



U.S.-CHINA ECONOMIC AND SECURITY
REVIEW COMMISSION

Hearing on China's Proliferation Practices and Role in the North Korea Crisis

Opening Statement of
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Chairman

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Good morning and welcome to the U.S.-China Economic and Security Review Commission's hearing on *China's Proliferation Practices and Role in the North Korea Crisis*. Our hearing is being co-chaired by Commissioners Carolyn Bartholomew, Fred Thompson, and Larry Wortzel. These issues are important to the Congress, which has directed that we review them in our governing statute.

Our mandate calls on us to assess China's role in the proliferation of weapons of mass destruction to terrorist-sponsoring states. As we have stressed in our reports to the Congress, proliferation stemming from China remains a serious concern. Have the Chinese taken decisive actions to reign in the various companies engaging in this behavior, some of which have been repeatedly sanctioned by the U.S.? We believe China must face this issue frankly and effectively.

Washington also must act to impose consequences on Beijing, should it not cooperate on this vital matter. Currently the U.S. employs sanctions in hopes of curbing the proliferating habits of some of China's largest companies, but U.S. sanctions laws have failed to stem this behavior, and do not penalize the Chinese government for its lack of action to end it. Ultimately, the Chinese government itself must be held accountable for a WMD-related attack which involves, either directly or indirectly, materials or technologies originating in China.

In addition to proliferation, we will examine China's role in the North Korea nuclear crisis. North Korea is also guilty of repeated acts of proliferation of WMD and their delivery systems, behavior which should be well within the capability of China to mitigate or end. Last month, the North Koreans withdrew abruptly from the Six-Party Talks and announced that they possessed nuclear weapons.

Earlier this week *The New York Times* reported that the Chinese Foreign Minister challenged the fundamental American assumptions about the dangers of the North Korean program, challenged the quality of U.S. intelligence, and essentially walked away from any role to pressure the North Koreans into reaching a real agreement. This statement has since been "clarified," basically denied, by the Chinese government which said that it is committed to maintaining and strengthening the Six-Part Talks.

Given this confusion, it is important that the Chinese leaders understand that Beijing's cooperation and leadership in solving the North Korea nuclear issue is the single most important aspect and litmus test of the so-called U.S.-China "strategic" relationship. A recent national poll

of Americans indicated that 81% thought the North Koreans have nuclear weapons and 70% believe North Korea is a threat to the U.S. Americans cannot afford to wait for Chinese action on this issue. The time for action is now.

China currently is seeking a larger role as a global leader. Whether it grows into such a global role will depend to a large degree on whether it takes positive and effective actions in the Six-Party Talks, and uses its full leverage to moderate North Korea's behavior.

I will now turn over the proceedings to our Vice-Chairman, Roger Robinson.