Thank you, Li Hua, for that kind introduction. I would like to thank our Chinese hosts, the conference sponsors and the NTI staff for organizing this important conference. I would particularly like to thank Fujia Yang – a valuable member of our NTI Board -- for his superb work in paving the way for our Board visit to China and assuring that it has been productive and enjoyable.

We have had an interesting and constructive series of meetings this week in Beijing and have engaged in discussion and dialogue on a range of important issues. Last night, we were honored to have CH Tung speak at the NTI Board dinner. It was a privilege to hear from a friend of such experience and credibility who works everyday and every week to improve China-U.S. understanding and cooperation.

It is an honor to be here at this Beijing Seminar on International Security discussing important global security matters on the eve of historic events in the United States and in China. In a few days, the world will hear with certainty the names of the leaders who will govern our two countries in the coming years. I believe that the dialogue we will have here at this conference can help us develop wise policies on matters of great importance to us and to the world.

I have been fascinated by China for many years and long ago understood China’s expanding and important role in the world. I did not arrive in China as early as Henry Kissinger – but I did visit China in 1975 and traveled to several regions over three weeks.

At the time of my first trip, our countries had no formal diplomatic relations. There was very little people-to-people contact. We looked on one another with little understanding and lots of suspicion. We had very little trade. Wherever we were in China, when we asked a question, we were usually given the same answer – usually quoting Chairman Mao.

On this first trip in 1975, Chairman Mao and Premier Zhou Enlai were in declining health, so we met instead with a leader that we had not known about –Vice Premier Deng Xiaoping. We quickly realized what the world later learned. He was a different kind of leader with very different ideas – ideas that over the years -- and continuing today -- made astounding changes in China and helped shape today’s world. Deng was open, candid, and practical -- with an abundance of common sense, a sharp sense of humor and a keen understanding of human nature.

I remember clearly in our first meeting that we asked him: “How many people are there in China? We have heard 800 million, 900 million, a billion.” He replied: “Always believe the smaller number.”
Then he explained—“Census officials go to the villages to count the population and use the numbers to allocate the grain that can be kept in the village. So groups of children run from one house to the next just ahead of the official so he counts the same children more than once. This gives the town a higher population and therefore the right to retain more grain for their own use.”

That story, of course, deviated radically from official government policy, and it told us that Deng was not only very open with his guests, but that he fully understood incentives and motivations and human nature.

Certainly, I did not know then that Deng would go on to lead his country, formalize relations with the United States, open the economy, and launch astonishing progress for China. But I believe that he knew he would try to do those things. It was clear to me then that Deng did not believe he could have the future he wanted for his country unless his country and the United States had good relations. That is why he traveled to the United States in January of 1979 -- the very first month we normalized diplomatic relations. Deng’s visit to the United States created many lasting images of US-Chinese good will. The recent visit of Mr. Xi Jinping followed that tradition.

During Deng’s visit in 1979, I was with him on a number of occasions. The first occasion was a State Dinner at the White House. Evidently, given our “outstanding” intelligence, American hosts had decided that Deng’s favorite meal was veal, beans, broccoli and potatoes. So at the White House State Dinner, everyone was served veal, beans, broccoli and potatoes.

The next day, I was with Deng at the lunch we gave for him in the Senate, and again, we produced our intelligence-driven meal of veal, beans, broccoli and potatoes.

The following day, I flew with him on the plane down to Atlanta, where he was honored with a luncheon, and again, we served veal, beans, broccoli, and potatoes. Finally, after his third straight meal of veal, beans, broccoli and potatoes, Deng looked at me and he said, "Senator Nunn, you Americans must really like veal, beans, broccoli, and potatoes."

This week, we've had a wonderful visit here in China. I can say with certainty that your intelligence is much better than ours. We’ve had delicious Chinese food and have not had a single meal of veal, beans, broccoli and potatoes.

Since Deng’s modernization started in the 1970s, economic reforms here in China have unleashed the talent and energy of the Chinese people and created unprecedented movements of people from poverty to prosperity. Our nations are now the two largest economies in the world – with trade moving from near zero to $500 billion a year.

Two countries with such wide-ranging interests and influence are sure to have differences – and we do -- including how to deal with North Korea, Iran, Syria, intellectual property rights, exports of technology, as well as currency valuations and investment policies – to name a few.

At the same time, our mutual interests dwarf our differences.

We have a common stake in the strength of the global economy and the growth of global trade. We have common interests in protecting the environment, developing affordable and clean sources of energy, fighting terrorism, and preventing the spread of nuclear weapons.
We can’t ignore our differences. We have to work on them diligently and in good faith. But the great tragedy would be if we let the differences overwhelm our mutual interests.

General George Marshall, who was chief of staff to the US Army during World War II and who later served as Secretary of State and proposed the Marshall plan, said at the end of World War II:

“If man does find the solution for world peace it will be the most revolutionary reversal of his record we have ever known.”

This is a great challenge worthy of two great nations, and it must be our goal.

Today, both in China and in the United States, there is too much suspicion and not enough understanding. If our governments are to adopt wise policies, our citizens must better understand our mutual interests. Working together to advance our common interests can make China and the United States a joint force for peace and prosperity in the world.

Both countries have much work to do to promote what our good friend CH Tung calls “essential cooperation”. We are here today and tomorrow to make progress on “essential cooperation” in the nuclear field.

One of the leading U.S. scholars on nuclear weapons policy, Jeffrey Lewis, has noted in a recent article that it is very rare, when top US and Chinese officials meet, for them to discuss nuclear weapons. Even when __non-governmental experts meet, the dialogue on nuclear weapons is predictable and short.

Quoting Lewis – “The Chinese say: ‘Why don’t you join us in pledging no-first-use of nuclear weapons? The U.S. will say: ‘If you were more transparent about your nuclear arsenal, then we would believe your no-first-use pledge.’ The Chinese will say, ‘When you reserve the right of first-use, you are threatening us. Why would we be more transparent with someone who is threatening us?’ Then the two sides break for tea, and then they reconvene and restate their positions.”

I suggest that perhaps it would be wise for us to begin our nuclear dialogue at this conference in areas where we have a clear and mutual interest – preventing a nuclear terrorist attack. Since the end of the Cold War, the chances of global, all-out nuclear war have declined significantly, and we should be grateful for that. But I believe that the chances of a nuclear weapon being used has increased. The world has changed and we must think anew:

- Nine countries now have nuclear weapons, and more are seeking them.
- Terrorists are seeking nuclear weapons and materials.
- Dozens of countries house materials that terrorists could use to build a nuclear weapon.
- The know-how and capability to build a nuclear weapon is now widely available.
- With the growth of nuclear power, more nations are seeking the capacity to enrich uranium and separate plutonium. The same technology required to enrich uranium for nuclear fuel can enrich it to a higher level to make it a bomb.
- Our new cyber world—along with the proliferation of submarines that could possibly be used to deliver nuclear weapons without clear attribution—has increased challenges to command and control decisions and warning systems for all nuclear weapons countries.
Each of these dangers is either new – or has worsened -- since the Cold War. Each one heightens the risk of the others; together, they create the conditions for a perfect storm. We must think anew.

The terrorist attacks on the United States on September 11, 2001 shoved the world into a global recession and a serious economic crisis. Imagine if it had been a nuclear weapon.

As you well know, the consequences of a 20-kiloton bomb detonating in a major city would be staggering—hundreds of thousands of casualties; hospitals, bridges, virtually all communications knocked out; economic losses in the hundreds of billions, an unimaginable political, social and economic catastrophe.

No matter where that bomb went off, the consequences would reverberate around the globe.

“If this can’t be prevented,” Henry Kissinger frequently asks, “Citizens will wonder --what’s the use of any government?”

If a nuclear weapon goes off anywhere in the world, it will not only affect the target nation -- it will affect every nation and shake global economic stability. Together, we must prevent this nightmare. No single nation can do it alone. It takes deep cooperation. In my view, nuclear weapons and nuclear materials security need to be higher on the agenda between our two nations.

The Beijing Olympic Games in 2008 were a soaring international success. I was lucky enough to attend the Games, so I saw firsthand what a marvelous job China did. Ahead of the Games, there was quiet cooperation between the Chinese government and the U.S. Department of Energy on security steps that could prevent and respond to a terrorist attack with a radiological device. That cooperation continues today and must be greatly strengthened.

We must build on this kind of cooperation and facilitate a higher level of nuclear security cooperation between our countries – for our mutual benefit. I hope that this conference is a strong step in that direction.

Former U.S. President Ronald Reagan often said that “A nuclear war cannot be won, so it must never be fought.” I believe that this is a truth that applies to all nuclear nations – certainly including China.

Henry Kissinger, former Secretary of State George Shultz, former Defense Secretary Bill Perry, and I have written four opinion pieces in the Wall Street Journal calling for a global effort to reduce reliance on nuclear weapons, to prevent their spread into potentially dangerous hands, and ultimately, to end them as a threat to the world. We will hear from Secretary Perry later this morning.

The vision calls for intensive work with leaders of the countries in possession of nuclear weapons to turn the goal of a world without nuclear weapons into a joint enterprise. The steps include efforts to reduce the size of nuclear arsenals, remove weapons from prompt-launch status, eliminating battlefield nuclear weapons and most importantly verification and transparency. The steps also include the most important action in preventing a terrorist nuclear attack – providing the highest possible standards of security for all stocks of weapons and nuclear weapons materials everywhere in the world.

This is the core idea behind the Nuclear Security Summits that have been held in Washington and in Seoul and will be held in the Netherlands in 2014. We are pleased that China has been an active participant in the Nuclear Security Summit process and that our two governments are in the process of
establishing Centers of Excellence which would bring together regional leaders on nuclear material security.

I was also very pleased to hear that both Secretary Gates and Chairman Mullen visited the Second Artillery Headquarters during their respective visits to China in January and July 2011. This was a breakthrough in terms of U.S.-Chinese dialogue, and I hope that this communication can be broadened and deepened in the future. An example is the recent visit of U.S. Secretary of Defense Leon Panetta.

It is fortunate that countries like China and the United States have strong security measures that protect nuclear materials in our own countries. These measures require constant improvement and vigilance.

No country is immune from error. Five years ago, we had an incident in the United States in which six nuclear-armed air-launched cruise missiles were inadvertently loaded on a B-52 bomber in North Dakota and flown to Louisiana where they stayed unguarded for approximately 30 hours, so we are not perfect.

But, even if we were perfect, that is not enough to protect our citizens. Terrorists don’t have to steal nuclear materials from your country to threaten your country. Loose nuclear materials anywhere are a threat to nations everywhere. Both of our nations must be concerned about the weakest link in the global nuclear security chain. I want to commend Russia, in particular, for their work in protecting nuclear material over the last 20 years, especially during periods of economic uncertainty.

While tremendous progress has been made by many countries to ensure the security of their nuclear materials, this progress has relied largely on ad hoc and reactive measures. A comprehensive global system for nuclear security does not yet exist.

Consider this sobering remark from former IAEA director Mohamed ElBaradei, while he was in office: “A large percentage of the materials reported as lost or stolen are never recovered,” and perhaps worse, “a large percentage of materials which are recovered have not been previously reported as missing.” This should give us all a renewed sense of mission.

So in this conference – before we break for tea – and certainly before we depart, let us ask ourselves: If we do nothing, and a nuclear disaster occurs—what would we wish we had done to stop it? Why don’t we do it now?

Scientists often explain the decline of species with the words “too slow to adapt to a changing environment.” Mankind must avoid this epitaph.