



U.S.-CHINA ECONOMIC AND SECURITY
REVIEW COMMISSION

Hearing on “U.S.-China Trade Impacts on the U.S. Defense Industrial Base”

**Opening Statement of
Roger W. Robinson
Commission Vice-Chairman**

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I join the Chairman in my appreciation to Congressman Manzullo for taking the time to be here. I also look forward to this morning’s presentations by The Honorable Peter Lichtenbaum and Dr. William Schneider.

We have a lot of ground to cover today, so I’d like to focus on one issue of concern. We are of course discussing U.S.-China trade and the impacts that has on our defense industrial base, but it also seems to me that Chinese investments abroad are a legitimate subject of interest as well. When Chinese companies that are majority owned by the Chinese government acquire companies either in the U.S. or elsewhere in sectors that are critical to the Defense Department or militarily sensitive, that should concern us. It is no secret that China is looking to buy up resources from many quarters, not just oil or natural gas, but also materials such as titanium. The Chinese are no doubt securing these supplies for their own commercial and strategic needs, but what happens to our access to some of these critical resources that China is seeking to, in effect, lock up should there be heightened tensions with Beijing down the road?

Moreover, China also seems interested in U.S. and other global technology companies. It strikes me that acquiring technology companies is a much more efficient means of gaining access to a wealth of technological knowledge and management than the type of technology transfers that China would require from global companies investing in China.

I hope we’ll have an opportunity today to treat these issues. Now let me turn the proceedings over to Commissioner Reinsch.