

## **Opening Statement: China Hearing II**

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.

As a reminder, members will be addressed in order of seniority on this subcommittee followed by seniority on the larger 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 today. I'd like to introduce them briefly.

**The Honorable Will Hurd** has served as a member of the House of Representatives for six years, where he has been a leader on national defense and security issues. Most notably, he has served on the House Intelligence Committee as the ranking member of its Subcommittee on Intelligence Modernization and Readiness.

**Derek Scissors** is a resident scholar at the American Enterprise Institute, where he focuses on the Chinese and Indian economies and on U.S. economic relations with Asia. He produces a wealth of handy resources related to China, notably the China Global Investment Tracker and the China Beige Book.

**Dr. Melanie M. Hart** is a senior fellow and director of China policy at the Center for American Progress. Her most recent work focuses on developing a comprehensive U.S. strategy toward China, analyzing the domestic political factors driving Chinese foreign policy, tracking Chinese industrial policy, and assessing China's intentions toward the world.

Finally, **Roy Houseman** is legislative director for the United Steelworkers, North America's largest industrial union. In that capacity, Mr. Houseman oversees congressional affairs and

works to improve wages, hours, and conditions for the Steelworkers' 1.2 million members and retirees.

Thank you all for testifying. And thanks to our audience for tuning in to our second hearing on this topic, "U.S.-China: Winning the Economic Competition."

By now, it has dawned on many that the United States and China are at the beginning of a long economic competition. The big question now is whether we plan to fight—or surrender.

Thankfully, many people want to stand and fight, and we've made great strides in the past few years by, for example, strengthening oversight of foreign investment in the United States, tightening export controls of sensitive technology, and imposing sanctions on malign actors like Huawei.

Despite these welcome actions, great challenges remain. The Wuhan virus pandemic has exposed the great extent to which we depend on the goodwill of the CCP to access essential goods, such as personal protective equipment and medicine.

And each day, it seems, brings fresh revelations of ostensibly American companies kowtowing to China, whether it's Apple TV admitting it won't stream content critical of China... or massive hedge funds like Bridgewater Associates encouraging Americans to invest in Chinese companies so they can [QUOTE] "have a stake in both sides" of the next Cold War.

Clearly, not everyone has woken up to the threat that China poses to our country—or perhaps they're awake to the threat, and are hedging their bets. There are even warning signs that the next administration could roll back much of the progress we've made the past few years, in an attempt to return to the failed dream of engaging and accommodating China.

But of course, winning our competition with China isn't a partisan issue. I've been fortunate to work with my Democratic colleagues on a number of important initiatives, from these hearings with Senator Cortez-Masto, to my bill to restore semiconductor manufacturing in America with Minority Leader Schumer. I hope next Congress this body will continue to build on the good work we've done already, on a bipartisan basis.

Hearings such as this are opportunities for us to explore new ideas at greater length, with top experts. So I'm looking forward to hearing what our witnesses have to say.

One final note, for the record: over the past year, my staff have been hard at work on a report that addresses this very issue of competition with China—and how to win. That report is nearing completion, so I hope you'll all pick up a copy once it is released in the new year.

Thanks again. Now, I'll turn it over to the ranking member for her remarks.