lack of documentation of China's repression of Christians, Muslims, Falun Gong practitioners and other religions. I believe this commission could have great impact on human rights in China. Given the fact that the United States no longer has a seat on the U.N. Human Rights Commission, the China Commission could release its report to influence the U.N. Human Rights Commission's findings on that nation.

The China Commission's other task, to monitor the rule of law--both civil and trade law, is also of grave importance. As more and more U.S. companies decide to try to grow their business and commit substantial investment in China, I am concerned at the lack of transparency, corruption and the general murky environment of Chinese business practices which U.S. companies must navigate. I believe this commission must diligently examine the impact of China's difficulties or unwillingness in adhering to WTO rules and regulations and bring these issues to light.

It is imperative that we not continue to blur the line between national security and trade. In the past, the United States has had to transfer high-tech know-how to Chinese companies in order to facilitate the completion of business transactions. I am alarmed about this not only because of my national security concerns, but because we are giving up advantages in lucrative niche markets, such as aerospace.

Furthermore, I have strong concerns for U.S. companies whose intellectual property rights are being stolen, an area in which the U.S. has tried to work with the Chinese for years to no avail. This is an area I would like to address later.

Clearly, this Commission will encounter the fundamental challenges facing relations between the United States and China now and into the foreseeable future. I believe this commission can be used as a tool to help shape that relationship, and will I work to ensure it is balanced in its approach and reporting on China, as laid out in the legislation which formed it.

Before I close, I would like to take this opportunity to quote remarks made by William Hawkins, a Senior Fellow for National Security Studies at the U.S. Business and Industry Council, which addresses major concerns of mine, and I hope members of this commission. In an article written recently by Mr. Hawkins, he illustrated examples of new industrial/economic powers emerging to global powers, such as Great Britain, Japan and the United States. Mr. Hawkins accurately notes that their emergence in economic and political power had enormous consequences to the global balance of power--England established an empire on which the sun never set, Japan used its economic power to drive the British and other powers out of Asia, while the United States used its economic power to win WWII and to end Soviet communism and oppression during the Cold War. After noting these observations, Mr. Hawkins then posed the following question, "What will China do with its expanding economic capabilities? Beijing's ambition to become the dominant power in Asia is well known. If the United States continues to think only in terms of "rules-based trading system" when it looks at the Chinese economy and the behavior of private corporations, it will "suddenly" find itself facing a power with the means to back its bellicose rhetoric-and the change will not be "positive" in any way."