

Opening Statement of Senator Cortez Masto
Senate Committee on Banking, Housing and Urban Development
Economic Policy Subcommittee
December 16, 2020

US-China: Winning the Economic Competition, Part II

Thank you, Senator Cotton.

Thank you to our witnesses.

I'm glad to be here today to talk about a point of bipartisan agreement: that China is a strategic competitor on the global stage. And as we talk about what that means, I think it's important for us to think not only about what that means for our current moment, but for the decades to follow.

Competition with China affects every sector – how we innovate, how we do business, how we tackle climate change, how we trade with other nations, how we protect our national security, and how we're able to impact the world around us. We have an opportunity now – in the midst of this horrible pandemic – to use this point of bipartisan agreement to invest in our ability to compete, not just today, but tomorrow too.

At key moments in history, when faced with overwhelming challenges – the Great Depression, putting the first man on the moon – this country has risen to the challenge. I am looking forward today to talking about how we can make sure we have the right tools and right plan to do that again.

China's economic activity makes up a growing share of our global economy. Some of that has been good for this country – we've added jobs and reduced the price of goods by expanding trade with China.

But in other cases, it has not worked out well. In too many cases, Beijing has taken our technology, undercut our domestic manufacturing base, and created an unfair playing field for our companies and our workers.

We have seen this competition play out in Nevada in multiple ways. At our military bases, leaders have repeatedly expressed concern about Chinese government attempts to spy on the sensitive training that occurs there. I've heard similar concerns from leaders in other sectors – forced technology transfer and industrial espionage.

In the critical mineral sector, we've seen a different but equally important aspect of the competition play out. While China has invested in developing the ability to extract and process critical minerals that are essential to many of our emerging technologies, we in the United States have under-invested in those capabilities. In Nevada, that has left important opportunities for economic growth untapped. Of course, we must pursue these opportunities in environmentally and socially responsible ways, but by failing to invest in these key sectors, we are giving Beijing the advantage and hurting ourselves.

But in Nevada we also see another aspect of our relationship with China. We have strong cultural and economic ties to China. We have a diverse Asian American community in Las Vegas, with a vibrant Chinese American population. Our world class casinos and resorts attract more than 200,000 tourists from China annually. That is good for Nevada and it is good for China.

So I believe we must approach our relationship with China with a clear-eyed commitment to doing what's best for the American people, but also with balance and attention to the nuanced nature of our relationship.

We need to be able to compete, and look for opportunities to cooperate. We need to be able to call out the Chinese government where we disagree, while still respecting the rights and freedoms of people in China and of Chinese Americans here at home.

I see three parts to our response to economic competition with China.

First, we must invest at home. I've led bipartisan bills like the ACCESS BROADBAND, SPEED, and Moving FIRST Acts to strengthen our 5G and broadband infrastructure and our emerging tech sector. We must ensure we are investing in innovation to bolster our manufacturing industry, especially in the sectors that will create the jobs of the future, like clean energy.

I joined my colleagues on the Senate Democrats' Special Committee on the Climate Crisis over the past two years, where we heard from stakeholders about the opportunities a clean economy can unlock for domestic manufacturing. I look forward to talking more about some of these opportunities today.

We also must protect and support our most important asset – our people. I am a longtime advocate for collective bargaining rights, supporting safe and fair workplaces and the growth of good paying jobs in Nevada, and throughout the country. I am also proud to say today that I am joining my colleagues Senators Schumer, Menendez and others in cosponsoring America LEADS, which is the most comprehensive China legislation to date, and makes significant investments in the resources our workers, entrepreneurs, researchers, and manufacturers need to get ahead and stay ahead.

Second, we must rebuild our relationships with our allies and partners, so we can face the China challenge together. We will not win in this competition on our own. President Trump has rightfully

identified some of China's unfair trade practices, but he has gone about addressing them in a way that has hurt Americans.

That is why I've advocated for stronger enforcement mechanisms in trade agreements, including in US-China trade negotiations and questioned the Trump administration on their strategy of alienating our closest allies in an increasingly globalized economy.

Third, we must ensure we have the government structures to adequately address this challenge. Competition with China does not fit neatly into committee jurisdictions or bureaucratic organizational charts.

That is why I've been working with my colleagues to build an informal bipartisan working group to ensure we are talking across committees about these challenges. And I am exploring legislation for the next Congress to work with the Executive Branch around similar issues, especially on emerging technology.

Finally, we are in a unique moment right now. So many of us are hurting from this horrific pandemic. We are working to pass another COVID relief package, which we sorely need. But I also see an opportunity in this moment for us to really double down, to make investments not just to get us over this short-term challenge, but to set us up to lead in the 21st century.

I am grateful to our witnesses who are here today to talk about the current state of this competition and the policy tools we need to address it.

Melanie Hart from the Center for American Progress, whose expertise on China's industrial policies and thoughtful work on crafting responses will offer us valuable insights into what a balanced but strong response looks like.

Roy Houseman from United Steelworkers, whose work to elevate and advance policies that help American workers will offer us valuable insights today on how we can continue to invest our economic future.