

Testimony of Congressman J. Randy Forbes (VA-04)
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Hearing on China's Growing Global Influence: Objectives and Strategies
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Chairman D'Amato, Vice Chairman Robinson and distinguished Commissioners, first let me thank you for the work you are doing on this Commission. I do not know whether our children will one day write that China became our great friend or a dangerous enemy, but the work you are doing will help us encourage the former and be prepared for the latter. Secondly, let me thank you for allowing me to testify today. For years we have heard about the tremendous opportunities available in China. Our business leaders have understandably salivated at the thought of a market comprised of 1.3 billion people and of the ability to offer inexpensive goods to Americans that were made by cheap labor in China. Our foreign policy eyes have been focused on Iraq, Iran, North Korea and an international war on terrorism. However, recently it has become almost impossible to look anywhere in the world and not see the influence of China.

Many years ago I remember watching a movie titled "JAWS." In that movie there was a famous scene in which the local sheriff was facing toward the bow of the boat while he went about his business of tossing bait into the water behind him. He was carrying on a normal conversation when suddenly almost out of nowhere this giant shark emerged from the water at the stern of the boat and shocked both the sheriff and everyone in the audience. That is exactly what China has done to most of the world. It has emerged seemingly out of nowhere and splashed upon the world with frightening speed and presence.

In January of this year I led a delegation of members of Congress to China. It was one of the largest delegations to visit China in years and I was joined by the ranking-member of the House Armed Service Committee, Congressman Ike Skelton from Missouri. Our observations and conclusions were unanimous:

1. China knows far more about us than we know about them. Our lack of knowledge is a significant liability.
2. Unlike us, they have a shipbuilding plan and they are implementing that plan. They can produce a commercial ship in just six months from concept to launch and in just one of their yards they are producing them four at a time. They are intelligently and methodically relocating their materials near the shipyards including their steel plants and they are making them more and more efficient.
3. Their steel plants are modern and efficient and they seem to be producing sheets of steel as fast as we used to produce chocolate kisses; twenty four hours each day.
4. Their auto sales are increasing at almost fifty percent per year and if you align this with the increase in their naval vessels the Chinese demand for fuel will continue to increase geometrically.

5. They are ignoring intellectual property rights whether its software design, DVDs, autos, or electronic components the effect of which is to steal millions of dollars from the Americans who lawfully own those rights and to create an unfair trade advantage over citizens in the U.S. who are paying for those rights to produce products or deliver services here. While this certainly does not account for our 162 billion dollar trade deficit it does impact it significantly and it gives Chinese businesses an unfair trade advantage around the world.
6. They have a large and well-developed strategy to obtain U.S. technology and their access to sensitive dual-use and military technology has eroded the US military advantage, degraded the US Intelligence Community's ability to provide information to policymakers and undercut US industry.
7. They have an enormous appetite for raw materials including coal, oil, and scrap metal.
8. They are modernizing their military at a significant rate and their lack of transparency should concern us. They have no significant enemies threatening their borders so the US seems to be the target for their new weapons.
9. Only a few years ago they were trying to buy weapons with credit. Today they are modernizing their military with our cash.
10. When we hear of large sales of U.S. products to China, we must look beneath the surface and ask what percentage of these goods is made in the U.S. and whether we will have contracts for replacement parts or service.
11. There has been almost no movement in the area of human rights and religious freedoms in China.
12. Their lack of transparency can lull us into a false sense of technological superiority.
13. Their people are hard working and there are tremendous opportunities that could be achieved between our two countries.
14. Their commitment towards Taiwan is serious and the most dangerous area in the world today could very well be the Taiwan Straits.

After I returned from China I began discussing what we had found and several members of Congress asked me to form a caucus to better disseminate this information. I was actually astonished to discover that no caucus existed on a country as big as China. I was even more amazed to find that there was no congressional committee or subcommittee dedicated to China.

I then joined with Congressman Ike Skelton to form the Congressional China Caucus in May of this year. Our hope with this caucus was to be a clearing house for issues pertaining to China and to serve as a catalyst for the creation of additional organizations to study these issues.

The Congressional China Caucus was designed to create an in-depth analysis of China. It is neither, anti-China nor pro-China, however our role is to present the challenges posed by China as well as the opportunities. Our web site serves as a

clearinghouse of information on China for Members, their staff and the public. It is a fully bi-partisan caucus.

The Caucus also serves as a forum for Members of Congress who share a common interest in the emergence of China as a political, economic and military actor on both the regional and global stage. The Caucus membership has diverse areas of expertise and will be putting our members to work. For example, Congresswoman JoAnn Davis will be taking the lead on shipbuilding, Congressman Thad McCotter will examine Chinese ideology, Congressman Phil English will focus on trade, Congressmen Jeff Miller and Steve Pearce will study human rights issues and Congressman Jim Cooper will examine economic trends. Each month, the Caucus meets to analyze and discuss issue areas pertaining to China with some of the best thinkers and writers in our country.

It has become more and more difficult to ignore China. In the past two months, China has been on the cover of Newsweek, U.S. News and World Report, Time and Fortune. Headlines in newspapers and periodicals from all over the world are screaming at us:

“Beijing Devoted to Weakening ‘Enemy’ U.S., Defector Says”
The Washington Times, June 27, 2005

“The China Challenge, Special Report: What the awakening giant will mean for America”
U.S. News and World Report, June 20, 2005

“Time to Act on Chinese Theft”
National Journal, May 14, 2005

“China’s Insatiable Appetite”
The Wall Street Journal, May 12, 2005

Congress is slowly turning its attention to this issue. The House recently passed two resolutions with respect to China, an indication that increased dialogue is critical to greater understanding and awareness of China’s reach.

H. Res. 57, a resolution urging the European Union to maintain its arms embargo on the People’s Republic of China passed the House by a vote of 411-3 on February 2, 2005. H. Res. 344, a resolution expressing the sense of the House of Representatives that the national security of the United States could be threatened or impaired by a Chinese state-owned energy company should it exercise control of critical United States energy infrastructure and energy production capacity, passed the House of Representatives by a vote of 398-15 on June 30, 2005. Our work will continue next week when the House is scheduled to vote on a package of measures aimed at cracking down on trade abuses by China.

I believe that this legislative activity is an indication of things to come. Over the past two weeks, at least 5 committee hearings have been held on issues pertaining to China, and many more are in the works for July and September. The Caucus itself will be holding a briefing on the DoD report on “The Military Power of the People’s Republic of China” next week and a joint briefing with the Shipbuilding Caucus in September to examine the status of China’s shipbuilding industry and their naval posture.

If I could summarize our greatest concerns at this time, they would be the following:

1. There is an enormous void in our knowledge of China which must be filled. We have few analysts who read or speak Chinese or fully understand their culture. On the contrary, many of their leaders including their generals speak English and many were educated in America.
2. At every briefing we attend, no matter how high ranking the participants, we are told that there is no coordinated approach to analyzing the multi-faceted complex nature of the China problem and the communication between agencies is inadequate at best. This must be remedied as soon as possible.

I look forward to working with the Commission and our colleagues in Congress as we analyze the opportunities and challenges presented by this rising power. Thank you for allowing me to be here this morning. I’d be happy to answer any questions you may have.