

Opening Statement for Chairman Bartholomew

Good morning, and welcome to the first hearing of the U.S.-China Economic and Security Review Commission's 2021 Annual Report cycle. Thank you to our witnesses for their testimony and for their forbearance as we hold this hearing virtually. I look forward to the day we can once again meet in person. I would also like to thank the Commission staff for all of the work they put into organizing today's hearing.

This year is a pivotal one for U.S.-China relations. In China, it is the hundredth anniversary of the founding of the Chinese Communist Party. The CCP has placed great importance on this anniversary. Globally, it is promoting a narrative of China's inexorable rise and the inevitable decline of the West. The story the CCP is telling around the world is one that is often based on lies and half-truths. To deflect attention from its early failures in addressing the COVID-19 outbreak, for example, its diplomats have falsely accused the United States of being the source of the virus. The validity of its economic growth statistics is being questioned. It is flatly denying the genocide the U.S. Department of State and many experts have accused it of carrying out against the Uyghurs as well as lying about forced labor, detention and torture, and the destruction of religious sites, all of which have been well-documented.

In the United States, we have a new president, a new administration and a new Congress, all facing the most openly confrontational period of U.S.-China relations since the normalization of diplomatic ties in 1979. Since coming to power in 2012, General Secretary of the CCP Xi Jinping has been increasing oppression at home while acting aggressively in locations around the world. Last year's harsh crackdown in Hong Kong and the on-going escalation of tensions with Taiwan, the open militarization of the South China Sea, and the expansion of economic, diplomatic, and military activities in Africa, Latin America, and even the Arctic, are CCP actions to assert itself on the global stage and promote a Sinocentric world order. That order, which the CCP calls its "community of common human destiny," is one friendly to China's interests, its state-managed economy, and authoritarian governance system.

After decades of greater integration, the U.S.-China economic relationship is coming under increasing strain. The CCP is continuing its unfair business and trade practices, barriers to the entry of U.S. goods and services, and on-going theft of valuable intellectual property (IP). Events of the past several years have also highlighted the national security risks inherent in concentrating U.S. supply chains in China. From electronics to pharmaceuticals, some of the most vital U.S. goods are produced in China, leaving us susceptible to breakdowns and delays in access. The shortages of vital medical equipment during the early months of the COVID-19 pandemic demonstrated the dangers of this dependency, prompting some U.S. companies to reconsider the extent of their operations in China.

China's policymakers face a difficult economic landscape, a host of global challenges from the pandemic to environmental destruction, and a decline in public opinion in countries around the world. China's rise is not inexorable and the West's decline is not inevitable.

In today's hearing, we will explore how the U.S.-China relationship has changed over the past several years and the CCP's response to domestic and international factors that have driven these changes. We will also examine the CCP's goals for its centennial, and how these goals—and other trends in China—could affect the bilateral relationship and broader U.S. interests. As the new Congress and administration consider the future direction of policy toward China, it is essential to understand these developments. The hearing will also preview topics such as the CCP's upcoming 14th Five-Year Plan that we plan on exploring in greater depth in upcoming hearings this year.

Thank you, again, to our witnesses for their participation. Before we begin with the first panel, I will turn the floor over to my colleague and co-chair for this hearing, Commissioner Roy Kamphausen.