

October 8, 2002

President George W. Bush
The White House
Washington, D.C. 20500

Dear Mr. President:

We are Chairman and Vice-Chairman of the U.S.-China Security Review Commission that was established by Congress in October 2000 to assess the national security implications of our growing economic and financial ties with China. Our first annual Report was released on July 15 and contains more than forty recommendations for enhancing U.S. security and improving bilateral relations with China.

We would like to bring to your attention a few issues from our Report that we urge you to raise with President Jiang when you meet later this month:

- China has made numerous multilateral and bilateral commitments to strengthen and enforce its export controls to halt the proliferation of weapons of mass destruction and their delivery systems to terrorist-sponsoring states and others. Such transfers continue to undermine our efforts in the war on terrorism. **We recommend that you press President Jiang to immediately cease all such transfers and that you make such cessation a key to improved relations with China.**
- The United States trade deficit with China of more than \$85 billion is our largest. The United States takes more than forty percent of China's total export while China takes two percent of ours. **This trade imbalance is not sustainable and must be addressed by China's full implementation of its WTO trade commitments and by further reform of its economy along market principles.**
- China has formally agreed with the United States to prevent the export of prison labor products into the U.S. To date, China has failed to enforce their agreements or respond to requests for U.S. visits of suspected production sites. **We recommend that you highlight to President Jiang the United States' strong concerns about their long-standing non-compliance and urge their full cooperation with existing bilateral agreements.**

There are many other steps China can take to improve relations with the United States, including fuller cooperation in combating international terrorism, but we think these are urgent and central to our relationship. We hope you will raise them with President Jiang, in the interest of long-term friendship and cooperation between our countries and peoples.

We wish you great success in your Summit with President Jiang.

Sincerely,

(signed)
C. Richard D'Amato
Chairman

(signed)
Michael Ledeen
Vice-Chairman