

Opening Statement: Economic Policy Subcommittee Hearing

US-China: Winning the Economic Competition

July 22, 2020 at 9:30 AM

Thank you Chairman Cotton.

Today's hearing gives us an opportunity to discuss how we ensure our economy is strong for all Americans and for future generations.

I appreciate the collaborative relationship we have with your staff in putting this hearing together.

I'm pleased to welcome Doctor Lisa Cook, whose path-breaking economic research has found that it is not enough to create the laws to support innovation. Patents, copyright courts, and government-funded research and development do not result in greater economic growth and prosperity for ALL if the government fails to provide the most basic protections to those facing disadvantage.

If the USA wants to maintain its status as the world's biggest and most dynamic economy, the holder of the world's currency, the leader in international alliances and collaboration and the most liquid and wealth-producing capital markets, we must assess how we structure our government to ensure we meet the needs of our families and respond to changes in the world.

Let me just focus on my home state for a moment. Nevada has been hit particular hard by the pandemic with an unemployment rate of 15%. Our state economy relies on travel, tourism, entertainment and hospitality – all hard hit sectors: more than 430,000 Nevadans have filed for unemployment.

How can we – and the rest of our nation -- rebuild our crumbling infrastructure, provide effective job training to displaced workers, and improve the educational outcomes of our children? How can we invest in our public health infrastructure and collaborate with those of other nations to prevent future pandemics? How do we recover economically from this pandemic in a way that benefits those hit the hardest, low-income, front line workers

To best respond to these crises, we must rely on a vibrant and responsive public sector. We need civic institutions to not only battle our urgent health, economic,

and racial crises, we need government at all levels to invest for future economic growth.

In particular, America's economic growth will in large part depend on maintaining our technological edge.

The U.S. has long led in many key technologies, which has helped underpin our economy and helped shape international norms and standards, promoting values such as freedom, innovation, and fairness.

To build a strong future economy, we must invest heavily in a range of key strategic technologies, such as 5G wireless, Artificial Intelligence (AI), and quantum computing.

And we're holding this hearing in part because the U.S. and Chinese economic competition over these technologies – who makes them, who owns them, who benefits from them, who exports them, and who determines the norms and standards users must adhere to – will define much of the century.

Emerging technologies can improve societies, but we must ensure that guardrails govern their use are designed to foster innovation and fairness, and that they protect minorities and the free flow of ideas.

China is attempting to displace the United States as a leader in high-tech sectors, but China does not play by the same rules of the road – it subsidizes State-owned enterprises, restricts market access, and steals U.S. intellectual property.

More, by seeking to become a global leader in these technologies, China is also seeking to shape how they are used around the world by setting the standards.

However, unlike the United States, which ensures international standards are consistent with democratic values, China has used new technologies such as AI to surveil and repress their own people, from the Uyghurs to Hong Kong protesters.

This is why I'm pleased to also welcome Mr. Martijn (MARTIN) Rasser, who is leading pivotal research into the competition between the United States and China in the area of technology.

It is the vitality and creativity of our scientific research communities that will drive American innovation. And to ensure our future competitiveness, we must educate and prepare the workforce for the industries of the future.

We are made stronger by investing in our own people, by investing in a just society, and by working with our allies and friends in a multilateral fashion. To be competitive in the long-term, we must continue to invest in scientific research and development, which is the building block for the next generation of technology.

In Nevada, we know that technology is an economic driver for our state. Our Innovation State Initiative was making progress prior to this pandemic.

I look forward to hearing from our witnesses and I hope that today's discussion will help us progress a discussion of how we can improve the lives of every American and ensure we provide a better future for the next generation.