

Testimony of
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Chairman Bartholomew, it is a great pleasure to appear before you, my former commission colleagues and the members newly named this year. The commission's past work and, I am sure, your work this year perform a unique function for Congress; there is no other body which considers the totality of U.S.-China relations as does the commission. If the commission did not exist, we should want to invent it.

You have asked me to testify today to suggest policies our government might adopt based upon the strategic consequences of China's rising energy consumption. While I am aware that the Commission heard a panel's worth of testimony yesterday on what those strategic consequences are, please permit me a brief digression to summarize my views on the matter. It may help place the subsequent policy recommendations in a more complete perspective. And, because I intend to try to adhere to the seven-minute rule I will offer a broad approach, a way of thinking about an American response, rather than a compendium of particular policies.

In a nutshell, China's rising energy consumption already has had a number of strategic effects. The most obvious is the effect on the price of energy resources themselves; to modern, industrial economies the price of energy is itself a semi-strategic matter. Demand for energy, especially that generated from the fossil fuels of the Middle East, is accelerating faster than the ability to discover and develop it. If the theory of market economics were purely true, the People's Republic would share with the United States a similar, possibly even a more enthusiastic, commitment to ensuring cheap and plentiful energy supplies. The economic dimensions of this question I will leave to professional economists – as I will leave the quasi-strategic dimensions of environmental concerns to my fellow panelists – but it does lead me to a consideration of the geopolitical effects of Chinese energy policies. These, I think, are the most immediate and compelling issues that ought to shape any American policy response. As things now stand, the effects of rising Chinese energy consumption is simply a reflection of the larger effects of China's rise as a global great power.

This is only to try to begin to see things the way China does. It has become increasingly clear in recent years that Beijing views questions about energy resources from a geopolitical perspective – that is, involving other factors than just the price – whereas the United States believes that such resources are simply commodities and therefore governed by the hidden hands of markets. This divergence represents a major

asymmetry in American and Chinese strategy-making; in my view, this asymmetry is something that can work to our advantage.

The problem is that China's approach to natural resources has the effect – if not also the intent – of giving succor to a collection of rogue states that stand outside the norms of international society and seek to frustrate the United States: Sudan, Iran, Zimbabwe and Venezuela, for example. It is also likely to encourage bad behavior on the part of states like Nigeria that are not hostile to America or the larger international community but that are corrupt and institutionally weak. The most important question for the United States is how to mitigate these deleterious effects. The strategic stakes could not be higher: this represents a challenge to the cohesion of international society and to the America's role in the world.

Thus far, U.S. policy, built around the hope of engaging Beijing as a “responsible stakeholder,” has been to encourage China to behave better – say, by joining in U.N. efforts to end the genocide in Darfur or to restrict Iran's nuclear program. A variation on this theme is the slightly paternalistic effort to try to explain to Beijing what its true interests are – as though we in Washington better understand Chinese desires than the Chinese themselves do. To date, this approach has not produced much in the way of results; indeed, the number and nature of the problems seems to be getting worse. Iran is not only developing its nuclear capabilities, it is playing an aggressive and destabilizing role across the region, in Iraq and in Lebanon. China shows no interest in reining in any of its clients. Beijing does not appear to value the rewards of acting in the ways we think reflect their international responsibilities.

The undeniable shortcoming of current U.S. policy is that it only offers rewards; it imposes no costs. One cost-imposing approach would be to more directly link U.S.-China relations, perhaps even including economic relations, to Beijing's international behavior. The role of the United States as guarantor of today's international order is a global public good – something uniquely beneficial to Beijing. China's clients include a number of the most serious threats to international security. If the People's Republic does not see a real reward for acting responsibly, it may better see the costs of failing to do so.

But perhaps a more effective and less confrontational approach is to impose costs on China's clients. Beijing might continue to tolerate the Iranian nuclear project, but it cannot really guarantee Tehran's bid for regional hegemony. Similarly, with a modicum of clever but forceful leadership on the part of the United States, an international “coalition of the willing” might be cobbled together to act in Darfur. Strong support for Columbia and a renewed commitment to diplomacy and democracy-promotion in Latin America would do much to frustrate Hugo Chavez's ambitions. These rogue regimes are fundamentally weak and already internationally isolated. They need China much more than China needs them. By dealing more effectively with such regimes, we would be lessening the value of posing as a Chinese client state.

China's approach to securing the energy supplies it needs is one of the clearest demonstrations that Beijing wishes to change the international system to meet its political and strategic needs rather than accommodate itself to the order – the remarkably free and liberal order – that now exists. Rather than pleading with China to comply with international norms, or to meet its international obligations, or lecturing it about its real interests, the United States and its allies – the real responsible stakeholders – should strengthen the system that we have built together over the past half century. But a system that cannot withstand the challenges of Robert Mugabe or Hugo Chavez, or the Iranian clerics, or act effectively in the face of ethnic cleansing in Africa, will be hard pressed to withstand the pressures that a rising China will place upon it.

The question you are asking today – what to do about China's mercantilist attitudes toward energy supplies – are the precursors to larger questions about other kinds of natural resources and, at root, one of the largest questions of our time, that of China's rise. The answer to that question lies less in the malleability of Chinese attitudes than in the strength of the principles that preserve liberty and give order to international society.

Thank you for inviting me to appear before you. I look forward to your questions.