



U.S.-CHINA ECONOMIC AND SECURITY
REVIEW COMMISSION

Hearing on China's WTO Compliance and Industrial Subsidies

**Opening Statement of
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Vice-Chairman**

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Today's topic, China's WTO compliance, is one this Commission has followed since its establishment. Our annual hearings on the topic investigate the affect of any WTO non-compliance issues on the United States and the monitoring and enforcement tools available to the United States in the event that China is WTO non-compliant.

When Congress agreed to grant permanent normal trade relations to China, it did so with an air of caution. Congress established this Commission in order to examine the implications to the U.S. of its new trade relationship with China. The Administration has begun now to call for action from China in important areas where it continues to fail to comply with its WTO obligations. But many in Congress, for years, have called for greater action from China in the areas of concern where it has created an unfair disadvantage for U.S. industry – areas such as a lack of labor rights, blatant disregard for intellectual property rights, and currency manipulation.

What I hope to draw from panelists today is a sense of how Congress can best influence the development of future U.S.-China trade policy. There are several pieces of legislation currently proposed in both the House and the Senate to deal with current problems in the U.S.-China trade relationship. I hope that the Executive Branch understands the concerns of the people represented in this legislation and continues to demand greater accountability from China. Using our leverage to obtain results from China that benefit U.S. economic and national security is essential to maintaining a workable relationship with between the two countries.

I look forward to today's hearing and I will now turn the microphone over to our hearing co-chair, Commissioner Peter Brookes.