

Senator Joseph R. Biden, Jr.
Chairman
Committee on Foreign Relations
United States Senate
“U.S.-China Relations in the Era of Globalization”
Hearing: Opening Remarks
May 15, 2008

At the outset of this hearing, I want to express my condolences to the people of China who are working to recover from a devastating earthquake. At least 20,000 people were killed in the quake that struck western China on Monday, and authorities fear the toll could climb higher as many remain missing and are feared buried beneath collapsed buildings. Our hearts go out to the Chinese people, and we stand ready to do what we can to help.

Senators Boxer and Murkowski have drafted a resolution expressing the sympathy of the American people for China during this tragedy, and I join them in expressing what I am sure will be the unanimous view of the Senate.

Good Afternoon,

Today, the Foreign Relations Committee convenes the first of a series of hearings on China. Future hearings will focus on the economic relationship, on energy and the environment, on China's growing soft power in Asia, Africa, and Latin America, and on China's internal political and economic challenges.

And just last week, the Congressional Research Service released a comprehensive study commissioned by the Foreign Relations Committee that takes stock of China's soft power and its implications for U.S. interests and those of our friends and allies. The [study](#), which is available on our web site, highlights both the challenges and opportunities of China's re-emergence as a great power.

I welcome all of our witnesses to today's hearing, especially Deputy Secretary of State John Negroponte, leader of the administration's senior dialogue with China.

China as a Responsible Stakeholder

There is a view in Washington that the United States and China are fated to confrontation. In this view, the great struggle of our times will be between liberal democracies like the United States and autocracies like China and Russia. Some liken this struggle to the great ideological battles of the Cold War, and they often suggest Cold War remedies to the challenges of the 21st Century.

But I believe this view is mistaken. There is a more powerful reality that trumps this pessimistic world view.

For all of China's emerging power, and for all of America's great strength, neither of us can solve the problems we both confront without the other. From the spread of weapons to the scarcity of resources... from the threats to our planet to the dislocations in our economies... we have shared interests on the most fundamental issues, even as we disagree on other matters, sometimes profoundly.

China and the United States may well be destined for competition. But nothing dictates that we are headed for confrontation. And everything argues that it is in America's national interest to forge an affirmative agenda with China.

But how do we get there? How do we make the most of the opportunities that are inherent in China's rise, while addressing the challenges that also accompany China's re-emergence as a global power?

The Strategy of Integration

The place to start is intense, sustained, high level engagement between the United States and China across every issue area. Through *engagement* over the past 30 years, we have built on common interests and managed problem areas before they developed into crises. Engagement with China has been a successful approach, encouraging fundamental changes in the world's most populous nation.

But *engagement* alone is not enough. We must complete the process of integrating China into the international system, and push it to adopt laws and policies consistent with international norms.

Two key areas merit special attention: energy and the environment. China's drive for energy is churning global markets and expanding their presence in Africa and elsewhere. And China is now the single largest source of greenhouse gases, having overtaken the United States for that dubious distinction.

Working with our European and Asian friends and allies to convince China to address energy security and environmental challenges should be among the very top foreign policy priorities for the next administration.

Our approach to China emphasizes engagement and integration, but we must be prepared if China takes an unexpected radical turn and strives to undermine our vital interests and those of our allies. We not only need to reinvigorate our existing alliances, but we also need to think about how China should be involved. The Six Party talks on North Korea demonstrate the benefit of an inclusive approach to security challenges in East Asia.

China's Current Status and Trajectory

What kind of power is China, and where is it heading? China is so big and diverse that almost anything I could say about it is true. China is rich, and poor. Strong and weak. Confident – witness the Olympics – and insecure – as evidenced by its response to Tibetan unrest.

Rich and Poor

Over the past 30 years, we have witnessed an incredible transformation in China, starting with almost 10% annual economic growth, lifting 400 million people out of poverty. In 1978, China had 300,000 registered private businesses. Today, it has 30 million private companies.

China today has 106 *billionaires*, ranks third in the world in gross domestic product after the United States and Japan, and is sitting on more than \$1.5 trillion in hard currency reserves. *Last year, for the first time since the end of World War II, China contributed more to global economic growth than did the United States.*

So today, it is accurate to call China a *rich country*.

Or is it? Because China is also a *poor country*. For all of its impressive growth, China still ranks only about 100th in the world in *per capita* income, about the same as Mali. China still has about 400 million people living on about two dollars a day. And China faces enormous challenges – an aging population, a degraded environment, and growing social unrest fueled by income inequalities and endemic corruption, to name just a few.

Strong, and Weak

The security picture is similarly mixed. China's spending on defense has grown rapidly - it now spends somewhere between \$50 and \$100 billion on defense, and is working hard to acquire the systems and capabilities it needs to defend its global interests.

But that's still only about 15 percent of what we spend on defense. China's force projection capabilities remain quite modest. It has a few dozen strategic nuclear weapons to our thousands. And China struggles to attract and retain the highly educated soldiers it needs to fight high tech war under modern conditions.

The limits of China's military power were evident during the Asian tsunami of December 2004, when it was the United States, in partnership with Japan and Australia, who rallied first and was able to sustain relief efforts thousands of miles from our shores in China's backyard.

China's Challenges Are Our Opportunities

So the picture is mixed. *China is arguably the world's first poor great power* – a leading economic and military power, but also a nation confronting enormous challenges. It presents a unique challenge to U.S. policy-makers. We need to resist trying to plug China neatly into some Cold War paradigm or 19th Century world view of great power rivalry.

To advise us on how to get this vital relationship right – how to build on the opportunities and deal with the challenges – the Committee has called on four very able individuals. We will first hear from Deputy Secretary of State John Negroponte. The Committee will then hear from Dr. Richard Haass, President of the Council on Foreign Relations, Dr. Kurt Campbell, CEO of the Center for a New American Security, and Dr. Harry Harding, the former Dean of the Elliott School of International Affairs at George Washington University and one of America's leading scholars on China.

I welcome all of you, and look forward to your testimony.