

Opening Statement of Ranking Member Mike Johanns

“Thank you, Mr. Chairman, I appreciate you holding this hearing today. With the close earlier this month of the fourth Strategic and Economic Dialogue, I value the chance to review progress that has been made with China, what progress must continue, and how that progress will eventually help American companies access the world’s largest emerging market. To be sure, China presents not only extraordinary opportunity, but also extraordinary challenges.

“I had the great fortune, as Secretary of Agriculture, to participate in the Strategic Economic Dialogue process and engage in bilateral and multilateral trade negotiations with the Chinese. Our work in developing agricultural trade in goods like soybeans, corn, and cotton is one of the great success stories of our relationship with China, and I am eager to see our successes expand.

“As we all know, more Chinese consumers equals more American exports, which directly equals more American jobs. Last year, the U.S. exported nearly \$130 billion in goods and services to China, supporting more than 600,000 jobs here domestically. There is no reason that, working closely with the Chinese to implement some much needed market reforms, last year’s level of exports could not be doubled or tripled.

“I am very encouraged by recent news coming out of China that the leadership is beginning to understand the importance of a transition to a consumption-based society, and the scope of the efforts necessary to achieve such a transition. None of this is to say that reforms will be easy, or will come quickly.

“There remain issues of major importance that must be worked out. Great strides must be taken in even-handed and predictable enforcement of law, specifically intellectual property rights. The regulatory system must become much more transparent, and treat entities fairly, without regard to their nationality. For example, an issue of great importance to Nebraska, China must stop discriminating against American-grown beef. And, to touch on the focus of the hearing today, financial markets must be opened to allow institutions with innovative new products to access an ever-growing consumer base.

“I look forward to hearing from the witnesses, and to discussing their thoughts on the future of the U.S.-China relationship.”