

**Oral Testimony of Roger W. Robinson Jr., Chairman, Prague  
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Congressional U.S.-China Economic and Security Review  
Commission**

**Before The**

**U.S. House of Representatives Select Committee on the  
Strategic Competition Between the United States and the  
Chinese Communist Party**

***Leveling the Playing Field: How To Counter The CCP's Economic  
Aggression***

**May 17, 2023**

Mr. Chairman and Members of the Committee, I greatly appreciate the opportunity to appear before you to describe what is arguably the largest strategic financial scandal in modern history. It consists of the multi-trillion-dollar underwriting by our democracy of an authoritarian regime (read China) bent on undermining our values and way of life, aided by some fiduciarily malfeasant Wall Street firms and certain conflicted U.S. government regulators at the top levels of the Treasury Department, the Securities and Exchange Commission (SEC), and the National Economic Council (NEC).

For over twenty years, the U.S. has allowed a cavalcade of thousands of CCP-controlled Chinese publicly traded companies to enter the retirement and investment portfolios of average Americans with precious little, if any, diligence or screening concerning who these enterprises and their subsidiaries really are, or the corporate human rights and national security abuses they may have perpetrated, including *already U.S.-sanctioned Chinese companies*. Moreover, none of these roughly 5,000 Chinese corporate securities traded in the U.S. capital markets are compliant with federal securities laws and generally lack adequate material risk disclosure, transparent financials, corporate governance, shareholder rights, the rule of law, and other standard requirements for their American and foreign corporate counterparts.

Americans trust that our fund managers, pension system administrators, and other fiduciaries are protecting our risk-related interests, not just seeking returns. *This is often not the case.*

Index providers, like MSCI and FTSE-Russell, have products littered with risky, sanctioned, and other Chinese corporate "bad actors". These include egregious human rights and national security offenders. The same is true regarding certain large American asset managers which have included these bad actor companies in their Exchange-Traded Funds (ETFs), and other passive investment products benchmarked against these indices.

The list of Chinese corporate wrongdoers in state-level and other investment portfolios is long. Tragically, it includes companies equipping concentration camps, trafficking in forced labor, aiding and abetting genocide, building Chinese aircraft carriers, hypersonic glide vehicles, and other advanced weapons systems for the PLA, as well as companies engaged in IP and technology theft, espionage, and environmental despoilage.

Just imagine the damage caused to American economic competitiveness by these trillions of U.S. investor dollars that have been funneled to the coffers of the CCP, instead of remaining productively invested here. This is arguably the single most troubling, consequential issue in U.S. - China relations.

My written testimony provides a dozen specific conditions warranting the removal of malign and/or unfit Chinese corporate securities. Those Chinese CCP-controlled companies that fail to meet these sensible criteria should be delisted and de-registered from U.S. exchanges (including the Over-the-Counter market) in no more than 180 days, and Americans worldwide should be prohibited from holding their securities – including via ETFs, mutual funds, and other passive investment products.

There are well over 100 million Americans holding the stocks and bonds of U.S.-sanctioned and other Chinese corporate "bad actors". Do we really believe that the American people would have wanted to be holding -- unwittingly -- the stocks and bonds of Soviet companies or those supporting Nazi Germany? Do we really believe that my former boss, Ronald Reagan, would have stood by and permitted the multi-trillion-dollar American funding of those in the CCP that would destroy our democracy and everything we hold dear? As his NSC Senior Director of International Economic Affairs, I was in a position to know, and I can assure you that he would not -- not for a moment.

If Congress passes the necessary laws that I outline in my testimony -- and if we take a stand as individual Americans in defense of where our money is going and how it is being used by Wall Street firms and other fund managers who often cannot see beyond their quarterly quotas and bonuses -- we can ultimately prevail in our epic struggle against this fascist dictatorship in a relatively short number of years.

*Remember always, money often kills in the hands of authoritarian police states.*

We must act now before it is too late and scores of millions of our nation's investors face material, if not debilitating, financial losses. More likely when, not if, the first shots are fired in the Taiwan Strait -- as soon as next year -- it will be too late. We cannot wait another day to

largely decouple financially. Together we can make the American "defunding" of the Chinese Communist Party the 21st century equivalent of *our* "finest hour".

Thank you, Mr. Chairman and Members of the Committee.