

ASSESSING THE ROLE AND
IMPACT OF CHINA IN AFRICA

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, March 30, 2012

Mr. SMITH of New Jersey. Mr. Speaker, yesterday I chaired a hearing of the Subcommittee on Africa, Global Health, and Human Rights focused on U.S. policy regarding China's evolving role in Africa. China has become America's premier economic competitor in Africa, providing loans and making investments far beyond what the United States is currently prepared to provide.

China has been engaged with African governments since the 1950s and has always portrayed itself as a fellow developing nation that was interested in solidarity with its prospective development partners. In reality, the Chinese government always had plans to gain the support they hoped to create among the newly independent African governments. The stadiums, other buildings and roads constructed by the Chinese were intended to build support for China among the African bloc of developing nations in its competition with the then-Soviet Union. Later, the goal was building support for the People's Republic of China replacing Taiwan as the sole China in the United Nations.

Now they no longer have to compete with the Soviet Union, and they have their seat on the UN Security Council, from where they protect dictators such as Omar al-Bashir and Robert Mugabe. So what is their aim in their Africa policy?

Is China a development partner for Africa? In 2005, the China Development Bank created a \$1 billion Africa Trade and Investment Fund, but the trade and investment initiatives funded cannot take place without the significant involvement of Chinese suppliers. It is difficult to quantify Chinese development aid to Africa because they refuse to disclose how much aid and investment goes to specific countries, although we do know that Chinese investment in Africa is estimated to exceed \$10 billion. Because the loan details are not open to public scrutiny, it is feared that these loans may pose a danger to the debt sustainability of African governments.

Is China an economic competitor to African countries? Many believe that China is engaged in a short-term resource grab, which takes little account of local needs and concerns, whether developmental, environmental or with respect to issues like human rights. Coupled with Chinese manufacturing and trade efficiency, this approach suggests that African development gains are being challenged, if not undermined, by Chinese competitiveness.

China, which has increasingly attempted to lock up much of the supply of strategic minerals from African countries, is now the leading producer of what are known as rare earth elements or rare earth metals, which are used in various technological devices, such as superconductors, electronic polishers, refining catalysts and hybrid car components. As time goes on, these minerals will increase in importance in the 21st century economy. South Africa used to be the world's leading source for these minerals, but its production is dwarfed by what China produces, which now rep-

resents 95% of rare earth supplies. Chinese production often releases toxic wastes into the general water supply, and that would tend to discourage increased South African production absent what could be expensive environmental safeguards.

Is China the new colonizer of Africa? Some would say that label is an exaggeration. However, China exports small businesses and labor to Africa. There are an estimated 800 Chinese corporations doing business in Africa and 750,000 Chinese working or living for extended periods in African countries. When their original assignments are completed, these Chinese workers become entrepreneurs selling subsidized Chinese products to out-compete their African counterparts.

An increasing number of Africans are becoming skeptical of Chinese behavior in their countries. For example, the issue of Chinese business practices became an issue in the 2011 elections in Zambia. Some Zambians felt the Chinese were worse than the British colonialists in their behavior toward workers. Following the election there, incoming President Michael Sata said to Chinese investors: "We welcome your investment, but as we welcome your investment, your investment should benefit Zambians and not Chinese."

One of the most prevalent charges against China's involvement in Africa is that they don't support international conditionality on aid to African countries. Therefore, Chinese involvement is seen as undermining the concept of tied aid that is intended to promote good governance. Chinese officials counter that they prefer not to interfere in the internal affairs of African governments.

While much of the rest of the international community regarded Sudan as having committed genocide, or at least crimes against humanity in its Darfur region, China, a major economic partner with the government in Khartoum, refused at first to join in sanctions against Sudan. China abstained from the vote in September 2004 when the U.N. Security Council passed Resolution 1564 condemning the mass killing of civilians in the Darfur region, even though the measure stopped short of imposing oil sanctions. China even threatened to veto any further move to impose sanctions. It took concerted international pressure prior to the 2008 Beijing Olympics to force China to move closer to the international position on pressing Sudan to end its human rights abuses.

In a 2006 background report entitled, "China's Influence in Africa: Implications for the United States," the Heritage Foundation stated that China has provided weapons that have prolonged African conflicts or entrenched dictatorships. In 2003, several Hong Kong firms were accused of smuggling illegal arms including Chinese-made AK-47s, machine guns and rocket-propelled grenade launchers into Liberia and neighboring Sierra Leone and Côte d'Ivoire, where rebels and mercenaries were involved in civil wars.

In 2004, the report continued, China sold Zimbabwe fighter aircraft and military vehicles for \$200 million despite the U.S. and EU arms embargo against Zimbabwe. China also provided a military-strength radio-jamming device, which the Harare government used to block broadcasts of anti-government reports from independent media outlets during the 2005 parliamentary election campaign.

So what really are China's goals for its African engagement?

CONCURRENT RESOLUTION ON
THE BUDGET FOR FISCAL YEAR
2013

SPEECH OF

HON. JANICE D. SCHAKOWSKY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 2012

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. Con. Res. 112) establishing the budget for the United States Government for fiscal year 2013 and setting forth appropriate budgetary levels for fiscal years 2014 through 2022:

Ms. SCHAKOWSKY. Mr. Chair, next week is Passover, when the youngest child at the Seder table asks four questions, the answers to which explain the meaning of the holiday.

In keeping with the tradition of asking questions to understand the importance of key events, I'd like to suggest four questions to ask Republicans so that they can explain the reasoning behind their budget resolution.

Why does your budget resolution protect and indeed increase the wealth of the already-wealthy at the expense of everyone else? The Bible says, "He who oppresses the poor to increase his wealth and he who gives gifts to the rich—both come to poverty." (Proverbs 22:16). Income disparity is at near-historic levels in our Nation. Why then, does the Republican budget provide an average additional tax break of \$150,000 for millionaires and refuse to eliminate subsidies to highly profitable Big Oil companies, while asking seniors, children, the poor and middle-class families to sacrifice more and more?

Why does your budget resolution take away the Medicare guarantee? The Bible tells us, "You shall give due honor and respect to the elderly." (Leviticus 19:32). The average senior lives on \$19,000, one in three retirees depends on Social Security for 90 percent or more of their income, and 1 in 3 seniors will need help paying for long-term care. Why, then, does the Republican budget double already high out-of-pocket spending for seniors, threaten Social Security, and cut Medicaid by \$810 billion over the next decade?

Why does your budget resolution increase defense spending while cutting investments in our children and families? The Bible tells us, "A just balance and scales are the Lord's." (Proverbs 16:11). The U.S. defense budget is higher than the next 17 nations in the world combined and has increased in real terms for each of the past 13 years. Why, then, does the Republican budget renege on a balanced approach to deficit reduction—increasing defense spending and asking education, job training and creation, medical research and other domestic programs to bear the entire burden?

Why does your budget resolution take away food from the poor? The Bible tells us, "If anyone has material possessions and sees his brother in need but has no pity on him, how can the love of God be in him? Dear children, let us not love with words or tongue but with actions and in truth." (1 John 3:17–18). Nearly 50 million Americans lack adequate food and 22 percent of America's children live in poverty. Why, then, does the Republican budget cut and cap the food assistance needed so that children, families and seniors can't get enough to eat?

150TH ANNIVERSARY OR SESQUICENTENNIAL OF THE GREAT LOCOMOTIVE CHASE

HON. TOM PRICE

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 30, 2012

Mr. PRICE of Georgia. Mr. Speaker, I rise today to ask my colleagues to join me in recognizing the 150th anniversary or sesquicentennial of the Great Locomotive Chase.

At 6 a.m. on April 12, 1862, a group of Union Raiders under the leadership of James Andrews captured the General locomotive in Big Shanty, now Kennesaw, Georgia. As the Andrews Raiders made their move, the passengers and crew of the General ate breakfast at the Lacy Hotel. The Union spies planned to travel north to Chattanooga, Tennessee, in an effort to cause damage to the Western & Atlantic Railroad by destroying telegraph wires and railroad track along the route. This section of rail served as a major supply line for the Confederate forces.

During the breakfast stop, Confederate Conductor William Fuller saw the General depart northward without him, then he, Jeff Cain, and Anthony Murphy set off in pursuit of the locomotive on foot. Shortly the men borrowed a platform car and continued pursuit. Eventually the conductor and his men would board three separate steam locomotives due to the railroad tracks sabotaged by the Andrews Raiders. These locomotives included the Yonah, William R. Smith, and lastly the Texas.

The chase ended two miles north of Ringgold, Georgia, as the Union Raiders ran low on fuel leaving the General and heading for the woods. The Raiders were captured by Confederate forces and jailed. Eight of the Raiders including Andrews and Sergeant John Scott, were hanged. Nineteen of the Union participants were awarded the Medal of Honor, several posthumously. Eventually this adventure became known as the Great Locomotive Chase and has become the subject of legend including a Walt Disney movie during the 1950s.

Mr. Speaker, I ask my colleagues to join me in commemorating the 150th anniversary or sesquicentennial of the Great Locomotive Chase and to wish the citizens of Northwest Georgia an educational and productive commemorative event.

TAIWAN RELATIONS ACT

HON. MICHAEL T. MCCAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, March 30, 2012

Mr. MCCAUL. Mr. Speaker, I rise to commemorate the 33rd anniversary of the enactment of the Taiwan Relations Act.

Since the end of World War II, the United States and Taiwan have fostered a close relationship that has been of enormous strategic and economic benefit to both countries. When the United States shifted diplomatic relations from Taiwan to the People's Republic of China in January 1979, Congress moved quickly to pass the Taiwan Relations Act (TRA) to ensure that the United States would continue its robust engagement with Taiwan in the areas

of commerce, culture, and security cooperation. With President Carter's signature on April 10, 1979, this important and lasting piece of legislation became the Law of the Land and served as the statutory basis for U.S.-Taiwan relations going forward.

After 33 years, the TRA still stands as a model of congressional leadership in the history of our foreign relation, and, together with the 1982 "Six Assurances," it remains the cornerstone of a very mutually beneficial relationship between the United States and Taiwan. Through three decades marked by momentous social, economic, and political transformations, Taiwan has remained a trusted ally of the United States that now shares with us the ideals of freedom, democracy and self-determination. The foresight of the TRA's drafters in providing that "the United States will make available to Taiwan such defense articles and defense services . . . to enable Taiwan to maintain a sufficient self-defense capability," and affirming "the preservation and enhancement of the human rights of all the people on Taiwan" as explicit objectives of the United States, has contributed in large measure to make Taiwan what it is today—a vibrant, open society governed by democratic institutions.

Though the people of Taiwan now enjoy fundamental human rights and civil liberties, they continue to live day after day under the ominous shadow cast by over 1400 short and medium-range ballistic missiles that the People's Republic of China (PRC) has aimed at them. The PRC persists in claiming Taiwan as a 'renegade province,' refusing to renounce the use of force to prevent formal de jure independence, even codifying its right to military action via passage of the so-called "Anti-Secession Law" on March 14, 2005. The United States Congress strongly condemned the "Anti-Secession Law" in House Concurrent Resolution 98, passed on March 16, 2005.

The TRA affirmed that the United States' decision to establish diplomatic relations with the People's Republic of China was based on the expectation that the future of Taiwan would be determined by peaceful means. Furthermore, it stipulates that it is the policy of the United States "to consider any effort to determine the future of Taiwan by other than peaceful means . . . a threat to the peace and security of the Western Pacific area and of grave concern to the United States." The unambiguous and principled stance contained in these provisions has been instrumental to the maintenance of peace and stability across the Taiwan Strait for more than thirty years, in spite of the growing military threat posed by the PRC.

I therefore invite my colleagues to join me in commemorating the 33rd anniversary of the TRA, to further underline our unwavering commitment to the TRA and our support for the strong and deepening relationship between the U.S. and Taiwan.

THE JUMPSTART OUR BUSINESS
STARTUPS ACT, H.R. 3606

HON. BETTY MCCOLLUM

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 30, 2012

Ms. MCCOLLUM. Mr. Speaker, I rise in opposition to H.R. 3606. While this legislation in-

cludes some useful provisions, it also eliminates crucial investor protections, which would expose the investments of American families and seniors to financial fraud.

H.R. 3606 attempts to create jobs by making it easier for America's entrepreneurs to raise startup and growth capital. Unfortunately, this important goal is overshadowed by provisions in the bill that remove necessary safeguards for everyday investors. This legislation undermines the credibility of research on companies by eliminating conflict-of-interest restrictions. It allows unregulated websites to peddle stocks to ordinary investors without any meaningful oversight or liability, which could give rise to fraud and money laundering. Moreover, H.R. 3606 would allow large banking institutions with hundreds of billions of dollars in assets to de-register and escape SEC regulations that ensure corporate transparency, integrity, and accountability.

When this bill first came before the House for consideration I supported it. It was my hope that the Senate would modify H.R. 3606 to address the concerns raised by the Securities and Exchange Commission (SEC), consumer advocates and independent economists. As the New York Times recently put it, passage of H.R. 3606 could result in more sales of "worthless securities by bucket-shop brokerage firms." SEC Chairwoman Mary Schapiro wrote a letter to the U.S. Senate arguing that without appropriate protections, investors "will lose confidence in our markets and capital formation will ultimately be made more difficult and expensive." Senate amendments to restore vital consumer investor protections did not receive the necessary votes to be included in the bill before us today. As currently written, H.R. 3606 poses too great a threat to the stability of markets and the security of American's pension funds, education savings and retirement accounts to earn my support.

The United States and its people are still struggling to recover from the near-collapse of the country's financial sector. That crisis was the result of failed oversight and aggressive and irresponsible de-regulation during the George W. Bush Administration. In the four years since President Obama took office, the Dow Jones Industrial Average has increased from 7,949 to 13,197 due in large part to his bold and determined efforts to restore transparency and sensible regulation to Wall Street. Congress should not put this remarkable rally at risk by passing H.R. 3606 and making it more difficult for regulators to detect and prosecute financial fraud.

I urge my colleagues to oppose the H.R. 3606.

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SPEECH OF

HON. CHRIS VAN HOLLEN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 2012

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