

## Chairman Kerry Opening Statement At Hearing On U.S. Policy Toward China

WASHINGTON, D.C. – This afternoon, Senate Foreign Relations Committee Chairman John Kerry (D-MA) chaired a hearing titled “Finding Common Ground with a Rising China.”

*The full text of his statement as prepared is below:*

To discuss the challenge of finding common ground with a rising China, I’m pleased to welcome two respected experts: Ambassador Carla Hills, and Dr. Laura Tyson. Zbigniew Brzezinski was supposed to join us this afternoon, but unfortunately had to cancel due to a last-minute health problem. I’m told he’ll be fine, and we look forward to welcoming him back soon.

How the United States, in concert with our friends and allies, responds to China’s growing economic might, military capabilities, and political influence will decisively shape the international order of the 21<sup>st</sup> century. Just about every global challenge we face requires cooperation with China, from nuclear proliferation to global economic instability to climate change. Clearly, building a positive and constructive relationship can benefit both our countries and enhance global peace and prosperity for decades to come.

That’s why the administration has made an energetic effort to manage and grow this partnership, through the Strategic and Economic Dialogue as well as dozens of cabinet-level visits to China.

Still, U.S.-China relations remain a work in progress. We don’t always see eye-to-eye. Our interests sometimes differ, and so do our approaches to shared concerns. What’s more, both countries still mistrust each other’s intentions on issues such as China’s defense modernization, the future of Taiwan, and the situation in Tibet. And there is still a great deal of uncertainty about exactly how we will manage our growing economic interdependence. It’s striking how much of the story of US-China relations has yet to be written.

Looking forward, as China becomes more prosperous and powerful, we should not be surprised that it will also become more assertive. The question is how China will use its rising influence to shape global institutions; whether our cooperation can increase as China’s stature does; and whether China will take on global responsibilities as its global interests expand.

This week’s revaluation of the renminbi is a case in point. China’s decision to allow its currency to appreciate against the dollar is a welcome step—many would say long overdue—toward a rebalancing of the world economy. But it was the subject of heated debate within China, and we will watch closely to see how vigorously Beijing implements its new policy.

The two most important economies of the 21st century can and should compete— but it needs to happen on a level playing field. We need more than just talk about difficult issues such as “indigenous innovation” schemes, government procurement policies, and protecting intellectual property. We need meaningful action.

In recent days we have seen positive steps by China to stop the spread of nuclear weapons. We appreciate China’s vote for new sanctions against Iran at the United Nations. I hope that China will now join with us and other members of the Security Council in aggressively implementing these sanctions and also in condemning North Korea’s recent aggression against South Korea.

Differences remain and we should not ignore them. We should work to enhance our strategic dialogue to increase trust and reach new understandings. This engagement should include high level military-to-military talks. And these talks shouldn’t be switched off whenever one side perceives a slight to its interests. If we want to build our capacity to manage global crises together, such talks are even more important when tensions rise.

Even as we seek common ground with China, we will never abandon our values. We must continue to encourage China to adhere to international norms for human rights, labor rights, political rights, and

environmental protection. Based on my conversations with China's top leaders, I believe our commitment to these values can support China's own long-term efforts to build a harmonious society.

And, finally, while our companies will inevitably compete in many areas, there are challenges such as climate change where our two nations should be collaborating against a shared threat. As today's largest emitter and history's largest cumulative emitter of the greenhouse gases that cause climate change, China and America have a special responsibility to lead a global effort to reduce emissions and develop clean and renewable sources of energy. And the truth is, together, our efforts set the tone for the rest of the world.

To help us look into the future and navigate the thicket of issues facing America and China, we are fortunate to have two longtime China hands with us this afternoon.

Ambassador Carla Hills served as the U.S. Trade Representative under President George H.W. Bush. She co-chaired the influential Council on Foreign Relations Task Force on China and currently chairs the National Committee on U.S.-China Relations.

Dr. Laura Tyson is the former chair of the Council of Economic Advisers during the Clinton Administration and the former Dean of the London Business School. Dr. Tyson currently serves on President Obama's Economic Recovery Advisory Board. She is also a professor at Berkeley's Haas School of Business.

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