

**Senator Cotton Opening Statement: “U.S.-China: Winning the Economic Competition”**

This hearing will come to order. Welcome to today’s meeting of the Economic Policy Subcommittee, which is open to questions from all 25 members of the Banking Committee.

I’d like to thank Senator Cortez-Masto, her staff, and all the committee staff for helping pull this together.

We have an exceptional roster of witnesses prepared to testify today. I’d like to introduce them briefly.

**Professor Walter Russell Mead** is the Chace Professor of Foreign Affairs and the Humanities at Bard College and a distinguished fellow at the Hudson Institute. You can also read him twice a week in the *Wall Street Journal*’s opinions section, where he is the Global View columnist. I certainly do.

**The Honorable Chris Giancarlo** is the Founder of the Digital Dollar Project and is here today to speak about that effort and the importance of an emerging technology known as the blockchain. He is also the former chairman of the Commodity Futures Trading Commission.

**Mr. Tim Morrison** is a senior fellow at the Hudson Institute, where he specializes in Asia-Pacific security. Formerly, he served as deputy assistant to the president for national security under President Trump.

**Dr. Lisa D. Cook** is a professor of economics and international relations at Michigan State University. She previously served as senior economist at the Council of Economic Advisers under President Obama.

**Mr. Martijn Rasser** is a senior fellow in the Technology and National Security Program at the Center for a New American Security. He previously served as a senior intelligence officer and analyst at the CIA.

Thank you for testifying. And thanks to our audience for tuning in to this hearing, titled “U.S.-China: Winning the Economic Competition.”

While we would’ve preferred to convene this hearing in person, perhaps it’s appropriate we’re holding it remotely due to a virus that first emerged in Wuhan, China—after a coverup by the Chinese Communist Party.

This should serve as a reminder that the misrule and strategic calculations of the CCP can have profound consequences for us, half a world away. It also should remind us of the high stakes in this strategic competition between the United States and China.

We shouldn’t underestimate our opponent in this struggle. China is the most formidable adversary the United States has faced in living memory. Near the height of its power in 1980, the Soviet Union’s economy was 40 percent the size of the American economy. In 1943, the *combined* economies of our enemies, Nazi Germany and Imperial Japan, were also 40 percent the size of the American economy. Today, China’s economy is *two-thirds* the size of the American economy. So China is richer than any adversary we’ve faced.

It’s also far more entangled with us economically, as we were reminded in the early days of this pandemic. We rely on China for the manufacture of many important goods, from the medicines in our cupboards to the electronics in our cellphones.

This reflects not only the decline of our industrial capacity and the failure of decades of naive “engagement,” but also the CCP’s grand ambitions, which Chairman Xi describes as nothing less than the “great rejuvenation of the Chinese nation.”

Beijing is investing hundreds of billions of dollars to develop technologies it believes are key to the future: not just airplanes and automobiles but frontier technologies like semiconductors, Artificial Intelligence, and Quantum Computing.

The task we face is to preserve and in some cases rebuild America’s position as the technological and economic leader of the world—and to end our compromising dependence on China for essential goods.

The Senate is scheduled to vote on one such measure today—a bipartisan bill I’m leading to strengthen the semiconductor industry. But there’s much more still to do—and that’s the purpose of this hearing.

I want to note for the benefit of our witnesses and audience that the Economic Policy Subcommittee majority is preparing a report that addresses this very issue, which will include concrete proposals about how to compete with—and beat—China. Your testimony will help to inform that report, which likely will be released later this year.

So thanks again for serving as witnesses today—I look forward to your testimony.

I would also like to remind our witnesses and members of a few important details for virtual hearings:

- For members, please make sure you turn on your camera when you are ready and able to speak. If you do not turn on your camera, I will assume you are away from your desk or unable to speak at the moment.
- For members and our witnesses, remember to mute yourself when you are not speaking. If there is background noise, it will cause the central camera to change to you even if you are not talking.
- Lastly, I want to remind everyone that all 25 members of this committee are welcome to join and ask questions, even if they are not members of this Economic Policy Subcommittee.