

**Opening Statement of Carolyn Bartholomew, Vice Chairman**  
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Thank you Chairman Wortzel. Welcome to our panelists and guests. Today, we are focusing on China's diplomacy and the expansion of its global activities and influence. Rather than exhaustively reviewing China's economic and security activities in regions around the world, we hope to bring to the forefront the motivations behind China's global activities and the tools with which those activities are conducted.

Since China's economic reforms under Deng Xiaoping, the government's attention to promoting economic growth has been accompanied by growth in its desire for power and influence. China has increased its bilateral and multilateral engagement, and has reformulated the focus and objectives of its foreign relations, moving away from inspiring revolutions around the world to stating that is creating "harmonious" conditions for peace and development. Today we will ask our witnesses to give us their views on what the impact of this change has been on U.S. national interests.

For decades, China's foreign policy attempted to spread Communist ideology, weaken the influence of Western nations including the United States, and to strengthen its role as a leader among developing nations. As China's economic interests abroad have grown, its involvement in global affairs has become more complex. The question is, has China's foreign policy really changed? If so, in what ways and how much?

These questions are interesting to examine in the context of Sudan, where China refuses to divest itself of entrenched economic and energy investments despite the ongoing genocide in Darfur and the Sudanese government's refusal to quell the violence and end its support of the Janjaweed militias. And in Burma, where China's continuing support of that country's military junta has provided diplomatic cover and economic investment in spite of the junta's brutal suppression of democracy activists and protesters last year. And in China's provision of financial support and infrastructure development to Sri Lanka, allowing the government to escape criticism from its other aid partners for its human rights practices.

The impact of this change on U.S. economic and security interests is multifaceted. Countries such as Iran that might have succumbed to international persuasion to change their harmful practices remain buoyed by Chinese economic support. Countries that might have adopted transparency and anti-corruption measures if those were conditions for aid from international financial institutions like the IMF instead receive aid and debt relief from China that has "no strings attached." Some observers may assert that this financial assistance still helps the people in the recipient countries who are impoverished, but without transparency and anticorruption requirements, it is difficult or impossible to be sure that much of the aid does not line the pockets of those in power or is not used by them to finance genocide, drug production and distribution, human trafficking, organized crime, and other abusive activities. These, in turn, can destabilize the international

community and lead to crises, conflict, and terrorism to which the United States often is called to respond.

As today's panelists address the use of China's economic and security diplomacy to extend its influence, I look forward to hearing their views on China's support of other regimes and governments including those in Sudan, Venezuela, and Burma, and on how we reconcile these relationships and activities with China's stated interest in becoming a responsible stakeholder and creating a harmonious world. China is seeking to demonstrate that it is a responsible leading power, particularly in the face it is presenting to the world. But the recent and ongoing situation in Tibet, however, raises serious concerns about the differences between what the Chinese government says and what it does. Thank you, again, Mr. Chairman and thanks to our witnesses. I look forward to their statements. At this time, I will turn over the microphone to Commissioner and Hearing Co-Chair Dan Blumenthal for his opening remarks.