

Sent: Tue, 09 Jul 2013 23:10:43 -0400
From: "Person, Fran" <fran_person@[REDACTED]>
To: robinware456@gmail.com
Subject: Latest Draft Remarks for Opening Session of US-China Strategic & Economic Dialogue
[SED v10.docx](#)

From: Benaim, Daniel
Sent: Tuesday, July 09, 2013 7:23 PM
To: Person, Fran; Fran Person [REDACTED] FOIA-6
Cc: Sullivan, Jacob; Prescott, Jeffrey
Subject: Biden S&ED Opening Remarks

**Vice President Biden Remarks
Opening Session, Strategic and Economic Dialogue
Wednesday, July 10, 2013
Washington, D.C.**

Vice Premier Wang, State Councilor Yang:
I am honored to welcome you and your delegation to Washington.

I want to start by expressing my sadness at the loss of two young Chinese students in the Asiana plane crash on Saturday. Our thoughts are with their families— and with all those affected by this terrible tragedy.

We meet at a time of transition on both sides. China has new leaders. John Kerry and Jack Lew are hosting this dialogue for the first time. These are two of our best and most seasoned public servants. The close working relationships you build with them will serve both our countries in the years ahead.

And the stakes are high. Because it is fair to say that the dynamic that emerges between our nations will affect not just our people's futures, but Asia's and the world's.

Let me be blunt.
There are strong voices on both sides that talk about this relationship in

terms of mistrust and suspicion.

Our relationship is subject to all kinds of caricatures.

I have heard the U.S.-China relationship described as everything from the next Cold War to a new G-2. Neither is accurate.

The truth is far more complicated.

Our relationship is a mix of competition and cooperation.

For two nations as large and influential as ours, that is only natural.

And if the game is fair, a healthy political and economic competition can marshal the best energies of both our societies.

But this mix places an added burden on us.

A relationship like ours will work only if our leaders and citizens approach it with a sense of vision and a spirit of maturity.

We will have our disagreements.

But if we are:

- straight,
- clear, and
- predictable

with one another, we can find solutions that work for both of us.

As I made clear on my last visit to China, we are a Pacific power. We will always be a Pacific power. And as we implement President Obama's policy of rebalancing toward the Asia-Pacific, it is important that the United States and China communicate clearly and work closely with one another.

We have big issues to deal with.

We each have important contributions to make to global economic stability.

My country

- is grappling with long-term challenges such as infrastructure, education and our fiscal picture.
- Too many Americans remain out of work.

China faces serious challenges. It will need to

- Create high-skilled jobs for young people;
- Deal with grave environmental problems;

- Build up an underdeveloped service sector;
- Reform China's banking sector to respond to market forces and bring its shadow financial sector to heel.

The United States is making progress:

- Our economy has now added private sector jobs for forty consecutive months.
- Our manufacturing sector has grown at its fastest pace in decades.
- And our deficit next year is projected to be less than half of what it was in 2009 as a share of our economy.

And the next steps China needs to take for its own economy also happen to be in the interest of the United States and the rules-based global economic order, including:

- Freeing its exchange rate;
- Shifting to consumption-led growth;
- And enforcing intellectual property rights to reward innovation.

Some argue that China should continue on its current path:

- enhancing some aspects of its free-market system
- while resisting political openness
- and maintaining the state's deep involvement in China's economy.

I do not pretend to know with certainty or precision what will allow China to rise above its economic challenges.

But I believe that history offers a different lesson:

- That prosperity is greatest when governments allow not just the free exchange of goods but the free exchange of ideas.
- That innovation, which thrives in open economies and societies, is the currency of 21st century success.
- That, in the long run, greater openness, transparency and respect for universal rights are actually sources of stability. As I have said before, I believe that China will be stronger, more stable and more innovative if it respects international human rights norms.

We also have significant strategic challenges to discuss.

Together, we need to address longstanding disagreements and, when sensitive issues arise, work hard not to create new ones.

We talked earlier about being straightforward. Let me be direct: The way China handled the Snowden matter was a disappointment and set back our effort to build trust. It was not consistent with the type of relationship we both seek.

Let me give you another important example:

Your military is modernizing and expanding its presence in Asia.

Ours is updating its global posture as two wars come to an end and we rebalance toward Asia.

These trends will bring us into closer contact.

Leaving the military dimension of our dialogue underdeveloped exposes both of us to unnecessary risk.

I welcome yesterday's round of the Strategic Security Dialogue and the enhanced dialogue between our senior military leaders.

It is critical to expand our military-to-military dialogue, exchanges and cooperation going forward.

The truth is we have a common interest in defending a wide range of public goods and international rules that will only grow more compelling as China looks beyond its borders.

For example, we both benefit from freedom of navigation and uninhibited lawful commerce.

But China's credibility as a protector of these common interests will depend on how China approaches its territorial disputes with its neighbors.

We both will benefit from an open, secure, reliable Internet.

The outright cyber-enabled theft that U.S. companies are experiencing must be out of bounds and needs to stop.

A race to develop cleaner, more affordable energy sources – through a mix of competition and cooperation— can benefit our people and people everywhere.

So I welcome the new energy and climate dialogue,
and our agreement to reduce the pollutants known as HFCs, which make
an outsized contribution to climate change.

And of course the security of both of our nations is threatened by North
Korean nuclear and missile programs.

Neither of us will accept North Korea as a nuclear-armed state.

Our leaders agreed that ending this threat is a critical priority in our
relationship

And we are determined to intensify our cooperation to denuclearize North
Korea.

Many of the most pressing challenges will be very difficult to solve unless
our countries work together.

China now has the second-largest economy in the world.

With that come new responsibilities.

It's understandable that China wants to be involved in international rule-
setting, but is wary about taking on additional burdens. Ultimately, the
two must go hand in hand.

Because your country is simply too immense and too important to pick
and choose which rules apply.

In 2013, the world's environment and rules-based economic order cannot
sustain an exception the size of China.

I first visited China in 1979.

It was already clear that China stood on the cusp of remarkable change.

I believed then – and believe now –

that your country's rise would be good for America and the world.

But that has never been inevitable.

The greatest cause for optimism is what happens when our people come
together.

We see a lot of ourselves in each other:

- a striving, entrepreneurial spirit and
- an optimism about the future.

I see that when I speak to young Americans across this country.

I saw it when I spoke with college students in Chengdu.

Mechanisms like the Strategic and Economic Dialogue play an important role in managing our complex relationship.

If together we get it right,

we can leave behind a better future for our children and their children.

Nothing matters more.

So I welcome you and wish you luck.

Vice President Biden Remarks
Opening Session, Strategic and Economic Dialogue
Wednesday, July 10, 2013
Washington, D.C.

Vice Premier Wang, State Councilor Yang:

I am honored to welcome you and your delegation to Washington.

I want to start by expressing my sadness at the loss of two young Chinese students in the Asiana plane crash on Saturday.

Our thoughts are with their families—
and with all those affected by this terrible tragedy.

We meet at a time of transition on both sides.

China has new leaders.

John Kerry and Jack Lew are hosting this dialogue for the first time.

These are two of our best and most seasoned public servants.

The close working relationships you build with them will serve both our countries in the years ahead.

And the stakes are high. Because it is fair to say that the dynamic that emerges between our nations will affect not just our people's futures, but Asia's and the world's.

Let me be blunt.

There are strong voices on both sides that talk about this relationship in terms of mistrust and suspicion.

Our relationship is subject to all kinds of caricatures.

I have heard the U.S.-China relationship described as everything from the next Cold War to a new G-2. Neither is accurate.

The truth is far more complicated.

Our relationship is a mix of competition and cooperation.

For two nations as large and influential as ours, that is only natural.

And if the game is fair, a healthy political and economic competition can marshal the best energies of both our societies.

But this mix places an added burden on us.

A relationship like ours will work only if our leaders and citizens approach it with a sense of vision and a spirit of maturity.

We will have our disagreements.

But if we are:

- straight,
- clear, and
- predictable

with one another, we can find solutions that work for both of us.

As I made clear on my last visit to China, we are a Pacific power. We will always be a Pacific power. And as we implement President Obama's policy of rebalancing toward the Asia-Pacific, it is important that the United States and China communicate clearly and work closely with one another.

We have big issues to deal with.

We each have important contributions to make to global economic stability.

My country

- is grappling with long-term challenges such as infrastructure, education and our fiscal picture.
- Too many Americans remain out of work.

China faces serious challenges. It will need to

- Create high-skilled jobs for young people;
- Deal with grave environmental problems;
- Build up an underdeveloped service sector;
- Reform China's banking sector to respond to market forces and bring its shadow financial sector to heel.

The United States is making progress:

- Our economy has now added private sector jobs for forty consecutive months.
- Our manufacturing sector has grown at its fastest pace in decades.
- And our deficit next year is projected to be less than half of what it was in 2009 as a share of our economy.

And the next steps China needs to take for its own economy also happen to be in the interest of the United States and the rules-based global economic order, including:

- Freeing its exchange rate;
- Shifting to consumption-led growth;
- And enforcing intellectual property rights to reward innovation.

Some argue that China should continue on its current path:

- enhancing some aspects of its free-market system
- while resisting political openness
- and maintaining the state's deep involvement in China's economy.

I do not pretend to know with certainty or precision what will allow China to rise above its economic challenges.

But I believe that history offers a different lesson:

- That prosperity is greatest when governments allow not just the free exchange of goods but the free exchange of ideas.
- That innovation, which thrives in open economies and societies, is the currency of 21st century success.
- That, in the long run, greater openness, transparency and respect for universal rights are actually sources of stability. As I have said before, I believe that China will be stronger, more stable and more innovative if it respects international human rights norms.

We also have significant strategic challenges to discuss.

Together, we need to address longstanding disagreements and, when sensitive issues arise, work hard not to create new ones.

We talked earlier about being straightforward. Let me be direct: The way China handled the Snowden matter was a disappointment and set back our effort to build trust. It was not consistent with the type of relationship we both seek.

Let me give you another important example:

Your military is modernizing and expanding its presence in Asia.

Ours is updating its global posture as two wars come to an end and we rebalance toward Asia.

These trends will bring us into closer contact.

Leaving the military dimension of our dialogue underdeveloped exposes both of us to unnecessary risk.

I welcome yesterday's round of the Strategic Security Dialogue and the enhanced dialogue between our senior military leaders.

It is critical to expand our military-to-military dialogue, exchanges and cooperation going forward.

The truth is we have a common interest in defending a wide range of public goods and international rules that will only grow more compelling as China looks beyond its borders.

For example, we both benefit from freedom of navigation and uninhibited lawful commerce.

But China's credibility as a protector of these common interests will depend on how China approaches its territorial disputes with its neighbors.

We both will benefit from an open, secure, reliable Internet.

The outright cyber-enabled theft that U.S. companies are experiencing must be out of bounds and needs to stop.

A race to develop cleaner, more affordable energy sources – through a mix of competition and cooperation— can benefit our people and people everywhere.

So I welcome the new energy and climate dialogue, and our agreement to reduce the pollutants known as HFCs, which make an outsized contribution to climate change.

And of course the security of both of our nations is threatened by North Korean nuclear and missile programs.

Neither of us will accept North Korea as a nuclear-armed state.

Our leaders agreed that ending this threat is a critical priority in our relationship

And we are determined to intensify our cooperation to denuclearize North Korea.

Many of the most pressing challenges will be very difficult to solve unless our countries work together.

China now has the second-largest economy in the world.

With that come new responsibilities.

It's understandable that China wants to be involved in international rule-setting, but is wary about taking on additional burdens. Ultimately, the two must go hand in hand.

Because your country is simply too immense and too important to pick and choose which rules apply.

In 2013, the world's environment and rules-based economic order cannot sustain an exception the size of China.

I first visited China in 1979.

It was already clear that China stood on the cusp of remarkable change.

I believed then – and believe now –

that your country's rise would be good for America and the world.

But that has never been inevitable.

The greatest cause for optimism is what happens when our people come together.

We see a lot of ourselves in each other:

- a striving, entrepreneurial spirit and
- an optimism about the future.

I see that when I speak to young Americans across this country.

I saw it when I spoke with college students in Chengdu.

Mechanisms like the Strategic and Economic Dialogue play an important role in managing our complex relationship.

If together we get it right,

we can leave behind a better future for our children and their children.

Nothing matters more.

So I welcome you and wish you luck.