



U.S.-CHINA ECONOMIC AND SECURITY
REVIEW COMMISSION

Hearing on “China’s Global Quest for Resources and Implications for the United States”

Opening Statement of Commissioner C. Richard D’Amato

January 26, 2012

Washington, DC

Thank you, Chairman Shea. Today’s hearing will examine “*China’s Global Quest for Resources and Implications for the United States.*” In particular, our panel discussions will focus on water, fuel and non-fuel mineral resources, and fish.

These are the resources upon which the Chinese “economic miracle” depends. Although Mao-era policy emphasized economic, energy, and political self-reliance, China’s endowment of natural resources no longer sustains its massive population and export-driven economy. China has been a net-importer of oil since 1993, and is aggressively seeking mineral resources overseas to supplement its domestic supply. With the exhaustion of traditional Chinese fishing grounds, China’s fleets have operated further and further afield, in places as far away as Africa and Latin America, and in disputed waters as well. China’s consumption of these resources has global implications.

In the case of water, China’s management of this domestic resource has significant, and potentially devastating, impacts on the region. The largest river systems in Asia all originate on the Tibetan Plateau, in China. These rivers are the lifeblood of Asia, sustaining agriculture, commerce, industry, and nutrition throughout the region. China’s heavy damming activities and water diversion projects threaten the natural flow of these rivers to downstream states like India, Pakistan, and the Mekong River nations. Bangladesh in particular is dependent upon rivers originating in China and India for 90 percent of its water.

While the United States and other countries around the world are party to regional or international water-sharing agreements to ensure the equitable distribution of this vital resource, China has not entered into any such agreements with its downstream neighbors. Some analysts have posited that this leaves China in the advantageous upstream position of being able to effectively “turn off the tap” for countries in South and Southeast Asia. Beijing’s management of transboundary rivers will be a key indicator of whether China is willing to be a responsible global player.

Today, we will focus on these and other questions. We have asked our witnesses for recommendations for Congressional action that can be suggested by the Commission to address the resource management issues raised today, and I am pleased that in the testimony we have received, our witnesses have provided a number of such recommendations for our consideration.

Before I turn to my co-Chair for the hearing, Commissioner Slane, to deliver his remarks, I want to thank Dr. David Menzie, Chief of Minerals Analysis from the U.S. Geological Survey, for taking time out of his busy schedule to join us here today.

I would also like to point out that Congressman Mike Coffman from Colorado will be submitting written testimony to the Commission for this hearing. His remarks will be posted to the Commission's website shortly.