



U.S.-CHINA ECONOMIC AND SECURITY
REVIEW COMMISSION

Hearing on China's Growing Global Influence: Objectives and Strategies

Opening Statement of
Carolyn Bartholomew
Hearing Co-Chair

Thursday
July 21, 2005
Washington, DC

Thank you very much, Mr. Vice Chairman. And thank you, Mr. Chairman, and thanks to our witnesses who appear today. Before we turn the hearing over to Commissioner Wessel for the energy panel, I would like to make a few opening remarks.

Senator Feingold this morning referred to the Chinese government's energized campaign of engagement in the world. That's one of the driving motivations for this hearing. We have an excellent group of witnesses with whom to discuss this topic and I am always grateful that witnesses are willing to drop what they are doing and come to Washington in order to testify to this Commission.

There are also certain events that have occurred over the course of the past few weeks that require attention and which we hope to discuss during this hearing. One is the issue of the Chinese currency exchange rate. The other is the annual report, released earlier this week by the Department of Defense, on Chinese military power. This report raises important issues. One is that, as the report explicitly states, if the current Chinese military build-up continues, the PLA will pose a credible threat to other militaries operating in the region. China continues to invest heavily in its military, particularly in power projection. There is a striking new focus in the report -- that the PLA's build-up is aiming beyond Taiwan.

The CNOOC deal is also an issue and raises numerous questions about China's energy policies and the resulting implications for the United States. What would the consequences be if the Chinese owned energy assets on U.S. territory?

And finally, I think that there are important questions about China's global intentions and capabilities. We clearly have insufficient information about what Beijing's capabilities are, and we have an incomplete understanding about what intentions are driving China's global approach.

These are all important questions that we would like to cover with our panelists, giving us much to address in the next two days. We are starting with the important issue of energy and I'd like to turn the hearing over to Commissioner Wessel.